

Richard C. Box
Gary S. Marshall
B.J. Reed
Christine M. Reed

University of Nebraska at Omaha

New Public Management and Substantive Democracy

The authors are concerned that a remaining refuge of substantive democracy in America, the public sector, is in danger of abandoning it in favor of the market model of management. They argue that contemporary American democracy is confined to a shrunk procedural remnant of its earlier substantive form. The classical republican model of citizen involvement faded with the rise of liberal capitalist society in the late nineteenth and early twentieth centuries. Capitalism and democracy coexist in a society emphasizing procedural protection of individual liberties rather than substantive questions of individual development. Today's market model of government in the form of New Public Management goes beyond earlier "reforms," threatening to eliminate democracy as a guiding principle in public-sector management. The authors discuss the usefulness of a collaborative model of administrative practice in preserving the value of democracy in public administration.

Introduction: The Challenge

This is an article about the relationship between American democracy and public administration in a time when the public sector is under considerable pressure to adopt the values and operational techniques of the private market sector. We are concerned about the nature of contemporary American democracy and the effect it has on people and the physical environment. Today, despite the success of American democracy in securing individual liberties and the material success of a wealthy society that provides more goods and services to a broader range of Americans than ever before, vexing problems remain: poverty, poor-quality education, inequalities of race, gender, and wealth, crime and violence, destruction of forest, farmland, wildlife habitat and other natural resources, and pollution of air and water.

These are not trivial, new, or surprising problems, and the technology and resources are, for the most part, available to make significant improvements. One reason the problems persist is that the public lacks the knowledge and political influence to give public administrative agencies a mandate to solve them. Various barriers stand in the way, such as control of information and the policy-making process by interest groups and economic elites, inertia in bu-

Richard C. Box is a public administration faculty member at the University of Nebraska at Omaha, where he is chair of the doctoral program and editor of *Administrative Theory and Praxis*, the journal of the Public Administration Theory Network. He worked in local governments in Oregon and California for 13 years before completing his doctorate at the University of Southern California in 1990. His published research focuses on democracy and the theory and practice of community governance. **Email:** rbox@mitec.net.

Gary S. Marshall is an associate professor in the Department of Public Administration at the University of Nebraska at Omaha. He is a coordinator for the Public Administration Theory Network, an international network of professionals interested in the advancement of public administration theory. His research interests include public administration theory, public policy mediation, and human resource development. His work can be found in *Public Administration Review*, *Administrative Theory and Praxis*, *American Behavioral Scientist*, *American Review of Public Administration*, and *Journal of Public Affairs Education*. **Email:** gmarshal@mail.unomaha.edu.

B.J. Reed has been on the faculty of the University of Nebraska at Omaha since 1982 and serves as dean of the College of Public Affairs and Community Service. He has published in several journals in public administration and is the author of books on economic development, strategic planning, financial administration, and intergovernmental management. He serves on the national council of the National Association of Schools of Public Affairs and Administration and is past recipient of the Elmer Staats Career Public Service Award. **Email:** breed@mail.unomaha.edu.

Christine M. Reed is a professor in the Department of Public Administration at the University of Nebraska at Omaha. She joined the faculty at UNO in 1982, and recently she served a five-year term as interim associate dean for graduate studies and associate vice chancellor for research and dean of graduate studies, returning to the PA faculty in the fall of 2000. Her teaching and research interests are administrative law and public administration theory. She is currently the chair of the Section on Public Law and Administration of ASPA, as well as a member of the editorial boards of *Public Administration Review* and *Administrative Theory and Praxis*. **Email:** creed@mail.unomaha.edu.

reaucratic organizations, and resistance by “experts” to democratic governance (McSwite 1997; Yankelovich 1991). The resulting disconnect between the potential wishes of an informed populace and the condition of society is as old as the idea of democracy. In 1927, John Dewey called it “*the problem of the public*” (1985, 208, emphasis in original).

One could argue that “the people” have chosen an equilibrium in the balance between democracy and efficiency (Okun 1975) that includes an instrumental, efficient public administration, one that does not challenge the status quo or unilaterally set out to solve problems. But this argument is based on the questionable assumption that citizens possess relatively complete knowledge of the condition of society, along with the ability to effectively wield the available political and institutional tools to effect change. Instead, the contemporary situation appears to us to be the result of constraints imposed upon public action by what may be termed “liberal democracy in a capitalist setting.” By “liberal” we mean the classical, Lockean view of the relationship of the individual to society from the Enlightenment of the seventeenth and eighteenth centuries, one that emphasizes protecting the individual from society. It is the polar opposite of the older, classical, republican tradition emphasizing the social nature of the individual in constructing society jointly with others. By “capitalist” we mean a society based on the idea that each individual economic actor should be relatively free to accumulate wealth independently from social control or collective determination of the “public good.”

Liberal democracy “is capable of fiercely resisting every assault on the individual—his privacy, his property, his interests, and his rights—but is far less effective in resisting assaults on community or justice or citizenship or participation” (Barber 1984, 4). This negative and procedural, rather than positive and substantive, conception of democracy has a solid foundation in American political thought, but so does a more substantive view of democracy as “a quality pervading the whole life and operation of a national or smaller community, or if you like a kind of *society*, a whole set of reciprocal relations between the people who make up the nation or other unit” (Macpherson 1977, 5–6, emphasis in original). However, the problems remain, the public sector moves to fashion itself after private business, and we ask what it is about American democracy that allows this to occur. We further ask what the position of a “self-aware” (Waldo 1981, 10–11) public administration should be in such circumstances. As the problems are not new, our questions are time-worn companions to the study of public administration, though the answers have changed over the decades. Public administrators play an important role in the formulation and implementation of public policy; if they do not value and promote a substantive model of

democracy, the likelihood of constructively dealing with pressing public problems decreases significantly.

In this article, we argue that democracy as we know it is a shadow of the ideal, and modeling the public sector after the private may aggravate this problem. After examining the history and condition of democracy, we explore the nature of the current wave of governmental “reform.” Placing it in historical context, we show that, while earlier reform efforts included democracy as a central value (even if as a facade), today’s reform efforts have largely sidestepped the question of democracy altogether, weakening the connection between citizens and the broader community. Next, we discuss the contemporary meanings of “community” and “democracy” using managed health care as an example, discovering that imposing the market model on citizens and administrators does not support democratic self-determination.

