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Sound Governance

Policy and Administrative Innovations

EDITED BY ALI FARAZMAND

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Preface

This book was born out of a serious debate on the issues of governance and administration since the late 1990s. The popularity of the term *governance* over *government* and *administration* resulted in a proliferation of books, articles, and conference papers aimed at addressing a broader notion of government business with broad participation of the governed. Consequently, the concept of good governance appeared as a new term to negate the practice of bad governance, considered to be a characteristic of the traditional forms of government.

Many international conferences have been organized with the theme of governance and good governance, funded and supported by transworld corporations, leading industrialized governments of the West, and United Nations agencies such as the World Bank and the International Monetary Fund. Their agenda has been to promote good governance in accordance with structural adjustment programs that emphasize market reform, denationalization and privatization, corporatization, commercialization, and deregulation around the world.

Promotion of the concept of good governance, however, has been a half-truth reality, as many governments, organizations, and citizens have realized its fallacies and shortcomings in practice. While much is preached in theory, little is accomplished or realized in practice. The whole notion of governance has, therefore, become a new concept in theory to involve governments, citizens, nongovernmental organizations, and public stakeholders with the principles of accountability, transparency, responsibility, and responsiveness.

Similarly, dissatisfaction with public bureaucracies and traditional forms of administration, as well as problems associated with the intellectual crises of public administration, have prompted many scholars and practitioners worldwide to adopt the concept of governance as a broader notion to encompass government and administration in the study and publication of works on public administra-

tion. Yet, the terms *governance* and *good governance* have not found their claimed place in the study of government and public administration as envisioned, as elaborated in Chapter 1 of this book.

Thus, due to shortcomings and problems associated with the concept of good governance, this book is designed and developed to introduce and promote the notion of "sound governance," a concept that is not new and was used 2,550 years ago, first by Cyrus the Great, founder of the first world-state Acahaemenid Persian Empire, and expanded and elaborated by his successor Darius the Great, who was also known as a Great Administrator. Yet the concept's modern characteristics, values, and utilities have not been fully explored and studied. Sound governance is also presented as a more comprehensive notion of governance that encompasses good governance and sound public administration. It requires adaptability, capacity building and development, innovations in policy and management; and a sound administrative system that is dynamic, flexible, diverse in character, and solid in structure and value orientations.

The novelty of sound governance over other concepts is more pronounced in the age of accelerated globalization of corporate capitalism. This age of globalization is characterized by extreme uncertainties, rapid and rupturing changes, a unipolar global world order, a concentrated global power structure, a quest for a global empire, global dominance by Western superpowers; and intolerance and unpredictable outcomes that affect nation-states, governments, citizens, and administrative systems worldwide. Like most other phenomena, it also offers positive consequences, but its lucrative and unequal advantages overwhelmingly benefit the very few and powerful economic, political, and bureaucratic elites, both civilian and military, around the world; and among the nation-states, the few great economic powers are the greatest beneficiaries of this globalization age.

This book could not have been completed without the diligent cooperation and contributions of the authors who displayed a remarkable patience and willingness to respond to my frequent requests for updating materials and providing needed information. I am most grateful to all of them and apologize for my tardiness in bringing the project to fruition. They should be happy to see the product of their work.

I also want to thank the former senior editor at Greenwood Press/Praeger Publishers, Dr. James Sabin, whose advice, patience, and cooperation made me move again (after a period of slow progress due to a family death and the September 11, 2001, tragedy, both of which caused deep sadness and affected the rhythm of my work) toward the realization of this long-due project. After his retirement, his successor Nicholas Philipson was very cooperative and congenial in helping me get this project completed. Finally, I would like to express my appreciation to the staff, especially the editorial and production individuals at Praeger/Greenwood, for their support and contributions to this book. The marketing department should also be recognized for its diligent efforts to promote the book worldwide. I hope to present a novel work with original, fresh, creative, and innovative ideas that contribute to the advancement of knowledge in modern governance and public administration.

This book is designed for adoption as a primary as well as supplementary textbook for governance and public administration courses at upper undergraduate and graduate levels. It is also a solidly informative reference book on the subjects of governance, globalization, policy, administration, and public management worldwide. I hope the readers, from scholars to students and teachers as well as government officials and practitioners, will find the book a major source of knowledge and guidance in their careers. I also hope that the general lay readers will find the book informative and use it in their capacity as informed citizens.

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March 2004

1

Sound Governance in the Age of Globalization: A Conceptual Framework

ALI FARAZMAND

One of the most important issues of the contemporary world is the rapidly changing nature and role of government, and the process of governance and administration, in the age of accelerated globalization, however defined. The traditional, historical role of state and government has changed, causing a major alteration in the nature of government under accelerating globalization. This changing nature of government has also altered the nature of the governance and administration processes worldwide. The result is a profound transformation of governance and public administration processes, as well as the institutional foundations of governments everywhere in the contemporary world.

The central force behind these multiple changes and transformation is globalization of capital, a process that transcends nation-states, economies, markets, institutions, and cultures. The globalization process is accelerated by a number of contributing factors or forces, such as technological innovations; declining domestic economies of powerful, industrialized countries of the North; the military and political pressures of the latter nations on the third world countries; the fall of the USSR as an alternative world system power; the role of Western ideological propaganda; the role of the United Nations' agencies such as the International Monetary Fund (IMF), the World Bank (WB), and the World Trade Organization (WTO); rising citizen expectations, including labor demands for sharing power in management and organizational democracy; and the availability of a new cheap labor force across gender and national groups worldwide.

With the acceleration of the globalization process a worldwide grassroots movement of counterglobalization has also developed. This is a global movement that aims at reducing the adverse impacts of globalizing corporate capital by containing and reducing the massive fallouts of globalization such as environmental degradation, economic pillage, poverty, forced labor, child labor, and wage slav-

ery. Yet the transformation of government and administration has deeply challenged governance and public administration processes, structures, and values everywhere, and the need for capacity building, enhancement, and innovation in policy and management has become more urgent than ever if governments are to meet and manage the challenges of globalization. What is needed is application of a new concept of "sound governance."

This introductory chapter addresses the central issue of "sound governance" in this age of increasing global complexities, challenges, threats, and opportunities that affect nation-states, local governments, citizens, organizations, and administrative systems. Key elements in mind are two important features of policy and administrative innovations examined through an analysis of various dimensions and channels of sound governance, such as organizations; inter- and intra-organizational structure; managerial, political, and economic aspects; policy; and global ecology. This brief introductory discussion is framed around the four topics of (1) key concepts of governance with a multitude of diverse notions of the term, and with a preferred focus on "sound governance"; (2) dimensions, key issues, and characteristics of sound governance; (3) policy and administrative innovations for sound governance; and (4) plan or description of the book.

KEY CONCEPTS

Diversity and Confusion

A number of diverse concepts have appeared during the last two decades that reflect different conceptual and ideological perspectives on governance and administration. These concepts, diverse as they are, provide at least two sets of opportunities as well as constraints and challenges.

Opportunities are presented by the creativity and innovation in conceptualization regarding the notions of governance and administration; they contribute to a fresh body of new knowledge on the subject of inquiry. This is a healthy discourse that can lead to better solutions to public policy and organizational problems and offer ideas for revitalization and improvement of the system of government and administration. Opportunities also develop with the diverse notions of governance and administration by ways of experimentations and practices, best and worst, to verify or discard the new ideas claimed to be superior. As a whole, trial and error contribute to a new learning process, a historical method of learning that has been an effective tool of incremental improvements in governance and administration.

On the other hand, the diversity of concepts also produces new challenges and constraints that add new dimensions in the theory and practice of government and administration. First, confusion arises with diversity of perspectives, especially when there is no consensus or agreement as to what, for example, governance and administration are or should be. Second, adoption of certain specific concepts or notions of governance by many or most governments and organiza-

tions may lead to their prominence and dominance in theory and practice, but this may not necessarily prove their superiority over alternative models pushed aside or unadopted. An example of this problem is the worldwide adoption of the new public management and sweeping privatization as a requirement of the structural adjustment programs imposed on third world countries by the United Nations agencies such as the IMF, the WB, and the WTO, which serve as key institutional instruments of the globalizing states and corporations of the Western powers.

Third, constraints and challenges arise when the search becomes endless and self-serving, with a result of differential consequences, some of which could be harmful to those affected by such experimentations. Reform for the sake of reform may be senseless, costly, and wasteful. However, even failures and negative challenges can serve as sources of learning for improvements.

What are the diverse and potentially conflicting concepts that are causing challenges as well opportunities in governance? Let us examine some of them briefly.

Concepts

Some of the most commonly known and often used concepts of governance or government during the last two decades or so are the following: good governance, entrepreneurial government, competitive government, market-like governance, economic governance, social and political governance, enabling governance, participatory governance, regulatory governance, interventionist governance or government, steering government versus rowing government, and the like. A key characteristic of all these concepts is a claim to rejecting the traditional forms of authoritarian, bureaucratic government with unilateral decision making and implementation. These models or concepts of governance and government therefore present "new" ways of thinking, governing, and administration, with new philosophies and new approaches that broaden citizen involvements and their feedbacks, and bring into the playing field the civil society and nongovernmental organizations.

For example, the entrepreneurial models of government or governance focus on market approaches with emphasis on market-like competition among public organizations, results-oriented outcomes and outputs, performance measurements, bonus for performance, empowering managers to fire and hire temporary employees, privatization, efficiency, steering government versus rowing government, getting rid of bureaucratic rules and regulations, and more. Osborne and Gaebler's popular book, *Reinventing Government* (1992), set the tone of the sweeping change and reform that have characterized much of the changing character and role of governments at all levels for the last two decades; governments have been spending lots of energy, time, and money on the reinventing business. However, only time will tell how successful that business has been, as there are so many contradictions, flaws, and problems with this new ideological movement that has spread worldwide.

An offspring of this global reinventing of government—government that reinvents itself to meet the challenges of the new global era, the globalization era—has been the British-born ideological movement of "new public management," an intellectual arm of the globalization of corporate capitalism. I have detailed this issue elsewhere (see, for example, Farazmand, 1999b, 2001, 2002a, 2002b). The key tenets of "new public management" emanate directly from its intellectual source of public choice theory (Buchanan and Tollock, 1962; Downs, 1962; Niskanen, 1971; Williamson, 1985), which prescribes against bureaucracy, public service delivery through government organizations, and social capital expenditures, and in favor of privatization, consumerism, individualism, and larger military-security government expenditures to promote the system of corporate capitalism.

Proponents of the new public management ignore or avoid the debatable issues of equity, fairness, and accountability problems; the monopolistic or oligopolistic nature of runaway globalizing corporations; and other political economy questions that public choice theory is criticized for. They follow the same argument in favor of transforming governance and government into a market-like organizational arrangement in which the business corporate sector takes over the business of government and public service delivery while avoiding the social and externality costs of such a business, therefore dumping the unprofitable and social-cost operations on the government to pay for, and with citizens paying double taxations (see, for example, Barzelay, 2001; Behn, 2001; Hood, 1991).

The concept of new public management has already met its severe critics, whose reports worldwide show how flawed this new idea of the old bottle is and how it has failed to respond to critical issues and substantive aspects of governance and administration, such as effectiveness, accountability, quality, fairness, representation, and the like (see, for example, the Final Report of the IASIA-IIAS 2001 conference in Athens, Argyriades 2001).

A second group of concepts on governance has appeared in the writings of social scientists as well as by the UN-sponsored projects, seminars, and workshops worldwide. For example, Guy Peters (1996) keenly detects four conceptualized models of governance that have appeared in the body of literature: market model, participatory model, flexible government, and deregulatory government, each of which has significant structural, managerial, policy-making, and public interest implications distinct from others, yet overlapping on many features. Another example is the concept of "social and political governance" as a distinct model that purports to emphasize interactions between government and society in a so-called chaotic, changing world characterized by diversity, complexity, and dynamics (see the collection of essays in Kooiman, 1993). This model of governance and government tends to promote the new notion of dynamic interactions among various actors in society, including civil society that reflects diverse interests, and complexity born out of rapidly changing national and global environments that affect governance at all levels.

Partnership and macro-policy management are considered key roles of government, while participation and diverse management approaches to the governance process are considered important micro issues under this new concept (Kooiman, 1993). As an extension, this model also presents the notion of governance modes, such as autonomous state or government, hierarchical state or government, negotiating state or government, and responsive state or government (Jorgensen, 1993), each with characteristics suitable for time and situation. The latter of these modes is claimed to be superior and has three variant characteristics: a state or government that acts like a supermarket, behaves as a service state, or performs as a self-organizing state or government that assumes citizens as key parts of anything the government does and whatever governance entails (Jorgensen, 1993). Additionally, the notions of participatory governance, government, and administration have become new notions that have received close attention from scholars as well as policy advocates (see, for example, Denhardt, 2002, and the entire issue of *Public Organization Review: A Global Journal*, volume 2, number 1).

While offering contributions to our knowledge on modern governance, the model of social and political governance tends to avoid or at least overlooks the economic, and especially the political economy, dimensions and questions. Economic dimension is the central dimension of all governance processes, structures, and values; ignoring this central dimension obscures any meaningful discussion or discourse on democratic governance. Similarly, ignoring the political economy of public administration distorts or obscures the real discourse on democratic administration and, by extension, public management.

Public management, administration, and governance are not neutral concepts; they are value normative and carry consequential outcomes. In a similar fashion, the United Nations Development Program espoused, through a number of seminars, workshops, and working papers, extended notions of economic governance, political governance, social governance, and administrative governance, all of which constitute the elements of *systemic governance*, a notion that "encompasses the processes and structures of society that guide political and economic relationships" for multiple purposes, including the promotion of good governance (see, for example, UNDP, 1997a, pp. 9–10).

The concept of "good governance" as espoused and promoted by the United Nations agencies such as the WB, IMF, UNDP, and UNDESD as well as by most Western governments and corporations, became one of the most pressing requirements on third world countries in Asia, Africa, and Latin/Central America as a condition for international assistance. As part of the structural adjustment programs (SAPs), the United Nations agencies, under the instructions and pressures of donor institutions of the North (Western governments and corporations), demanded that developing countries adopt the notion of "good governance" by implementing a number of structural and policy reforms in their governments and society as a condition for international aid. Seminars, workshops, and con-

ferences were held worldwide that stressed the concept and demanded results for sustainable development (see, for example, UNDP, 1997a, 1997b).

However, as will be seen below, the concept of "good governance" evoked serious criticisms as well as praise worldwide. For example, the former president of Tanzania, Julius K. Nyerere, in delivering the keynote address at the UN Conference on Governance in Africa in 1998, severely criticized the notion of "good governance" as an imperialistic and colonizing concept. He viewed it as an imposing concept being forced upon developing and underdeveloped countries of Africa by the industrialized Western powers and transnational globalizing corporations. According to him, these donor corporations and governments as well as their UN representative organizations had determined that governance in Africa was "bad" and decided that it should be reformed into "good" by shrinking the size of the state and public administration, expanding the private business sector through privatization, and paving the way for globalizing capitalist corporations in search of high profits and of integration into the global market system (see UNDESA, 1998).

In short, the notion of "good governance" has been promoted through international agencies as well as corporate and government consultants whose main purpose it has been to structurally reform the governments and economies in developing countries in favor of globalizing corporate elites. The notion of good governance, however nice it sounds and appealing it is, has serious normative orientations, favors business and powerful political elites, and promotes corporate elites' interests nationally and globally. The concept is deficient in that it is vague in many ways and does carry highly normative values that tend to enhance the dominant, imperialistic, and globalizing elites' political and economic interests while downgrading the government traditions in developing nations. What is defined good by the rich and affluent has historically been not so good for the poor, underclass, and masses in less-developed nations, and there is no reason for these groups to trust the so-called new notion of "good" governance.

It is this deficiency and other problems in the concept of good governance, as well as in the other notions of governance noted earlier, that have encouraged adoption of an alternative and more comprehensive concept, that is the concept "sound governance," throughout this volume, as the title clearly shows. The significance of adopting this concept is explained further below, but first we need to understand what governance means.

Definition and Rationale

The concept of governance has received different definitions. For example, UNDP (1997b) defines governance as "the exercise of political, economic, and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes, relationships, and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and medi-

ate their differences" (p. 9). According to this UNDP definition, "governance transcends the state to include civil society organizations and the private sector, because all are involved in most activities promoting sustainable human development" (p. 11).

This definition identifies three key components of governance: the state and its institutions, the civil society organizations that were traditionally left out in the past governing systems, and the private sector supposedly not involved in the governing process or dynamics. This typical definition of governance as espoused and promoted by the UN and many other international organizations and institutions representing academia, civil society communities, women and minority groups, government and UN organizations, and private sectors, has been a hallmark of the conceptual transformation of the traditional concept of "government" and "governing" into "governance and good governance" worldwide. Scholars as well as supragovernmental institutional organizations such as the UNDP, WB, IMF, WTO, and others have followed the concept to the point that it became a buzzword subject of the national and international conferences, seminars, and workshops, as well as a key word for grant writers seeking research and conference funding for papers, seminars, reports, and books.

Three examples of this rapid growth illustrate adoption of the concept of good governance: One is the UN Conference on Governance in Africa, as noted earlier. Another is the preparation and presentation of an issue/plenary paper by this author for the UN-organized World Congress on Governance in Manila, the Phillippines in June 1999; the title of the paper was "Partnership Building for Governance," which served as one of the key discussion papers to fit the theme of the conference on good governance, "from government to governance" (see Farazmand, 1999b). And the third example is a paper presented by a UNDP consultant, Paul Oquist (2000), on "good governance implementation" in developing countries, presented at the Annual Conference of EROPA (Eastern Regional Conference of Public Administration) in Hong Kong, in October 2000.

Although the concept of "good governance" has not gained further stride recently, and in fact it has diminished in application in scholarly and governmental reports, the concept of "governance" has gained more popularity worldwide, and this attention is also noticed in the public administration literature around the globe. In fact, most international conferences, seminars, and symposia organized during the last decade or so have emphasized as their central theme the concept of "governance" followed by the concepts or terms of administration or public administration, or at least the two concepts have been used in companion, and in many cases as a replacement for public administration. For example, the Tokyo International Conference on Metropolitan Governance placed an emphasis on this concept rather than administration; the Eastern Regional Conference of Public Administration (EROPA)'s meeting, held in Hong Kong in 2000, carried the term *governance* along with public management; and the International Institute of Administrative Sciences (IIAS)'s conference in Athens, Greece, in 2001 also carried the word "governance" along with public administration.

Similarly, the concept of "governance" has been used in the public administration scholarly literature in a growing fashion. Examples include Kettl (1993), Osborne and Gaebler (1992), Peters and Savoie (1995), Peters (1996), Frederickson (1997), Farazmand (1999a), Kooiman (1993), Salamon (1989), and others. While the use of the term *governance* in political science is not uncommon, the sudden increase in its use in public administration shows a major shift in conceptualization and intellectual discourse as well as practical application within the profession of public service management.

The increasing use of the term *governance* has been attributed to a number of factors such as the negative connotation with the term *bureaucracy* and traditional hierarchical system of public administration, the less participatory mode and meaning of public administration, the authoritative and unilateral commanding function and role of government and governing concepts, and the more inclusive and interactive notion of governance as a process. These points are presented by perspectives on this shifting trend in use of governance and public administration, albeit with different purpose in mind. For example, explaining their *Reinventing Government* book, Osborne and Gaebler write that "this is a book about governance, not politics" (1992, p. 247). Here a dichotomy of politics and administration or rather governance is presented and it is a problem, as much of success or failure of government and administration is attributed to politics. Also, the authors confuse readers by misapplication of the term *governance* with administration by assuming the two are the same, or assuming it as a concept that subsumes both politics and administration (Frederickson, 1997).

On the other hand, Peters (1996) offers a clear and splendid analysis as well as explanation of the concept of governance and public administration in his four modes of governance with corresponding structural and managerial functions. As a political scientist with expertise in public administration, Peters is keen to make such a distinction by understanding the broader meaning of the concept of governance, each with strengths and weaknesses. In the middle ground, Frederickson (1997) outlines the recent literature of "public administration as governance" and explains the advantages and problems associated with the application of governance as public administration or vice versa. His preference is for the concept of public administration, though he recognizes where the problems arise and how the term *governance* can help in serving and saving public administration.

These examples illustrate at least two realities: One is the contemporary shying away from, or hesitation with, the use of the traditional public administration concept, and another is the more inclusive and comprehensive concept of governance that sounds both more interactive and less negative. Despite the advantages of the concept of governance over governing, government, and administration, at least one problem arises immediately, and this is a point that has not yet been addressed by most scholars; it is the generic meaning of the term that can cause confusion. Like management and administration, governance is applied to both public and private sectors and in a wide range of institutional settings.

Although private or business governance is a rarely used concept, corporate and nonprofit governance is a common lexicon. Should we adopt the term *public* governance, like public administration or public management? This is a conceptual challenge, which is inherently problematic in our discussion of government, governing, public administration, and public management. What is needed is the sectoral "context," the realm of analysis with relevant implications for public policy and administration. How about the concept of "good governance" as applied by the UN and other governmental institutions as well as scholars? Although a comprehensive treatment of this question is beyond the scope of this introductory chapter, the brief answer is that it is a deficient as well as a misleading concept.

The deficiency with the concept of "good governance," as defined by UNDP and as noted earlier, stems from at least two major factors. One is that interaction of only three forces or elements is considered to constitute or involve good governance; that is, the interaction among the state, civil society, and the private sector. This triad interaction ignores perhaps the most important force affecting governance in developing and less-developed nations, that is, the international/global power structure—the globalizing state power and the transworld corporate elites. This international or global power structure has for almost a whole century dominated the politics and economics of the developing and less-developed nations and their cultures. As a neo-colonial global power force, it has replaced the nineteenth-century colonialism with imperialism, and has, through technological, political, economic, and military interventions, interfered with and replaced independent, legitimate, sovereign governments in the third world nations over and over throughout the twentieth century. It now openly and arrogantly intervenes in the internal affairs of every country it does not like or when these governments do not bow to its bullying dictates. It seems that international laws and traditions and all the progress made since the formation of the United Nations as a mediating global organization for preservation of integrity, dignity, and respect of nation-states with the right to their self-determination have now been replaced by the laws of the jungle in which the "logic of force and coercion" rather than mutual respect and tolerance prevail. This is a potentially dangerous epochal era of global politics and administration that tends to turn humanity and civilizations back to the ancient and even barbaric times. Although this may appear to be too strong a statement, its features are already manifest at the global level, and its potential dangers are too serious to be overlooked or ignored by any conscientious observer of world politics.

With the collapse of the superpower Soviet Union, the global power structure is pushing the implementation of globalization of capital by force, a pressure from which even the European nations cannot escape. As part of this global power structure, at least as an independent, supranational international organization, the United Nations also plays a very large role in the governance process and structure of the third world countries. Unfortunately, the ability of the UN to func-

tion as an independent international organization has been hampered to a great extent, because the neo-colonizing global power structure has turned away from the UN as a legitimating institutional instrument for its interventionist policies. Together, these international/global power structures shape significantly the external and internal environment of governance of almost any country. Thus, the interacting triad relationship does not adequately explain the governance system. It should be completed by the global/international power structure that dominates that triad structure. Therefore, a sound governance must have these four components or dimensions together.

Another problem with this definition is its heavily loaded normative value orientation defined and formulated by the international/global forces noted above. It is this global or international power structure, led and dominated by the globalizing transworld corporations and the U.S. government, that has also defined "good governance" and what it entails; what is good and what is bad is defined unilaterally by these global power elites. Its requirements demand implementation of reforms and structural adjustments in favor of globalization of capital, turning developing countries into the operating fields of global capitalism and the American empire, the new global "empire" (Hardt and Negri, 2000). The concept is also more misleading because of the double-standard practices and biased values in favor of the penetrating global corporate culture.

The values and characteristics of good governance do not apply to those countries that are already in the realm of this empire—lack of elections, democratic processes, citizen participation, and growth of independent organization of economy and administration—or when they are imposed with punitive sanctions on countries with indigenous and independent governance structure. In short, the normative values of good governance are applied with double standards and biases. Additionally, the concept of good governance lacks clarification in its definition of important components that I have identified below in defining "sound governance": structure, process, values, policy, and management.

SOUND GOVERNANCE

Rationale and Characteristics

The concept of "sound governance" is used in this book as an alternative to the term *good governance* for several reasons. First, it is more comprehensive than any other concept reviewed earlier, and includes the important global or international element of governance. Second, it also includes the normative as well as technical and rational features of good governance. However, it presents a balanced view of governance that is less biased and takes into consideration the genuine features of indigenous governance systems that may be at odds or conflict with the globally dominant neo-colonialist power structures. In other words, a government or governance may be sound and yet its value system in conflict or at odds with foreign, imperialist interests and their interventionist policies. Third,

the concept of sound governance has all the quality characteristics of governance that is superior to good governance and is sound technically, professionally, organizationally, managerially, politically, democratically, and economically. It is also sound in terms of capacity and anticipatory behavior; it is democratic in character, responsiveness, and competence; and its cultural values are embedded in societal values and structures. Fourth, sound governance is in accord with the constitutional values and responsive to international norms, rules, and regimes. Good governance as defined by its proponents overlooks this important constitutional feature that bounds nation-states and sovereign governments.

Fifth, the concept of sound governance has ancient origin in the first world-state empire of Persia with a highly efficient and effective administrative system (Cameron, 1968; Cook, 1985; Farazmand, 1998; Frye, 1975; Ghirshman, 1954; Olmstead, 1948). According to Darius the Great, Cyrus the Great's successor, "no empire can survive much less prosper without a 'sound economy and sound governing and administrative system'," and the Persian Empire needed to rebuild its governing and administrative system with a sound economic, managerial, and organizational policy that not only was efficient in its discharge of the empire's current affairs with-far flung territories, but also effective in its political control and anticipatory responses to unexpected crises and emergencies. Strategic management and contingency governance structures were well in place for governing and managing a world-state empire so large that it covered virtually the entire known world of antiquity.

Although the ancient concept of sound government was not democratically sound compared to contemporary standards, its adoption via genuine and profound structural reforms in finance, management, communication, law, and local government based on the noble principle of "tolerance" was a novel idea. Today, the concept of sound governance transcends all other concepts of governance by including five major dimensions and four interactive elements. Before elaborating on these dimensions and elements or characteristics, a definition is helpful to put the concept in perspective.

The term *governance* is used in this book to present a broader and much more comprehensive notion of government and administration than the terms *government* and *governing* have implied. Governance here means a participatory process of governing the social, economic, and political affairs of a country, state, or local community through structures and values that mirror the society. It includes the state as an enabling institution, the constitutional framework, the civil society, the private sector, and the international/global institutional structure within limits. Here, governance is used as a broader concept than the traditional, unilateral, and authoritative forms of government whose governing elites sit on in unilateral commanding positions.

Governance is therefore inclusive and promotes participation and interaction in an increasingly complex, diverse, and dynamic national and international environment. Hence, the concept of "soundness" is used to characterize governance with superior qualities in functions, structures, processes, values, dimensions, and

elements that are necessary in governing and administration. Governing refers to the function of governance by whatever actors or authorities or institutions, including nongovernmental ones, whereas governance consists of process, structure, value, management, policy, and administration. Hence, the concept of sound governance is used here to denote a system of government that is not only domestically sound and virtually flawless economically/financially, politically, democratically, constitutionally, organizationally, administratively, managerially, and ethically, but is also sound internationally/globally in its interaction with other nation-states and their governments in an independent and self-determining fashion. Sound governance here reflects both governing and administrative functions with sound organizational and managerial performance that is not only current and maintenance-competent but also anticipatory, responsive, accountable and transparent, and self-corrective; hence strategic and long-term oriented as well as short-term operational.

Dimensions of Sound Governance

Sound governance consists of several major components or dimensions. As vibrant elements of a dynamic system, these component elements interact dynamically with each other, and all form a unique oneness which operates with internal diversity, complexity, and intensity, and external challenges, constraints, and opportunities. Both internal and external dynamic features interact constantly, keeping the dynamic governance system focused on direction and actions with purpose.

Diversity provides the governance system with opportunity to receive feedbacks from opposing dialectical forces that serve as mechanisms of checks and balances. Diversity also injects new bloods into the system and promotes innovation and creativity. Complexity develops as a result of dynamic operation of diversity and increasingly entering numbers of external and peripheral forces that challenge the operation of the governance system. Complexity is therefore a product of increasing interactions among dialectical forces that keep the energy field of governance system heavily loaded with busy activities. This process leads to the varying degrees of intensity within the governance system, in its international operation and in its dynamic responses to the external environmental pressures, opportunities, and constraints—locally, nationally, regionally, and globally. The more external opportunities and support elements, the more smooth the operation of the system internally.

Conversely, the more externally received pressures, challenges, and constraints (e.g., sanctions, propaganda, hostility, border conflicts, wars, and international financial/economic pressures), the less smooth the operation of the internal system of governance. However, this also presents the governance system with a newborn opportunity in the midst of adversity: the increased intensity in internal dynamic interactions among dialectically opposing forces in the energy field, a process that contributes to an enhanced level of capacity building, innovation,

creativity, and adaptive responsiveness. And this is a healthy characteristic of the dynamic process and structure of the sound governance system, as the system is compelled to develop self-reliance through creativity and innovation in policy and administration in various fields, and take leaping steps toward capacity building and enhancement for self-governance and administration. It is this quality of governance that makes the system sound and dynamic.

Sound governance has several dimensions. These include (1) process; (2) structure; (3) cognition and values; (4) constitution; (5) organization and institution; (6) management and performance; (7) policy; (8) sector; (9) international or globalization forces; and (10) ethics, accountability, and transparency. Each of these dimensions works in concert with others like an orchestra, with a sound leadership and dynamic participation of interactive elements or components outlined above, giving the governance system qualities beyond expectations.

1. *Process*. Sound governance involves a process of governing with the interaction of all elements or stakeholders involved; this is a meaning that good governance has also provided. But sound governance is not just about internal and external processes; it also has a structure.

2. *Structure*. Structure is a body of constitutive elements, actors, rules, regulations, procedures, decision-making frameworks, and authoritative sources that sanctions or legitimates the governance process. This structural embodiment is shaped and operates both vertically and horizontally and is influenced by a multitude of internal and external, local and international factors and forces.

Process explains how governance works, whereas structure defines and gives directions to the process. Sound governance has a structure that is solid, informed, legitimate, competent, and dynamic in form and substance. In public governance, for example, the key officials, elected and appointed, the stakeholders, the nongovernmental organizations, the citizen bodies, the media, civil society, the private sector, and the domestic and international/global institutions or powers are parts—directly or indirectly—of the governing structure, and so are the rules and the ways the rules are defined.

3. *Cognition and values*. The cognitive or value dimension represents the unique or deviant value system of the governance structure or process. For example, an unhealthy, corrupt, and poor governance system is loosely organized, lacks institutionalization and legitimacy, and is highly dependent on external forces for legitimacy to stay in power. It is inherently shaky and fragile, waiting for the right time or a small opportunity to crumble and disintegrate. Most contemporary governments in the third world countries of Asia, Africa, and Latin/Central America fall in this category, as they are heavily dependent on the globalizing and domineering power structure and their repressive governance systems are fragile and ready to crumble. It is the global superpowers' military, economic, and political interventionist supports that have kept many of these regimes in place. The degrees of diversity, complexity, and intensity in the governance process of these governments are low with minimum interactions. Their systems are like rusted bridges that are ready to collapse any day. Can they be changed

and transformed into a healthy governance system? Yes, but a structural change is required to free them from external dictation/manipulation and an internal value system that is corrupt, exploitative, and repressive.

Sound governance breeds healthy and dynamic values that underlie its structure and process dimensions. Normative values of fairness, equity, integrity, representation, responsiveness, responsibility, tolerance, and equality before law for all citizens regardless of color, race, ethnicity, gender, and age form the sticking glue of a sound governance system, keeping all other dimensions together in a solid way. Policy dimension further reinforces or weakens the governance system, depending upon the intent and outcomes as well as the processes of policy ideation, formulation, legitimation, implementation, and evaluation. Governance policy is also representative of the political and economic philosophy of a governance system, as any policy action or inaction has consequences for different social and economic classes or groups in society. Sound governance takes all these factors into consideration and tends to maintain a dynamic balance of interests and outcome potentials that serve both the common national interests and integrity of the governance system itself. Policy dimension, therefore, is a mirror of the governance system, and sound policy mirrors a sound and transparent governance system.

4. *Constitution*. Next, perhaps the most important dimension of governance and sound governance is the constitution of the government and governance system. The constitution is the fundamental guiding document that serves as a blueprint of governance. However, in a weak, poorly organized, and unsound governance system—if it is called a system at all—the constitution is nothing more than a formal document; it is ignored and bypassed most of the time and used selectively to serve particular powerful interests. This is a typical problem of "formalism" or duality in governance processes around the world that are heavily influenced or dictated to by external globalizing power structures. Formalism occurs when formal rules and regulations are supplanted by informal and unofficial norms and behaviors in politics, governance, and administration to serve specific purposes, but they are applied rigidly when dealing with adversaries or system challengers (see Farazmand, 1989; Riggs, 1994).

All governance systems exhibit a degree of formalism, and this includes highly advanced industrialized nations of the West, but this problem is more chronic in less-developed and developing nations (Riggs, 1966, 1994). A high degree of formalism erodes system legitimacy. A constitution serves as the most important source of legitimation for governance systems; a working constitution also contributes to the soundness of governance at the national level.

5. *Organization and institution*. Another dimension of governance and sound governance is organizational and institutional components or properties. What are the institutions of governance? How well do these institutions operate in coordination with other institutions of government? Governance structure and process as well as policies depend on governance institutions, and without institutions there is no sound governance. Are the institutions formally and constitutionally

sanctioned as legitimate? Are informal institutions at stronger play in the governance process? These are fundamental questions regarding this dimension of governance. However, institutions without sound organization are fragile and doomed to failure, as they cannot perform and do what they have been created to do. This failure also leads to policy, structural, and process failures of the governance system; hence an unsound governance. On the other hand, well-organized and well-performing institutions contribute to sound governance.

Thus several key questions arise: How well are the governance institutions organized? How well do organizations of governance system perform? and How well do the outcomes and results of organizational performance serve governance constituencies, clients, and citizens? These are key measures of this dimension of sound governance. Institutions without sound organizations cannot survive, but organizations without institutions are also fragile and have low chance of survival; their legitimacy is dependent on institutionalization which gives them a cognitive recognition, a normative feature that feeds to the soundness of governance system. Thus, both institutional and organizational dimensions serve as integral components or properties of sound governance.

6. *Management and performance*. The managerial and performance dimensions of sound governance are directly related. They are integral parts of the whole system. But mere performance is not sufficient; it must produce desired and intended outcomes, outcomes that translate into institutional and system legitimacy. The management dimension is a glue, an operating transmission of the system that must produce intended outcomes. Management must be informed by the latest knowledge, technology, capacity, resources, and skills, essentials that need to be constantly updated by research and development, training and enhancement, and capacity building. Without a sound management system characterized by efficiency and effectiveness, sound governance will suffer from incompetence, poor performance, waste and duplication, bureau-pathologies, and lack of legitimacy.

7. *Policy*. Next is the policy dimension of sound governance, which gives the elements or dimensions of process, structure, and management sound guidance, direction, and steering. Two types of policy are in order in sound governance: One is external to individual organizations of governance, and it comes from the legislative and political or judicial authorities representing the will of the people. This kind of policy guides and gives directions to governance institutions and organizations to achieve desired goals and objectives. The second type of policy is internal to the individual organizations and institutions of governance; it is organizational policy, a guidance set of steering roles that define and determine the rules, regulations, procedures, and values that are used to manage organizational performance toward desired mission and goals of sound governance. Together, the external and internal policies serve as the steering mechanism of organizational performance in sound governance.

The more the citizenry participate in making these policies, the more credibility and legitimacy they award to the public management and governance sys-

tems. Without popular participation in policy making and management, citizens and constituent bodies are kept in dark; they lack the knowledge and information to be aware of what is going on, and they will turn into passive objects or subjects of government activities. Erosion of trust in public organizations and government follows, causing lower legitimacy and crisis of governance. Thus, participation is a major dimension of sound governance, involving citizens in what governance is all about; and sound governance, like good governance, not only involves citizen participation, it encourages and promotes it.

8. *Sector*. Another dimension of sound governance is its sectoral features that also embody all other dimensions outlined above. Sectoral dimensions of governance are important as they are focused on specific sectors such as industrial, agricultural, rural, urban, scientific, research and development, education, health, transportation, and other areas. Sound sectoral governance requires direct participation of citizens, able management, and knowledge and skills in performance of public organizations. But intersectoral and interorganizational coordination, cooperation, and sharing of knowledge and information are essential ingredients of sound governance. Unfortunately, many governance systems and organizations lack this absolutely necessary element of coordination worldwide, in both industrialized and developing nations.

9. *International or globalization forces*. Another, and very important dimension of sound governance is its international or global dimension. Today, in the age of accelerated globalization and global interdependence, nation-states, governments, and citizens are increasingly drawn into—voluntarily or involuntarily—a growing set of regimes that either show intolerance toward certain governance behaviors that were formerly and traditionally considered normal and internal to sovereign governments (e.g., the Apartheid regime in South Africa, or genocide in Africa), or demand implementation of various rules, regulations, and protocols agreed upon collectively at regional or global levels.

Examples of international and global organizations in this functional category are the United Nations and its various agencies and organizations scattered worldwide, such as the International Labor Office, the World Food Organization, the World Health Organization, the WB, the IMF, the WTO, and others. Along with these international organizations are a multitude of nongovernmental and grassroots global movement organizations, formed by concerned citizens worldwide, whose objectives and activities serve a wide range of purposes such as environment, poverty, migration, health and hunger, and human rights. These international forces and institutions play an important role in defining the parameters for governance in various countries, even in powerful, industrialized nations. They are neither governmental nor corporate organizations; they are networks and loosely coupled organizations formed by grassroots people of varied cultures that recognize no geographical boundaries or borders. Together, they form the global movements of "counterglobalization" and "glocalism," and represent the antithesis of globalization and its anomalies.

Unfortunately, a key feature of this international or global dimension of governance is contaminated by the neo-colonialist motives and by the colonizing and imperialistic global power structure that is dominated by the transworld corporations and the Western superpower governments, such as the United States, that tend to dictate their policy preferences to the developing and less-developed countries of the world. This tendency has been a continuous problem hindering development and enhancement of democratic sound governance in the third world countries for well over a century. The quest for global military and political domination, control of resources and cheap labor, and securing a dumping market have motivated the Western capitalist countries, including the ones with self-claimed democratic systems, to intervene militarily, economically, and politically in the third world countries. The imperialist and colonialist powers are also in control of the key seats of the global governance systems such as the UN Security Council, the WTO, WB, IMF, and others that provide assistance and aid to the third world countries.

By controlling the strategic financial, political, and economic institutions of the world, the Western powers, especially the United States, have been able to dictate their policy choices, including the kinds of regimes and governments, to the third world countries. Consequently, the colonial system of the previous centuries now continues in the new forms of neo-colonialism and imperialism. Unfortunately, with the fall of the countervailing global superpower, the Soviet Union, there are no checks and balances and no deterrence to the abuses and potential repressions committed by the emerging global empire.

In this global environment, the governance system in developing and less-developed nations is highly impaired, and unfortunately, much of this global impairment and dictation is often imposed on citizens and governments of the third world under the guise of such deceptive words as "democracy" and "freedom," whereas in reality, democracy and freedom are taken away from these people. The history of the twentieth century bears witness to numerous military and economic and political interventions by the United States and some Western European colonizers in Africa, Asia, and Latin/Central America. Today, in the age of globalization and so-called new world order, the United States seems determined to change regimes it does not like, or elected governments with mandates to determine or assert their democratic rights that may not coincide with the interests of the global corporate elites and the U.S. government.

Thus, the global and international dimension of sound governance is seriously hampered, and, as a result, many governments in the third world countries suffer and will continue to suffer from serious legitimacy crises because the installed or surrogate regimes and leaders alien to popular interests rule those countries and serve the interests of the global power elites. Despite such a hampering and impairing global force, sound governance *can* be implemented in developing countries, with various degrees of success and effectiveness. Self-determination is an inalienable right of indigenous peoples and democratic sound governance

is possible with ceaseless struggle and participation of the people in the political and governance scenes, and only participatory governance and administration can assure soundness of the system.

10. *Ethics, accountability, and transparency.* A key feature of sound governance is its principled foundation on ethical values, accountability requirements, and transparency structures and values. This cardinal principle of sound governance checks against the potential abuses and corruptions of the system as well as against the blind principles of pure efficiency and economy in the management and administration processes.

Levels of Governance

Governance includes local, national, regional, and international as well as global levels. In the age of globalization, all these levels of governance are either directly or indirectly related. While some issues of governance are globally influenced, sanctioned, or inspired, others have trend-setting effects for nation-states and their governments. For example, while the issues of poverty, health, and immigration are global concerns, they also have impacts on local and national governance.

Conversely, local and national governance issues are affected by international norms, standards, and regimes that regulate domestic governance in various areas of economy, politics, society, culture, and administration. Many metropolitan governance issues are now becoming globally concerned issues which demand collective and globally shared information, technology, and skills, for example, urban service delivery, emergency and security issues, poverty and housing problems, air and water pollution, and crime and other problems.

Local governance under the model of sound governance demands active citizen participation, through direct or indirect involvements, co-service delivery, co-production, and co-management in transportation, housing, and the like. Partnership building and enhancement is a key feature of contemporary reforms in governance and management systems, as explained by Chapter 4 in this volume. Similarly, national governance is required to follow various international and global standards and norms or regimes established collectively through such supranational institutions as the United Nations and its affiliated agencies.

Obviously, dominant politics play a major role in determining the processes, goals, and outcomes of these international and global regimes or regulations. The less powerful nations of the third world are mostly on the recipient side of these global governance regimes. Therefore, the ability of less powerful nations of the third world is significantly impaired by the influence exerted by the more powerful nations of the West, namely, the United States and other industrialized countries, who pursue their own national, corporate, and military interests.

Global level of governance is not a new phenomenon of the twenty-first century. International relations and global governance systems are directly related and they have been twin features of governing systems or schemes of the

world. In the past, under the Cold War, there was international competition between the two superpowers—the United States representing Western capitalism and the Soviet Union representing the socialist system and the rest of the countries falling under one of these two or a third world system of Non-Aligned countries struggling to maintain their neutrality and independence. In reality, however, de facto competition and power block alliance had almost always existed, either directly or indirectly. With the fall of the Soviet Union, the global competition for world governance has mainly disappeared and a new world order system is claimed almost unilaterally by the United States and the transworld corporations that tend to rule the world through a comprehensive and sweeping globalization of capital.

Nation-states and governments resisting this global pressure are being threatened by both military interventions and economic and political and technological means, sanctions, and pressures. The objectives are to impose uniformity, standards, and desired systems of governance and economy to suit the interests of the transworld corporations and the superpower government of the United States and its allies in the Western cultures. Nevertheless, as noted earlier, grassroots movements, global resistance groups, various global networks, and noncomplying countries or governments are forming the antithesis of this globalization process and global governance system under the so-called new world order. These global movement networks are forming the dialectical forces of counterglobalization and glocalism, forces that globalization designers and global power elites must reckon with in the future.

Thus, global governance is taking a new, complex, and dynamic shape characterized by flux, uncertainty, rapid change, chaos, and unpredictable changing dynamics. In sum, local, national, regional, and international or global governance systems are directly or indirectly related, and the dynamics of these multiple levels of governance system present great opportunities for social science research to enhance knowledge and improve governance performance. A new global laboratory of governance is now formed and both governments and governed have the opportunity to examine options, solutions, and problems.

POLICY AND ADMINISTRATIVE INNOVATIONS

Innovation is key to sound governance, and innovation in policy and administration is central to sound governance as well. Without policy and administrative innovations, governance falls into decay and ineffectiveness, loses capacity to govern, and becomes a target of criticism and failure. Sound governance, therefore, demands continuous innovations in policy and administration processes, structures, and value systems. Innovations in technology, resource development, communication systems, organization and management, training and development, research, and a host of other areas are essential to the soundness of governance and administration.

Policy innovations in governance are essential to the adaptation and adjustment to the rapidly changing environment of the world under globalization. It is also important to the building and enhancement of capacity to govern and to sound governance. Failure to innovate means failure to adapt, to build capacity, and to govern effectively. Similarly, innovation in administrative process and structure is essential to the organization and management of a governance system and to the effective implementation of innovative policies.

Without innovative and adaptive administrative or managerial systems, innovative policies are doomed to failure; innovative policy is meaningless without the organization and capacity to implement it; and without sound implementation or administration, there is no sound governance. Thus, policy and administrative innovations are key to sound governance, especially in the age of globalization and rapid change. Both policy and administrative innovations consist of a multitude of managerial, institutional, organizational, cultural, and technological innovations for the purposes of adaptation and creative and novel ideas that would transform the governance process and structure. They will further help build and enhance managerial, administrative, and governance capacities, not only for maintaining high performance but also in an anticipatory manner, in order to meet the challenges of the globalization age. Some of the chapters in this book address and deal with some of these innovation issues and offer suggestions for such capacity building and enhancement in governance and administration.

PLAN OF THE BOOK

This book is divided into six parts and sixteen chapters, including this introductory chapter. Part I covers two chapters on globalization and sound governance. These are general, theoretical chapters covering a wide range of scopes and issues of globalization and how they affect sound governance. Specifically, Chapter 2 by Ali Farazmand presents a theoretical view of globalization with implications for governance. Chapter 3 deals with politics of international policy learning in public administration, presented by Anthony Cheung. Part II presents two chapters on building capacity for governance and administration, with theoretical and practical implications. Chapter 4 is an analysis of building partnerships for sound governance, presented by Ali Farazmand, followed by Chapter 5 on trust as capacity in governance, by Robert Denhardt.

Part III deals with substantive policy innovations, governance, and administration, covered by three chapters. Chapter 6 is a presentation by Anthony James Catanese on planning for sound governance for the twenty-first century. Chapter 7, by Gordon Bazemore, discusses the issue of crime, governance, and communities in light of the new criminal justice reform in the United States, and with implications for crime and justice administration worldwide. In Chapter 8, F. Stevens Redburn and Terry Buss present an interesting discussion of modern-

izing democracy with a focus on citizen participation in the information age, and implications for sound governance.

Part IV covers three chapters on the general topic of innovations in organization, management, and governance. Chapter 9 is a presentation, by Robert Golembiewski and Eran Vigoda-Gadot, on organizational innovation and public management, followed by Chapter 10 on the issues of diversity, administration, and governance, presented by Mary Guy and Jason Bennett Thatcher. Chapter 11 is a discussion of innovation and intergovernmental relations presented by David Nice and Ashley Grosse.

Part V presents the hot issue of strategic innovations in public management through application of Total Quality Management (TQM) or Quality Management as an innovative strategy in public service and administration. This is a currency in sound governance, especially in regard to citizen satisfaction, quality public management, and administration. Here, Chapter 12 by Ali Farazmand and Friederick Mittner presents TQM in public management as an innovative strategy for sound policy and management in governance. This is followed by Chapter 13 presented by Raymond Saner on Quality Assurance as public administration capacity building.

Part VI offers three chapters on innovations in development policy and administration, and on the role of the United Nations in promoting sound governance and public management through induced public sector reforms, international and regional conference, and publications. Here, Chapter 14 by Yolande Jemiai of the United Nations presents a bird's-eye view of the public sector reforms around the world and the role of the UN in promoting such programs toward sound public management and governance. Her inside knowledge and information is a valuable reflection of what happens to public service and how the UN involvement can make a difference. Chapter 15 is another significant presentation of valuable knowledge by another UN insider, Abu Rahman, on innovation in development administration, sound governance, and management. Finally, in Chapter 16, Jean-Claude Garcia-Zamor presents the struggle of small government bureaucracies to develop traditional ethical policies in developing countries.

Last, but not least, an index is provided at the end of the book, followed by a brief list of biographical statements.

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I

GLOBALIZATION AND SOUND GOVERNANCE

2

Globalization and Governance: A Theoretical Analysis

ALI FARAZMAND

INTRODUCTION

The world is experiencing profound structural changes at the turn of the new millennium. The dawn of a new civilization has begun with the rapid fall of the established, industrial civilization with which many parts of the world are still trying to catch up. While a few are making leaping progress in individual and group life, the majority of the world population is still desperately struggling to survive. The concept of *rupture* has replaced the word *rapid* to describe change, which has become a constant phenomenon. Change is both necessary and inevitable, but rapid, chaotic change coupled with rupturing events can have potentially devastating consequences for many while presenting opportunities for a few. Quantitative changes are important in shaping structures and values of societies, governments, and humanity, but it is the qualitative changes that alter long-standing characteristics of human civilization. It is the qualitative changes that are now taking place and altering the planet Earth, and the societies and communities on it.

The high mark of these changes is globalization with profound impacts on state, governance, and administration. Globalization has evoked various conceptual and intellectual as well as political and economic reactions worldwide. For example, Huntington (1996) speaks of the "Clash of Civilizations," Fukuyama (1992) predicts "the end of history and man," and Korbin (1996) indicates a "return back to medievalism." These expressions reflect a major point of view on the rupturing, qualitative changes worldwide.

The world is experiencing a high degree of globalism—an ideological, political, organizational, and economic phenomenon of the late twentieth century—and globalization—the process through which worldwide integration and transcendence are

taking place. What does globalization mean for the state and governance? This chapter addresses this fundamental question in some detail, offers explanations on the causes and consequences for governance and public administration, and suggests some policy and administrative options for action. Using a political economy approach, therefore, the chapter is a critical and theoretical analysis of globalization with consequences for democratic governance, society, and administration.

STATING THE PROBLEM: THE CHALLENGE OF GLOBALIZATION

The concepts of globalism, globalization, and new world order have received significant attention in the social sciences, especially in economics, political science, and sociology. However, knowledge of the impacts of globalization on governance has been inconclusive and confusing, with the subject being understudied. The dramatic changes in science and technology have also helped the late capitalism and social order to be transformed into global capitalism and disorder, causing transcending effects on nation-states and consequences for modern governance and public administration. Because public administration constitutes the core of the state and governance (Holden, 1997), any changes in the character of the state mean corresponding changes in governance and administration, and changes in governance and public administration are reflected in the character of the state.

Does the state in general and governance and public administration in particular matter any more in the wake of rapid globalization? Is it the end of the state or the end of government and of public administration (Stever, 1988), or the end of work (Rifkin, 1996)? In fact, there are growing speculative arguments that because the transnational corporations have become "state indifferent," the logic of modern global capitalism has made the role of the state irrelevant or redundant (Mandel, 1983). Others may see their earlier dream of global "cosmocorporations" come through making states irrelevant (Ball, 1967). This argument is hardly new. As far as globalism and world systems are concerned, both have existed since the turn of the twentieth century and both were accentuated by the rise of the USSR and its ideological claim of world socialism. The demise of the state was predicted by certain liberal internationalists as well as by some Marxist-Leninists early in the twentieth century. Lenin's seminal work, *Imperialism: The Highest Stage of Capitalism* (1965), focused on the growth and role of multinational corporations in modern capitalism making the state redundant. Similarly, functional theorists of international integration predicted the rise of globalism in mid-century, and the recent argument of "transnationalism" appeared in the 1970s. More recently, the works on globalization and new world order allude to the conclusion that the days of the state are numbered (see, for example, Naisbitt, 1994; Ohmae, 1995).

By extension, some governance theorists, public administrationists, and pub-

lic policy analysts have predicted the creation by global corporations of a new world order beyond nation-states (Reich, 1991), the emergence of a "global village" (see essays in Garcia-Zamor and Khator, 1994), and a "world government" with "global management" (Wilson, 1994). Some theorists have even attempted to develop a universal, global theory of public administration (Caiden, 1994). However, with the exception of Farazmand (1994), little critical analysis of the terms *globalism*, *globalization*, and *new world order* has been offered in public administration. Others, however, have vocally refuted the idea of the end of the state. For example, Caiden (1994), Heady (1998), and Scholte (1997) have argued the persistence of the nation-states with all implications for public administration. Hirst and Thompson (1996), Zysman (1996), and Boyer and Drache (1996) have argued that globalization has been exaggerated and that states remain strong with crucial functions of governance.

Some realists in the international relations tradition have argued that "de facto [state] sovereignty has been strengthened rather than weakened" (Krasner 1993, p. 318). Similarly, sociologists and political scientists like Michael Mann (1980) and Theda Skocpol (1985), who "brought the state back in" to their disciplines during the 1980s, have maintained their skepticism about the disappearance of the state from history. As a result, the process of globalization has produced two opposing trains of thought concerning the fate of the state in modern governance: one predicting the end of the state, and the other arguing on the persistence of the state and national governance.

Refuting the idealist globalism of Reich and colleagues or considering the realist prediction of Krasner (1988, 1993), Heady (1996), Caiden (1994), and others on the state, governance, and public administration is less important than the disparate impacts that globalism and globalization have had on the communities, societies, governments, and management of public affairs in industrialized and less-developed nations. Globalism and globalization have changed the nature and character of the state worldwide. The whole human civilization is being transformed into a globalized economic structure with many superstructural features, including supraterritorial power structures that have profound implications for governance and public administration (Mander and Goldsmith, 1996). In this connection, several social scientists have described the "retreating shifts" in the quality and quantity of state power and authority (Graycar, 1983; Lipsky, 1984; Strange, 1996). They also explain the transitional nature of the state "from the welfare state to the competitions state," as the governments attempt to "respond to, and shape and control, growing international political economic interpenetration" (Cerny, 1995), to "the hallow state" (Milward, 1994), or "the corporate state" (Farazmand, 1997b, 1997c).

Others have argued that capitalist globalization has resulted in the growth of suprastate governance agencies—lacking adequate democratic control and accountability—that are supplementing, if not supplanting, the territorial nation-states (Cox, 1993; Korten, 1995; Picciotto, 1991). Similarly, critics have maintained that globalization of capitalism has eroded the sense of community

and urban power structure (Korten, 1995; Mele, 1996), caused the disappearance of urban jobs (Wilson, 1997), and contributed to the "end of work" (Rifkin, 1996). They also warn that the emergence of the supranational governance agencies has deepened the dependency of the less-developed countries, exacerbated their fiscal crises, and created a serious crisis of governability in those nations (Kregel, 1998).

Using a political economy approach, this chapter treats the concepts of globalism and globalization as phenomena produced by historical changes within the broader framework of continuity. Unlike assertions by some, as in *The End of History and the Last Man* (Fukuyama, 1992), this chapter considers globalization as an expected historical, dialectical development of late capitalism and argues that globalization is caused by the dynamic nature of rapid accumulation of surplus at the global level. The dynamic nature of capitalist political economy in its latest development has shifted in favor of financial capital as opposed to the earlier production nature of the capital. It has shifted from national to global capitalism. Change and continuity are dialectical characteristics of the development of socioeconomic systems. The qualitative and quantitative changes of the last few decades have altered the nature of capitalist economies and their respective structures and organizations of governance and administration. These changes started after World War II and have accelerated since the 1970s. But the state will persist, I have argued.

Through the dialectical interplays of continuity and change, this chapter analyzes the relationship between globalization and the state and public administration. The cause and effect of globalization are discussed with major implications for public administration. While cause and effects are a methodological focus of this paper, the asymmetrical and chaotic forces of globalization are also considered. I have argued that globalization has been caused by several factors, including the economic factors of surplus accumulation capital, the state, domestic constraints, innovations in information technology, international institutions, and ideology. In turn, globalization has caused significant consequences for the capitalist state, governance, and public administration.

The core of the state and administration persists in the broader sense of continuity. At the same time, major changes have been occurring, as a consequence of globalization, that alter the nature and character of the state and public administration from the traditional, welfare administrative state to that of the corporate welfare state. Thus global capitalism is analyzed in the context of the world political economy. In this context, globalization is considered more broadly than capitalism alone. Capitalism needs the state and the state is not independent from capital; the elites of both work together in the globalization process because it serves both. Unfortunately, little has been studied on the causal relationship between aspects of globalization, the state, sound governance, and public administration.

The discussion that follows is presented in four parts: the first part presents

several analytical perspectives on the concept of globalization. The second part examines the causes of globalization. The third part discusses the consequences of globalization for the state and governance, focusing on the changing character and role of the state in general, and of the administrative state in particular, under global capitalism. In the fourth part, a number of implications are outlined for national governance, policy choices, and public administration.

THEORETICAL PERSPECTIVES ON GLOBALIZATION

Globalization has meant many things to many people. The ideas are diverse, interchangeable, and broad, so much so that it is easy to fall into a definition trap. For example, economists consider globalization as an advance toward the end-state of a fully integrated world market; and some political scientists view it as a march away from the conventionally defined concept of state with territorial sovereignty and the emergence of nongovernmental power players in the world order (Falk, 1997). Business school academics and consultants apply globalization to a "borderless world" (Ohmae, 1990), and others view globalization as a phenomenon driven only by private sector business firms, not governments (Julius, 1997).