Recently, Jane Mansbridge (1999, 706) argued that we are in a “holding pattern” in relation to democracy: Today, “not many Americans care about making this country more democratic,” but “at some point a larger fraction of the populace will come to care deeply about democracy again. When they do, several scholarly traditions have ideas that will help.” Though Mansbridge may not have meant to include public administration in the list of traditions that might help, we believe our field has something to offer in the recovery of substantive democracy. Thus, we conclude our analysis of the condition of democracy with thoughts about implications for public administration and the possibility of moving toward a collaborative, as opposed to a market-oriented, model of public practice.

Rediscovering Substantive Democracy

In the twentieth century, Americans have largely come to accept the procedural view of democracy associated with classical liberalism, which “as a philosophy is rooted in the twin ideas of individualism—negative liberty—and a distrust of government.... In this context, anything and everything, including democracy, take second place” (Hollinger 1996, 7). In liberal democracy, the role of citizen consists of voting for representatives who act on behalf of their constituents. Substantive issues of social justice, economic inequality, and the relationship of capitalism and the physical environment are addressed in the “public space” when problems become so severe they threaten stability or safety (for example, social conditions during the Depression, or destruction of the ozone layer).

Separating the procedural and substantive spheres in democracy leaves unanswered questions about “outcomes, conditions of people’s lives, and realization of all people’s political potential that made democracy a politically explosive concept in the past” (Adams et al. 1990, 220). Is-

sues that affect the whole citizenry are dealt with in the context of liberal democracy, tightly controlling the extent to which the public, through institutions of government, can take action. The contemporary definition of democracy is characterized by the split between procedure and substance, with the public sphere being limited largely to questions of process. As Ellen Wood puts it, "The very condition that makes it possible to define democracy as we do in modern liberal capitalist societies is the separation and enclosure of the economic sphere and its invulnerability to democratic power" (1996, 235).

Bowles and Gintis (1987, 41–62) suggest that American democracy has gone through several "accommodations" that provided temporary equilibria between property and personal rights. The first, the Lockean accommodation, limited political rights to the propertied classes, who would not be a threat to the economic order. This was followed in the nineteenth century by the Jeffersonian accommodation, which was based on abundant land and the idea that every free-born male would have a chance to be a landowner and share in the economic advance of the nation.

The Madisonian accommodation of the late nineteenth century and into the mid-twentieth century protected the "few from the many" by allowing pluralist competition to cancel out demands by the masses that might threaten the elite. After World War II, the Keynesian accommodation placated citizens with economic success and egalitarian economic policies. Today, it is difficult to predict how the globalization of economics and the expansion of market concepts into the public sector will affect democracy and public service, or to foresee the nature of the current and future accommodation.

During the latter half of the nineteenth century and most of the twentieth century, citizens ceded control of public-sector policy making and implementation to bureaucratic professionalism. This made sense as part of building an administrative state to meet the demands of a growing nation, wars, depression, and so on. But now people mistrust the public sphere, regarding politicians as corrupt, bureaucrats as self-serving and inefficient, and governing as "a matter of invisible negotiations conducted in government offices by public officials and private interests" (King and Stivers 1998b, 15).

This gloomy view is countered somewhat by the long history of substantive democracy in American thought, indicated by the views of the anti-Federalists and other founding-era figures such as Thomas Jefferson. Jefferson's view of democracy included both classical liberal protection of individual liberty and a classical republican element, drawn from the ancient Greeks and from eighteenth-century Scottish moral philosophers, in which democracy begins with people actively shaping a society grounded in

social relationships (Sheldon 1991; Wills 1979). For Jefferson government is not top-down, but begins with the individual in a "pyramid structure ... in which each higher level is held directly and immediately accountable to its next lower level" (Matthews 1986, 126).

The republican philosophy included "the idea that liberty is participation in government and therefore is self-government" (Dagger 1997, 17). Jefferson's "radical democracy" required "an egalitarian redistribution—and redefinition—of the social good(s) on an ongoing basis ... and governments must either be structured or dissolved and restructured" to achieve that goal (Matthews 1986, 122). The ideal of citizen self-governance can be found in the twentieth century as well. In the early part of the century, John Dewey envisioned a future democracy in which the political and economic spheres would be joined. Democracy would be an ongoing process of citizens working toward cooperative, shared governance of social institutions, including those of the market (Campbell 1996, 177–84). In *Dilemmas of a Pluralist Democracy* (1982), Robert Dahl argued that it might be possible to mitigate some of the problems of liberal democracy by ensuring a fair distribution of wealth and making some economic decisions subject to democratic control. In his book, *Strong Democracy* (1984), Benjamin Barber advocated a shift from the "weak," liberal version of democracy to a form he described in this way: "Strong democracy is a distinctively modern form of participatory democracy. It rests on the idea of a self-governing community of citizens who are united less by homogeneous interests than by civic education and who are made capable of common purpose and mutual action by virtue of their civic attitudes and participatory institutions rather than their altruism or good nature" (117).

Scholars have cautioned against assuming that a more active, substantive, "communitarian" democracy will result in a "better" community (Conway 1996). They also note that a pure, classical, republican society may have serious consequences for individual liberty. Societies of the past that exhibited a greater commitment to shared governance often did so at the expense of groups excluded from the definition of citizenship, such as women, outsiders, and slaves in ancient Athens (Phillips 1993). However, it may not be necessary to abandon hard-earned progress on pluralism and individual rights and liberties to gain ground on substantive democracy (Dagger 1997, 3–7). Nor need substantive democracy represent an extreme departure from what we know and feel comfortable with today.

There is not space here, even if we felt equipped for the task, to construct a fully developed description of what our society would be like if it were more oriented toward substantive democracy. With many other thinkers, the au-

thors cited in the preceding paragraphs have examined aspects of the economy, social life, the voluntary sector, and government, offering ideas that emphasize substance and the normative character of governance as well as process and protection of rights. For the limited purposes of this essay, our conception of the ideal of substantive democracy may be summarized as a setting in which people may, if they choose, take part in governing themselves with a minimum of interference or resistance (for example, from economic or other elites, or administrative “experts”), and without being required to assume in advance a uniform or universal set of constraints (such as representative systems of decision making, or the normative, classical liberal view of the proper sphere of citizen action). This is a setting that allows people to create a society and future through informed dialogue and exchange of ideas (the classical republican model), in addition to the traditional American concern with defining rights and protecting and distinguishing the individual from the collectivity (the classical liberal model). It allows people to freely discuss their values and preferences absent the limitations of a predetermined split between the public (political) sphere and the private (economic) sphere. Thus, substantive democracy involves rekindling a public discourse about the purposes of collective action, accepting a role for citizens and public administrators in shaping the future.

Public administration must be a key actor in any effort to rediscover substantive democracy because of the complexity of providing public services in contemporary society. Creating new forms of public discourse and implementing the policy outcomes requires attention to the administrative apparatus of government and to the interplay of policy formulation and implementation. The task of rediscovering substantive democracy is made more difficult by the spread, over the past three decades, of economic theory throughout the social sciences, “a phenomenon commonly referred to as ‘economic imperialism’” (Udehn 1996, 1). Over the past decade or two in the field of public administration, economic theory has become an important normative influence on the management of public organizations and their relationship to the broader society. As a result, elements of New Public Management (NPM) are the expected mode of operation for many public agencies in the United States and in a number of other nations (Kettl 1997).

This market-based model includes the familiar elements of shrinking government and making administration more efficient through use of private-sector performance-management and motivation techniques. It advocates treating citizens like customers, separating public administrators from the public policy process, and convincing both that government is nothing more than a business within the public sector. The assumption is that people are rational

self-maximizers who compete with others and respond primarily to economic incentives. When such behavior occurs, it may be efficient in some sense, but it may also pose a threat to democratic governance (Terry 1998).

This, then, is the problem of democracy and public service in a postindustrial, liberal capitalist society. It is a society in which democracy is equated with equal procedural and personal rights, but not democratic determination of economic property rights. To the extent this situation is at variance with the American ideal of democracy, today we have something of a false democracy. Liberal capitalism and procedural democracy displaced the earlier republican vision (Sandel 1996) as Americans built the professional, bureaucratic, administrative state. Today the trend continues as the public sphere of life is increasingly occupied by the behaviors and values of the individualistic economic market. The effect on public administration is that the ideal public sector is thought to be small in size, efficient, and subservient, while simultaneously providing a broad range of effective, expertly run services. This is paradoxical and frustrating, but not surprising given the political culture associated with liberal capitalist democracy.

The Difference of New Public Management

In many ways, New Public Management has characteristics of previous management reform efforts, particularly in the twentieth century. The progressive movement included the rise of the city manager form of government, the Hoover and Brownlow Commission recommendations, management by objectives, and program, planning, and budgeting systems, all of which spoke to values of management efficiency, effectiveness, and performance improvement that are so much a part of NPM. Rosenbloom refers to this and the “public administration orthodoxy” reflected in the politics-administration dichotomy (Rosenbloom 1993, 503). However, we argue that these were all couched or justified within the framework of broader democratic values. Moe (1994) makes a similar point about the National Performance Review (NPR), noting that NPR was fundamentally different from previous reforms, which “all emphasized the need for democratic accountability of departmental and agency officers to the President and his central management agencies and through these institutions to the Congress” (112). Though the NPR is different in several ways from NPM, they share a focus on economic, market-based thinking in government.

The progressive movement began as a reaction against political machines and perceived subversion of democratic values through corruption and patronage systems that controlled who was elected to political office and who was rewarded with government employment. The rise of man-

agement reforms during this period focused on broadening participation and increasing access to elected office and the political process. Judd argues that there was a clear class bias in this effort, in that "municipal reformers shared a conviction that it was their responsibility to educate and instruct the lower classes about good government" (Judd 1988, 89). Judd also links this movement to the rise of "municipal experts." Similar arguments were made in the South in advocating for wresting control of the political process from the segregationist elements of the Democratic Party and "reforming" the political process.

Richard Childs, a founder of the city manager form of government and an excellent example of the progressive management-reform spirit, said the purpose of the council-manager plan is "not good government ... but democratic government" (Childs 1952, 141). Childs's intent was for the city manager form to achieve a "practical working of the democratic process" that would include "sensitive responsiveness" that will "diligently cater to the sovereign people" (141). This is not to say that progressive reformers embraced these values or were even sympathetic to them in operation. Stivers (1995) has been critical of the motives of "bureau men" whose concerns about economy and efficiency, in her view, far outweighed social welfare interests. While one can debate whether the primary focus of progressive reformers was service or administrative efficiency (Schachter 1997), there is no doubt that preserving democratic values was a key argument used to justify these efforts. Efficiency was always offered as a way to help achieve democratic accountability. Many of the management reforms proposed by the Taft, Brownlow, and Hoover commissions were also couched in terms of preserving democratic values. Luther Gulick, the driving force behind the Brownlow Commission, was focused on how to link democratic leadership and accountability (Wamsley and Dudley 1998, 329). The Brownlow Commission, describing government efficiency, stated the following: "The efficiency of government rests upon two factors: the consent of the governed and good management. In a democracy consent may be achieved readily, though not without some effort as it is the cornerstone of the Constitution. Efficient management in a democracy is a factor of peculiar significance" (President's Committee 1937, 2-3).

The Hoover Commission framed its recommendations primarily in terms of the executive branch's accountability to Congress and the need to fix responsibility to the people, noting that "responsibility and accountability are impossible without authority" (Commission on Organization 1949, 154). Mosher and Appleby both note the concerns, however, that existed over the rise of professional management during this period. Mosher wrote that threats to public service and the "morality" of the service

during this time included the potential move toward "the corporate, the professional perspective and away from that of the general interest" (1982, 210). Appleby (1952) expressed concern about protecting democratic values and argued that two factors were most critical: exposing administrators and their decisions to the electoral process, and a bureaucratic hierarchy that forces managerial decisions to be reviewed by broader and more politically aware upper level administrators.