For the purpose of this chapter, several theoretical perspectives on globalization are presented. All discussions of globalization deal with the question of borders: "the territorial demarcations of state jurisdictions, and associated issues of governance, economy, identity, and community" (Scholte, 1997, p. 430). Following this guidance, six meanings of globalization are presented with an assessment:

Globalization as Internationalization

This notion treats globalization as an increase in cross-border relations among organizations, identities (including human and governmental), and communities beyond national jurisdictional boundaries. This meaning is limited and redundant because internationalization and cross-border relations are not new to modern nation-states. Such concepts originated a century ago, when international trade and other aspects of economic and political relations began to grow among nations. The field of international relations is an outgrowth of this development. Throughout the twentieth century, cross-border relations fluctuated. Although governance and public administration have become more internationalized, such internationalization is not new either.

In fact, internationalization of governance and administration began early in the twentieth century and gained momentum after World War II, when both the United States and the Soviet Union internationalized their satellite nations and the ways in which governance and administration were thought about and practiced. The rise of the United Nations and its affiliate agencies also promoted internationalization. The birth and growth of the Comparative Politics and Com-

parative Administration Group (CAG) were the outcomes of such development (Riggs, 1998; Waldo, 1980).

Globalization as Border Openness

This means large-scale openness of borders through the removal of state regulatory barriers and protectionist measures, facilitating rapid financial transactions, communications, trade, and cultural relationships (Brown, 1992). Such a borderless, integrated world would be characterized by a unified global economy, a global government, a homogenous global culture, and, by implication, a global system of governance and public administration (Scholte, 1997).

This is a very commonly used notion of globalization about which much has been written and discussed in American political science and public administration literature in the 1990s. As such, globalization of governance and administration has meant internationalization of governance and administration activities in an increasingly liberalized world, to which the Internet and other means of information technology have contributed beyond comprehension. Globalization of governance and public administration has meant "thinking globally and acting locally," adjusting to global situations, and learning to adapt to global changes—in science, technology, governance, administration, and economics—that affect governance as a practice and as a field of study. The concepts of "new world" (Cleveland, 1993), of "global village" (Garcia-Zamor and Khator, 1994) and of "global governance," and "global management" (Wilson, 1994) seem to characterize this notion of globalization and its implications for the state and public administration.

This notion of globalization is also limited and deficient in that it is synonymous with liberalization and is neither new nor needed. It is not new because it has been expressed for almost three centuries. The anti-cameralists raised it in favor of capitalist development and the classical liberals raised it against statism in the nineteenth century. The liberal internationalists raised it against the doctrine of balance of power in the early twentieth century and the transnationalists raised it against the "realists' " view of nationalist and state sovereignty proclamations in international relations (Scholte, 1997), not to mention the internationalist mission and claims of the socialists led by the USSR, especially of the Communist International (Comintern).

The concept is also redundant because liberalization of borders for a new world has been around for many decades, especially among the satellite nations of the West led by the United States, that is, developing countries in Latin America, Asia, Africa, and the Middle East. The regulatory, labor, and administrative policies have always been very concessionary toward multinational corporations operating profitable businesses in much of the third world (see, for example, Bill and Springborg, 1990; Farazmand, 1989, 1991; Halliday, 1979; Heeger, 1974; LaFeber, 1984; Mandel, 1983). Again, comparative and development public administration and politics groups and other international consulting groups have

been active in less-developed nations, and publications on these areas of research have produced a monumental literature that attests to this phenomenon.

Globalization as a Process

This is a useful meaning but still misses some points. Using a political economy view, this notion refers to globalization not as a phenomenon, but a process, a continuing process of capital accumulation in modern capitalism that has been going on for centuries. Only recently has it been intensifying as a result of the availability of modern technology. Therefore, it is nothing new. Capitalism, this view contends, is "in its innermost essence an expanding system both internally and externally. Once rooted, it both grows and spreads" (Sweezy, 1997, p. 1). Beginning with the recession of 1974–1975, three trends have contributed to the accelerated rate of capital accumulation at the global level: lowering growth rate, "worldwide proliferation of monopolistic (or oligopolistic) multinational corporation," and "financialization of the capital accumulation process" (Sweezy, 1997, pp. 1–2). A quickening of globalization has taken place, but all three trends are traced to the changes in the internal process of capital accumulation.

The beginning of this globalization goes back to the nineteenth and early twentieth centuries and was marked by the transition from early (competitive) capitalism to late (monopoly) capitalism, which was boosted by the two world wars and produced capitalism's "golden age" (1950–1970) under the height of the Cold War. Therefore, to accumulate more, the process of globalization simply is another stage of expanding capitalism into areas of the world that have not been touched before. This view tells little about the changing role of the state and governance administration, especially under the new global order.

Globalization as Ideology

Ideology has always been a major force driving ideas and systems, including capitalist systems. Ideology embodies values, norms, sanctions, and internalizing cultural bounding that tend to mold mind and soul among human beings toward specific, ideal forms of structure and processes with goals either manifest or implicitly pulling actions and behaviors. Ideologies may evolve through time from rough and inconsistent ideas to more cohesive and well-defined blueprints; their underlying assumption is to drive forces of human existence toward or away from certain specific structures, norms, and value systems.

The ideological underpinnings of Western capitalist democracy act as a driving force to globalize American and Western European liberal democracy. The massive amounts of information—including propaganda—spread throughout the world by the media, the press, computers, and satellite communication systems offer an image of an ideal political system for other countries to emulate. The key words *freedom*, *individualism*, *free market enterprise*, and *plural democracy* have characterized this ideological force of globalization (Lindblom, 1977,

1990). This heavily loaded ideological doctrine has more to do with form and idealism than substance and reality; it is both deceptive and dangerous. Deceptive, because it really does not exist as such in any capitalist economy, and dangerous because it creates false expectations among peoples in the world and creates chaos when people raise such demands but face repressive reactions from the very states that are supposed to ensure their rights. This is especially the case in the third-world countries with rulers friendly to global capitalism. Therefore, important and effective as this perspective may have been, this normative force of globalization also says little about the political economy of the state, governance, and public administration.

Globalization as a Phenomenon

Using a political economy approach, this perspective considers globalization as a cause and effect phenomenon in late capitalism. Sharing the view of the capital accumulation process, it treats globalization as a cause of world capitalism's endless effort to reach global markets for accelerated accumulation of capital during the stagnant era of the 1970s. Globalization has also produced significant consequences for the state and other institutions in society, whose territorial borders have

> not so much crossed or opened as *transcended*. Here, "global" phenomena are those that extend across widely dispersed locations simultaneously. Territorial distance and territorial borders hold limited significance in these circumstances; the globe becomes a single "place" in its own right. (Scholte, 1997, p. 431)

This view of globalization is useful for understanding global changes in the political economy of nations. It also considers the world as a global village and offers significant explanatory power, but it also gives limited weight to the role of the modern state and governance in causing globalization. It also tells us little about the future role of the state, institutional elites, and public administrative elites in such a global "place."

Globalization as Both a Transcending Phenomenon and a Process

Sharing with and building upon the above meanings, this perspective considers globalization as a process of surplus accumulation by global capitalism—a constant process of expansion into new frontiers and opportunities for increasing capital accumulation at the global level. It also views globalization as a phenomenon caused by the process of global capital accumulation—a phenomenon that has manifested its negative and positive impacts almost everywhere. This impact has even been felt by the powerful nations of the West and Japan, where most if not all of the transcending organizations of capital accumulation have

home base and are backed by their globally dominant states. Unlike the third world countries, which have been plagued by the devastating effects of globalization by multinational and transnational corporations for decades, the peoples, institutions, and communities of the advanced industrial countries of the North did not experience the impact of globalization until recently. Now the chicken has come home to roost for the latter countries and communities in the West.

It is this qualitative change spurred by the new globalization process that has caused concerns and "new consequences" for the nation-states in the dominant West. Therefore, this perspective of globalization is rather novel and complimentary to the views noted above in that it adds an innovative idea to the conceptualization of the term. It considers the state as an active institutional player in the process of globalization and in dealing with its consequences. Other factors such as information technology also have been effective. Here, in the new global community, the changing role of the state in general and the administrative state in particular is explored as both a cause and an effect. This analytical definition also encompasses the concepts of globalization as liberalization and internationalization, but its primary concern is focused on surplus accumulation of capital and the role of the modern state in promoting globalization. The noncausal, chaotic forces contributing to the globalization process are also considered relevant in this perspective, though not discussed. The above discussion leads us to the causes and consequences of globalization.

CAUSES OF GLOBALIZATION

Several factors have contributed to the process of globalization reaching the current phenomenon. These include the economic factor of surplus accumulation of corporate capital, the role of the dominant states and their bureaucracies, domestic constraints, rising human expectations, international institutions, and technological innovations. Elsewhere (Farazmand, 1999), I have detailed the causes and consequences of globalization of capital, with implications for public administration. Here, only a few points are discussed regarding the causes and consequences of globalization with implications for governance and administration. Finally, several policy suggestions are offered for the purpose of sound governance and public administration.

Surplus Accumulation of Capital

The most important factor contributing to the globalization of capitalism has been the driving force of surplus accumulation that has crossed territorial borders and transcended national boundaries for decades. It accelerated after World War II and reached a high point after the 1970s when all of its manifestations were apparent in the 1990s. Surplus (or profit) accumulation is the lifeblood of capitalism, which needs constant expansion at any cost; hence the continuity of dynamic capitalism. Globalization has been a central feature of transnational cor-

porations (also called multinationals), who have for many decades reached global markets and enjoyed cheap labor in less-developed nations. What is new is the rapidity and high rate (absolute rate) of surplus accumulation made possible by a number of mechanisms, as well as the transworld mobility of corporations in a spaceless and timeless global place facilitated by the state (Farazmand, 1994).

A number of factors or mechanisms have been instrumental to the expansion of globalization of capital through a rapid growth of the absolute rate of surplus value or profit worldwide. These include the following:

1. *Global marketing*, which began during the 1970s with massive efforts by transnational globalizing corporations to capture global markets. Global consumerism began to flourish with monied consumers around the planet being able "to purchase the same goods at the same time," and coordinated corporate R&D activities produced new economies of scale beyond the reach of individual corporations (Modelski, 1979). These activities produced high profit rates with significant upturn for globalizing firms and home states that supported them. By 1989, the cost of corporate advertising reached $240 billion, plus another $380 billion on packaging, design, and promotion (During, 1992, pp. 171–72). In 1992, almost all of the 40 largest advertising firms in Great Britain and the United States had specialized departments with global commercials (Scholte, 1997, p. 433; Sklair, 1995).

2. *Global production* also has replaced national production—though still progressing—through reduced costs of production afforded to transnational corporations around the world. Globalization of finance has also facilitated this process and produced the "global sourcing" through which a production company can draw its components and materials anywhere in the world. With the globalization of financial capital, it has become possible "to produce a product anywhere, using resources from anywhere, by a company located anywhere, to be sold anywhere" (Friedman, 1994, cited in Naisbitt, 1994, p. 19; Scholte, 1997, p. 435). Global corporations such as Nike close several factories in some sites and open more profitable ones in other sites simultaneously, all without any national or international constraints (Abegglen, 1994, p. 26). The result is the emergence of a "global factory" in which different countries host different production activities, supply cheap labor and materials, and absorb all social and externality costs associated with global production.

3. *Global commodification* has transformed social as well as economic life worldwide into market commodities through supraterritorial spaces instantaneously. Computer technology, telecommunications, and electronic media as well as transworld financialization have contributed to significant globalization and capitalist accumulation of surplus/profit. Traditional tangible trades and industries are shifted toward "intangibles" (Scholte, 1997, p. 436), which include finance, information, and everything else including body and soul in the globalizing marketplace.

This process of commodification has caused many concerns among experts in

urban politics who see the process as a destruction of unique cultures, different ideas, and even innocent children found among the poor being used for commercial and corporate profit purposes (Mele, 1996).

Organizational Restructuring of Corporate Power

Another key factor in the rapid process of globalization has been the reorganization of the corporate structure toward further centralization and mergers with more and more concentration of power at the top. This has resulted in the expansion of the transworld corporations both vertically and horizontally, with an organizational structure that has increasingly become more centralized and elitist at the global level, creating a global ruling class (Brecher and Costello, 1994; Brown, 1992; Farazmand, 1999; Korten, 1995). Vertically, "strategic alliances" between globalizing enterprises have been on the rise, and the global waves of successive mergers and acquisitions have produced a full-scale "fusion," reaching 6,000 in 1995, with an aggregate value of $229.4 billion (*Financial Times*, January 20, 1995 p. 22). In fact, "mergermania" and "mega-merger" trends have produced a globally centralized organization and a concentrated power structure in which the largest 300 transnationals control 70 percent of all foreign direct investment (FDI) and almost a third of the total assets of all corporations around the world (Dunning, 1993, p. 15; Harvey, 1995, p. 189).

This concentrated global corporate structure has also produced a globalizing cadre of "managerial elites" as well as a new level of "organizational elite" that tend to influence public policy, governance, and administrative decisions virtually anywhere on the planet (Farazmand, 1999). These global elites also produce a global "organizational culture" (Pascale, 1984). They play governments against governments and stage coup d'états or counterinsurgencies against governments unsympathetic to them (Korten, 1995; Parenti, 1995).

Global Financialization

Another important factor of globalization has been global money and financialization. Global money has no loyalty or attachment to any space, nation, or community of people. It does not recognize boundaries or passion, nor does it have any father, mother, sister, brother, boyfriend, girlfriend, or any friend. Its only friend is absolute surplus value or profit. Unlike the past, in which money and its distribution was mainly territorial and promoted domestic communities—jobs, opportunities, commercial activities, community values—the new condition of the globalization of money and its link to territorial finance have been loosened by moving into spaces without distance and border. It is being moved invisibly through the cyberspace of banking computers. In 1995, "over $9 trillion of the world's bank assets belonged to depositors non-resident in the country where the account was held and/or were denominated in a currency issued out-

side that country" (Scholte, 1997, pp. 439–440). Global financialization has been accelerated (Sweezy, 1997) with the help of "cyberpolitiks," which has changed the "nature of power in the information age" (Rothkopf, 1998, p. 325).

Globalizing States and Governments

Still another major force of globalization has been the globalizing state and administration. Capitalism has an inherent tendency to create chaos, but it also needs a strong state and stable environment to prosper. It demands order and promotes bureaucratization of order and social control (Offe, 1985; Weber, 1947). The globally dominant governments, particularly the United States and its European partners, have played an active role in promoting globalization of capital throughout this century, often with the repressive measures of brutal dictatorship and at huge costs—both human and economic/environmental—to the already poverty-inflicted peoples in developing and less-developed nations of the third world.

The powerful globalizing governments have allocated large amounts of public expenditures on military and security systems to protect and promote corporate capital accumulation in less-developed nations as well as in domestic marketplaces, at the cost of the latter nations. They have intervened militarily in many countries, replaced legitimate governments, and installed and supported some of the most repressive and corrupt regimes in the world, often under pretext of Cold War and anti-Communism. Examples include Chile in the 1970s, Iran in the 1950s, Indonesia in the 1960s, Greece in the 1960s, and Turkey in the late 1970s (Greenberg, 1986; Halliday, 1979; LaFeber, 1984; Parenti, 1995). In this context, Latin and Central American countries have experienced some of the most brutalizing systems of repression in the hands of corrupt and repressive right-wing regimes backed consistently by the United States, which considers the whole continent its backyard. The result has been constant revolutionary uprisings and further repression and bloodshed in these nations plagued by mass poverty and insecurity.

Everywhere, the capitalist states also spent significant portions of their annual budgets to finance the welfare state, which successfully performed its social welfare function (Gilbert, 1983) but eventually became the "victim of its own success" (Logue, 1979, p. 85). As Stockman (1987) states, the welfare state was "built brick by brick by both conservative republicans and liberal democrats" (Gilbert, 1983; Stockman, 1987, pp. 442–447) in the United States and other industrialized nations around the world. Having served its purpose of social control, the welfare state is now dismantled because it is not needed anymore.

Since World War II, Western governments have globalized their ideologies, value systems, and systems of governance and administration as ideal models throughout the world with the most efficient, state-of-the-art communication systems, and superpowers' direct and proxy wars of intervention and invasion in Asia, Latin America, Africa, the Middle East, and recently in Eastern Europe

have made globalization of the American government and its corporate interests possible by force (Bill and Springborg, 1990; Brown, 1992; Farazmand, 2001a; Gill and Law, 1988; Korten, 1995). Justification of this intervention has been attributed to a need to protect American global interests (Ball, 1967; Hamilton, 1989; Murphy, 1988). In a nutshell, capitalism needs a strong state and bureaucracy to flourish. Powerful business elites dominate the policy process and affect its outcomes (Jones, 1983; Lindblom, 1990), and efficient functioning of the market depends on strong governments (Daly and Cobb, 1989). To protect the system from periodic collapse and to provide safety nets for promoting capitalist development, market failures demand government intervention in the economy (Burkhead and Miner, 1971; Korten, 1995; Parenti, 1995). Therefore, the modern state has, through public expenditures, played a pivotal role in the accelerated development of both capitalism and globalization for a new world order.

Other Globalizing Forces

Other factors responsible for rapid growth of globalization of capital include:

The relative domestic economic decline since the 1970s, combined with political crises, energy crises, budget deficits, and confidence gap crises in both corporate and governmental elites (see Henry, 1995; Lipset, 1987); organizational decline and cutback management (Levine, 1978; Peters, 1991); and "fiscal crisis" (O'Connor, 1973) due to states' inability to bear the cost of social welfare functions (Arrow, 1963).

Rising human expectations which the corporate power structure and the governments representing it considered unacceptable; for example, employees in public and private sectors demanding "property rights" for their jobs; increasing demands by employees for participatory management of enterprises; and the emerging role of women in the workforce (legal constraints such as Equal Employment Opportunity laws and threat of lawsuits against discriminatory management practices, and rising employee benefits due to rising cost of living, also played a role in this process).

Technological innovations in information technology, communications and transportation systems, and the Internet that have contributed significantly to the globalization phenomenon. As Bill Gates (1995) of Microsoft promises, a future "shoppers' heaven" in cyberspace seems to provide a place where "all the goods for sale in the world will be available from home via the Internet" (p. 158).

United Nations agencies, which, since their inception after World War II, have played a major role in the globalization process. Since the 1970s, key UN-affiliated organizations, such as the World Bank (WB), International Monetary Fund (IMF), and the recent World Trade Organization (WTO), have been powerful arms of corporate globalization. They have been dominated and controlled primarily by the United States, some Western European governments, and the Japanese government (the Trilaterals), who are the key donors of international aid to developing nations. In the last two decades, these supranational organizations have played an effective role in globalization through "structural adjustment" requirements dictated to the poor and less-developed nations in desperate need of international aid (Chan, 1996). But no international aid comes without conditions.

A key feature of the structural adjustment program (SAP) includes major reforms in regulatory, financial, and administrative schemes required of those countries. These reforms include massive privatization and promotion of the subsidiary private sector, removal of trade and other barriers, tax incentives for corporate operations, favorable labor laws allowing for unrestrained use of cheap labor, an emphasis on export-oriented production and economic growth versus development, and a reduction of the governmental role in the economy (Brown, 1992; Hancock, 1989; Korten, 1995).

CONSEQUENCES OF GLOBALIZATION: IMPLICATIONS FOR SOUND GOVERNANCE

Consequences of globalization for the state and governance are too many to examine here in this chapter with limited space. I have done this in detail in another work (see Farazmand, n.d.). In short, globalization has had major positive and negative consequences for the state, governance, and public administration as well as for societies. It has facilitated connection and coordination among peoples, governments, and nongovernmental organizations. Global accessibility is a giant positive step toward human advancements.

Tools of globalization are expanding in both form and substance, with operational outcomes too many to count. It is also safe to say that globalization of capital thrives on stability, peace, and security around the globe, while it also tends to suffer from chaotic conditions it creates worldwide. This is an inherent contradiction of capitalism that is now being elevated to an intensified complexity with many uncertainties, and producing an "age of unreason" full of "paradoxes" (Handy, 1995). In fact, globalization is building the foundation of a new civilization characterized by many paradoxes and high complexities, yet global states and transworld globalizing corporations are dictating the course of the future and the destiny of this new civilization.

Not all states have been affected by or responded to globalization equally. Globalization has proceeded much faster in North America, East Asia, Western Europe, and Australia than in the rest of Asia and Europe, Africa, and Latin America. Nevertheless, globalization of capital, politics, administration, and culture has affected virtually all nations on the globe; no country has been left untouched.

States and Governments Persist

Contrary to assertions noted previously, globalization has not caused the end of the state and its bureaucracy, nor will it result in a decline of the state in the future. The territorial state as a sociopolitical entity will continue to persist, as it has for several millennia. The relationship between market and politics, capitalism and the state, private and public sector management has always been an intimate one. The capitalist class has always enjoyed a special privilege in the governance process. This relationship continues to exist because public administration and civilization, including capitalist civilization, have coexisted and pro-

moted one another for thousands of years (Waldo, 1980/1992) with a bureaucracy that has also survived millennia of political and economic changes (Farazmand, 1998; Heady, 1996) and has served the dominant political and economic classes of society through the governance systems.

However, within the context of historical continuity, globalization also has caused major changes in the character of the modern state (Esman, 1999; Farazmand, 1999, 2001a; Heady, 1998; Scholte, 1997). The state persists but its nature and character have turned away from the former traditional welfare administrative state in favor of the new corporate, coercive administrative state. This new transformation in the character and role of the state needs elaboration because of its multidimensional implications.

Changes in the Character and Role of the State and Government

Five major forms of this change characterize the nature of the new state. One is the reinforcement of such supraterritorial governance organizations as the IMF, WB, and WTO, whose decisions and codes of conduct are binding to nation-states and affect their administrative systems. This has significant implications for governance in various countries, as it limits their ability to govern independently.

Second is the increasing degree of interdependence among modern states to handle territorial and supraterritorial issues, and to seek cooperation for a host of matters concerning all peoples on the planet. Governance has new challenges that require new skills and knowledge base. Innovation in technology and administration help find solutions to the mounting problems facing citizens and governments. An example of this change is the alarming concern for the global environment and the viability of ecological sustainability for all human beings. Here, the concepts of the global village, global environment, and global citizenship are among the emerging concerns that are pressed on all states and their public administration practices (Brown, 1992).

Third is the change manifest in the increased military and technological capability of the dominant states, especially the United States, to globally dominate the world from both the earth and space, hence a global hegemony. Otherwise, almost all states have gained the information-age advantages to process information on almost all functions of governance and administration, both domestic and international, though less-developed nations will continue to trail behind for a long time. The fourth change in the state character is the growing role of governments as partners with and promoters of the private sectors rather than major providers of public goods and services. Under forces of globalization, "the role of government is progressively shifting toward providing an appropriate enabling environment for private [corporate] enterprise" (UNCTAD, 1996a, pp. IC1–22).

The fifth and the most understood change is the shift of the administrative state from a welfare state to a corporate state (Korten, 1995) or "shadow state" (Wolch, 1990), "plutocratic state" (Parenti, 1995), "indifferent state," and "contracting state" (Rathgeb and Lipsky, 1993), or "entrepreneurial state" (Eisinger, 1988). Corresponding changes in the nature of governance and administration have been characterized by such terms as *managerialism*, *political management*, *new public management* (Barzelay, 2001; Hood, 1991), and the "hallow-state" (Milward, 1994) or "the corporate, coercive administrative state" (Farazmand, 1997b, 1997c).

Similarly, public administration will continue to persist as both a self-conscious enterprise and a professional field of practice. Research and development in public administration may be negatively affected by globalization to some extent, but the continuity of the field of enquiry is intact, as all states are needed for globalizing capitalism, and all states have functions of public administration that cannot and will not be dismantled. The changing character of governance and public administration as fields of inquiry, however, is manifest in its recent and current debate about the role of the state and the explorations into philosophical, institutional, organizational, and practical underpinnings in search of an identity (Farazmand, 1997c; Rockman, 1997).

The orientation and role of the globalizing and globalized states have changed as a result of globalizing corporate capitalism. Unlike the welfare administrative state, which tended to balance corporate/market interests with social and political interests for several decades during the Cold War era, the role of the new corporate welfare administrative state features several characteristics. These characteristics include the shrinking of the stabilizing welfare state as we know it; the expansion of the security and military or warfare state; and the expansion of the coercive bureaucracy—police, prisons, and court systems, and their auxiliary functions such as social works, psychological networks, and counseling businesses. Thus the state and bureaucracy are actually alive and well (Korten, 1995; Lowi, 1995; Parenti, 1995). Equity and fairness are lost to corporate greed and globalization of capital (Farazmand, 1997b, 1997c).

Other Negative Impacts of Globalization

The negative consequences of globalization include the diminished or lost sovereignty of the states, constraints on democracy, loss of community, concentration of the global power structure, increased centralization of corporate and government organizational elites, and increased dependency among less-developed nations on globalizing powers.

Threat to State Sovereignty

The pivotal role of the state in globalizing capitalism has at the same time threatened state identity by putting its "sovereignty at bay" (Vernon, 1971). The states have played an indispensable enabling role in the process of globalization,

but they have lost their former exclusive, absolute, and comprehensive rule over their jurisdictions. Sovereign statehood depends on territoriality, fixed locations, and supreme authority over land, space, and sea (Helleiner, 1994; Scholte, 1997). The requirements of globalization have forced governments to facilitate the regulatory environment in which transnational corporations can operate freely and thrive.

This environmental enabling has been possible in at least two forms: (1) removal of domestic legal and economic obstacles and (2) provision of measures enhancing the ability of globalizing corporations and their governments to thrive. Although most poor and less-developed states have never enjoyed real sovereignty in the face of neo-colonialism and imperialism (Heeger, 1974; Hughes, 1993; Parenti, 1995), sovereignty has always been a cherished principle of statehood and national citizenship.

Challenges to sovereignty means loss of unilateral ability by nation-states to exercise comprehensive macroeconomic policy. Many states in developing countries have surrendered—mostly by coercion—this national policy-making ability to regional or international organizations for collaborating with globalization efforts. And some governments in the industrialized world have even revised their constitutions in the interest of regional collaboration (for example, Italy, Portugal, and Spain in the European Community, and Latin American countries are considering similar actions toward Transamerican community). Since the 1970s, the IMF, WB, and WTO have enforced more authoritative measures on the monetary and fiscal policies of less-developed member countries. The structural adjustment programs have forced these countries into reforms and changes that have deepened their dependency on globalizing corporations and their dominant governments.

By 1994 the World Bank had sought to "provide $200 billion to the Third World in the next decade to promote the private sector" (Milman and Lundstedt, 1994, p. 1667). Such international loans carry both cross-conditions and cross-over conditions that deepen the financial, military, political, and economic dependencies on Western powers and globalizing power elites who then can easily dictate policy choices to the poor and less-developed nations. Such money usually enriches the host country power elites at the expense of millions of people, and evidence shows that most of the foreign aid and international loans are returned to donor countries with multiple forms of benefits (Hudson, 1971). As Korten (1995) states, the "Bank-approved consultants often rewrite a country's trade policy, fiscal policy, civil service requirements, labor laws, health care arrangements, environmental regulations, energy policy, resettlement requirements, procurement rules, and budgetary policy" (p. 165). Hancock (1989) calls the Bank leaders the "lords of poverty" leading global policy directions through "organizational elites" (Farazmand, 1999) who execute the policy preferences of the "inner circle," global corporate elites (Korten, 1995; Useem, 1984). Sweeping privatization of public administration reduces the ability of governments to govern, contributes to globalization of capital, enhances corporate elites' ability

to dictate public policy, and promotes opportunities for corruption and lack of accountability (Farazmand, 2001a, 2001b, n.d.).

Threat to Democracy and Community

The rise and expansion of globalizing capital by transworld corporations and suprastate organizations pose a serious threat to democratic ideas around the globe. When global organizations such as the IMF, WB, and WTO, as well as a few transnational elites, prescribe and dictate fiscal, monetary, and other structural adjustment policies to poor and less-developed countries, democratic rights will never have a chance to progress in those areas. People in these nations do not and cannot exercise their human and civil rights to determine their own policy preferences; their national and human interests are sacrificed to the interests of the dominant powers (Hancock, 1989).

Globalization has resulted in deepening poverty, social disintegration, and environmental destruction. Globalization of corporations in these nations has resulted in the destruction of domestic production economies in favor of export-oriented, cash-crop activities and global interests. People in most of these nations have been struggling with repressive regimes and politico-administrative elites who are supported by global corporations and the Western democracies, including the United States (Cottam, 1979; LaFeber, 1984; Mander and Goldsmith, 1996).