As Arnold (1998) notes, the NPR reflects a very different orientation than previous reforms, even those that occurred under Carter and Reagan. As with NPM, this difference is that NPR makes little or no distinction between the role of government and the role of the marketplace. In fact, NPR moves beyond the concept of managing government organizations like a business to the idea that business itself should perform governmental functions. Arnold (1998) and Rosenbloom (1993) both note that NPR has a distinctively populist cast combined with a heavy focus on public choice economics. Rosenbloom refers to NPR's use of "neo-populist" prescriptions that advocate "decentralization, competition, deregulation, load-shedding, privatization, user fees, and 'enterprise' culture" (506).

Managerialism and New Public Management have been worldwide phenomena. Democratic regimes in New Zealand, Australia, and the United Kingdom have all implemented some range of reforms consistent with NPM (Eggers 1997; Pollitt 1993; Stewart and Kimber 1996). Malta and Austria have also implemented NPM elements (Maor 1999). Each of these initiatives has had some combination of elements including cost cutting, creating of separate agencies or "business enterprises" to eliminate traditional bureaucracies, separating the purchaser of goods from the provider of those goods, introducing market mechanisms, decentralizing management authority, introducing performance-management systems, moving away from tenure-like civil service systems to contractual and pay-for-performance personnel systems, and increasing use of customer-focused quality improvement systems (Armstrong 1998, 13).

Credit for the impetus of these reforms is given to American ideas, "particularly the ideas of American public choice economists" (Orchard 1998, 19-20). Pollitt (1993) links managerialism to Frederick Taylor and to Luther Gulick. While the ideas may have come from intellectual traditions in the United States, their implementation has primarily occurred in other countries. They are being implemented in very different ways, largely as a result of legal, social, political, and historical traditions that exist in each country. New Zealand is most often cited as "leading the way" in implementing NPM beginning in 1984. However, Pollitt notes that the United Kingdom had actually begun implementing such reforms in the mid- to late 1970s (52).

It is clear that New Zealand's reforms have been the most substantial and ongoing, for several reasons. New Zealand's initiative started with a Labour government and not with the more conservative National Party, but the NPM initiatives were supported by both. Second, New Zealand has no written constitution, a unitary rather than federated political system, a unicameral legislature, and a nonpartisan civil service. All these factors made implementation much easier to accomplish (Eggers 1997, 35–7). Countries with federal systems like Australia have had mixed experience with implementing NPM. This is the primary reason managerialism reforms have had less impact in the United States, where the federal structure is the most decentralized in the world. Also, NPM initiatives in the United States started locally, whereas in other nations they started at the national level (Osborne and Gaebler 1993).

If success is defined by the elements of NPM, some success has been achieved. Privatization of traditional government functions has been dramatic in New Zealand. In addition, there has been a clear demarcation between civil service managers and policy decisions made by political executives (Eggers 1997; Maor 1999). Australian public service has become less bureaucratic in terms of layers of hierarchy, rigidity of duties and centralization of functions (Stewart and Kimber 1996, 47–9).

However, if one defines success as substantive involvement of citizens in shaping the direction of policy that affects their lives, there is little indication of such involvement beyond what existed before NPM implementation began. As Pollitt (1993) notes, citizenship is an awkward concept for those promoting managerialism, where the term “customer” is more common. He argues that the collectivist view of citizenship is “alien to an individualist model where the market is the chief focus of transactions and values” (125–6). Armstrong (1998) notes in his assessment of Australian implementation of NPM that the concept of meeting customer needs “ignores the ability of customers to articulate their needs or make choices, either because they are uninformed or do not have the resources to do so” (23–5). Rhodes further argues that in Australia, “there is no evidence to show that (NPM) has provided customers with any means whatever of holding the government to account” (1996, 106–10). Those claiming success for NPM have focused on short-term effects and on issues of efficiency. While it may be too early to assess the long-term impact of NPM in countries such as New Zealand and Australia, the evidence supporting democratic accountability and citizen engagement is not encouraging.

This concept of management has little to do with democracy and democratic values, shedding the reality or the facade of democracy found in earlier public-sector reforms. What is left is a core of market orientation to economic efficiency in the public sector.

What Do People Want from Their Government?

Thus far, we have argued that the market model of administration evident in NPM hinders any return to substantive democracy and limits the degree to which citizens can meaningfully affect policy and administration. New Public Management claims to make government customer-centered and therefore more responsive in its delivery of services. We suggest, however, that recent reforms fail to understand the basic foundation of public administration in democratic practice. As Borgmann (1992) argues, when citizens are recast as consumers, they operate within an attenuated form of democracy: “But to extol the consumer is to deny the citizen. When consumers begin to act, the fundamental decisions have already been made. Consumers are in a politically and morally weak position. They are politically weak because the signals that they can send to the authorities about the common order are for the most part ambiguous. Does the purchase of an article signal approval, thoughtlessness, or lack of a better alternative?” (115).

The issue of treating citizens solely as customers has also been addressed by others (deLeon and Denhardt 2000; Kettl 1997; Terry 1998). However, a deeper issue is the underlying debate about what people want from government. In our view, the market model of public administration reflects a disenchantment with the modern welfare state. The market model symbolically saves society from the bureaucratic leviathan to which the public service is wed and provides a clean, seemingly apolitical, solution to the messiness of social life. Though much of the critique of the welfare state is on target, there is value in holding on to seemingly anachronistic ideas such as citizenship, the public interest, social responsibility, and dialogue. In other words, we want to continue to claim there is a connection between public administration, governance, and social life (White and McSwain 1993).

It is quite evident that the highly individualized, technologically dynamic society in which we live is congruent with the market model of administration. For example, in the United States we are more and more likely to see ourselves as individualized users of discrete public goods and services. To a large degree, this has led to an evacuation of public life. Public managers, in turn, are focused more on the management of performance-based contracts than with face-to-face contact with the citizen. Clarke and Newman argue,

[This] means that the capacity of organisations and management processes to respond to critical issues facing public services is very limited. Such issues have been termed “wicked issues” (Stewart 1994) and include crime, poverty, community safety, the

care of the elderly and of people with disabilities, economic regeneration, environmental issues, transport, child protection and a host of others.... The pursuit of unconnected initiatives as organisations or government departments pursue an ever narrowing agenda and set of programmes defined around their core businesses serves to exacerbate, rather than address, such complex social issues and problems. The combined managerial and policy deficits in a dispersed field of power militates against the development of a capacity to address issues which resist being neatly defined as managerial problems. (1997, 148)

They go on to warn that the market model is very weak in its notions of citizenship and community: "The increasing adoption of consumerist discourse involves the dismantling of notions of collective power in favor of individualized users of services. It is the very power of this symbolism that leads to attempts to incorporate other formulations alongside it, as in organizational mission statements which talk of 'serving communities' as well as 'serving customers,' and the deployment of the language of 'citizens' to fill the spaces in the impoverished individualism of the discourse" (128).

Public administration is in an interesting position, as people no longer look to models of democratic practice to solve public problems. Ironically, by using the language of management, we are relegated to using technique to represent the democratic pole of the tension between bureaucracy and democracy. In this situation the market model is primarily about transforming the bureaucratic state, appealing to the public at large and to those in government, whose charge is to make the government "run better" and "cost less." To us, this appears to be too easy a solution because the market model assumes a return to homogenous society with very stable social institutions—a realm of social experience that no longer exists (what Clarke and Newman term "regressive modernization"). For example, welfare-to-work programs assume that all families are capable of getting off the welfare rolls if they just have a bit of "moral fiber." This model implicitly claims that welfare recipients have a responsibility to become self-sufficient because of the financial obligation that welfare payments place on other members of the community.

What this view does is erase an entire generation of social and political research that has identified structured differences and inequalities in society—class, gender, race and ethnicity, "ableness," and so forth. The result is a tendency to reduce complex social and economic issues to the management of diversity at the level of the individual organization. What we are suggesting is that the managerial state, that is, the market model of administration, avoids addressing the underlying social issues that affect society.

Substantive issues at the core of contemporary life, such as racism, poverty, and disability, become individual problems rather than matters to be addressed through substantive democracy.

According to Clarke and Newman, the managerial state is an inherently unstable solution to the problems of the welfare state. Their argument, while written in the context of Great Britain's public management reform, applies equally to the United States:

The imagery of the nation [as mono-cultural and free of conflict] is constantly interrupted by questions of the care of black elders, by the question of pension benefits for non-married couples and gay or lesbian partners, by employment tribunals confronted by evidence of the racist, sexist or homophobic organizational cultures of public services, by disability activists demanding citizenship rights, and by the long-running—and multi-faceted—"crisis of the family." In these and many more ways the unresolved crisis of the social settlement ensures that the formation of a new relationship between the state and the public will remain embattled—and unstable. (Clarke and Newman 1997, 155)

As citizens increasingly identify themselves as individual consumers and discrete users of government services, social issues are also cast in the same language and framework. For those in public administration to "buy in" to such a model seals their fate as managers of technique. In this way, the politics-administration dichotomy reasserts itself quite clearly. However, as we see it, society is being reconstructed with the political dimension being recast as issues of individual choice. People as individuals, and not society as a collective entity, are now responsible for solving complex problems. The result is a superficial gloss in the name of efficiency, while substantive issues—often those in which public administrators are most engaged—remain hidden but not solved. Thus, we maintain that public administration, as a crucial and unavoidable part of the public policy arena, is inherently about the social construction of society.

Democracy and Public Administration Today

We are concerned about the condition of democracy in American society and the resulting impact on public administration. The current environment of public institutions has deteriorated beyond procedural democracy to a market model in which citizens' primary action outside the household is earning money, to make product and service choices in the market economy to maximize the satisfaction of their desires. The result is a distancing of the citizen from her or his public-service institutions and a tacit

assumption that interactions in the public sphere (determining what issues will be on the public agenda and how they will be addressed, for example) should also be left to the invisible hand of the market.

We argue, with Curtis Ventriss (1998), that public administrators and academics should play a part in the recovery of a substantive democratic ideal. Moving toward a substantive democratic ideal seems difficult because such a powerful dye has been cast. James March suggests that we are locked into a social order that is based on “rationality and exchange rather than history, obligation, reason and learning” (1992, 230). Much of the conceptual development in public administration seems to be locked into this exchange mind-set as well, particularly in the public management movement.

The underlying approach offered by proponents of New Public Management is even more restrictive than the current trend in economic thinking. March notes, it “reflect[s] not so much an application of contemporary economic theory to government as a naïve adaptation of an obsolescent version of that theory to modern political ideology” (230). More recent iterations of the economic approach argue that the traditional economic exchange model is complicated by history, “socially constructed institutions,” and trust. Two examples of this perspective are North’s *Institutions, Institutional Change and Economic Performance* (1990) and March and Olson’s *Democratic Governance* (1995).

This newest version of neoinstitutionalism, while still clearly embedded in the functionalist paradigm (Burrell and Morgan 1979), incorporates the language of its critics. In this regard, writers like March and Olson have already responded to the next step in the development of this language game. This post-exchange perspective could eventually surface as an important aspect of mainstream public administration. Some examples include Lynn (1996) and Kettl (1997), both of whom express concern about the narrow foundation and the seeming hyperbole of New Public Management. Their responses, however, call for more rigorous methods of research, consistent with the post-exchange view of economics. This is a new and improved functionalism, a rationalized model that emphasizes predicting and controlling the behavior of institutions by determining the institutional rules. The emphasis is still on prediction and control, which results in an abstracted empiricism (Mills 1967) that is not particularly useful in an applied professional field like public administration (Box 1992).

The reality of our social experience is a hyper-rationalized world in which democracy is equated with consumer choice. The problem we face, then, is this: In what ways might we reassert a meaningful democratic context for the practice of public administration in light of such a social

experience? We are aware that we cannot find solace in absolute, foundational principles that hold across time, space, and culture, nor can we return to the “certainties” of an earlier era. As Fox and Miller (1997, 88) put it, “the toothpaste cannot go back into the tube.”

We are not pining for some overarching set of democratic values that will put us back on an imagined high moral plane of Democracy. We are mindful however, that American democracy made possible the idea of collective self-governance as a political end. As Garbman (1992, 760) notes, “For the first time, public life—previously closed to all but the political class—became an arena in which ordinary individuals could through participation and dialogue with others, define and realize themselves.”