The threat to democracy has now reached domestic communities of the Western democracies as well, where global corporations close factories over night and take their business overseas, without any consultation with local communities (Wilson, 1997). Or foreign investments in domestic enterprises are made without input from local communities. Local people have lost control of what happens to their communities (Korten, 1995, p. 22; Mele, 1996; Scholte, 1997). Community displacement is a bitter pill that millions of farmers in many less-developed nations have been tasting for several decades. Self-sufficient farmers who contributed to their communities and national economies have been forced out and dispossessed by globalizing agri-businesses and agro-industries, which have had the full support of subservient governments and administrative elites. Their migration to cities for undignified wage-earning jobs has only exacerbated existing urban problems (see, for example, Chan, 1996; Farazmand, 1989; LaFeber, 1984; McCoy, 1971), but such problems of displacement are justified by such modernization theorists as Huntington (1968). The chicken has now come home to roost in industrialized nations of Europe and North America.

Similar charges of globalization focus attention on the "global pillage" (Brecher, 1993; Mander and Goldsmith, 1996) and "modern slavery" in "sweatshops behind the labels" (Udesky, 1994, pp. 666–668), creating a "race to the bottom in which wages and social conditions tend to fall to the level of the most desperate" (Brecher, 1993, pp. 685–688). Globalizing managerial elites are making colonizing decisions that affect governments, communities, and peoples around the globe, and human beings are reduced to consumers of global mar-

kets. Contrary to what some rational-choice theorists say (Buchanan and Tullock, 1962; Mueller, 1989), market and democracy are not synonymous, and in fact they are in serious conflict with each other (Lindblom, 1977; Macpherson, 1987). "Exporting democracy" has been a favorite slogan under the new world order and globalization (Huntington, 1991), but the record shows that the great capitalist democracies of the West, including the United States, have supported "some of the most repressive and exploitative dictatorships" around the globe (Kitschell, 1992), forcing millions of people in less-developed nations to stage bloody revolutions (Farazmand, 1989; Schutz and Slater, 1990). Market favors the wealthy, and corporate capitalism kills both competition and opportunity for the average citizens to survive and exercise their democratic right to self-determination, not to mention the poor, the sick, and the disabled who are helpless and are often left out and die on this wealthy earth.

With the concentration of economic and political power in a few global corporations and government elites, policy choices are "impaired" (Lindblom, 1990), and it is increasingly difficult to exercise freedom of choice and enjoy protected individual rights under global "corporate hegemony" (Dugger, 1989). Global corporations are extremely difficult if not impossible to hold accountable. In fact, they are not accountable to anyone in the world. As Korten (1995) notes, "it is impossible to have healthy, equitable, and democratic societies when political and economic power is concentrated in a few gigantic corporations" (p. 181).

Equating democracy with market is dangerous for two reasons. First, it is applied inconsistently around the world: Friendly dictators are praised for promoting globalizing corporate enterprises and are considered democratic, whereas legitimate socialist and indigenously oriented capitalist and independent governments that are not so friendly to global corporations and their supportive globalizing states are considered undemocratic (Hamilton, 1989). Second, it raises false expectations of democratic rights among people in less-developed nations who live under repressive regimes supported by Western democracies.

Corruption and Elite Empowerment

Globalization pushes privatization as part of the structural adjustment programs, empowers the growing subsidiary (subservient comprador bourgeoisie) elites as agents of transworld corporations, and promotes corruption in less-developed as well as more-developed nations. Such corruption at the highest levels has already reached the point of national crisis in some countries around the world. For example, Chile has been touted as a model of a privatized economy, when in fact one-third of the population lives under miserable poverty, while the military-bureaucratic-business elites enjoy world-class lifestyles (Gould, 1991). Similar problems are reported in the United States (see Henry, 1995; Thayer, 1984). Other studies reference globalization/privatization–induced corruption among elites at high levels around the world (Eisner, 1995; Farazmand, 1996b, 2001b; Jreisat, 1997). Subsidiary agents are local soldiers of transworld corpo-

rations, and they serve the new masters for rewards and at the expense of their own indigenous people. The new public management has been serving as the intellectual arm of globalization of capital which is colonizing the entire globe with the global subsidiary agents acting as both business and political-intelligent agents of the global power structure.

Similarly, elite empowerment and corruption serve the few at the expense of millions worldwide, and a new global organizational structure is emerging with the characteristics of a global "corporate empire" that requires flexibility in its giant transformation of the world power structure. It calls for concentration without centralization, similar to colonialism, with four elements: (1) downsizing to organizational core competencies; (2) computerization and automation (just-in-time); (3) mergers, acquisitions, and strategic alliances; and (4) headquarters teamwork and morale among core personnel (Harrison, 1993). This transformation draws a clear demarcation between the elites and the nonelite masses who are expendable as commodities (Dugger, 1989).

IMPLICATIONS AND SUGGESTIONS FOR SOUND GOVERNANCE

Implications for Governance

The above discussions on globalization of capital and its consequences for the states and governments have serious implications for modern governance and public administration in the twenty-first century. Some of these implications have already been mentioned in the immediately preceding section on the consequences of globalization. Others are provided below with some specific suggestions for policy actions and administrative behavior.

First, globalization of capital does not end the state and governments' role in society. In fact, as noted earlier, the continuity of the state persists, and with the state continuity comes the need for governance and administration. However, the nature and role of the state and governance are changing, or rather have already changed, from the traditional, mediating and often dubbed welfare administrative state to a streamlined, corporate-coercive administrative state, with a redefined role of governance in favor of the globalizing corporations. Shrinkage of the state and public administration functions has meant downsizing the public service–oriented bureaucracy while expanding and oversizing the military-security and policing bureaucracy everywhere to ensure social order for the globalizing corporations to maximize absolute profit rates without social disruptions.

Second, this expansion of the military-security and policing bureaucracy has created, and still is expanding, the coercive corporate-state bureaucracy in charge of governing the new world order that demands submission without resistance by citizens of the world, allows hand-picked political governing elites to execute corporate dictates, and provides an enabling environment free of constraints for

rapid surplus accumulation of capital. This new, coercive corporate state and government has therefore a new function: to administer the affairs of the coercive corporate state, hence a "corporate coercive administrative state" (see Farazmand, 1997b, 1997c, 2001a, and n.d. for details on this argument). This is a characteristic of the new state that is yet to be recognized by idealist and overly optimistic social science experts, but I am confident it will not take too long for such an acknowledgment to appear in academic circles.

Third, by extension, the governance character of the state under globalization of capital is changing from the administration of public affairs to "administration of the public citizens," as I have argued elsewhere (Farazmand, 1999, 2001a, 2001b). Governance has therefore become a much more complex issue in the new century, a phenomenon that requires more sophistication in analysis and applications. Under this new, paradigmatic, qualitative change in the character and role of the state, many if not most functions of the state historically in the public domain are being abdicated and let go to the profit-seeking corporate elites who are accountable to none but the few members of the power structure. Chaos and uncertainties will characterize the future with a widening gap between the haves and the have-nots, between the North and South nations, and between the labor and management in all capitalist nations.

Fourth, globalization reduces the ability of governments to govern in urban and rural communities. It produces undue pressures out of massive migration from the countryside to urban communities where there are already many critical problems of poverty, homelessness, drugs, environmental pollution, and the like. In fact, globalization makes the problem of urban ungovernability more complex and more difficult to solve or manage. The need for transportation, unemployment, housing, food supply, sanitation, employment, health care services, police protection, and other safety needs is a formidable challenge to be met. With massive migration to urban life, as a result of rural displacement, governments will have many more difficulties in meeting these challenges. Globalizing cities and communities have the financial and political powers, and they dictate globalized cities and communities that serve the interests of surplus accumulations as dictated by the first group of cities and communities. They can withdraw their investment any time, pillage the environment of the globalized cities and communities, and dump all sorts of social and economic problems from unemployment to poverty and homelessness to the host countries without accountability to anyone in the world.

Fifth, globalization promotes the tendency to colonize the entire planet Earth, destroy local indigenous cultures and value systems around the world, and dictate universalized governance and administrative structures, processes, and values with an ideological overtone of hyper-rationality and destructive corporate capitalism. This new global hyper-capitalism will likely produce reactions catastrophic to humanity, peace and security, and democratic and inalienable rights of peoples to self-determination worldwide. It will also threaten the viability of capitalism as a global institution. Organizations of public administration will

likely become instrumental tools of this global repression with potential consequences of chaos and destruction.

Policy Suggestions: Options and Constraints

A number of policy options may be feasible for consideration and possible adoption, some being relatively easy and others not so easy.

Public Education Strategy

One such policy suggestion, which is a must, is to launch massive public education regarding the current phenomenon of globalism and globalization. This is an absolutely necessary and first-step action plan that must be on the agenda of all governments, especially in developing and less-developed nations. This must be done by scholars, teachers, community leaders, civic organizations, independent unions, social movement organizations, environmentalists, students, pressed and exploited groups and peoples, progressive advocacy groups and organizations, independent media and newspapers, and governments that are independent from the dominant and imperialistic powers around the world. The message is clear: Globalization of capital offers some benefits, but it is mostly devastating to the planet Earth, to the global community, and to the average and working class—both blue-collar and white-collar workers—around the world. This mission may be difficult for many leaders in developing nations because of the integration of their national economy into, and their dependency on, the powerful global corporate structure, as well as their political subservience to the globalizing world-hegemonic power structure that tends to dominate the entire globe. But the task is possible to accomplish.

Accommodating Policy Option

A second policy suggestion is for national and local governmental leaders to adopt policy choices that actually benefit themselves by keeping them in office while cooperating with global capitalism. These policy choices are strategic means of implementing "changes though the system," rather than replacing it, which is very difficult to accomplish. These incremental but still strategic changes require raising awareness about the potential adverse consequences of globalization while embracing it for its good. Such a policy option can potentially backfire as it may result in consequences unexpected and uncontrollable by governmental elites. Once citizens are made aware, it is almost impossible to return them to ignorance and to control the poor and underclass in explosive conditions. This policy option is beneficial to power elites—both governmental and corporate—as it enables them to "read" citizens and to keep them busy with minor changes that actually preserve the system and enhance its power. An example of this policy option is the land and administrative reforms launched by the Shah of Iran during the 1960s, and the recent reinvention reforms in the United States and other countries. In the former case, the reforms gained some

superficial outcomes for system preservation, but actually sowed the seeds of system destruction in the long run, as history recorded during the 1978–1979 popular Revolution (see Farazmand, 1989 for details; Cottam, 1979; Halliday, 1979).

Resistance Policy Option

A third policy option is to resist globalization by almost all means: through refusal to buy globally produced products; by restricting the importation of goods produced by transnational corporations and with cheap labor and cheap and exploited resources; and by refusing to cooperate with globalizing corporations and governments. Citizens in both industrialized and developing nations need to stop being transformed into "consumer pigs," feeding into globalizing corporations. They should develop a responsible consciousness by making purchases in the market what they need and when they need it rather than what is offered or to stock upon goods and materials they rarely ever use. Commercials on consumerism and consumption habit development are as much ideological as they are market strategies. Similarly, citizens should stop using credit cards and refuse cards they do not need. Credit cards hook citizens into the trap of consumerism, and once trapped it is almost impossible to get free. Citizens should buy from local businesses and support their community organizations, though it is difficult to turn down discounted products from globalizing corporations over locally produced goods that may be more expensive; but one can have some quality control on local businesses.

Globally produced and marketed products are heavily subsidized by Western rich governments who also put heavy tariffs on imported goods and products from developing and less-developed nations. This double restrictive trade policy has been a common practice of neo-colonialism and is nothing new; the third-world countries have paid heavy prices for this globalizing neo-colonial policy of modern imperialism: On the one hand, it drives local/host domestic countries' economies out of business by dumping subsidized products that are marketed with lower prices in these nations, and restricts imports from these nations with heavy tariffs. Not only isn't there any fairness in such international trade, it tends to destroy these economies and make them dependent for almost everything on Western globalizing corporations and the governments that promote and support them.

Policy and Administrative Innovation Options

Actually, this is not an option; it is a must policy choice and a strategic approach to improving productivity, increasing efficiency and effectiveness, and encouraging high-performance organizational behavior.

By *policy innovations*, I mean governments must always scan for environmental changes in technological innovations, patterns in social demography, labor migrations, diversity and reconfiguration of labor skills and population habits, regional and international or global market and production changes, political pressures from influential groups and classes of people, educational out-

puts, and dynamic restructuring needs of the public and private sectors' boundaries. Public policy must be dynamic and adaptive to these and other changes in the environment of governance; responsiveness to these changes is an essential ingredient of effective and sound governance. Governments and co-governing institutions must always search for innovative approaches and ideas that enhance their ability to adapt and respond responsibly to the changing and dynamic environment. Criteria of equity and fairness, economic justice and well-being of the average citizens, efficiency and effectiveness, and accountability and responsibility, among others, must be considered in policy making in both legislative and administrative processes.

By *administrative innovations*, I mean public administration must always try to be up-to-date technologically, organizationally, and managerially. New technologies, techniques, methods, approaches, skills, ideas, and systems must be searched for the efficient and effective organization and management of human, budgetary, financial, and other resources in administration. Although change is good and should be embraced for improving organizational performance and productivity, caution must be exercised because not all changes are good and appropriate for all organizations. For example, blind adoption of business-like methods and techniques in the management of public organizations can be catastrophic, with major political consequences. Yet, public management must learn from any sources, including the private sector, the state-of-the-art in reduction of waste and productivity increase. At the same time, public management must find best practices and effective ways of upholding and enforcing safe standards in private sector management regarding environmental and labor safety requirements.

Public management must also embrace new technologies that save time and energy, promote productivity in the workplace, implement public policy decisions with high standards, and serve broad public interests and promote public trust in government and administration. Public organizations play a key role in society and in governance around the world; efficient and effective as well as responsive and accountable administration is an essential requirement of sound governance. Professionalization, meritocracy, and performance-based criteria, accountability and responsibility, and ability to adapt responsibly to environmental changes are among the most important features of a sound administrative system for a sound governance process.

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3

The Politics of International Policy Learning in Public Administration: Limits of Interdependence and Convergence under Globalization

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> The domain of social life is essentially a domain of differences.
> —Marcel Mauss, "On Civilization,"
> quoted in Lamont and Fournier, 1992

INTRODUCTION

Globalization has become very much a global catchword these days. It started off as a description of the ever-increasing economic interdependence and integration on the global level and the rapid development of information technology, resulting in the breakdown of traditional political, social, economic, and cultural barriers and the free flow of international capital. Globalized market institutions have come to govern a new economic order that sees no boundary. Globalization now refers to "all those processes by which the peoples of the world are incorporated into a single world society, global society" (Albrow and King, 1990, p. 9). The emergence of globalization can be traced to the early years of the twentieth century. But as Albert and Brock (2000, p. 24) have observed, "although the world economy and the world system of states evolved together, there is a tension between the two that becomes particularly marked . . . in periods of crisis (1930s and 1980s) and upheaval." The latest trend of globalization seems to suggest a general de-bordering of most nation-based systems starting from the economic one, sustained by what Ohmae (1993) described as the transformation of the world of states into a world of marketplaces, with citizens acting increasingly as only a customer.

A prescriptive or predictive notion of globalization points to the rise of common "best practices" or global standards that apply to all societies and cultures facing the same globalization impacts. Globalization, then, is not just about the

liberalization of trade and globalization of capital markets, but also an active process of convergence in the patterns of public policy and governance. Some critics have argued that globalization is not simply a market-driven economic phenomenon, but also very much a political and ideological phenomenon, underpinned by the "transnational ideology of neoliberalism which seeks to establish its ascendancy world-wide" (Mishra, 1999, p. 7).

If globalization is such an overwhelming and unstoppable process across the world, it would be almost logical that "as globalization proceeds, interdependence will grow deeper, regime-formation will continue, and the blurred area between state and transstate levels of activity, and at the junctions between state, economy, and society, will grow" (Albert and Brock, 2000, p. 41). Internationalization, then, is tantamount to interdependence.

This chapter first addresses the impact of globalization as a grand force and explores the claim of its inevitability and its impact on international policy interdependence and convergence. It is argued that diversity and indigeneity are still very much in place even as globalization dominates the arena of international discourse. Policy interdependence is then discussed at a more mundane level, by examining to what extent and for what purposes policy learning, or policy "lesson-drawing" (Rose, 1993) from an external source of influence can take place.

CLAIMS OF POLICY LEARNING AND CONVERGENCE

The claim for globalization of policy stems from the argument that either through similarities in social and economic activities, problems and conditions (which induce similar responses), or the imposing influence of a worldwide dominant ideology or doctrine, the global scene has emerged to constitute the critical *context* of policy development. As Harrop vividly put it:

> The international environment forms much of the *context* of national policy-making. Policy-makers in each country share a policy context formed by the international cycle of prosperity, recession, depression and recovery. . . . International organizations such as the EC also form an increasingly important part of the context of national policy-making. . . . The policy agenda is also becoming international. Similar problems show up in different societies at a similar time and some solutions are considered though by no means implemented, throughout the liberal-democratic world. The mass media and international conferences ease this process of *policy diffusion*. Policy-makers in one country seek to emulate the successes of colleagues overseas. (Harrop, 1992, p. 263; emphasis added)

Based on Ikenberry's (1990) and Bennett's (1991) discussion, at least four possible processes of policy diffusion can be identified: (1) emulation (of an overseas model), or what Ikenberry termed as policy "bandwagoning"; (2) elite networking (of bureaucrats, professionals, academics, or policy consultants, resulting in social learning and the spread of policy-relevant "consensual knowledge"); (3) harmonization (with internationally binding agreements or practices);

and (4) penetration (through the pursuit by a dominant country of a set of policies which other countries are, in practice, obliged to adopt). The first two processes, namely, emulation and networking, are more voluntary in nature (that is, of a *persuasive* type), while the latter two are essentially forms of external inducement and *coercive* in nature. As far as the globalization discourse goes, the "persuasive" interpretation of policy diffusion (or learning) sees the world as increasingly globalized, resulting in the blurring and elimination of economic, cultural, and even national barriers, as well as the widespread diffusion of policy ideas and practices. Because of ever-increasing interactions and interdependence, common standards and values emerge which provide the basis for global "convergence." The "coercive" interpretation of policy diffusion emphasizes the impact of international and supernational institutions like the World Bank (WB), International Monetary Fund (IMF), and World Trade Organization (WTO), which increasingly set the *modus operandi* in the international arena, which many countries, particularly developing nations, have no choice but to follow. Policy convergence, in this sense, comes with exogenous pressures and sanctions. While these two perspectives differ in their assessment of the nature of policy globalization, they both regard the globalizing trend as almost inevitable.

THE FORCE OF GLOBALIZATION—HOW GRAND, HOW INEVITABLE?

The first major issue is whether globalization really can set the "context" for national policy making, thus dictating national policy agenda and policy outcomes. If we look into the history of twentieth-century "Westernization," learning from the West and "bandwagoning" onto the Western-led global way were no guarantee that a globalized system of values, norms, and practices would eventually result and take root in learner societies. The success of Japan and the East Asian newly industrialized countries (NICs) in spearheading an alternative development model of "governed-market" economy (Wade, 1990) is a good indication of the potential force of competition and divergence within world capitalism. As some critics also observe, establishing so-called "good governance" according to the benchmarks of Western democratic capitalism in Asia is not easy (Beeson, 2000). Even putting aside the resistance of entrenched local political and economic elites, the long-standing institutionalized patterns of economic coordination that are deeply socially embedded are barriers to change that is induced or coerced externally.

Several questions are pertinent to this discussion. The first question is: Will internationalization in terms of economic modernization be followed by new processes of diversity, such as what Huntington described as a process of cultural competition between "the West and the Rest [of the world]" (1993, p. 48) behind the superficial rhetoric of global oneness? Besides, it is debatable whether the impact of so-called Western capitalism will be bound to bring about global Westernization. Huntington (1993, p. 41) observed three different types of re-

sponse to the Westernization "world" trend by other nations. The insulation response seeks to insulate against Western penetration and in effect opt out of participation in the Western-dominated global community. This is admittedly rarely seen, save perhaps in the case of North Korea until most recently. Most nations either opt for "bandwagoning" onto Western ways and institutions or attempt to "balance" the West by developing alternative systems (i.e., to modernize but not to Westernize).

If we examine the case of Asia, leaders like Singapore's Lee Kuan-yew and Malaysia's Mohamed Mahatir have obviously tried to take the balancing strategy by emphasizing the possibility of an Asian way as opposed to the Western way. China, on the other hand, attempts to build a capitalism with Chinese socialist characteristics. Indeed, as Gray suggested, "[i]n Asian cultures market institutions are viewed instrumentally, as means to wealth-creation and social cohesion, not theologically, as ends in themselves" (Gray, 1999, p. 192). Hence, while some Asian countries may have accepted the instrumental superiority of Western-created market institutions and practices, once they have reached a developed stage, they might consider themselves to have mastered the weapon and then attempt to embed such instrumentality within their own indigenous cultures, values, and politics. As a consequence, the imported institutions and ways will become indigenized and transformed and Western will no longer be as Western as before.

The second question relates to the Western heritage of capitalism itself. To start with, the contention that there is such a notion as "Western" capitalism is highly problematic. Gray (1999, p. 13) argued that the "Western" free market was and remains an Anglo-Saxon singularity born of unique historical circumstances, in a context not found in any other European society. Given that capitalism and the market are politically as well as culturally embedded, there is no universal capitalism as such. Even within Western capitalism there are many national varieties. Yet globalization at present is most often treated as a synonym for Westernization a la U.S.-style liberal democratic capitalism, which has become a predominant model of modernity after the collapse of Soviet communism, depicted by Fukuyama (1992) as marking the "end of history."

The ultimate question is whether there can be a culturally alternative route to modernity and rationality. If economic life and even the market are considered to be instrumental and culturally embedded, then it is conceivable that the Western road to modernity and human progress is but one of the historically available routes. Hence the search in recent years for a neo-Confucianist (or post-Confucianist) paradigm to explain the economic success of Japan, East Asian NICs (such as South Korea, Taiwan, and Singapore), and the Chinese diaspora. Redding (1990), for example, identified some central characteristics of Chinese economic culture in what he described as "the spirit of Chinese capitalism," in much the same way as Max Weber attributed the development of Northwestern European capitalism to the values of Protestantism in the nineteenth century.

The conventional modernization discourse assumes Asian and other developing nations to be traditional, as opposed to the Western modernized society. However, "tradition" need not be treated as the opposite of modernity, unless one assumes there is only one universally valid and consistent notion of rationality that is embodied in the modern Western system of governance and that all other traditions are inherently irrational. As Fukuyama (1995) also argued, the networks of trust, social obligations, and community ties generated from Asian traditions and values lie very much at the root of the Asian economic success story. It is entirely possible, if not unavoidable, that non-Western modernities drawing lessons and inspirations from Western experiences and at the same time building upon indigenous thoughts and values may become the order of the day.

Such is the global picture of capitalism which sees divergence very much within the seeming trend of "convergence." It is similar to how an old Chinese philosophical saying put it: "a white horse is not a horse." Globalization may bring about divergence as much as convergence. Indigenous values and projects count more than simply emulating some external models, even as the process of policy learning and diffusion takes place. Whether globalization can predetermine the specific *context* and *agenda* of policy making in the national scene is therefore problematic.

THE CLAIM OF "GLOBAL" NEW PUBLIC MANAGEMENT: GLOBAL TREND, DOMESTIC AGENDA

In terms of agenda-setting, while there are no doubt more interactions between global issues and trends with the national and local levels, and even though the policy agenda may now embrace a more "global" outlook, the modes of decision making, implementation, and delivery remain national and local (Parsons, 1995, p. 235). This can best be illustrated by the case of global public sector reforms.

In public administration, the new worldwide New Public Management (NPM) paradigm (e.g., Hood, 1991) is widely seen to fit into the larger thesis of global convergence. The rise of NPM followed the privatization boom of the 1980s and is being entrenched in a philosophy of governance very much geared toward market-oriented reforms and reconfiguration (Aucoin, 1990; Hood, 1991; Lan and Rosenbloom, 1992). Trends identified in favor of this change include:

- The use of the economic market as a model for political and administrative relationships;
- A similarity in the goals pursued and the technologies utilized by each reform movement; and
- The use of administrative technologies such as customer service, performance-based contracting, competition, market incentives and deregulation. (Kaboolian, 1998, p. 190)

The Office of Economic Cooperation and Development (OECD), where most of the new ideas and practices originated, considered the globalization of public

management principles and practices to be part of a broader globalization process (OECD, 1996). It was assumed that the globalized economic and informational contexts have facilitated an international exchange of ideas and policy options, so that "governments can draw on experimentation in other countries in the process of defining their own policy responses" (OECD, 1996).

Even with some common stories on the emergence of NPM measures, not all OECD countries had moved to adopt NPM principles to the same extent during the 1980s, and marked differences existed even within the same "family groups" of countries (Castles, 1990; Hood, 1990). Reviewing global public sector reforms, this author also observed that such reforms may have covered some similar policy and instrumental tools being adopted in different national political circumstances for vastly different reasons and with different impacts (Cheung, 1997). Even among OECD countries, significant diversities were observed in terms of the style, focus, and locus of NPM-style reforms. Anglo-Saxon countries tended to favor reforming their public service, but continental European countries emphasized decentralization.

For example, while New Zealand and the United Kingdom concentrated on "agencification" and "managerializing" their core public services, Germany left the style of its public service largely intact and instead focused its attention on the creation of private-law companies outside the boundary of core government and the readjustment of administrative functions and financial responsibilities between the federal and Lander governments. The extent of British privatization was broader because there existed more nationalized industries, whereas in Germany, Volkswagen and VEBA had already been privatized in the 1960s and Lufthansa was a private-law company from its inception (Derlien, 2000). Also, many local water and electricity supply or transport enterprises no longer had public-law status in Germany when the United Kingdom began its privatizations. Privatization only occurred on a large scale in Germany during the 1990s when the East German state economy was privatized following reunification. Other countries like France, Australia, and New Zealand did not make privatization the key to their public sector reform program. In the United States, where state-owned industries did not exist, the emphasis was on the deregulation of private enterprises.

Summarizing the 1990s situation, OECD had to admit that while member countries' reform strategies have many points in common, "there is no single model of reform, there are no off-the-shelf solutions" (OECD, 1995, p. 25). Differences among countries are seen in the emphasis and take-up of particular reform initiatives. There existed important divergence in reform objectives, with some countries setting a reduction in the size of the public sector as a major objective while others focused on improving the performance and strengthening the role of their public service (OECD, 1995). Based on variations in "motive" and "opportunity" for change, Hood (1996b) identified four distinct NPM-reform types among OECD countries:

- The "Japanese way": low in motive though high in opportunity;
- The "German way": high in motive but low in opportunity;
- The "American way": low in both motive and opportunity; and
- The "Swedish way": high in both motive and opportunity.

His analysis further suggested that policy outcomes are a result of *external* pressures (such as new ideas, interests, and changes in social habitat) as well as *internal* institutional dynamics (Hood, 1994, ch.1). National variations in such factors would have led to different reform styles and strategies to cope with the specific pressures or problems encountered by the reformers. Different combinations of various internal and external factors would yield diverse configurations of public sector reforms.

In Asian countries like China, Malaysia, or Singapore, administrative reforms have been pursued ever since their post-war or post-independence years, but largely within the context of managing state-building and economic development in a state-directed paradigm of governance, rather than to de-power the state *per se*. Despite some instrumental similarities, the reform agenda has been vastly different from the neo-liberal agenda of Western governments of the 1980s and 1990s. As Mueller's (1984) case study of civil service reform of the nineteenth century discovered, the same type of reform could be pursued for wholly opposite intentions. In Hong Kong, where there is a relatively small public sector and where the civil service has until most recently enjoyed high esteem and not suffered any particular economic or fiscal crisis, public sector reforms have been pursued since the early 1990s more to cope with problems of political and bureaucratic legitimacy than to solve economic and social difficulties as witnessed in OECD countries or in response to the impact of globalization (Cheung, 1992; 1996). Polidano, in his survey of administrative reforms in the core civil services of developing countries, similarly observes that

> while many developing countries have taken up elements of the NPM agenda, they have not adopted anything close to the entire package. Moreover, they are simultaneously undertaking reforms that are unrelated or even contrary to that agenda. The new public management is only one among a number of contending strands of reform in the developing world. (Polidano, forthcoming)

Even in the case of coercive NPM-policy diffusion in developing nations, some critics observed that "few of the reforms do anything to relieve [them] from the pressures of international debt challenges" and that "many systems remain more or less the same as before with slight modifications" (Cooper, 1995, p. 187). The reason is that the domestic dynamics of a country's political system are capable of modifying transferred policies and programs (Common, 1998, p. 71), not to mention distorting them entirely.