Let us review what is at stake. We want to assert that public administration does play a role in the social order. At every level of government—federal, state, and local—people in public agencies not only deliver services but also serve as facilitators, interpreters, and mediators of public action (Barth 1996; King and Stivers 1998a; Marshall and Choudhury 1997; Wamsley et al. 1990). This role has clear linkages to the founding period of the nation (McSwain 1985; Rohr 1986) and the substantive form of democracy outlined earlier in this essay. It should not be shelved in favor of a limited role for public administration involving satisfaction of consumer demands through focus groups and customer surveys, in which largely uninformed public opinion is equated with the public interest. Such an attenuated model of democracy suggests that humans are truly economic beings in search of narrow personal satisfaction; we do not regard this as an effective model of governance.

While it is easy enough to make this normative argument, the prevailing mind-set of human action is undoubtedly the market perspective. Many argue that the discourse of the Enlightenment and particularly the themes essential to democratic public administration, such as the public interest, justice, and progress, have been discarded because they have no empirically demonstrable foundational justification (Fox and Miller 1995; Marshall 1996; McSwite 1999). The market mind-set has surfaced in its place as the legacy of modernism. Much of our argument in this article laments the passing of the normative basis on which many public administration writers have legitimated the role of public administration in the governance process. This normative basis is also, we have argued, the tradition of substantive democracy in America.

It is important to consider that the market model has its own modernist limitations (McSwite 1999, 8). March and others have already identified earlier economic approaches, such as public-choice economics, as naïve and outdated. These writers seek to adjust economic approaches in light of current social experience. Indeed, the

term “socially constructed reality,” once marginalized by mainstream social science, is now commonly used across most disciplines (Barber 1984; March and Olson 1995). Many see the rise of New Public Management as the discipline’s chance to regain influence and legitimacy, and there is significant political pressure on public administrators to adopt its approach.

However, it is encouraging to note the beginnings of resistance to what Stivers (2000) calls “the ascendancy of public management.” In their criticism of the National Performance Review, which has market-based elements similar to those of the New Public Management movement in the United States, Moe and Gilmour (1995) argue that public administration must not ignore its normative grounding in public law. Kettl (1997) notes that customer satisfaction surveys would not serve as an effective proxy for the public interest. And Terry (1998) makes the point that both the entrepreneurial and the market-driven models of management displace the democratic foundation that is essential to public-sector leadership.

An Alternative

The reader may reasonably expect the authors to introduce some better alternative, one that reasserts the normative democratic context of public administration. Why not merely reassert the democratic context we hold dear, redressing the imbalance that exists? In the current environment, we are readily able to talk about public management, but we have difficulty discussing the democratic context of public administration. According to Kirlin (1996, 417), this context includes achieving a democratic polity; addressing the nexus between larger societal issues and decision making in public organizations; confronting the complexity of instruments of collective action; and encouraging more effective societal learning.

In the search for an alternative or addition to the market-based model of public administration, we wish to affirm an emerging view that a central element should be a collaborative relationship between citizens and public administrators. This relationship is based on shared knowledge and decision making rather than control or pleasing and placating. It assumes that citizens have the ability to self-govern, even in these complex and confusing times. Further, this relationship between public employees and the public assumes that, while many people choose not to take part in public decision making, all citizens want to believe they could participate and could make a difference if they chose to do so.

This collaborative model of administration has been discussed in various forms by several authors over the past 10 years or so (Adams et al. 1990; Box 1998; King and Stivers 1998a; McSwite 1997; Stivers 1994; White and McSwain

1990). The emphasis in the collaborative model is giving citizens the knowledge and techniques they need to deal with public policy issues and providing an open and non-threatening forum for deliberation and decision making (Box and Sagen 1998). This model is only one way to enhance substantive democracy, but we focus on it here because it presents a well-developed alternative that could be especially useful and powerful.

We are not arguing for greater legitimacy for public administration or a different view of public administration in the democratic order (Spicer and Terry 1993; Wamsley et al. 1990). There are elements of our call for substantive democracy that echo the New Public Administration of the 1970s (Frederickson 1980), with its emphasis on social equity, but our vision lacks that movement’s sense of large-scale changes in the purpose and practice of public administration. We do, however, recognize that the old politics-administration dichotomy, born of a vision of public administrators as value-neutral implementors of public policy that is determined elsewhere, has long since been found to be a false description of the world of creation and implementation of public policy (Svara 1999). This is a world in which career public professionals interact with elected officials and citizens as they sense the “public interest,” however that may be perceived, and work to solve problems and deliver services.

A collaborative model of the administrative role is not universal, in relation to individual public employees or to administrative tasks and situations. Not every career public employee interacts with elected officials or citizens or helps others who do. Many carry out technical and professional tasks within public organizations, tasks that are important to the public welfare but do not offer opportunities for the sort of collaboration discussed here. However, public service practitioners who interact with citizens (whether those citizens are leaders or everyday people concerned about the quality of life in their neighborhoods), can take incremental steps toward improving the quality of democracy by actively helping people govern themselves.

Adopting one particular model of administrative practice will not automatically result in substantive democracy. We need to move beyond describing our situation to taking what steps we can take now, through the practice of public administration, to recapture the values of substantive democracy. This requires the courage to share rather than control knowledge and administrative processes, to create opportunities for meaningful dialogue and decision making, and to listen and facilitate growth of individual understanding of public issues and the people involved in them (Box 1998; King and Stivers 1998c, 203).

Over time, this approach may enable public professionals to shift the balance, bit by bit, from the metaphor of the

market to the values of substantive democracy. Action in this direction might involve, for example, choosing to create an ongoing structure for citizen administration of a particular program rather than using focus groups to sense relatively uninformed opinion. Or it might involve staffing an office that assists neighborhood organizations, rather than funding a public relations office that seeks to sell an image. It could mean allocating resources for infrastructure or school improvements on the basis of the seriousness of local problems, rather than formulas intended to spread funds evenly over political districts. And it could mean taking the initiative to fully inform elected officials about available action alternatives and their consequences for real people, instead of waiting for policy direction.

In the twenty-first century, there is much for public administration to do beyond the mandate of perfecting efficient mechanisms for service delivery. Our intent is to contribute to recrafting a public administration that supports the values of substantive democracy in a time of significant change in the public sector. We are aware of the normative weight we place upon public administration, which is often thought by citizens and people working in the field to have little normative meaning or purpose (this is highlighted by the subtext of the message of New Public Management, which is to strip administration of disabling idealism and “cut to the chase”—economically efficient results). Despite the odds, we believe the stakes are well worth the effort.

References

- Adams, Guy B., Priscilla V. Bowerman, Kenneth M. Dolbeare, and Camilla Stivers. 1990. Joining Purpose to Practice: A Democratic Identity for the Public Service. In *Images and Identities in Public Administration*, edited by Henry D. Kass and Bayard L. Catron, 219–40. Newbury Park, CA: Sage Publications.
- Appleby, Paul H. 1952. *Morality and Administration in Democratic Government*. Baton Rouge, LA: Louisiana State University Press.
- Armstrong, Anona. 1998. A Comparative Analysis: New Public Management—The Way Ahead? *Australian Journal of Public Administration* 57(2): 12–26.
- Arnold, Peri E. 1998. *Making The Managerial Presidency*. 2nd ed. Lawrence, KS: University Press of Kansas.
- Barber, Benjamin. 1984. *Strong Democracy: Participatory Politics for a New Age*. Berkeley, CA: University of California Press.
- Barth, Thomas J. 1996. Administering the Public Interest: The Facilitative Role for Public Administrators. In *Refounding Democratic Public Administration: Modern Paradoxes, Postmodern Challenges*, edited by Gary L. Wamsley and James F. Wolf, 168–97. Thousand Oaks, CA: Sage Publications.
- Borgmann, Albert. 1992. *Crossing the Postmodern Divide*. Chicago: University of Chicago Press.
- Bowles, Samuel, and Herbert Gintis. 1987. *Democracy and Capitalism: Property, Community, and the Contradictions of Modern Social Thought*. New York: Basic Books.
- Box, Richard C. 1992. An Examination of the Debate over Research in Public Administration. *Public Administration Review* 52(1): 62–9.
- . 1998. *Citizen Governance: Leading American Communities Into the 21st Century*. Thousand Oaks, CA: Sage Publications.
- Box, Richard C., and Deborah A. Sagen. 1998. Working With Citizens: Breaking Down Barriers to Citizen Self-Governance. In *Government Is Us: Public Administration in an Anti-Government Era*, edited by Cheryl S. King and Camilla Stivers, 158–72. Thousand Oaks, CA: Sage Publications.
- Burrell, Gibson, and Gareth Morgan. 1979. *Sociological Paradigms and Organizational Analysis*. London: Heinemann.
- Campbell, James. 1996. *Understanding John Dewey: Nature and Cooperative Intelligence*. Chicago: Open Court Publishing.
- Childs, Richard. 1952. *Civic Victories*. New York: Harper and Brothers.
- Clarke, John, and Janet Newman. 1997. *The Managerial State: Power, Politics and Ideology in the Remaking of Social Welfare*. Thousand Oaks, CA: Sage Publications.
- Commission on Organization of the Executive Branch of Government. 1949. *Report of the Commission*. Washington, DC: Government Printing Office.
- Conway, David. 1996. Capitalism and Community. *Social Philosophy and Policy* 13(1): 137–63.
- Dagger, Richard. 1997. *Civic Virtues: Rights, Citizenship, and Republican Liberalism*. Oxford, UK: Oxford University Press.
- Dahl, Robert A. 1982. *Dilemmas of Pluralist Democracy: Autonomy vs. Control*. New Haven, CT: Yale University Press.
- deLeon, Linda, and Robert Denhardt. 2000. The Political Theory of Reinvention. *Public Administration Review* 60(2): 89–97.
- Dewey, John. 1985 [1927]. *The Public and its Problems*. Athens, OH: Swallow Press Books.
- Eggers, William D. 1997. The Incredible Shrinking State. *Reason* 29(1): 35–42.
- Fox, Charles J., and Hugh T. Miller. 1995. *Postmodern Public Administration: Toward Discourse*. Thousand Oaks, CA: Sage Publications.
- . 1997. Can the Toothpaste Be Pushed Back into the Tube?: The Return of Foundationalism to Public Administration. *Administrative Theory and Praxis* 19(1): 88–91.
- Frederickson, George H. 1980. *New Public Administration*. University, AL: University of Alabama Press.
- Gardbaum, Stephen A. 1992. Law, Politics and the Claims of Community. *Michigan Law Review* 90(4): 685–760.