Paraphrasing Wallace Sayre (quoted in Allison, 1986), NPM reforms under dif-

ferent governments can be said to be "*fundamentally alike in all unimportant aspects*." Or as King (1981, p. 316) put it, convergence claims on broad apparent similarities "in some ways resemble photographs taken from a high-flying aircraft; the main features stand out, but much detail is lost—and the lost detail may be important." Commonalities in market frameworks and administrative technologies alone cannot provide sufficient conditions for convergence. This is where the question of "national politics" comes in.

When contrasting the rise of NPM with European "progressive" public administration, Hood argued that "it is far from certain that public administration in the nineties is heading towards a new 'global paradigm,' unless the notion of a 'paradigm' . . . is taken to be so broad as to be drained of meaning" (Hood, 1996a, p. 171). A more pluralist scene is not only more plausible because of different practices "rooted in a valid, internally consistent and historically recurrent view of public management, which is most unlikely to die away" (p. 163), but also more desirable because "every style of organization has its strengths and weaknesses, and indiscriminate cloning of fashionable models into areas where they are deeply inappropriate is the bane of effective reform in public management" (p. 171).

There would be a case for administrative plurality on the global scene partly because of diversities in culture which shape the styles, values, assumptions, and what can be accepted and not accepted in administrative practices, and partly because of the presence of diverse national and local agendas which give different meanings even to common management jargons and statements. Public administration and management is about public governance that involves the steering of various "societal processes in a complex network of many other co-directing actors [who] have different and sometimes conflicting objectives and interests" (Kickert, 1997, p. 33). Diversities in domestic administrative agenda are therefore the norm rather than the exception in global public management and governance.

POLICY INTERDEPENDENCE WITHIN MODERNITY—A MODERNITY WITH MANY MANSIONS

Presumptions about vigorous policy interdependence also fail to be borne out by the policy outcomes of nations sharing similar levels of socioeconomic development as implied by the modernization and globalization claims. One would have presumed that there is greater policy interdependence and convergence among Western countries which share in civilization, have greater interaction in economic life, enjoy similar democratic forms of political governance, and are more or less in the same stage of modernity. However, even among OECD developed nations, which are predominantly European (with the sole exception of Japan), post–World War II public policy development has not been evolving along uniform patterns.

A common perception is that most OECD countries converged in the post-war

years toward big government fuelled by rapid economic development. From the 1970s onward, economic and fiscal difficulties had triggered a New Right political economy emphasizing rolling back the frontiers of the welfare state, deregulation, and privatization of public services. Then development of a globalized economy has prompted another kind of policy convergence tending toward international policy benchmarking and the use of similar policy tools in face of perceived common challenges from such globalization.

However, as Castles' (1998) recent comparative study of OECD post-war transformation discovers, cross-national patterns of social and economic policy outcomes are in a constant state of flux as they are shaped by a wide range of economic, social, cultural, political, and policy factors, which all alter over time. He tested the modernization theory that saw post-war economic and social changes as interlinked aspects of a singular process of societal transformation leading ultimately to policy convergence amongst nations, and in the end found that "the story revealed by [his] analysis was of *a modernity fractured by major political, demographic and cultural fault lines*, cross-cutting each other in different ways in different nations and, potentially, making for considerable policy diversity" (1998, p. 301; italic added). The fact is, modernity can be characterized by quite different age and occupational structures across nations, so much so that the story becomes that "of a modernity with many mansions" (p. 305). Castles suggests there are thresholds of modernity in the sense that nations all move into certain government programs (such as universal health coverage and social security which are typical of the welfare state), but once such thresholds are reached, nations concerned may differ in their policy options and outcomes even if they are of comparable economic development. Economic and social development therefore acts more as a constraining factor than as a determining factor in public policy choices.

Castles' study further reveals subperiod patterns that defy easy generalization in terms of convergence and divergence. In the 1960s–1970s period, divergent and unchanged trajectories somewhat outweigh convergent ones, whereas there is a marked preponderance of convergent outcomes during the 1970s–1990s period.[1] The trajectories of policy change over the three decades had clearly left marked cross-national variation in a number of areas, including social security transfers, education, unemployment, and divorce. The study finds that if the *modernization theory* is articulated in terms of changing levels of economic development, it fits rather poorly with the trajectories of public expenditure change, while with respect to the *globalization thesis*, the patterns of post-war trade have remained highly dissimilar and only minimally convergent with expenditure trajectories (Castles, 1998, p. 314). Mirroring Esping-Anderson's (1990) depiction of three "worlds" of welfare capitalism, Castles (1998, pp. 8–9) identifies four "families of nations" among OECD countries, whose policy development differences can be defined in terms of common cultural, historical, and geographical features, namely: (1) English-speaking; (2) Scandinavian; (3) Continental Western European; and (4) Southern European. Japan clearly does not belong to any

of these family types and is deemed more as the first of a new family of NICs with East Asian cultural (i.e., Confucianist) features.

"GLOBALNESS" AS SYMBOL—THE POLITICS OF PERSUASION AND ACCEPTANCE

What has been argued so far is that policy learning and diffusion do take place, but only in a way more superficial than assumed by the modernization and globalization theses. The learner is more important than the learned in determining what and how to learn or to be transferred. In the subsequent discussion we explore the politics and dynamics of policy making to help appreciate the basis and room for international policy learning. First, the legitimating force of global trends or "fashions."

Adopting policy solutions can be seen as a result of rational decision making (i.e., the matching of solutions to identified problems). Thus, borrowing NPM-like measures from other countries can be interpreted as the seeking of "rational" means toward better management of public services, which should result in higher productivity, improved efficiency, and enhanced consumer satisfaction. Such purposive intervention by rational organizational actors is of course possible, but rare in public policy making. Even if political leaders and senior public managers may share a common policy conviction, for whole organizations and the government to take up a new faith, something of the order of a paradigm shift will be required. Competing appreciative systems, whether developed within or outside the organization, clamor for acceptance. Views and individuals dissenting from the dominant orthodoxy act as the vanguard for reform and reintegration. Eventually, because of externally driven crises or shifts in leadership and the proven superior properties of the new appreciative system, the old paradigm is displaced.

Such an appreciative shift from one set of "ideas in good currency" to another is what is often claimed for an international convergence of ideas and practices, such as in privatization policies and NPM. However, it should not be forgotten that in order to impact, the influence of rational choice or new paradigms needs to be mediated by actors participating in interaction and negotiation with other actors in the institution drawing from different resources of power and different perceptions of what change might bring about (i.e., who will gain and who will lose). Such preferences are also influenced by cultural inclinations. As Wildavsky (1987) argued, "[these] preferences are endogenous—internal to organizations—so that they emerge from social interaction in defending or opposing different ways of life."

This brings us to the significance of some global trends in legitimating domestic reforms and adding symbolic strength to the internal policy debates. For whatever a global trend such as privatization and NPM is worth in prescriptive values, the practical question must be how it can be *accepted* as so by the forces that count. Different political and social forces pushing for change may have among them different motives and reform agendas. However, to be ultimately a

powerful persuasive force, such trend needs to possess the property of looking universal or be the "management for all seasons" (paraphrasing Hood, 1991 in his depiction of NPM), capable of being a mega-solution to the newest socio-economic environment (Barzelay, 1992). The globalization discourse confers such kinds of legitimation. In the process the differences are ignored and ideal-type virtues are exhorted.

In NPM, for example, the paradigm of efficiency has facilitated a discourse to enable complex patterns of political and intrabureaucratic interests to be articulated and to interact, within socially acceptable and "safe" rhetoric, resulting in a good "fit" between doctrine and acceptance (Cheung, 1996). Hood and Jackson (1991, 1994) identified six keys through which NPM has gained acceptance in the administrative argument, namely: symmetry with emerging sentiments; metaphor of reform language; ambiguity in substance; suspension of disbelief through myths; selectivity in claims; and private interest being concealed. This "acceptance" thesis is similar to Kingdon's (1984) depiction of the coupling of problems, politics, and policies in public policy making:

> Problems are recognized and defined according to processes that are different from the ways policies are developed or political events unfold. Policy proposals are developed according to their own incentives and selection criteria, whether or not they are solutions to problems or responses to political considerations. Political events flow along on their own schedule and according to their own rules, whether or not they are related to problems or proposals. (Kingdon, 1984, p. 210)

Vickers and Wright (1988) also noted that in the privatization policy boom, "the reasons for privatizations have often followed rather than preceded the various privatization measures."

The claim that a certain policy is part of an international trend helps to enable related measures to be more readily accepted. A single set of persuasive doctrines can cover a whole variety of diverse circumstances or problems which require policy actions and reforms. If so, what is common in the persuasion (its "global" rhetoric) may not be as significant as the diversity of conditions leading to the changes supported by such persuasion (i.e., the underlying domestic problems). Three distinct dimensions of policy reform thus need to be considered: the language (or rhetoric), the content, and the context. In the globalization discourse of administrative reform, only the language is global, while the context in many cases is still mostly local and the content remains largely shaped by internal forces rather than external ones.

POLICY SUCCESSION AND PATH DEPENDENCY—THE PAST AND PRESENT DETERMINING THE FUTURE

Finally, because of the inherent incremental nature of public policy making which is path-dependent and largely constrained by past policies and practices,

"new" policy or policy change very often represents a succession of existing policies and arrangements. To that extent, policy learning from an external source is very often more tactical than substantive.

Institutionalists would argue that policy making takes place within the parameters of past policies and choices as well as inherited institutional arrangements. Past policies have an important role in determining how current issues are defined, and what strategies, means, and ends are to be deployed (Parsons, 1995, p. 230). Events take place in a policy space (Hogwood and Gunn, 1984, p. 13) which structures how an event will be problemicized by decision makers. Organizational and cognitive incrementalism may well prevent wholly new policy or comprehensive change from taking place (Lindblom, 1959, 1965). Big ideas from an external source are thus rarely accepted intact by a local organization.

Rose (1993, pp. 25–26) distinguished "lessons" from big ideas which cause a paradigm shift, in the sense that the latter "is an abnormal interruption in the policy-making process [whereas] lesson-drawing is about the everyday activities of policy-makers working within an established paradigm." His categories of lesson-drawing are therefore all of a programmatic nature, whether they be copying, adaptation, synthesis, hybridization, or inspiration. As such they are more subject to negotiation and mutual adjustment in organizational terms, and are evaluated by policy actors more on cost–benefit comparison at the institutional level than on pure ideological or doctrine attraction, as opposed to a paradigm shift.

In the policy real world, most policy change is in the form of *policy succession*. This refers to the purposive replacement of existing policies by others in the same area of activity, which is more likely to succeed than policy innovation, because of relatively less inertia and defensiveness to be overcome by existing organizations and clientele groups attached to existing policies, and because of less new resources to be mobilized for new policy and programs (Hogwood and Peters, 1983). Again, institutional constraints and dynamics constitute the determining environment for such policy change. There may be a variety of reasons for learning from other organizations and other governments in policy change, such as:

- for substantive value;
- for symbolic value;
- to reduce the cost of innovation;
- to reduce the risk of change through external legitimation; or
- to overcome domestic resistance or inertia on grounds of external success.

But ultimately, such purposes have to be interpreted and mediated by organizational actors interacting within an institutional context. Path-dependency as a result of past policies defining and constraining present problems and future solutions, or the mediation by bureaucratic intelligence, would unavoidably ren-

der most policy change incremental rather than wholesale revolutionary. In this sense, institutional negotiation plays an important role in determining the outcome of decision making. For what an external idea or practice is worth in prescriptive value, in order to be learned and borrowed it must be capable of being valued highly in local institutional terms. And in order to succeed in getting transferred, external policy advice has to be effectively sponsored by a strong local advocacy coalition for change. As Peters and Nispen (1998, pp. 2–3) pointed out,

> Whereas the instruments themselves remain objectively the same, the way in which they are perceived by the actors involved in the process, and the strategies used by the targets of the policies to escape the influence of a particular instrument, can change dramatically. Further, one size does not fit all. . . .
>
> . . . [T]he final judgement of the efficacy of an instrument will always be political.

Only if policy reform is located within institutional dynamics can those notable policy paradoxes in administrative reform (as observed by Wright, 1997, pp. 7–14) be better understood:

Paradox 1—The most radical reform programs appear to have been introduced in countries with the most efficient administration. Because reforms are initiated ultimately for institutional and political (including symbolic) purposes rather than purely managerial ones.

Paradox 2—Many of the reforms are inspired by the theories or models of private management which are notoriously fickle. Because the private sector model is only used to provide the rhetoric for change (cf. Hood and Jackson's six keys of administrative argument, cited above).

Paradox 3—Top bureaucrats are principal motors of reform. Because they gain from privatizations and NPM-type reforms which by and large impact most acutely on the lower ranks but open up more opportunities of policy-oriented managerialism (cf. "bureau-shaping" thesis of Dunleavy, 1986, 1991). It is therefore the local institutional interests that drive the reforms rather than the external forces.

Paradox 4—Whilst many of the reforms are designed to cut costs, the end result of some of them may be quite the opposite. Because cost reduction is only front-loaded and short-term, whereas the long-term and hidden costs tend to be ignored because of other benefits on the political agenda of "local" reformers.

Paradox 5—Transparency is leading to greater obfuscation. Because it may be convenient for politicians and managers to hide behind the smoke screen of managerial discretion and autonomy, thus hardly adding to the democratic quality of decision making. Again the local reform agenda may not be the same as that advocated by the global reform movement.

Paradox 6—The pursuit of efficiency is politically loaded and involves complex political and social externalities. Because reforms very often only maximize short-term and tangible benefits of individuals involved in the change process.

Paradox 7—Radical reform programs designed to produce state retreat require a strong state to initiate and implement them and hence increased state activity. Because any reforms, particularly radical ones, are about dealing with institutional politics and overcoming bureaucratic recalcitrance and inertia, hence necessitating a strong coercing force from the top within the nation-state context.

CONCLUSION

In conclusion, this chapter argues that globalization does not necessarily result in policy convergence. Indeed, national diversities and cultural differences continue to exist to impact on national policy making taking place in specific *domestic* context to deal with locally perceived and defined problems. Of course, policy diffusion, transfer, and learning do occur, including emulation and borrowing of foreign ideas, but these processes are subject to mediation by local policy actors who carry the legacy and constraints of past policies and institutional arrangements and whose reform agenda is firmly based on local and organizational politics. Policy learning at an international level is attractive insofar as it helps to provide a safe rhetoric to legitimate local actions.

NOTE

1. There is more convergence in the former period and somewhat less in the latter period *if* the countries of South Europe are excluded.

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II

CAPACITY BUILDING FOR GOVERNANCE AND ADMINISTRATION

4

Building Partnerships for Sound Governance

ALI FARAZMAND

INTRODUCTION: SHARING POWER, RESPONSIBILITY, AND ACHIEVEMENT

One of the most important developments in contemporary politics and administration is the building of effective partnerships for sound governance around the world. Although partnership building is nothing new and has been in practice for several millennia, its significance has surfaced with much more power than ever before. The reasons for this new global development are many, mostly pointing to the contemporary global trends of mega-changes in environment, politics, administration; globalization with its negative and positive consequences; and the more comprehensive notion of governance process.

These global trends are accompanied by a multitude of global problems such as migration and refugee crises, environmental degradation, massive poverty and malnutrition, health crises, AIDS, educational crises, debt crises, and others. Solving these global problems requires alliance development, partnership building, formation of joint efforts, and structural team building for pulling forces of strength toward common interests, public goods; and grand global ends of security, peace, prosperity, avoidance of war and devastation, and protection of national sovereignty.

Therefore, the notions of governance and partnership building for sound governance have changed significantly in the age of globalization of capital under late capitalism. With the fall of the USSR and many socialist governments that were capable of providing a global counterbalance against the global capitalist systems and checking its potential abuses, the road to a unipolar system of world order has been paved with the United States as the only and most powerful military superpower to claim the global leadership. This is a hegemonic global gov-

ernance and not without global challenges both morally and economically. The concept of governance is now being changed to adjust to the new global environment, as there are many paradoxes facing nation-states and governments around the world. This chapter addresses partnership building as capacity in governance.

NOTION OF GOVERNANCE

Broadly speaking, good governance refers to the process of managing—through the involvement of broad-based stakeholders—the economic, political, and social affairs of a country and of using its natural, financial, and human resources in the interests of all people, and in a manner that adheres to the principles of justice, fairness, equity, efficiency, transparency, and accountability. Good governance and sound governance should be distinguished from the crude, general term of governance in that not every form of governance may feature the characteristics of good or sound governance, as outlined in this chapter.

Therefore, the concept of good or sound governance is broader than the traditional concepts of government and governing characterized by a unilateral, monopolistic exercise of authority by governing elites around the world, whether democratic or authoritarian. In such a system, the role of citizens was limited, women and ethnic groups alienated, and the civil society was ignored by governments and governing elites. While the invisible hand of the powerful business elites in governments and governing is well known, the civil society and private citizens of various gender, racial, and ethnic backgrounds have been left out of the process. This is changing, however, in the information age and in a global quest for good governance.

The negative consequences of such mega-trends as globalization, increasing urbanization, global environmental changes, and sweeping privatization are beyond the capacity of any national government to handle. These trends require a wide range of partnerships at global, national, and local levels. To these global issues must be added technological innovations, such as the Internet and computer applications that make the global exchange of information instantaneously possible and give citizens and institutions the opportunity for sharing values, information, and experiences in a borderless society. The traditional models of governing and governments have failed to address many problems of the economy and the environment. Today, the ability of these traditional models to control the information flow and the people who use it is limited, while the opportunity for citizens to form alliances and movements at regional and global levels is almost unlimited. It is in this global context that the new concept of governance becomes most relevant.

As a comprehensive and inclusive concept, sound governance and good governance (not governing or government) are all-encompassing, highly participatory, dynamic, and engaging processes. They seek solutions to problems through dialogue and communicative action, engagement through the interactions of citizens and nongovernmental organizations (NGOs), and governmental institutions.

Partnership, therefore, has become a central requirement of good governance and sound governance in the contemporary global environment.

However, the emergence of the new concept of governance does not automatically imply that all governments adopt this notion and follow its principles. On the contrary; most nations under capitalism do not accommodate the principles of this new notion of sound and good governance. Double standards and double-talk are common features of the contemporary world of governance and administration, as they have been for a millennium. What is interesting and important is the massive outpouring of the notion of the participatory and partnership-based governance and administration demanded by increasing pressure from people at grassroots levels from around the world: women demanding their rights to be recognized, working-class people demanding rights they never had, middle-class people and ethnic groups pressing for the rights of self-determination. Yet, the power of the globalizing corporate elites is monumentally increasing at the expense of the former groups of masses worldwide. The globalizing corporate elites are forcing masses of people—blue collar and white collar alike—in a race to the bottom worldwide; this is being done for the accelerated rate of surplus accumulation of profit at any cost. Globalization has reached the home countries of these globalizing corporations as well; the chicken has now come home to roost.

Therefore, the dialectical struggles between masses of people experiencing massive problems at local, national, and global levels on the one hand, and the globalizing corporate elites on the other, are intensifying worldwide, with the corporate capital in command and control. Yet, global problems and maintenance of global order for accumulation of surplus value or profit on a massive scale cannot be solved or even managed by corporate elites themselves or the governments that represent them alone; they need partnerships and involvements of the masses of citizens on any possible pretext. Similarly, masses of citizens around the world recognize that development of effective alliances and partnership building are essential to accomplishing the objectives of improving the lots of billions of people, as well as of improvement in governance and administration that affect their lives around the world.

It is in this new global context of politics, economics, and administration that the concept of so-called good governance has appeared around the globe (see for example, Farazmand, 1999a). The concept is inherently problematic as it may mean different things to different people. The political economy of this notion has roots in corporate capitalism as well as in the new globally hegemonic world order characterized by unipolarism, unitary ideology of corporate capitalism, neo-liberal (read conservative) ideology of self-interest individualism, market-oriented systems of organization and administration, market-oriented reforms, privatization, and pluralistic ideology of divide-and-rule. The new concept of "governance" has been pushed by globalizing corporate elites as a precondition for investment in developing countries as well as by the globally dominant governments such as the United States that represent and support them globally.

Moreover, adoption of the notion of "good governance" has been pushed into acceptance by developing and less-developed nations as a major requirement for international aid by such supranational global organizations as the UN, World Bank, International Monetary Found, and World Trade Organizations. Most of these supranational global organizations carry the preferences and dictates of the globally dominant states such as the United States and other leading European governments that represent the interests of the global corporations. These globally hegemonic governments and the transworld corporate empires they represent and promote set the conditions for foreign/international aids they donate, with the objectives of achieving long-term strategic policy goals of promoting globalization of capitalism; homogenization of the diverse global cultures into the Western culture characterized by market consumerism, self-interest, and individualism; and politically dividing and ruling through numerous forms of conflicts and tensions among ethnic, religious, and other forms of divisions among peoples and nation-states around the world. The new global cultural convergence, politically dominant ideology of corporate capitalism, and divide-and-rule policy of global rule under the new and hegemonic world order have demanded from all populations and their governments in the developing countries of Asia, Africa, and Latin America adoption of the concept of "good governance" so that the key and strategic global corporate elites and their governing subsidiaries occupy the key strategic positions in the institutions of government, economy, administration, social, and cultural sectors in order to promote the global drive for rapid accumulation of surplus value and expansion of corporate capitalism around the world at any cost. It also aims to eliminate any potential challenges to this global hegemonic world order and any other challenges—whether intellectual or political and economic—that might question the validity of this global phenomenon.

Therefore, the concept of "good" governance has been pushed worldwide regardless of its unrealistic and problematic nature. It is also pushed differentially around the world. For example, countries with repressive authoritarian and dictatorial governments that are virtual puppets of the Western dominant powers of capitalist order are left to carry on their routine repression of their citizens, exploitation of cheap labor and natural resources, and gross violation of human rights. Governments considered less friendly or those who do not submit to the dictates of the new world order are bombarded by massive political propaganda, economic boycotts, instigation of terrorist and other forms of opposition groups, destabilization policies, military interventions, and an array of other sanctions which undermine the ability of those governments to function, make them vulnerable to breakdown, and cause them to fall into the hands of the new world order designers of corporate capitalism. It is not, therefore, surprising that such worldly renouned political leaders as Julius Nirere of Tanzania and Robert Mugabe of Zimbabwe have criticized the notion of good governance imposed by Western donors of international aid; they consider this as an interference in the internal affairs of developing nations, and reject aids as a condition to reshape their policy in favor of Western globalization of the world.

It is for this and other related reasons that the notion of "sound governance" is applied to this book, because it is more neutral as a concept and sound as a notion for both practical and theoretical reasons. Sound governance is comprehensive and encompasses the concept of good governance for all people. Governance is sound when it includes all people or their genuine representatives in the process of governance and administration without political or economic intimidation or domination by powerful elites operating on their own behalf or promoting the interests of global corporate elites of the Western governments. Sound governance also implies sound policy in administrative, managerial, and organizational processes that are participatory and engaging rather than elitist and corporatist in character. It also implies equitable as well as efficient allocation of national resources, transparency and accountability, and long-term orientation as well as short-term practicality. Sound governance, therefore, requires genuine openness, participation, inclusion, and effective partnership building and development. It also stresses efficiency and effectiveness.

CONCEPT OF PARTNERSHIP

Partnership implies joint and voluntary endeavors toward a common purpose. In the context of sound governance, partnership is essential and requires genuine participation of the stakeholders, meaning all citizens who have stakes in the governance process. The leading role of the state is very important for encouraging and building meaningful partnerships among various sectors of society at all levels because many countries lack strong, independent private sector and civic organizations.

The essence of effective partnership, therefore, is sharing power, responsibility, and achievement. This is a noble idea aspired to by many civilizations. It is also a responsibility of the state to provide the enabling environment and to empower citizens to play an effective partnership role in the process of governance.

Partnerships involve the pooling and exchange of know-how, information, and experience between and among partners. Sharing experiences is especially essential because many governments are conducting cutting-edge changes unknown to other governments and civil societies.

The concept of partnership-based, participatory governance recognizes that expertise, initiative, responsibility, and accountability are widely shared throughout the society. Rather than being solely within the realm of central government, a society with a strong, sound governance framework and processes includes and benefits from well-developed, capacitated, institutionalized, and active stakeholders such as local governments, NGOs, citizens, and private sector organizations. Furthermore, the concept of partnership-based governance implies a learning environment in which experiences worldwide are shared and even linked to stimulate responsiveness, openness, transparency and accountability, innovation, competence, efficiency, and effectiveness.

The rest of this chapter discusses the following: rationale/justification for

building governance partnerships, preconditions for building governance partnerships, potential forms of partnerships, levels of partnership from local to national to global, obstacles to building effective partnerships, and strategies and suggested models of partnership for sound governance in the new millennium.

RATIONALE/JUSTIFICATION: WHY BUILD PARTNERSHIPS NOW?

An old Persian proverb explains why partnership is important: "A single hand does not make sound alone, but when two hands clap together they make sounds." This is also true of all human endeavor, but it is not unique to human organizations. Partnerships and collaboration are keys to the survival of animals and other species on earth. Governance partnerships are important for a number of reasons:

1. *Partnerships promote creativity, innovation, synergy, a stronger ability to tackle big problems, participation, and responsibility*.

2. *Partnership is important because of the increasing interdependence and interconnectedness among peoples, nation-states, cultures, governments, and nongovernmental civil organizations.*

3. *Globalization and global issues have created a formidable necessity in building global partnerships for all levels of governance.* With the fall of the Soviet Union, the former world order—divided into two broad ideological, political, and economic world systems—has collapsed and a new world order has emerged under the hegemonic rule of the United States and its European allies.

This new world order is armed with a global ideology of corporate capitalism, political pluralism, economic globalization, and global cultural convergence. As a consequence, many nation-states have sought formation of strategic alliances for protection against the adverse impacts of globalization and the hegemonic world order. These alliances include the Organization of the Islamic Countries (OIC), European Union, and Asian, African, and other regional organizations or communities. The nonaligned movement of the Cold War is still alive, but not active. Unfortunately, the essence of the nonaligned movement has now mainly been lost due to the fall of the USSR, the accelerated globalization process, and the interventionist role of the North Atlantic Treaty Organization (NATO) countries under the U.S. leadership with the self-declared rulership of the new global order (Farazmand, 1994, 1999a).

The notion of nonaligned movement has been further lost due to the nature of the most governing elites in developing and less-developed nations who either by choice or by coercion are aligned with the United States and operate as the local agents of this new global empire. Their dependence on this global power for military and political support has cost millions of citizens freedom of individual rights, democratic self-determination, basic economic needs, housing and health and education, and fundamental human rights. These comprador ruling elites' main interest is to maintain social order and to facilitate the appropriate

environment for the rapid accumulation of surplus value of global capitalism and to receive a good share of the proceeds from this process. This serves them self-interest perpetuation and assurance of the global order of corporate capitalism, all at the expense of the millions of citizens under their rule who suffer from malnutrition, poverty, disease, and lack of health and education.

Yet, there still are several truly nonaligned nations with governments defying the new global empire as well as the relentless pressure of the transworld corporate elites who consider the entire planet Earth their global village, a village with one neo-feudal system and one ruling baron. It is these kinds of genuine partnerships, alliances, and cooperative networks of governmental and non-governmental organizations with common interests around the world that are badly needed and imperative for building a formidable block against the intrusive nature of globalization of capital and its interventionist global empire.

Globalization as both a transcending process and a phenomenon has produced fundamental alterations in the relationships among nation-states and their sovereignties. It has made territorial boundaries irrelevant and threatened state sovereignties. Transworld corporations, which recognize no borders and create a global society by transcending all national borders, have been a driving force of globalization. Technological innovations such as the Internet, cyberspace, computer applications, and other mechanisms of the information age have made globalization of capital and state a phenomenal process that is here to stay, but a phenomenon that needs to be approached very carefully and with effective partnerships based on common and mutual interests (Farazmand, 1999d).

While globalization provides opportunities for some, especially the elites and monied individuals, its negative consequences for communities, poor countries, and democratic rights of individuals are potentially harmful, indeed devastating. Therefore, to deal with these and other issues of globalization, global and regional partnerships among those concerned are both a requirement and a necessity for sound governance. Globalization is also accompanied by the dominance of the global states, which demand compliance, influence policy agendas of affected nations, and intervene militarily when their interests are either not served or threatened by popular movements. Examples are many: Nicaragua, Iran, Chile, Cuba, Egypt, Indonesia, Malaysia, Vietnam, and other countries.

4. *Global problems such as environmental deterioration, wars, ethnic conflicts, poverty and health crises, and migration and refugee problems, are beyond any government's capacity to solve.* They require serious formal and informal global partnerships. Much of the global environmental degradation is caused by the industrialized countries of the North, while the cost is being borne by the poor and developing nations of the South. Similarly, many of the problems of war, refugees, ethnic conflicts, and poverty are either caused or aggravated by the direct and indirect intervention of the former colonial and neo-colonial imperialist countries of the West trying to continue the policy of divide and rule in order to keep these countries under control and exploitation.

Effective partnerships among these poor and developing nations are needed to counter this global quest for continued exploitation, control, and domination. Partnerships are also import to build with the industrialized nations of the West toward solving some of the global problems because they posses stronger capabilities and resources and should bear a significant portion of this burden.

5. *The global exchange of information has become very easy. Internet and other computer applications have enabled citizens around the world to communicate and share information of mutual interests and concern almost anywhere on the planet.* Partnerships among peoples and civil as well as governmental organizations across the world have become a relatively easy enterprise, though not as easy as one may think. Ideologies, political and economic differences, racial and ethnic divides, and other factors are some of the factors that cause barriers to effective communication, connectedness, and information exchange. Therefore, partnership building is important for many governments and nongovernmental and citizen organizations to interconnect for exchange of information at all levels around the world.

6. *Learning organizations are adapting to the rapid changes of their environments by acquiring information about their surrounding environments.* Governments and citizens need to do the same by joining in partnership systems for effective governance. Learning about best practices in governance and administration is an important process of sound governance. It can learn from chaos and help build order through self-governing, self-regulating processes.

7. *Partnerships contribute to involvement, the quality of positive governance, and service delivery, administration, political support, and stability among governments, citizens, private sectors, and NGOs.*

8. *Partnerships require genuine participation, which contributes to democratic, sound governance and sustainable development for a better civilization.*

9. *The financial-economic motives for partnership concern, for example, the limited financial capacity of governments for investments, which makes the prospects of private sector co-financing very important* (Farazmand, 1999a; Kouwvenhoven, 1993). With the governments running budget deficits, a strong private sector can step in as a co-financier in capital projects with long- and short-term returns. This kind of partnership requires, and creates, significant mutual interdependence among the partners. However, most developing nations have very weak private sectors with little capacity or willingness to take on long-term capital projects in partnership with governments, a situation that invites, unfortunately, foreign transworld corporations for capital investments and market takeovers. A major result is destruction of domestic national economic base and transformation into an agency of the global corporate empire. Building domestic government–business partnerships is important in resisting the global intrusion and domination.

10. *The strategic-managerial motives for partnership concerns the central issues of efficiency through the application of business-like measures of cost-effectiveness, cost-control, and other criteria used in the private sector.*

Efficiency is an important criterion for effective governance, but it is not the overriding one; effectiveness and equity are equally important if not more important. Therefore, the central motive of effectiveness becomes strategically important to government in forming partnerships with various sectors of society, including private sector institutions, NGOs, and other civic organizations. The strategic motives of effectiveness drive governments to draw on certain innovations, technology, expertise, and skills found in nongovernmental and private sector organizations for an extended period. Here, the orientations of governments are colored by partnership-based governance that may or may not have the efficacy of equity and fairness for all in society.

To safeguard against such a shortcoming, governments must ensure that all partnerships include institutional, financial, and administrative arrangements for promoting equity and socioeconomic justice for all citizens, even if such a strategic motive may have a dampening effect on efficiency. Similarly, the strategic motive is beneficial to private sector and other nongovernmental partners.

PRECONDITIONS FOR BUILDING EFFECTIVE PARTNERSHIPS

There are many conditions for building and sustaining successful and effective partnerships in governance at all levels. These conditions provide a useful framework for describing actual cases of partnerships, especially public–private partnership (PPP), as well as for prescribing potential partnerships. Two sets of conditions are recognized: (1) primary, start-up conditions, and (2) process conditions.

Primary, Start-Up Conditions

The primary, start-up conditions are in two forms: *interdependence and convergence of objectives* and *accommodation or reconciliation of goals*. The increasing recognition of interdependence between governments and other actors in society (private sector businesses, nongovernmental organizations, and cooperative system organizations) is an essential foundation of building effective partnerships.

Interdependence means that no party alone is capable of conceiving and implementing ideas, policies, and programs of any significant magnitude, especially the ones with consequential externalities. Interdependence also means that the application of the "law of relative advantage" can be used for efficiency and effectiveness. It means that all parties share information, technology, and financial and organizational resources to interdependently complement each other for more hybrid and synergetic results. Meeting the interdependence condition is essential, but not sufficient for effective partnership.

Convergence means that the objectives of different parties in a partnership need to be connected so that understanding, consensus, and cooperation may follow. This means that, at least, the objectives of the parties should not be in-

compatible. At the lowest level, the conditions of *accommodation or reconciliation* must be met. *Accommodation* means willingness to work with others with differences and on a limited basis. Accommodation does not require compatibility or convergence of objectives, but it does require an absence of combatting claims, the recognition of a need for reconciliation, at least on a temporary basis. Therefore, *reconciliation* means joining points of difference and differing objectives for common interests. It does not remove differences, but turns them into irrelevant points in the junctures of interactions. Such dual conditions of accommodation and reconciliation bring parties closer on matters of mutual interest or concern.

Recognizing interdependence and identifying the convergence of objectives, as well as accommodation and reconciliation, is facilitated if at least one of the following "secondary start-up conditions," also called "linking mechanisms," is present: a *network* or a *broker* (Farazmand, 1999a; Kouwvenhoven, 1993). A *network* through which individuals of various parties meet one another informally creates the opportunity for open channels of communication and consultation. *Independent brokers* as facilitators can bridge the gap when the existence of the network is impossible or inadequate. Therefore, both networks and brokers play important supplementary roles in establishing the start-up conditions for effective partnership building.

Process Conditions

The following constitute major process conditions for building and sustaining an effective partnership in governance:

- *Mutual trust and good faith in the focused areas of partnership*. Trust is important when entering into cooperation relations and to maintain the functioning of those relations. Trust brings out mutual respect, recognition, and adaptation, and constitutes the lubricating oil in complex cooperation relations such as multiple-party-based partnerships.
- *Recognition of limitations of each party*. Each governance partner has limitations and constraints in its relations with the other. But in formal governance process, the state always carries greater strength than, say, the civil society or an average private sector organization.
- *Clarification—and recording—of objectives and strategies*. In any partnership, there are many ambiguities or disagreements as to the objectives and the way they should be achieved (Farazmand, 1999a; Kouwvenhoven, 1993). Clarification and coordination play key roles in a successful partnership. The division of costs, inputs, risks, and returns, and for the sharing of responsibilities and authorities both between and with the partners, is essential.
- *Phasing aims of partnership projects at the verifiable and measurable details*. As a process, partnership runs through dynamics, with respect to participants, power structures, and the rules of the game. Phasing aims helps smooth out relationships and performance through this dynamic process, which requires flexibility, adjustability, and adaptation.

- *Creating conflict regulations and conflict resolution mechanisms*. Any partnership will likely result in conflicts that need to be managed or resolved. Spelling out rules, regulations, and procedures, as well as identifying conflict resolution mechanisms such as mediation or arbitration, is very important.
- *Focusing on issues, problems, and objectives/goals of partnerships*. An effective conflict resolution also requires separating issues and problems from personalities, as well as focusing on the problem itself and finding creative solutions.
- *Identifying and spelling out legal issues and procedures*. Government, being the guardian of "common interests," must also weigh the interests that it wants to serve through partnership against the interests of all people and organizations that may be directly or indirectly influenced by partnerships. Influential groups and business elites often have stronger leverage over almost all other citizens organizations in exerting influence toward policy goals that favor their interests. Genuine partnership arrangements must safeguard against such unfair biases. Legal considerations are central to the state and the private sector because without laws and regulations, chaos will prevail and there will be no assurance in either party's commitment to obligations.
- *Protection of third parties' interests and rights*. In the case of a partnership with a private sector organization, two elements are important: reasonable profitability of the business enterprises, and accountability and observance of law in protecting the overall rights of citizens (Farazmand, 1999a; Kouwvenhoven, 1993). Business investments in capital projects and partnership-based programs should be protected according to market rules, but such investments must not be guaranteed by governments against risks due to market fluctuations. Government should not be the guarantor of business operations, but it should provide a safe environment for investment and operational purposes. The second element, accountability and protection of rights of all citizens, must be strongly observed, as there may be powerful groups able to influence unfairly the policy agenda, and implementation can cause potential avenues for corruption, conflict of interests, and mismanagement. Measures of accountability and transparency must be included in the partnership processes.
- *Adequate support and control facilities that enhance partnerships*. This is an enabling role that the state must play because many NGOs may lack the adequate institutional know-how, expertise, and resources necessary for effective governance partnership.
- *Internal and external coordination* through formal and informal processes, networks, and mechanisms. Safeguards against duplication and waste can promote partnership by developing necessary channels of communication, data processing systems, and feedback loops that would enhance the development of understanding and reduce conflicts and misconceptions among partners.
- *Appropriate and adequate organizational arrangements, management, and skills* for policy development, analysis, and implementation/administration in partnership-based governance must be in place. Often, confusion arises, when an issue becomes a matter of policy concern, as to by whom, how, and how fast or through what process a decision should be made. Similarly, implementation of policy decisions can become problematic if responsibilities and authorities are not defined.

The ultimate responsibility and accountability of any governance partnership rests on the shoulders of the government, because it is the government that must

be accountable to its people, not the governing partner, unless the specific and focused partner is the direct beneficiary of the administration (see Farazmand, 1999a). This problem has been reportedly manifest in many privatization and contracting programs pursued by governments around the world, from the United States to Australia to the United Kingdom, to Iran (Farazmand, 1999c; and chapters by Wettenhall, Terry, and Farazmand in Farazmand, 2001c). Lack of coordination and of organizational arrangement is a central impediment to the successful implementation of any partnership effort. Therefore, appointment of project leaders with far-reaching authorities acceptable to all parties is highly desirable.

FORMS AND LEVELS OF GOVERNANCE PARTNERSHIP

Partnerships take many forms and several levels: global, national, and local.

Global

One of the most important factors influencing the necessity and formation of global partnerships is the existence of significant crosscutting and crossover issues, such as the environment, migration, poverty, refugees, wars, rapid urbanization problems, natural disasters, green agenda (environmental deterioration issues), brown agenda (issues of environmentally caused loss of workforce productivity and related problems), and a host of other problems. The spillover effects of these issues force governments, international organizations such as the United Nations, and citizens to seek partnership-based solutions to these problems that transcend national boundaries.

Effective handling of these international problems requires global partnerships with the United Nations. The UN can play a formidable role as a facilitating and enforcing body in a wide range of global governance partnerships. It is also an effective partner in many partnership arrangements for global and regional peace and development. The UN's role in global governance must be further empowered in the age of challenges that emanate from the phenomena of globalization and the new world order.

The UN and some of its independent organizations are very important partners in addressing and seeking solutions to many of these problems (see Farazmand, 1999a; UN/Tokyo Metropolitian Government, 1998). Global partnerships can also be built between governments, governments and civil societies, NGOs and governments, regional governmental alliances and individual national governments, private sectors and global/national governments, and global people-centered movements such as environmentalists and other independent social organizations (Korten, 1995).

While partnerships are important in solving many problems of global scale and in promoting opportunities for global citizens, regional preferences cannot be ignored. In fact, regional preferences are being expressed through regional alliances, both governmental and nongovernmental, environmentalists, and other

citizen-based groups and organizations. They attempt to counter many negative consequences of globalization such as labor displacement, loss of community control to global firms, and massive pollution, in order to preserve national identity, sovereignty, and independence. Examples include the European Union, and Asian, African, and other unity organizations such as the Organization of Islamic Countries (OIC).

Partnerships with supranational global agencies such as IMF, WB, UNESCO, UNICEF, and the like are also important to tackle many global problems and to enhance national and international community interests. It is also helpful toward building a global community and citizenship. Although IMF and WB are highly influenced by the United States and its key allies, and their role in world politics and economy is often viewed as instruments of global dominance by the U.S. and transworld corporate elites, these same supranational organizations are important partners in many problems they create (see Hancock, 1989, for example) and therefore must take responsibility for correcting them.

National

National partnerships can be built by national governments with the civil society, NGOs, stakeholders, and private sector. Here, partnerships can take the forms of market–state, state–citizens, state–civil society, government–NGOs, government–self-governing organizations, state–regional organizations, sectoral functions–civil society/private sectors in health and education and others, government–university, intergovernmental organizations, public–private enterprises, national–local governments, and national state–regional government cooperation. These partnerships are important for sound governance at the national level.

Local

Local governments are the key implementers of policy decisions and produce the outcomes of those decisions in the governance process. It is at this level that all actions take place. In addition, local governments are closer to citizens and stakeholders, and they must be accessible and responsive to citizens. Therefore, local governance is extremely important because it is the central arena for public participation and the democratic exercise of citizens' rights.

Local partnerships have existed in many countries, and they are being promoted all over the globe. Sister cities are an established partnership tradition that continues to play a key role in local governance. Cities of different nations communicate with each other, bypassing their respective national and state governments. This sharing of information, cultural exchanges, and other communications helps solve many common problems such as traffic, poverty, and health. Examples of these kinds of partnerships are "sister-city alliances," formed and operating among major historical cities with ancient heritage and civilizational achievements, namely, Florence of Italy and Isfahan of Iran, among others.

Moreover, many problems of local governments are now global and they require global thinking and solutions. "Thinking globally and acting locally" is a key expression of today's dynamic environment of good governance. Cities around the world share similar problems of governance. Their partnerships and cooperation at a global level, through international exchanges, conferences, and exchanges of personnel and leadership skills are examples of such partnerships.

Local partnerships can be built in the forms of government–citizens relationships, government–nongovernmental and civic organizations, religious/cultural organizations–governments, university–government relationships, civil society and professional organizations–governments, local government–private sector, and local government–global corporations, supranational agencies, governments, and NGOs. These forms of partnerships can enhance the quality of governance at the local level and produce outcomes that are far superior to the traditional unilateral forms of government. They promote economic development, help prevent and reduce many social problems such as poverty and crime, tackle waste management problems, and reduce other pressures facing urbanization and local governance in general.

Civic action provides a major advantage in the local partnership for good and sound governance. Through civic action, citizens can implement policies according to their local needs and by their own methods. Local civic action is often superior to nationally centralized public administration because it promotes flexibility, originality, promptness, and responsiveness.

As part of local partnerships, it is very important to build and sustain effective eco-partnerships for the cultivation of an eco-society among citizens, NGOs, enterprises, specialized research institutions, and local government (UN-Tokyo, 1998).

OBSTACLES TO BUILDING PARTNERSHIPS

Every partnership faces potential challenges and obstacles. Challenges can be transformed into opportunities if mutual cooperation, goodwill, trust, and respect prevail in the relationship among parties. In governance partnerships, some challenges can easily be turned into opportunities for forming alliances and joint activities. In the case of homogenous or common-interest situations, such as racial and ethnic sameness or religion and language, the precondition of convergence mentioned earlier can facilitate such a transformation. However, too much optimism can actually create more obstacles rather than promote opportunities. For example, the relationship between South and North Korea is not facilitated by racial/ethnic factors; it is hindered by ideological and political as well as economic factors. Similar problems exist almost everywhere in the world.

While some challenges can be turned into opportunities, obstacles are quite a few, and some are much more difficult to overcome, if not impossible. Therefore, dealing with obstacles to partnership building is one of the most fundamental preconditions that must be established. Obstacles appear in a variety of forms.

1. *Distrust* is the number-one obstacle to building partnerships, and in governance it is even much more problematic because it involves a variety of political issues. Lack of mutual respect and recognition is another obstacle. Consequently, the problem of legitimacy presents itself as another obstacle, which divides the parties on the lines of we versus them. This is especially applicable in global and regional partnership building, where deep suspicion—based on ethnic, religious, political, ideological, and geographic, as well as exogenous factors—divides governments and makes it very difficult if not impossible to forge partnerships on problems of common concern. In these cases, finding common ground, that is, using accommodation strategies rather than insisting on cooperation and convergence, should be the approach in building some form of partnership for global common interests. U.S.–Soviet anti-nuclear and disarmament treaties are one good example.

2. *Another obstacle to partnership is the widening gap between the North and South nations*, and the disparities that also exist within each category of nations. Regional disparities, as well as nation-state disparities pose a major problem for global and regional partnerships. Similarly, disparities in capacity, resources, and power structure among members of partnership systems are serious threats to the successful implementation of partnership agreements.

3. *The tendency of certain power structures to dominate globally* poses another major obstacle by making the dominated partners mere subservient members of the partnerships. Under globalization and the emerging one-system hegemonic world order, this problem has become even more serious in less-developed nations (see for example, Farazmand, 1999c; Korten, 1995). Such a partnership becomes meaningless because there is no free will or independence in making decisions by weaker parties; coerced partnerships are doomed to failure.

4. *Another obstacle to an effective partnership is the higher expectations that partnerships create*, making dependency problems worse when responsibilities are transferred to weaker parties or when weaker parties develop false expectations that the stronger parties should carry this burden. Still another obstacle is the tendency to resist diversity and power sharing by some parties in the pact. Diversity created by partnerships tends to generate different viewpoints and policy preferences and may cause serious conflicts that need to be resolved as important preconditions noted earlier.

5. *Still another obstacle to partnership building is potential environmental conditions*, ranging from political and ideological to economic and social spectrums. This is one of the major problems dividing nations and peoples in the contemporary world. For example, Western cultural and ideological tenets of self-interest, individualism, and market-oriented neo-liberalism (actually conservatism) tend to be pushed by the globally powerful nations into the heart of Asian and African, traditionally common-interest based cultures, in which family structure, traditional institutional values, and other norms of historical significance are strong. This is where cultural, ideological, and political arrogance develops and becomes a fundamental obstacle to mutually respectful partnership building.

6. *Cultural and religious obstacles* can cause major impediments to effective partnerships at all levels of governance. Similar to the ideological and cultural obstacles are the religious divides that play as a formidable impediment in partnership building. The current global stereotyping against the Islamic religion by the state and corporate media and business organizations in the United States who are predominantly Christian has created a global image of Muslims as terrorists and the Middle Eastern people as fanatics who should be enlightened by Judaic-Christianity. This global ideological, political propaganda against the Islamic religion serves nothing but global arrogance, global religious divide, and hostility among nations and peoples, and promotes the global arrogance of self-declared Christian superiority. Such a dangerous religious game-play serves as a fundamental obstacle not only to effective governance partnership building; it also promotes potentially catastrophic consequences which the designers of such policy would not be able to contain.

7. *Ethnic and racial differences that can pose serious obstacles* are factors that should not and must not be underestimated. Racism and ethnic divides are two of the most despicable and devastatingly manifest features of modern civilizations. Interestingly, many of Western countries and the governments they represent are among the key promoters of these disgraceful and anti-civilizational features of racism and ethnic bias within themselves and around the world. Domestically, they are played as forces of divide-and-rule and social control through nonintegration and atomization by the power elites, and internationally these factors are played by globally dominant states as forces of divide-and-rule and for maintenance of tensions among nations and peoples for periodic exploitation and control. It is one of the key tactics of neo-colonialism and transworld imperialism, a phenomenon that has plagued most developing and underdeveloped nations of the world since the early part of the twentieth century. Both racism and ethnic discrimination destroy trust, eat up inner feelings toward oppressors, and create an endless cycle of hate and disharmony among people.

As mentioned earlier, lack of trust leads to lack of confidence, which makes it extremely difficult for parties to cooperate and accomplish objectives. In such an environment, diversity means disrespect toward others, national harmony is superficial, and social interactions are based on inherent knowledge of "otherness" and separation rather than integration, togetherness, and genuine harmony.

STRATEGIES AND MODELS OF PARTNERSHIP BUILDING

Strategies for Partnership

Despite the obstacles and limitations discussed previously, several strategies can assist in building and sustaining effective partnerships for sound governance.

Adaptive strategies inform governance actors to accurately read their changing environmental dynamics and consider strategic choices in partnership build-

ing, to maximize chances of successful governance and to avoid being behind the state-of-the-art in governance and in the ecology of governing systems. Adaptive strategies may or may not be the real choices the governance actors opt for, but environmental adaptation requires modification and compromise in approaches to partnership building without compromising principles. An example of adaptive strategy for partnership building is urban governance systems adopting sister-city alliances and partnerships for staying up-to-date and for sharing the latest information on local, urban ecosystem issues and concerns.

Proactive strategies may or may not be adaptive, but they are calculated, deliberate, and critical choices of partnership for successful governance at all levels, especially at global and regional levels. Proactive strategies are real choices governments may opt for to either (a) genuinely involve actors of civil society and share power and responsibility to enhance governance process, or (b) build alliances for dominance, aggression, and control of governance domains at all levels. The latter type of strategy does not contribute to genuine partnership for good or sound governance; indeed, it destroys opportunity for such arrangements. Examples of proactive strategies abound and almost all national governments pursue such strategies in international relations. Proactive strategies are very effective if they are genuinely pursued for mutual interests and based on mutual respect and cooperation.

Reactive strategies are the opposite of partnership building. They are a reaction to chains of events or the effects of actions, causing the necessity for partnership building. Reactive strategies may or may not be the real choices for partnership building, but they become necessary as a reaction to adversarial or competitive actions. An example of this type of strategic choice may include regional security alliances that are typically formed by governments in reaction to others that have already done so.

Accommodative strategies are approaches to partnership building that aim to manage and reconcile conflicting interests and that would prevent tensions or escalation of contradictions. Accommodative strategies help build tolerance in governance process, not integration or genuine participation. Neighboring nation-states may form agreements on how to fight terrorism, collectively fight illegal drugs, and so on. They are not real choices of a particular government, because they are often made to prevent costly disputes.

Neutralizing strategies are deliberate attempts by governments to neutralize oppositions and potential threats. Governments form partnerships with other governments or with adversarial parties on a limited basis to prevent or reduce the escalation of hostility and possible wars. It is not a strategy of appeasement, but rather a strategy of disarming the adversaries and opportunists. Such a partnership is only possible in fragmented, specific policy areas, and is not comprehensive at all. Two governments may form partnerships in maintaining peace and order on their borders with ethnic disturbances, whereas both may be at odds on many other issues.

These strategies, and possibly others, help promote building various models of partnership at all levels of governance, some more appropriate at global and national levels than others.

Models of Partnership

Several models can be considered for building partnership in governance process. These models can use strategic considerations.

The autonomous model of partnership is built on the premise of independence exercised by all parties on an equal basis. The strategies to build this kind of partnership may include (a) state initiation with NGOs, citizens, and private sector; (b) initiation through proposals and policy idea formulations with government by all other partners; and (c) third-party initiation to pull governmental and other parties into partnership building at local and national levels. At the global level, the autonomous model is most applicable where national sovereignty is preserved through independent strategies. The UN role can be very effective in such partnership building, but it must be careful not to play into the hands of globally dominant states and lobbying forces of the global corporate empires.

The interdependence model is very common among nation-states at regional and global levels. Such a partnership is based on the premise that all parties are living in an interdependent world in which no one is self-sufficient or has the capability and resources to deal with problems of an interdependent world. All nations as well as various local governments are linked interdependently, so their cooperation for solving problems and the provision of public goods and services is essential. The same rationale is applied to building an interdependence model of partnership within any society, between government and various actors of civil society. Interdependence generates a sense of community, togetherness, and regeneration of energy for policy solutions and creative ideas. But interdependence is not just a word, and unless it is coupled by economic and social justice among nations, peoples, and groups, it is meaningless; it will only be another instrument of global exploitation of the weaker nations and peoples by powerful states, corporate elites, and the organizations that represent them.

The globalization-convergence model is premised on the forces of globalization—finance, production, marketing, state and political integration, and cultural, economic, and policy convergence. Unless correctly and fairly applied, partnership building can become an important structural and instrumental adjustment for paving the way for economic, cultural, and policy convergence to the globally dominant forces of power structure, meaning the globalizing transworld corporations and the dominant and interventionist state that promotes the corporate culture of consumerism, homogenization of various individualistic Western cultures, and all of its concomitants. These include the few industrialized globalizing nations of the North that tend to see no limit in their quest for global dominance of finance, politics, market, and governance almost anywhere on the globe. And today, with the fall of the USSR as a counterbalancing global power,

much of globalization also means Americanization of the globe (Farazmand, 1999d).

The convergence theory holds that with economic market convergence, cultural and policy-governance convergence follow, hence a global convergence partnership is built against all perceived and potential adversaries or challengers. This is a potentially repressive partnership model, because it tends to turn almost all less-developed and other industrialized nations with weak military power into forced coalitions, rather than build free partnerships, for the dictation of unilateral policy choices to the rest of the world. While proactive strategies characterize this model of partnership for more powerful members of global governance, reactive and accommodative strategies are the only choices less-developed and less-powerful nations may have.

The hybrid model is a combination of the above models. It is hybrid in that it resembles features of all models, yet it may display its own distinct characteristics. A synergy of various models tends to develop under this model. It is more suitable for more developed nations with massive institutional and resource capacity, but it puts less-developed nations at a disadvantage because their ability to maneuver around policy choices is limited, especially with regard to the application of autonomous and globalization models. Local governance partnerships may become an increasingly losing proposition for less-developed countries when faced with forces of globalization; their strategic choices simply become reactive.

The elite model is the most common feature of modern governance partnership building, with the premise that elites—economic-corporate and political elites—dominate the policy arena of governance almost everywhere (see Farazmand, 1999b). Elite partnerships take place on a daily basis for market expansion and domination, control of the power structure, national interests, and the exclusion of nonelite masses from strategic decision structures for many reasons. Elite-controlled governance positions can be based on assumptions that nonelite masses are less suitable for playing key governance roles, therefore reserving such rights and privileges for themselves. Elites may also exclude nonelites purely for self-interest, both economic and political.

The elite model is a common practice among governments—often dominated by business/corporate elites—with similar elites at other levels of governance, and with other governments controlled by elites. Most nation-states are governed by powerful elites who represent the upper socioeconomic class as well as the military-industrial class. This is especially the case with all countries including advanced industrialized nations, but even more so with regard to the less-developed nations in which the powerful elites are closely and intimately allied—both formally and informally—with globally dominant transnational corporate elites and the global powers that promote them. Elites, especially business/corporate elites, are in a far more powerful position in the governance process and often impair democratic process of governance and administration. Their partnerships often take a form of dominance and dictation rather than fair

and equal responsibility. The elite model creates a hierarchy of elites and partnerships around the globe, a powerful fortress that tends to control and dominate the world in the twenty-first century (Farazmand, 1999d). Unless tamed and counterbalanced by some forces from around the world, this new unipolar, hegemonic global empire, the self-declared police of the world, can cause catastrophic dangers for not only developing nations and their self-determination, but also for the entire humanity and modern civilization. Such dangers are far more serious than most academic scholars—who are brought up and conditioned by this Western power structure and its cultural indoctrination—or policy makers who deliberately promote and benefit from such policy orientations admit.

Escape from such global partnership building for many powerful elites in less developed nations is impossible if not futile, because they are deeply dependent on global corporate elites and their associated political-military-security powers. These subsidiary, or agent, elites, while in a very powerful position in their own countries, are severely vulnerable to imminent revolutionary challenges as well as to the global power elites who are their creators and maintaining masters. However, the elite model of partnership can also serve the national interests, but it requires independent strategies for partnership building. Countries with independent national power structures—free from the global power elite—have a chance to exercise, to a limited but effective extent, partnership building for national and local governance. There indeed are a few genuinely independent nations and governments in the contemporary world community that seriously resist global hegemony and domination, and by doing so have been paying heavy prices that have had consequences for their citizens. It is absolutely essential for these governments and peoples to form formal and informal partnerships that carry both substance and form. These governing elites carry a heavy responsibility for the success and continuity of their independent policy stance toward global encroachments.

To be successful, these elites must include their civil society, private sector, and NGOs in the governance process so they can build a shield of protection against the encroachment of global dominance. This means sharing power with nonelites for broad common interests. All types of strategies may become relevant or even necessary to build partnerships under this elite model. Sharing power, responsibility, and achievement is, therefore, the essence of effective partnership building.

CONCLUSION: SUSTAINING TRANSPARENT PARTNERSHIPS

Building partnerships is one of the most essential requirements of sound governance characterized by transparency and accountability, efficiency and effectiveness, responsiveness, fairness and justice, and citizen participation. While building effective partnerships is the first and essential step, transparency is the

most important requirement for sustaining such a partnership for sound or good governance. Without transparency, partnerships are subject to failure due to the lack of openness and trust among partners in the governance process.