- Hollinger, Robert. 1996. *The Dark Side of Liberalism: Elitism vs. Democracy*. Westport, CT: Praeger Publishers.
- Judd, Dennis. 1988. *The Politics of American Cities*. New York: Harper Collins.
- Kettl, Donald F. 1997. The Global Revolution in Public Management: Driving Themes, Missing Links. *Journal of Policy Analysis and Management* 16(3): 446–62.
- King, Cheryl S., and Camilla Stivers. 1998a. *Government is Us: Public Administration in an Anti-Government Era*. Thousand Oaks, CA: Sage Publications.
- . 1998b. Introduction: The Anti-Government Era. In *Government Is Us: Public Administration in an Anti-Government Era*, edited by Cheryl S. King and Camilla Stivers, 3–18. Thousand Oaks, CA: Sage Publications.
- . 1998c. Conclusion: Strategies for an Anti-Government Era. In *Government Is Us: Public Administration in an Anti-Government Era*, edited by Cheryl S. King and Camilla Stivers, 193–204. Thousand Oaks, CA: Sage Publications.
- Kirlin, John J. 1996. The Big Questions of Public Administration in a Democracy. *Public Administration Review* 56(5): 416–23.
- Lynn, Laurence E., Jr. 1996. *Public Management as Art, Science and Profession*. Chatham, NJ: Chatham House Publishers.
- Macpherson, C. B. 1977. *The Life and Times of Liberal Democracy*. Oxford, UK: Oxford University Press.
- Mansbridge, Jane. 1999. The Holding Pattern. *Political Theory* 27(5): 706–16.
- Maor, Moshe. 1999. The Paradox of Managerialism. *Public Administration Review* 59(2): 5–18.
- March, James G. 1992. The War is Over, The Victors Have Lost. *Journal of Public Administration Research and Theory* 2(3): 225–331.
- March, James G., and Johan P. Olson. 1995. *Democratic Governance*. New York: Free Press.
- Marshall, Gary S. 1996. Deconstructing Administrative Behavior: The “Real” as Representation. *Administrative Theory and Praxis* 18(1): 117–27.
- Marshall, Gary S., and Enamul Choudhury. 1997. Public Administration and the Public Interest: Re-presenting a Lost Concept. *American Behavioral Scientist* 41(1): 119–31.
- Matthews, Richard K. 1986. *The Radical Politics of Thomas Jefferson: A Revisionist View*. Lawrence, KS: University Press of Kansas.
- McSwain, Cynthia J. 1985. Administrators and Citizenship: The Liberalist Legacy of the Constitution. *Administration and Society* 17(2): 131–48.
- McSwite, O.C. 1997. *Legitimacy in Public Administration: A Discourse Analysis*. Thousand Oaks, CA: Sage Publications.
- . 1999. On the Proper Relationship of the Theory Community to the Mainstream Public Administration Community. *Administrative Theory and Praxis* 21(1): 4–9.
- Mills, C. W. 1967. *The Sociological Imagination*. London: Oxford University Press.
- Moe, Ronald C. 1994. The “Reinventing Government” Exercise: Misinterpreting the Problem, Misjudging the Consequences. *Public Administration Review* 54(2): 111–22.
- Moe, Ronald C., and Robert S. Gilmour. 1995. Rediscovering Principles of Public Administration: The Neglected Foundation of Public Law. *Public Administration Review* 55(2): 135–46.
- Mosher, Frederick C. 1982. *Democracy and the Public Service*. 2nd ed. Oxford, UK: Oxford University Press.
- North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. New York: Cambridge University Press.
- Okun, Arthur M. 1975. *Equality and Efficiency: The Big Tradeoff*. Washington, DC: Brookings Institution.
- Orchard, Lionel. 1998. Managerialism, Economic Rationalism and Public Sector Reform in Australia: Connections, Divergences, Alternatives. *Australian Journal of Public Administration* 57(1): 19–33.
- Osborne, David, and Ted Gaebler. 1993. *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. New York: Penguin Books.
- Phillips, Derek L. 1993. *Looking Backward: A Critical Appraisal of Communitarian Thought*. Princeton, NJ: Princeton University Press.
- Pollitt, Christopher. 1993. *Managerialism and the Public Services*. Cambridge, MA: Blackwell Publishers.
- President’s Committee on Administrative Management. 1937. *Report of the Committee*. Washington, DC: Government Printing Office.
- Rhodes, Rod. 1996. Looking Beyond Managerialism. *Australian Journal of Public Administration* 55(2): 106–10.
- Rohr, John A. 1986. *To Run a Constitution: The Legitimacy of the Administrative State*. Lawrence, KS: University of Kansas Press.
- Rosenbloom, David H. 1993. Editorial: Have an Administrative Rx? Don’t Forget the Politics! *Public Administration Review* 53(6): 503–6.
- Sandel, Michael J. 1996. *Democracy’s Discontent: America in Search of a Public Philosophy*. Cambridge, MA: Harvard University Press.
- Schachter, Hindy Lauer. 1997. Settlement Women and Bureau Men: Did They Share a Usable Past? *Public Administration Review* 57(1): 93–4.
- Sheldon, Garrett W. 1991. *The Political Philosophy of Thomas Jefferson*. Baltimore, MD: Johns Hopkins University Press.
- Spicer, Michael W., and Larry D. Terry. 1993. Legitimacy, History, and Logic: Public Administration and the Constitution. *Public Administration Review* 53(3): 239–46.
- Stewart, Jenny, and Megan Kimber. 1996. The Transformation of Bureaucracy? Structural Change in the Commonwealth Public Service 1983–93. *Australian Journal of Public Administration* 55(3): 37–49.
- Stivers, Camilla. 1994. The Listening Bureaucrat: Responsiveness in Public Administration. *Public Administration Review* 54(4): 364–9.
- . 1995. Settlement Women and Bureau Men: Constructing a Usable Past for Public Administration. *Public Administration Review* 55(6): 522–9.
- . 2000. Resisting the Ascendancy of Public Management:

- Normative Theory and Public Administration. *Administrative Theory and Praxis* 22(1): 10–23.
- Svara, James H. 1999. Complementarity of Politics and Administration as a Legitimate Alternative to the Dichotomy Model. *Administration and Society* 30(6): 676–705.
- Terry, Larry D. 1998. Administrative Leadership, Neo-Managerialism, and the Public Management Movement. *Public Administration Review* 58(3): 194–200.
- Udehn, Lars. 1996. *The Limits of Public Choice: A Sociological Critique of the Economic Theory of Politics*. London: Routledge.
- Ventriss, Curtis. 1998. Radical Democratic Thought and Contemporary American Public Administration: A Substantive Perspective. *American Review of Public Administration* 28(3): 227–45.
- Waldo, Dwight 1981. *The Enterprise of Public Administration: A Summary View*. Novato, CA: Chandler and Sharp Publishers.
- Wamsley, Gary L., and Larkin S. Dudley. 1998. From Reorganization to Reinventing: Sixty Years and We Still Don't Get It. *International Journal of Public Administration* 21 (2/4): 323–74.
- Wamsley, Gary, Robert L. Bacher, Charles T. Goodsell, Phillip Kronenberg, John A. Rohr, Camilla Stivers, Orion F. White, Jr., and James F. Wolf. 1990. *Refounding Public Administration*. Newbury Park, CA: Sage Publications.
- White, Orion F., Jr., and Cynthia J. McSwain. 1990. The Phoenix Project: Raising a New Image of Public Administration from the Ashes of the Past. In *Images and Identities in Public Administration*, edited by Henry D. Kass and Bayard L. Catron, 23–59. Newbury Park, CA: Sage Publications.
- . 1993. The Semiotic Way of Knowing and Public Administration. *Administrative Theory and Praxis* 15(1): 18–35.
- Wills, Garry. 1979. *Inventing America: Jefferson's Declaration of Independence*. New York: Vintage Books.
- Wood, Ellen M. 1996. *Democracy Against Capitalism: Renewing Historical Materialism*. Cambridge, UK: Cambridge University Press.
- Yankelovich, Daniel. 1991. *Coming to Public Judgment: Making Democracy Work in a Complex World*. Syracuse, NY: Syracuse University Press.