Transparency and openness in partnership help remove many obstacles toward building partnership and promote the preconditions noted in this chapter. Specifically, *transparency* (1) develops trust as a building block of workable partnership; (2) facilitates open exchange of accurate information and strengthens the linkages among varying parties in the governance process; and (3) enhances the opportunities for evolving the forms and models of partnerships from reactive and accommodative to proactive, cooperative, and interdependence models. Transparency in partnerships, therefore, brings varying partners together and enhances their chances of promoting a healthy community of working relationships toward common good. Transparency is important at all levels of governance partnerships. Transparency coupled with accountability provides a solid foundation for effective partnerships in any setting. While transparency helps build trust, *accountability* promotes responsibility, fairness, and equality. Both transparency and accountability work as forces of consolidation and enhancement in the process of building and sustaining effective partnerships for good governance at local, national, and global levels.

The need for building and sustaining transparent partnerships is much stronger today than ever before, most notably because of the rapidly changing environment around the world. This new environment requires significant partnership building for solving global problems and dealing with issues of global scale. This is important for the ability of humankind to survive all kinds of disasters—natural and human-made—that threaten the global ecosystems.

There are many preconditions for building and sustaining effective, transparent partnerships as well as numerous obstacles to such an enterprise. However, opportunities for building partnerships for governance are unlimited at all levels. Formal structures—such as governments—and informal structures—such as NGOs, private sectors, and other civic-based organizations/movements that share concerns and voice similar ideas across national borders—are growing in number, and their influence on formal governmental policies cannot be ignored. In this environment of global interdependence, partnership becomes both a challenge and a necessity for good governance.

Strategies and models of partnership building abound. What is needed is courage, initiation, and promotion of a global partnership based on equality, transparency, accountability, mutual respect, and recognition of both weaknesses and strengths. Local partnership is no longer a local or national issue; it has already become a global issue for many national governments. Global citizenship is not a utopian idea beyond reach; it can be developed as long as there is will and action. It cannot be based on corporate greed or global domination by emerging hegemonic empires with whatever ideological pretext, whether market democracy, corporate authoritarianism, or globally reaching nationalistic fascism.

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5

Trust as Capacity: The Role of Integrity and Responsiveness

ROBERT B. DENHARDT

One of the most serious issues in public life today—one that affects all others—is an erosion of the relationship between citizens and their government. As trust in government declines, the capacity of public institutions to govern effectively diminishes as well—and that seems to be exactly what has happened in the United States and many other countries (Bouckeart and Van de Walle, 2001; Nye, Zelikow, and King, 1997). This problem is manifest in many ways—in the people's increasing disenchantment with the affairs of government, in their withdrawal into private spaces and personal concerns, in their unwillingness to serve in government, and in the failure of the political system to maintain the faith and confidence of the citizenry. The evidence is dramatic. For several decades, the University of Michigan's Survey Research Center has been gathering Americans' responses to the question: "How much of the time do you trust the government in Washington to do the right thing?" Forty years ago, more than three out of every four Americans said that they trusted the government "just about always" or "most of the time." Today that group is less than one out of four.

People seem to be turning away from politics in droves. Many citizens see politicians as engaged in a selfish pursuit in which the stakes are defined primarily in terms of money, prestige, and electoral victories and in which there are only winners and losers. The older image of an elected representative acting out of a desire to serve has faded and politicians seem motivated primarily by those things that will assure their reelection or those that will accrue to the benefit of their party (Ehrenhalt, 1991). Consequently, political dialogue seems prompted by a desire for political advantage much more than a search for the truth.

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Moreover, many people now view political leaders as handmaidens to special interests. Politicians are not seen as representing the people but as representing those interests that "own" them by virtue of the money and influence they wield. Finally, the public sees political leaders as largely "out of touch." Politicians seem to live in a world far distant from the everyday reality faced by most Americans. What's worse, they just don't seem to listen to ordinary people. The kind of two-way communication that is the democratic ideal has been lost in a world of public hearings (not "listenings"), canned speeches, faxes, sound bites, and surveys.

Citizens are critical of politicians, but the recent record of citizens themselves also leaves much to be desired. The past couple of decades have been characterized as an age of increasing "narcissism," an age in which people act primarily out of self-interest. In a historic context, citizenship meant working for the common good. Yet too often today we hear people respond to public issues by saying "What's in it for me" or "Not in my backyard." And, as noted previously, politicians seem to be encouraging that kind of behavior by their excessive attention to polls, most of which amount to little more than snapshots of individual self-interest.

Moreover, the independent voices of citizens have given way to the organized voices of groups and associations, each concerned with promoting their own cause, however narrow and self-interested that cause may be. But, of course, the age of single-issue candidates is fed by single-issue constituents. While people complain about politicians being captured by special interests, they are much less concerned when they feel *they* have been successful in doing the capturing. Finally, citizens, probably no less than politicians, are in their own way "out of touch." The complexity of politics and public policy today is such that significant knowledge and expertise is needed in order to understand what's going on, and not everyone has the time to devote to the effort. At the same time, there are other pressures, the pressures of earning a living and caring for a family under conditions that are increasingly difficult. And there are the distractions of modern life—television, videos, CDs, computer games, and "surfing the Net." Facing a barrage of entertainment opportunities, it is not surprising that the average citizen knows or cares little about the details of politics—or that they demand that their politicians entertain more than educate.

The declining trust in government is especially poignant given the fact that diverse groups of political leaders, journalists, and other commentators have recently joined in their calls for a "return" to a heightened sense of community in America. In this chapter, we will review the growing quest for community in this country and the role government might play in stimulating a sense of community. Then we will examine how governmental capacity has eroded as the quality of the relationship between citizens and their government has declined. We will suggest, however, that government can play an active role in restoring trust in government, especially by focusing on integrity and responsiveness, and, in turn, can reestablish an important element of capacity.

THE QUEST FOR COMMUNITY

The widespread current interest in community is an interesting phenomenon, arising as it does in so many different arenas (Bellah et al., 1985, 1991; Etzioni, 1988, 1995; Gardner, 1991; Selznick, 1992; Wolfe, 1989) and being articulated by commentators of both the left and the right. On the one hand, those toward the left see community as an antidote to the excessive and unrestrained greed and self-interest that marks modern society, a cure for individualism run rampant. Meanwhile, those toward the right see community as an avenue to restore basic American values once held but now being challenged by forces that seem to be beyond our making or our control.

Why so many should be interested in community is a question for some speculation and disagreement. Some suggest that Americans have become alienated by the overwhelming force of a technological society, epitomized by the assembly line or the computer, and seek a return to more "human" associations. Others blame the social and political dislocations connected with the Vietnam War and the civil rights movement, and hope for a time and circumstance of greater gentility and perhaps remorse. Still others cite the excesses of capitalism and the moral ineptitude of those involved in questionable market practices and "insider-trading" schemes; they require a renewed sense of social responsibility. Still others become wary at the prospect of a global economy not necessarily dominated by the United States and hope for economic certainty. Finally, some point to the degradation of the environment and the possible end of human existence implied by the existence of weapons of mass destruction; they simply want security. All seem to somehow recognize that life has gotten "out of control" and that people need a way to take back their lives. Most important, the quest for community signals a concern for restoring *values* to a central position in our social and political life.

While different writers focus on different aspects of community, the work of John Gardner is exemplary in its clarity and persuasiveness. Gardner (1991) holds that a sense of community—which might be derived from many different levels of human association from the neighborhood to the workgroup—might provide a helpful mediating structure between the individual and society. Gardner writes,

> In our system, the "common good" is first of all preservation of a system in which all kinds of people can—within the law—pursue their various visions of the common good, *and* at the same time accomplish the kinds of mutual accommodation that make a social system livable and workable. The play of conflicting interests in a framework of shared purposes is the drama of a free society. (p. 15)

The shared values of a community are important but we must also recognize that wholeness must incorporate diversity. Gardner writes,

> To prevent wholeness from smothering diversity, there must be a philosophy of pluralism, an open climate for dissent, and an opportunity for sub-communities to retain their iden-

tity and share in the setting of larger group goals. To prevent diversity from destroying wholeness, there must be institutional arrangements for diminishing polarization, for teaching diverse groups to know one another, for coalition-building, dispute resolution, negotiation and mediation. Of course the existence of a healthy community is in itself an instrument of conflict resolution. (p. 16)

Beyond these features, according to Gardner and others, community is based on caring, trust, and teamwork, bound together by a strong and effective system for communications and conflict resolution (Denhardt, 2000). The interactive nature of community and its capacity for mediating between and reconciling the individual and the collectivity is commented on by Rosabeth Moss Kantor, the well-known management theorist. Her early work focused not on organizations, but on community. She writes,

The search for community is also a quest for direction and purpose in the collective anchoring of the individual life. Investment of self in a community, acceptance of its authority and willingness to support its life can offer identity, personal meaning, and the opportunity to grow in terms of standards and guiding principles that the member feels are expressive of his own inner being. (Kantor, 1972, p. 73)

TRUST IN GOVERNMENT

While establishing a sense of community may be possible without the involvement of government, a democratic government committed to active citizenship can aid considerably in establishing conditions and opportunities for citizen action that both encourages community and responds to its needs. In turn, the capacity of public institutions to govern effectively will be enhanced. But is government up to the challenge? As we have noted, citizen concerns about government and its leaders are at an all-time high. Under these circumstances, the traditional ideas that once seemed to be elemental parts of active citizenship are very much in doubt. What ever happened to the citizens' concern for others and their willingness to recognize and respond to the broader public interest? What ever happened to the politicians' responsibility to lead by principle, to exert what James MacGregor Burns classically called "transformational leadership"? (Burns, 1978) What ever happened to decision processes involving both everyday citizens and political leaders in reasoned dialogue and careful deliberation?

Some have argued for a more balanced view. David Mathews of the Kettering Foundation, for example, has suggested that, while the interest of citizens in the political process may have been sublimated in recent years, it is not dead. Mathews (1994) cites a Kettering-sponsored study that discovered strong feelings of powerlessness and exclusion among citizens, but also deep concerns and an untapped sense of civic duty. Citizens felt great frustration and anger that "they had been pushed out of the political system by a professional political class of powerful lobbyists, incumbent politicians, campaign managers and a media elite. They saw the system as one in which votes no longer made any difference be-

cause money ruled. They saw a system with its doors closed to the average citizen" (pp. 12–15). Consequently, citizens felt alienated and detached.

On the other hand, citizens "still want to act." They are proud of their communities and their country and they want to help bring about positive change. Indeed, many citizens are becoming engaged in political activities of a new sort, not spending their time in electoral or party politics—which they see as closed and impenetrable—but in grassroots, citizen-based movements within neighborhoods, workgroups, and associations. These activities constitute "laboratories of citizenship" today, arenas in which people are seeking to work out new relationships with one another and the larger political order; relationships cognizant of the dilemmas of participation imposed by the modern world, but also informed by the new possibilities for activism and involvement that modern conditions offer (Lappe and DuBois, 1994).

Interestingly, as we will see later, many progressive and forward-looking civic and political leaders are coming to recognize the importance and the viability of such efforts—and becoming involved themselves. Political leaders are reaching out to citizens in substantial ways, both through modern information technology and more conventional means, while public managers are redefining their roles with respect to the involvement of citizens in the governmental process (King and Stivers, 1999; Thomas, 1995).

In my view, what we are actually witnessing is a reconstruction of the idea of citizenship, a reworking of the relationship between citizens, their more local associations, and their governments. Not coincidentally, these changes are occurring at a time in which information technology is on the verge of making even more significant impacts on political life than we have already witnessed. One thing is clear: Politics today takes place under far different conditions than those at the time of the U.S. Constitution. As just one example, the traditional structure of our government, and especially our system of representation, is built on assumptions about geography and communications that are quite dated. States and localities owe their existence in large part to the fact that people two hundred years ago could only travel so far in a day's time. Our representative form of government is based on the assumption that large numbers of people can't communicate easily with political leaders, an assumption quickly being undercut by modern information technology. The possibilities for information technology to affect the political process—as well as the problems it raises—were dramatically demonstrated in Arizona's recent experiment in Internet voting. Some said the process dramatically increased voter turnout in the state, while others claimed it biased the voting process in favor of those who can afford computers and Internet connections.

In any case, we are on the verge of incredible changes in the way citizens and their governments interact. Today, for example, there is no practical reason that we can't have a purer form of democracy than that of our representative democracy. We could easily approximate electronically the form of democracy we traditionally associate with Athenian democracy or the New England town meeting.

Technically, every citizen in America could be consulted on every policy issue facing the country and their preferences could be easily incorporated into public policy (Grossman, 1995).

But involving citizens in every decision raises important questions. Most obviously, how do you assure that an appropriate level of expertise is incorporated into the decision process? How can you be sure that the fullest and most complete knowledge is brought to bear on the problems of state? How can you make sure that an electronically adept majority won't trample the computer-illiterate minority? And how can you incorporate the requirement of dialogue and deliberation that has always been considered an essential element of democracy?

This latter point is of special relevance to our discussion of community and civic culture, because a strong sense of community well-connected to a strong civic culture provides for the possibility of mediating dialogue and deliberation. As Alan Wolfe points out, "Neither the market nor the state was ever expected to operate without the moral ties found in civil society" (Wolfe, 1989, p. 19). Neither the state nor the market can offer an adequate way of recognizing and meeting our obligations to those most immediately around us. While government can help us meet our responsibility to distant others, government can be constraining (often it must be) and its efforts may lead to resentment. While the market can help us more efficiently meet our own ends, it cannot adequately account for others, especially those of future generations. For these tasks, community is needed, and the circle is complete. Democracy, therefore, must be based on dialogue and deliberation, which must occur through mediating structures such as the community; but community can only exist with the support of a governance structure that encourages civic involvement and civic responsibility and citizens who are actively involved.

INTEGRITY AND RESPONSIVENESS IN PUBLIC LIFE

In my view, therefore, the most forward-looking civic and political leaders are correct in suggesting that a stronger sense of community is needed. But they must also recognize that community depends in part on building the capacity to govern, including building a relationship between citizens and governments (i.e., a civic culture that encourages and supports civic associations and civic involvement). That is not to say that those in government should try to structure the process of participation excessively. Indeed, there is a principled argument to be made against government becoming too involved in shaping the nature of citizenship—for such can be the basis for totalitarianism. Having government define the role of citizens, of course, is the exact opposite of democracy—a system in which citizens define the role of government. But, with proper care and caution, an alternative view is both possible and advisable.

Governments simply cannot afford to stand by and watch a continuing erosion of democratic citizenship and, in turn, allow the possibilities of developing the spirit of community and the values of citizens to diminish. Governmental offi-

cials, civic leaders, and everyday citizens must come together to ask how government can play an active role in promoting civic involvement and civic action. In part, they should do so because they may have participated in creating the problem; in part, they should do so because they can play an important role in designing the solution. And they should do so in order to reestablish an important element of governmental capacity.

Again, though the overall picture is not good, there are good examples of partnerships among citizens, businesses, nonprofits, and government agencies. A couple of Arizona examples will illustrate this. In Tucson, the local branch of the National Homeownership Partnership has brought together a coalition of companies, organizations, and governments to repair or build homes that will give low-income families a chance to own their own home. Similarly, in Phoenix, Maricopa County has partnered with the nonprofit group Chicanos por la Causa to purchase and improve some 2,500 apartments, while keeping the rents low and affordable. Again, these examples, and others like them, stand as "islands of excellence" in bringing about responsive government and contributing to building community. But the examples are few. The connection between community and civic involvement has not been made clear.

Indeed, somewhat to the contrary, the primary dialogue concerning the structure and operation of government—indeed, the primary dialogue on issues of governance today—falls under the heading of the "reinvention movement," a movement triggered by David Osborne and Ted Gaebler's book, *Reinventing Government* (1992). It is also reflected in such efforts as Vice President Gore's "National Performance Review" (1993). We need not examine here the various strengths and weaknesses of this movement, but it is important to consider its implications for democratic citizenship and the conjunction of community and civic culture. Certainly, most would characterize the "implicit" theory of reinvention as generally neo-conservative public policy augmented by a strong dose of profit-oriented management. A key, of course, is the old admonition that government should be run like a business. Instead of merely adopting the practices of business management, however, the reinvention movement seems to have accepted a wide variety of business values; for example, the imperative of self-interest, the value of competition, the sanctity of the market, and respect for the entrepreneurial spirit (Denhardt and Denhardt, 2000).

But what about those thorny questions of democratic citizenship that seem to be waiting in the wings? That is, questions like participation, deliberation, leadership, expertise, responsibility, justice, equity, and so on. Interestingly, if you check the index to the bible of the movement, the book *Reinventing Government*, you won't find a single one of these terms—not justice, not equity, not participation, not even leadership. And you won't find either "citizens" or "citizenship."

Certainly, it is peculiar at best that governmental reform could be discussed in such a substantial and influential way without suggesting any active role whatever for citizens or citizenship. Instead, in the political theory of reinvention, citizens have been replaced by customers—or, to put it differently, the integrative

role that Sheldon Wolin (1960) associated with citizenship has been reduced to the narrow self-interest of customership—in government as in business (deLeon and Denhardt, 2000). Despite the obvious importance of constantly improving the quality of public sector service delivery, we should be at least a little uncomfortable with the notion that government should first or exclusively respond to the selfish, short-term interests of "customers." While the reinvention movement may make government more efficient, it may do so at considerable cost in terms of equity, justice, or building for the community as a whole. In my view, citizens cannot be reduced to customers without grave consequences for the notion of democratic citizenship.

While achieving a government that "works better and costs less" is an admirable goal, even achieving such an objective might not affect the level of trust citizens have in government. While the "reinvention" answer to the question of trust in government is to make government more efficient and productive, I would suggest that the real lynchpins in the effort to rebuild trust and confidence, and in turn capacity, are integrity and responsiveness.

Integrity

Anthony Giddens has pointed out the essential connection between trust and integrity in interpersonal relationship, as he writes, "To trust the other is also to gamble upon the capability of the individual actually to be able to act with integrity" (Giddens, 1994, p. 138). The same is true of the relationship between citizens and their government. The ethical issues that face public officials, whether elected or appointed, are complex and difficult. Some are concerned with basic issues of human morality—acting honestly and fairly—while others are bound up in legal prohibitions—avoiding conflicts of interest or providing financial disclosure. In either case, public officials must be scrupulous in their adherence to high ethical standards, especially because, to some extent, public officials operate in a "goldfish bowl" and one's actions (or inactions) may quickly wind up on the front page of the newspaper or on the evening news. But many ethical concerns facing public officials extend beyond these basic questions and get into grayer and murkier areas. And they permeate everything the public officials do. Indeed, every act of every public official—whether in the formulation or implementation of public policy—carries important value implications.

Close adherence to legal standards, including the public servant's oath to uphold the Constitution and his or her careful observance of legal guidelines for ethical behavior, is the first step in assuring a government that operates with integrity. And, of course, many states and localities have developed detailed ethics legislation governing the conduct of public officials and have created specific investigative and enforcement mechanisms. Among other items, legislation includes language on gift restrictions, revolving-door restrictions, nepotism, conflicts of interest, financial disclosure, and the use of public office for private

gain. Additionally, many states have established independent ethics commissions to monitor and enforce ethics legislation. Finally, most states have developed ethics training programs that inform employees of their rights and responsibilities with respect to ethics issues in government employment.

The creation of a government that deserves the trust of its citizens does not occur merely through the passage of ethics legislation or increased training (though that may help); rather, citizens must become convinced that public officials are not only people of character but also people who regularly put their principles into practice. Indeed, one of the most important elements of ethical behavior in government is not just knowing the right thing to do in a particular situation, but also actually doing what we know to be correct. And what are the "virtues" that we must practice in government? Obviously, this is a question that has confounded philosophers over the centuries—with answers ranging from honesty, courage, and trustworthiness to kindness, fairness, and dependability. Most, however, center between the concerns of character for *benevolence* and *justice*.

People who find themselves facing moral dilemmas in the execution of their public duties must have the capacity to make ethical choices in the "real world." To do so, first, you need to understand the principles and moral reasoning that underlie the broad moral principles that you must apply. Second, you must engage in careful and consistent ethical deliberation through self-reflection and dialogue with others. Third, you must understand how virtues such as benevolence or justice are played out in the public sector; that is, you must understand the political and ethical context that conditions the moral priorities of public service. To attain and to demonstrate such elements of character, governments across the country have sought to complement strong ethics legislation (and review and enforcement mechanisms) not only with training about what is right and wrong, but with opportunities for people to develop their understanding of such elements of character as benevolence and justice, and for them to learn how to apply those abstract ideas in the complex and uncertain world of everyday political and administrative practice.

Responsiveness

The issue of responsiveness simply means that people want to know that those in government are listening and that they will respond if at all possible. That governments can, in fact, do something about this issue has been demonstrated in an important initiative undertaken by Orange County, Florida, over the past several years, an initiative called "Citizens First!" The idea of "Citizens First!" starts with the fundamental ideal that people acting as citizens must demonstrate their concern for the larger community, their commitment to matters that go beyond short-term interests, and their willingness to assume personal responsibility for what happens in their neighborhoods and the community. After all, these are among the defining elements of effective and responsible citizenship.

But the "Citizens First!" theme cuts in another way. County Chairman Linda Chapin remarked,

> To the extent that people are willing to assume [the role of citizens], those . . . in government must be willing to listen—and to put the needs and values of citizens first in our decisions and our actions. We must reach out in new and innovative ways to understand what our citizens are concerned about. And we must respond to the needs that they believe will help make a better life for themselves and their children. In other words, those of us in government must put citizens first. (Chapin and Denhardt, 1995)

Clearly, the "Citizens First!" theme gave renewed focus to Orange County's efforts to involve citizens in developing and implementing public policy. In this sense, the idea goes beyond more familiar discussions of "customer service" in government to underline the importance of government's responding to the needs and interests of citizens.

The idea of "Citizens First!" approaches this issue by making a distinction between customer satisfaction and citizen satisfaction. When people act as customers they tend to take one approach; when they act as citizens, they take another. Basically, customers focus on their own desires and wishes and how they can be expeditiously satisfied. Citizens, on the other hand, focus on the common good and the long-term consequences to the community. The idea of "Citizens First!" is to encourage more and more people to fulfill their responsibilities as citizens and for government to be especially sensitive to the voices of citizens.

This relationship, if nurtured, will steadily evolve. As citizens begin to assume greater responsibility for their communities, they will demand more collective decision-making opportunities. At this point, government must clearly move from a paternalistic role to that of a partner. Government can reestablish its fundamental role of stewardship through collaboration and empowerment—giving back to the people a sense of ownership and responsibility.

In this way, "Citizens First!" describes a new role for public officials, both elected and appointed, a role in which they are intimately involved in understanding citizens' needs and interests and in finding ways to address community problems. As we know too well, government often responds most quickly to needs voiced by special interests and is forced to choose among competing causes for which there is never enough money. "Citizens First!" suggests that citizens should be genuinely a part of their government and that government should respond to their ideas, not just by saying, "Yes, we can do that" or "No, we can't," but occasionally by saying, "Let's work together to figure out what we're going to do, then to make it happen."

CONCLUSION

Given the general desire to establish a sense of community, it is appropriate to ask if there is a role for government in such efforts. In my view, a responsive

and committed citizenry is a prerequisite to the quality of both community life and government. Consequently, it is not appropriate for government to merely stand by and watch (or at best cope with) an eroding civic interest and, in turn, an eroding capacity to govern. Through involvement in programs of civic education and through helping to develop a broad range of civic leaders, government can stimulate a renewed sense of civic pride and civic responsibility. We should expect that such a sense of pride and responsibility would evolve into a greater willingness to be involved at many levels, as all parties work together to create opportunities for participation, collaboration, and community.

How might this be done? To begin with there is an obvious and important role for political leadership—to articulate and encourage a strengthening of public integrity and citizen responsibility and, in turn, to support groups and individuals involved in building the bonds of community. Government can't create community. But government, and more specifically political leadership, can lay the groundwork for high standards of ethics and integrity in government *and* effective and responsible citizen action. People must come to believe that their government acts with integrity—and that won't happen unless government *does* act with integrity. People must come to believe that their government is responsive—and that won't happen unless government *is* responsive. The first effort, then, is making sure that government acts with integrity, is open and accessible, is responsive, and operates in the public interest.

At the same time, government must do everything possible to support and encourage development of responsible citizens and responsible citizenship, by establishing what some have called a New Public Service (Denhardt and Denhardt, 2000). Such an effort might begin by focusing on civic education, by reviewing what people know about government and politics and what they need to know, and then designing educational programs, both for youth and adults, that present information in a useful and usable way. A next effort might focus on civic virtue, on building a more ethical and equitable basis for political dialogue—meaning, by that, not just learning or requiring what is right rather than what is wrong, but coming to recognize the moral and ethical principles (such as liberty, justice, and equality) that underlie the design and implementation of public programs. A third effort might focus on civic responsibility, on encouraging citizens to play a more active role in their own communities, and in the political system generally.

In conclusion, the "reinvention" that government needs today is not merely a reinvention of its administrative processes and its "entrepreneurial" spirit. The real reinvention that should occur is one directed toward restoring faith and confidence in government, something that won't occur even if our best efforts to be more efficient and cost-effective succeed. People certainly want government to be efficient and cost-effective. But they also want government to be guided by integrity and responsiveness. Citizens have shown time after time that they are willing to be involved when they think they can make a difference. By provid-

ing the opportunity for citizens to make a difference and by providing the tools and strategies appropriate to making a difference in today's society, government can take important steps toward building the kind of civic culture that supports both the mediating structures of community and the integrative role of the political system. What we must realize, however, is that the bases upon which all human association is built are the twin pillars of ethics and integrity, on the one hand, and the commitment of the individual to the larger society (that is to say, civic duty and civic responsibility) on the other. More than ever, the focus of trustworthy government today must be on the driving force of democracy—everyday citizens, active and involved.

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III

SUBSTANTIVE POLICY INNOVATIONS, GOVERNANCE, AND ADMINISTRATION

6

Planning for Sound Governance: A Classical Approach for the Twenty-First Century

ANTHONY JAMES CATANESE

The working definition of governance that will be used for this discussion is that it refers to the process of managing through the involvement of proposed stakeholders, the economic, political, and social affairs of an institution. Therefore, it can be argued that sound governance would adhere to principles of participation, fairness, equity, efficiency, transparency, and accountability. This is the definition that has been well defined by Ali Farazmand.

Given that working definition, it could be further argued that the heart of governance would have to be planning (Bryson, 1995). In its most elemental sense, planning develops the direction in which the stakeholders in government can move their actions. It is not necessarily the end point of governance, but indeed provides a means for reaching goals.

This sort of thinking owes a great deal to the ancient Greek philosophers of governance, especially Aristotle. Aristotle would have argued that sound governance requires the attention of all of the energies and talents of stakeholders to achieve excellence. Once that excellence had been attained, it would then be essential to describe an even higher set of standards for excellence and then continue the work. In other words, this approach to sound governance would mean that there is no ideal end. Instead, as an end is approached, a new end would be described. This definition of excellence is rooted in the Latin origins of the word itself, *ex cellare*, to go to the top and then beyond.

Curiously, in the United States there has been much opposition to planning for governance until relatively recent times. Given the nature of freedom and liberty so inherent in the American ideology, planning has sometimes been considered a limitation on both. Much of this can be attributed to the confusion with national economic planning that was so well known in Europe and then later in the communist and socialist governments. Planning became synonymous with cen-

tralized control of economic growth that was stigmatized as something that undemocratic countries do.

The first major attempts at national planning in the United States can be traced to the New Deal of President Franklin D. Roosevelt as an effort to get the country out of the Depression. The most preeminent example was the National Resources Planning Board, which was an effort to redirect the actions of the nation's resources utilization in an optimal manner (National Resources Planning Board, 1937). After political debate and several legal battles, the NRPB quietly went out of existence with the approach of World War II. Not much remained of the NRPB other than some governmental organizations that attempted to plan for rationing and conservation within the context of the war effort. After World War II, with the problems of returning to a peacetime economy—dealing with the enormous demands for jobs, homes, and education by the returning veterans—the federal government again was pressed into planning. It attempted numerous programs of housing, urban renewal, and economic development, as well as the hugely successful GI Bill to allow returning soldiers to obtain a college education. Nonetheless, this kind of planning had become addressed to the programs that were being administered rather than a comprehensive approach. Except for some experimentations during the administration of President Lyndon B. Johnson, under the general rubric of planning, program, and budgeting systems, the federal government still avoids any semblance of comprehensive planning for the nation's future (Levin, 1987).

MILITARY PLANNING

Military planning has been an inherent part of the armed forces perhaps back to their founding by George Washington. Without a doubt, the greatest accomplishments of military planning can be seen in the leadership of General Dwight D. Eisenhower in planning for the allied invasion of Europe. This plan, known as Operation Overlord, was executed in 1944 and is a well-documented study in classical military planning. But perhaps the most important outcome of that plan in conceptual terms was the statement made by Eisenhower when he said, "the plan is nothing, the process is everything" (Morgan, 1950).

In that statement Eisenhower was saying that the process of bringing the stakeholders together in a comprehensive fashion that follows the principles described above allowed a high level of participation, or as we would say today, *ownership* that enabled the plan to be carried out. Not that all the contingencies were foreseen, as is well known from the heavy losses at Omaha Beach and other unexpected problems. The fact that the planning process did allow for ways of dealing with these contingencies was clearly an element of the successful invasion (Hitch, 1966).

Since those days, military planning has continued to be a critical part of our nation's defenses. It has become a routine, day-to-day undertaking in all aspects of defense. It also finds its way into all of the functions of the military from

weapons systems to research and development to technology transfer (Quade and Boucher, 1968).

CORPORATE PLANNING

After World War II, Melville C. Branch argued that corporate planning became inherent in American business (Branch, 1966). Branch argued that all corporations have a basic comprehensive planning function that may vary from time to time in its details but nevertheless remains a core process (Branch, 1982). He would argue that whether it's called strategic planning; programming, budgeting systems; long-term planning; or whatever; the basic nature of the process for corporations remains the same.

Perhaps the criticism of corporate planning that has been found most often is that corporations do not plan for the long term. Too much corporate planning is constrained by the quarterly reports that so affect performance evaluations. Indeed, with the recent tie-ins of executive compensation to quarterly and annual performance, it is obvious that corporate planning for the long term is difficult (Optner, 1960).

LOCAL PLANNING

Local planning in the United States has become an intrinsic part of governance at that level (Walker, 1950). Interestingly enough, local planning received its start by the emulation of the great European cities that was shown in the Colombian Exposition of Chicago at the end of the nineteenth century. Under the leadership of Architect Daniel Burnham, the Colombian Exposition led to the creation of the City Beautiful Movement in the United States. In a burst of planning and creativity that lasted through the Depression, most local governments in the United States were consumed with the notion that American cities could look like their European counterparts. After the Depression, monumental aspirations came to a halt. Like the federal efforts, local governments became consumed with resources for job development. Then World War II extended the hiatus until the late 1940s.

During the late 1940s, local governments used planning to deal with the issues of the day that involved housing and economic development at the local levels. The efforts continued with urban renewal programs by the federal government to encourage planning that went well into the 1960s and 1970s. Many of these programs had to deal with downtown redevelopment, transportation, and economic development (Smith, 1986).

The most recent efforts in local planning tend to be related to growth management and the formation of public–private partnerships. Indeed, it can be argued that most local planning today deals with the physical development through a partnership with a private entrepreneur. Most local planners are concerned with finding some reasonable balance between growth and development under such titles as Smart Growth, New Urbanism, or similar movements.

Unlike the federal and state governments, planning has become most entrenched at the local level. Indeed, it can be argued that planning has become institutionalized by local governments. Virtually every local government in the United States has a planning function of some kind. In that sense, planning for government at the local level has been extraordinarily successful (Catanese and McClendon, 1996).

COMPREHENSIVE PLANNING

With that brief sketch of planning history, it can be argued that we now have a classical definition of planning for governance. *Planning is the process of preparing in advance, and in a reasonable systematic fashion, alternative courses of action to attain goals of government that have been established by the people* (Woodbury, 1953).

Process

It is important to focus on the reality that planning is a process. It does not come to an end, only to completion of a plan. It makes no difference whether we call this a master plan, comprehensive plan, functional plan, program plan, or budget. All of these are simply points in a continuing process. Such planning never reaches an end-stage.

In Advance

Planning is something that is done before any of the goals are attained. There is no such thing as retroactive planning, even though there have been some attempts in revisionist American history to try to create such a misunderstanding. Much argument is concerned with how far in advance planning should be done. Although it is not uncommon for corporations to consider an annual plan to be a long-range plan, governments now are generally thinking of five- to ten-year periods as long-term horizons. In some of the more complex areas of the country, there are serious planning efforts being undertaken for 25 years in advance.

Reasonably Systematic Fashion

A great deal of effort is spent in education and research for improving planning techniques and methods. This has ushered in a variety of planning approaches over the years ranging from highly quantitative to highly polemic. The important point in our definition, however, is that a reasonable fashion is all that is required. If the context of the situation requires that highly sophisticated, computer-based simulations of the future are necessary, this may be adequate. In other situations, it may be perfectly adequate to have logical analyses that can

present certain conclusions that may be based on qualitative statements rather than numerical.

Alternative Courses of Action

Planning is a process that does not conclude with a decision. It is essential that planners present the alternative courses of action that fit the situation and context of the plan. It does not necessarily mean that every possible alternative or combination of alternatives be analyzed, but it requires that the basic alternatives be presented to the stakeholders. Thus, a plan that presents only one solution must be deemed inadequate per se. Similarly, plans that come up with alternatives in which only one is acceptable must be considered with much suspicion. The challenge of planners is to come up with reasonable alternative courses of action.

Goals

The alternative courses of action are directed toward the attainment of *goals*. These goals must be developed through a process that involves the attributes of participation, fairness, equity, efficiency, and transparency that were previously defined as governance. That means that planning must be an interactive process that necessarily will require considerable time and energy from the stakeholders. Conversely, a plan that is positive on the goals of an entity, such as government itself rather than the stakeholders, will find little support. On the other hand, plans that attempt to satisfy all demands may be come so neutralized and vague as to have little, if any, interest and support. Thus, one of the most difficult aspects of this definition of planning is to come up with a reasonable balance of interests that can be joined together to form the vision upon which these goals can be based.

DECISION MAKING

Does this definition of planning end too soon as a process? In other words, does this definition leave out the process of decision making?

This definition of planning for governance means that the legally elected and appointed decision makers are responsible for choosing amongst the alternative courses of action in a governance based upon democracy. This clearly means that while the planners and stakeholders have a great deal to do with the development of these alternative courses of action, it is the people in power who make the final decisions. That, indeed, is the essence of the representational system of governance that is found in the United States.

There is a role for planners in evaluating plans after decisions have been made amongst the alternative courses of action. This planning process requires a feed-

back loop and continuing evaluation to continue to probe into the unforeseen *consequences*, *by-products* and *spillover effects* that may not have been anticipated. This knowledge can be used to refine, improve, and update selections made by decision makers. This kind of continuing evaluation can help to decide at what point a new planning initiative should be undertaken or at what point the goals have been reasonably met.

PERFORMANCE

Implicit in this definition of planning is the concept of *performance*. Performance means an evaluation of how well actions are taken, decisions are made, and implementation is effected to obtain the selected course of action. It also implies an *accountability* in order to determine who was responsible for undertaking this performance as well as the rewards and punishment for differing levels of performance.

There are limitations to planning as a major governance tool. Indeed, planning tends to lose some of its effectiveness when it is seen as the solution to all problems. Whenever possible, planning for governance should be clearly related to its role in the intellectual life of government. This means that planning may assume a major role in thought and meaning for governance, but is limited to a way of making change by the will of those in leadership positions.

POLITICS AND FORCES

If politics is the art of the possible, then this definition of planning for governance is inherent in American politics. It has been well established that planning must be a part of political process in the United States at all levels of government. Planning that has attempted to be apolitical, value neutral, or not based on ideology has been unsuccessful (Catanese, 1974). Similarly, planning that has been too partisan has not been sustainable in this country. Thus, it is critical for planners and stakeholders to be well aware of the politics that affect planning and to incorporate these politics into their analysis (Catanese and Famer, 1978).

The issue for governance, then, is that there are many forces that shape planning. Certainly, political ideology must be considered as an important factor. Whether it be partisan or philosophical, different political beliefs will have an effect on the results of planning. For example, it is widely assumed that conservative political beliefs will consider planning less important because it may impinge upon freedom. Conversely, liberal ideologies may be associated with planning, because it is a way of implementing philosophies. Ironically, these forces are not necessarily as they appear. It could be argued that planning has as much of a conservative meaning as it does a liberal side.

Much of the early planning in this country grew out of the conservative thoughts of the real estate industry which sought to develop stability in land markets. For example, President Herbert C. Hoover was the champion of zoning in

this country as a way of achieving economic goals within a conservative ideology.

Economic forces also are major concerns. In good economic times, it is clear that planning takes on a more aggressive, long-range perspective. Yet, planning tends to thrive when it is born out of crisis. That is an unfortunate force in planning since problems tend to go unresolved unless they reach a level of seriousness. That level of seriousness requires government to do something to solve the problem.

Much has been written about participation in the planning process, especially along the lines of who benefits. Often, it is argued that the most powerful players in the community are those who benefit from planning. Yet, there is a considerable body of evidence to indicate that those who benefit the most are those who have not shared fully in the economic benefits of society. Indeed, planning has an inherent ethical position that it should serve those who are underrepresented, discriminated against, and the victims of prejudice in a society. Thus, the political economy of planning is such that it takes as its core theory the proposition that it is a way of ensuring rights for various minorities in a society. It is a tool for governance to better allocate resources.

This relates to a question sometimes raised as to whether or not planning is broad based. Are communal interests served by planning as opposed to those of the power elite? While there has been much written for and against this proposition, it is our assertion that planning serves the interests of the entire community when it is undertaken properly and within the context defined above.

THE TWENTY-FIRST CENTURY

Do not look for any major changes in the planning process in the twenty-first century. While there will indeed be nuances, perspectives, and twists, the planning process for governance has become an intrinsic part of American culture. The definition that has been developed above has become intrinsic. It is highly unlikely that anything of consequence will change this definition of planning for governance, especially given its comprehensive nature.

What most likely will change is the continuing evolution or metamorphosis between the public and private sectors. There have been many philosophical debates over which sector should do planning. Traditionally, it has been argued that the public sector does the planning and the private sector implements the plan, at least where there are physical manifestations. That definition has been too limiting in recent years. What we can expect much more of in the twenty-first century is the sharing of public and private responsibilities, perhaps even to a point where they become so interactive as to become blurred. There will be no major changes in the political economy of the country, nor will there be any radical departures in our forms of governance. Therefore, it is essential to continue our research and understanding of how public and private sectors can cooperative more effectively in planning.

It would seem that the most obvious starting point would be the essential information that is needed for planning. With the information revolution of the late twentieth century, it is clear that we must create new ways of using private information for public planning. Historically, it has been argued that the private sector cannot provide this information because it is proprietary and will lead to unfair competition or may infringe upon legal rights. We must find significant departures from this traditional thinking. For example, at the local level it is essential that government understand where private developers want to build new neighborhoods or revive existing areas. While this would create the inevitable fears that prices will rise, once that information is divulged, it nonetheless is essential that government use that information for planning.

Similarly, there is a great need for technology sharing which has been impeded by some of the same concerns. The private sector must participate more fully in the technological developments for government by letting that information be known to planners.

Overcoming these problems of information and technology will then necessitate new approaches to the development of goals. Current practices appear to be completely inadequate and destined to continuing failure. Archaic methods such as public hearings, open records, polling, and town meetings are not achieving the goals of transparency and participation. What is happening is that a circuitous, behind-the-scenes, clandestine communications process is developing to avoid the kind of public conversation that was sought by these practices.

It would certainly appear that technology would allow for new breakthroughs in participation (Branch, 1998). While we are muddling along trying to use the Internet, interactive television, and video conferences to achieve greater levels of participation, major successes are few and far between. Similarly, polling advances made possible by new technologies may have an opposite effect to what is necessary for good planning. By that, it is meant that random sampling processes using new technological advances are leading to a kind of mediocrity that forces decisions to be made on minimal levels of consensus rather than significant goal setting. Thus, the dangers of the technology for participation should be a point of concern for planners.

IDEALISM

Having made the arguments for new approaches involving information, technology, and goal setting, a similar argument must be made for the restoration of *vision* for planning for governance. Architects have long argued that their training and experience as professionals lead them to try to improve the vision of their clients for buildings. Similarly, planners must help develop a higher vision of excellence for the stakeholders active in the planning process. While this may lead to much debate in political and academic circles, it is becoming clear that the most interesting part of the planning process, creating a vision, has become less practiced with the institutionalized nature of the process. Thus, the greatest

challenge to planning for governance in the twenty-first century will be the emergence of a group of leaders who will provide a vision of what can be as we continue the search for excellence.

Policy Implications

To conclude this section, let it be argued that planning for governance still remains the best approach we have for ordering our thinking. Planning serves to impose a discipline on thought processes so that an agreed-upon result can be obtained. The policy implication for governance is that the translation to implementation is far more difficult. That in itself may be an inherent impediment to the planning process.

The major challenge for planning and governance is to bridge the gap between process and implementation. We have made tremendous strides in the improvement of planning and governance, even based upon classical approaches. Yet, as we enter the twenty-first century we still have a great deal of work to do to better understand how to carry out plans for governance that have been widely accepted. This challenge is the very nature of democracy, which tends to push toward a consensus. Planning is not necessarily a concensus, especially when utilized within in the context of idealism that we have discussed. More research and experimentation is needed in order to improve the role of planning for governance if it is to have meaning as a way of getting things done as a result of policy.

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7

Crime, Governance, and Communities: Tracking the Dimensions of the New Criminal Justice Reform

GORDON BAZEMORE

INTRODUCTION

The purpose of this chapter is to consider an emerging systemic reform in an unlikely government sector, which appears to have rather dramatic implications for change in the context and content of government intervention. In doing so, I describe the *restorative community justice* movement as a case study in transforming the government function and realigning the role and relationship between the community and criminal justice. Because criminal justice agencies and communities are in the very early stages of implementing restorative justice reforms, the focus here will necessarily be limited to a few experiments and themes that have become apparent in the initial stages of these initiatives.

First, I examine the criminal justice context as a closed system and contrast the "policy lens" of current criminal justice practice with the lens of restorative justice. The chapter then considers this emerging new paradigm from the "ground up" as a set of distinctive responses to crime, which appear to have the potential to transform, or at least challenge both the context and content, current policy, and practice. The final part of the chapter considers some specific dimensions of the evolving community–justice system relationship for evaluating and developing more sophisticated theories about the role of communities and criminal justice systems in the response to crime. All of these arguments have implications for sound government and administration in modern America.

THE CRIMINAL JUSTICE CONTEXT: OLD AND NEW GOVERNMENT RESPONSES TO CRIME

Like other government sectors, criminal justice systems have engaged in their share of procedural and structural reforms. For example, courts and other agen-

cies have for many years sought to improve procedures to increase both efficiency for the system and fairness for the accused—and more recently have sought to make the justice process more accessible and "user-friendly" for all participants (National Institute of Justice, 1996). Structural change has historically taken the form of seemingly endless exercises in bureaucratic reshuffling, and occasionally more significant, if short-lived, efforts to reduce the size of correctional facilities, control detention intake, or reduce the number of layers of management have also been attempted (Bazemore, 1998; Miller, 1994; Swartz, Barton, and Orlando, 1991).

Yet, criminal justice agencies seem to have been among the last to consider popular government reforms of any kind, and criminal justice agencies have only very recently begun to give serious consideration to the implications of total quality management (TQM) for examining client services and performance outcomes (Bazemore and Cole, 1994; Bazemore and Washington, 1995; Langworthy, 1999). As paramilitary, top-down organizations, justice agencies are to varying degrees allowed, even expected to, operate as closed systems characterized by secrecy and isolation from communities. After all, the mission to "fight crime" implies tight control, while the possession of technological hardware expertise in the "war" on crime may foster an arrogance, which can easily insulate justice professionals from public scrutiny. Moreover, when crime control and prevention are allowed to be defined as a war against criminals, and the latter characterized as an invading army, there is little time to bother with the struggle to define one's "client" or to identify the communities to be served. Finally, in a domain allegedly grounded in hierarchical expertise aimed at ensuring public security, there is generally less room for experimentation as in a "bottom-up" management, or for community input.

It is ironic then that some components of criminal justice systems in some communities in the latter half of the 1990s became involved in one of the most potentially radical efforts to rethink the role of citizens versus government in the response to crime. Indeed, some criminal justice administrators seemed to be engaged in a serious effort to both redefine mission and clients, while also reengaging the community in evaluating outcomes and process (Maloney, 1998; Pennsylvania Juvenile Court Judge's Commission, 1997). As they did so, some of these managers found themselves at the threshold of a rather more systemic transformation in which structural, process, and programmatic reform is being driven by a new set of values, a new definition of clients and stakeholders, and a commitment to new performance outcomes (Bazemore and Washington, 1995; Umbreit and Carey, 1995).

The inspiration for this emerging transformation and reexamination of mission has several influences. Although the "good government" movements are now having some impact, a more significant, earlier influence was insights from initial conceptualizations of community policing (Sparrow, Moore, and Kennedy, 1990; Wilson and Kelling, 1982). In the late 1980s, a number of police administrators

and supportive academics declared that the professional or "crime fighting" model of policing was essentially bankrupt and opted for a community-building and problem-solving agenda (Goldstein, 1990; Sparrow et al., 1990). While these reform objectives have often not been carried out in implementation (Grinc, 1994), other components of the criminal justice system—courts, corrections, prosecution, juvenile justice—now seem interested in exploring a "community justice" approach.

Most influential in the more recent, deeper rethinking of the community–government relationship in the response to crime has been the literature and practice associated with what is being variously described as restorative justice (Bazemore and Umbreit, 1995; Hudson and Galaway, 1996; Zehr, 1990), community justice (Barajas, 1995; Griffiths and Hamilton, 1996; Stuart, 1996), and restorative community justice (Bazemore and Schiff, 2001; Young, 1995). Beginning in 1995, a series of high-level discussion workgroup meetings and conferences were hosted by the Office of Justice Programs (U.S. Department of Justice) at the request of the attorney general. Since the early 1990s, restorative justice has also sparked national and international discussion and debate in the United States, Canada, New Zealand, Australia, and several European countries (Bazemore and Walgrave, 1999; Robinson, 1996).

Although the designation of the proposed intervention model is not fixed, I will use the terms *restorative justice* and *restorative community justice* (Bazemore and Schiff, 2001; Young, 1995) somewhat interchangeably. Restorative justice refers specifically to a way of viewing crime as harm to victims and communities, and "justice" as an effort to repair that harm (Zehr, 1990). The "community justice" designation refers more generally to a preference for neighborhood-based, more accessible, and less formal justice services (NIJ, 1996) that to the greatest extent possible shift the locus of the justice response to those most affected by crime. Hence, *restorative community justice* intervention also engages the community, and victims, as well as offenders, in problem-oriented and preventative rather than simply reactive responses, and attempts to, as much as possible, turn responsibility for justice solutions back to communities. To do this, community justice redefines the role of justice agencies as one aimed at strengthening the capacity of citizens and community groups to carry out these responsibilities and supporting them in doing so (Barajas, 1995; Bazemore and Schiff, 1996, 2001).

Despite these and other influences, perhaps the greatest motivation for current reform efforts in criminal justice seems to be coming from a growing realization of the limits of current intervention paradigms. Supporters of justice reforms based on restorative and community justice concepts seem increasingly aware of the restrictions placed on options for crime prevention and control by current policy lenses (Ingram and Schneider, 1991). They also seem aware of the parameters these lenses impose on visions for meaningful reform.

Crime and the Criminal Justice Policy "Lens"

Throughout the United States, criminal courts and other "front-end" criminal justice agencies function to support what has been referred to as a "people-processing economy" (Hassenfeld and Cheung, 1985). These organizations move individual offenders, or files that describe the crimes they have committed, through a system that sorts cases according to both administrative rules and informal agreements (Eisenstein and Jacobs, 1991). These processing arrangements ensure that courts and other agencies maintain a stable, but not overwhelming, workload by dismissing or "diverting" the lion's share of cases—which may receive generally lesser sanctions than those cases processed through the court. Once in the court process, formal procedural rules seek to protect defendants in the determination of guilt and to ensure uniformity in sentencing once guilt is established.

At the end of the court process, or the completion of a plea agreement or diversion process for those who do not make it to court, offenders find themselves in jail, halfway houses, prison, or under probation or some form of community supervision. Some—especially young offenders who remain under the control of juvenile corrections systems—will also be required to participate in one or more of a variety of treatment programs.

Both the process of deciding where these offenders go after a finding or admission of guilt, and the intervention that occurs once they get there, takes place in general isolation. Justice system professionals are protected from public scrutiny by procedural rules, but also by a complex bureaucratic structure and system of informal relationships (Eisenstein and Jacobs, 1991), which even core participants find difficult to understand. The criminal justice decision-making process used to determine sanctions and the interventions intended to punish or correct criminal behavior are in turn limited by a narrow vision of how the damage crime causes should be assessed and of what might be accomplished in responding to crime.

Asking Limited Questions

Currently, when a crime is committed, three primary questions are asked: Who did it, what laws were broken, and what should be done to the offender? (Zehr, 1990). The latter question is generally followed with another question about the most appropriate punishment and/or most appropriate treatment or service to promote rehabilitation. The question of punishment or treatment has been a primary preoccupation of criminal justice dialogue for the past four decades.

Indeed, modern criminal justice ideologies—conservative, liberal, libertarian, "just deserts"—can be easily grouped into general categories based on different views of how this question of intervention should be addressed. In the past two decades several of these ideologies appear to have coalesced at the policy level around a broad framework that gives priority to punishment and lesser empha-

sis to rehabilitative goals, places central focus on "desert" as the primary rationale for decision making, and expands the use of incarceration at all levels of criminal and juvenile justice in the United States (Bazemore, 1991; Feld, 1990, 1993; Tonry, 1994). Despite a continuing failure to find clear empirical evidence in support of the deterrent value of incarceration, this *punitive paradigm* (Cullen and Wright, 1995) has attained dominant influence in national and state policy. In response, many corrections professionals and their allies continue to promote an individual treatment model of rehabilitation and have emphasized the need for treatment and services which, they argue, if adequately funded and administered with regard to what works best for specific populations of offenders, can reduce crime by rehabilitating offenders (Cullen and Gilbert, 1982; Krisberg, 1988). Other critics of the new punitiveness in criminal justice point to both the expense and the injustice of these policies, especially as they have impacted minority communities (Tonry, 1994).

The Box of Punishment and Treatment

But the punitive paradigm has become popular not because of the efficiency of punishment but because, in the minds of policy makers and the public, punitive sanctions seem to be at least somewhat related to the offense. Treatment modalities, on the other hand, appear solely related to the needs of the offender. Treatment in juvenile justice programs, for example, often asks little of their clients beyond participating in counseling, remedial services, or recreational programs. It is therefore difficult to convince most citizens that treatment programs provide anything other than benefits to offenders (e.g., services, educational and recreational activities), and there is little in the message of the treatment response which attempts to communicate to offenders that they have harmed someone and should take action to repair damages wreaked upon the victim(s).

Advocates of reaffirming rehabilitation as the dominant agenda for criminal justice intervention (e.g., Cullen and Gilbert, 1982) argue that the system is failing because it lacks adequate resources. Critics, and many defenders of criminal justice as well, now argue that most justice systems, if underfunded, are also underconceptualized and have failed to articulate a clear vision of success. As "closed system" paradigms, both the individual treatment and the new retributive models are conceptually and practically insular and one-dimensional.

They are one-dimensional because they fail to address the various, and multiple, interests of communities in the aftermath of crime. Too often the treatment and punishment intervention paradigms reduce the justice function and process to a simplistic choice between helping or hurting offenders, and hence fail to address and balance the multiple justice needs of communities. While the punitive approach to crime may appease the public demand for retribution, it does nothing to rehabilitate or reintegrate offenders. Punishment is often inappropriately used, and overused, resulting in well-documented negative effects. Retributive punishment may ironically encourage offenders to focus on themselves rather

than their victims, and increasing its severity may have little or no impact if we have miscalculated the extent to which sanctions such as incarceration are actually experienced as punishment (Wright, 1991).

The punishment and treatment models are insular because they are essentially offender-focused. Neither addresses the needs of crime victims and victimized communities, and both fail to engage victims and other citizens as "clients" of the system or stakeholders in the justice process. Whether treatment or punishment is emphasized, the offender is the passive and solitary recipient of intervention and service. Increasingly reliant on secure facilities, treatment programs, and professional experts, most justice systems effectively exclude victims and other community members from what could be meaningful roles in more effective sanctioning, rehabilitation, and public safety enhancement processes.

Increasingly, a growing number of citizens, criminal justice professionals, and policy makers are beginning to question whether the policy lens of the treatment–punishment paradigm is inadequate to address the complex needs of communities in the aftermath of crime. In one way or another, answering the questions who did it, what laws were broken, and what must be done to the offender will fail to meet expectations that communities have of their justice systems. At a minimum, communities expect justice systems to support them in efforts to sanction crime, improve safety, meet the needs of crime victims, and reintegrate offenders who have been held accountable for their crimes and improved their capacity to function as productive citizens.

But treatment and punishment models are not the only options for criminal justice intervention. In contrast, a community-oriented justice system would involve citizens in setting clear limits on antisocial behavior and determining consequences for offenders. Such a system would also work toward building strong, crime resistant communities where residents feel safe and toward meeting victims' needs for reparation, validation, and healing. It would emphasis the need for relationship building and for active experiential involvement of young offenders in work, service learning, and other productive roles that provide more structured pathways to facilitate bonding with law-biding community adults. Finally, a restorative community justice would also articulate new and more meaningful roles for employers, civic groups, faith communities, families, and other citizens in the entire justice process.

RESTORATIVE COMMUNITY JUSTICE

While current criminal justice systems struggle to answer questions of guilt, lawbreaking, and the response to offenders, restorative justice views crime through a lens, which suggests that much more is at stake (Zehr, 1990). What is important about crime is that it causes harm to real people: Crime harms individual victims, communities, offenders, and their families; and it damages relationships. If this is the case, "justice" responses cannot simply focus on offender

punishment or treatment. If crime can be viewed as a "wound" on the community, justice must focus on *healing* the wound (Van Ness and Strong, 1997).

The restorative justice response to crime can be best described as a three-dimensional, collaborative process. This vision is best understood by examining what restorative justice might "look like" for victim, community, and offender as stakeholders and co-participants in this process. For the victim, restorative justice offers the hope of restitution or other forms of reparation, information about the case, the opportunity to be heard, and input into the case as well as expanded opportunities for involvement and influence. For the community, there is the promise of reduced fear and safer neighborhoods, a more accessible justice process, and accountability, as well as the obligation for involvement and participation in sanctioning crime, reintegrating offenders, and crime prevention and control. Because crime is viewed as a result of a breakdown in social bonds that link individuals and communities, and is, in addition, a *cause* of a further weakening in these bonds, the "justice" response to crime at the community level must also involve citizens and community groups in repairing damaged relationships or building new relationships (Van Ness, Carlson, Crawford, and Strong, 1989). For the offender, restorative justice requires accountability in the form of obligations to repair the harm to individual victims and victimized communities, and the opportunity to develop new competencies, social skills, and the capacity to avoid future crime (Bazemore, 1996; Dooley, 1995).

Historical Overview

The principles and approaches now being referred to as restorative justice are not new. In fact, pre-state societies appear to have made use of two primary responses to crime. The first, based primarily on vengeance, was associated with repayment of harm *with harm*. In addition, as Weitekamp argues, virtually all acephalous societies utilized a variety of settlement and dispute resolution practices that typically included some effort to repair the harm (Van Ness et al., 1989). Generally, these practices, which might today be called "restorative," focused on some form of repayment or restitution to the victim or his/her family. Indeed, current restorative practices are grounded in codes of conduct and practices that have been at the core of many religious and ethical traditions (Van Ness, 1993; Zehr, 1990) which were formalized and detailed in a variety of ancient justice documents, including, for example: the Babylonian code of Hammurabi (c. 1700 B.C.), which prescribed restitution in property offense cases; the Roman Law of the Twelve Tables (449 B.C.), which required convicted thieves to pay double the value of stolen goods, and more if the thief had concealed the stolen goods in his or her home; the Law of Ethelbert (c. A.D. 600), containing detailed restitution schedules that differentiated the value of the four front teeth from those next to them, and those teeth from all the rest; and various Hebrew codes (and dispute resolution practices), which emphasized the importance of peace, or Shalom, in the community (Van Ness et al., 1989; Van Ness and Strong, 1997). Other ex-

amples include modern European practices and Native American systems of justice administration in place today.

The "New" Restorative Justice Movement

Although reparation in the form of restitution and community service had been used occasionally by U.S. courts in the twentieth century, these sanctions did not become widely popular as sentencing options until the 1970s. Restitution and community service, and to a lesser extent victim–offender mediation, have been used since the 1970s with some regularity in U.S. criminal and juvenile courts and are often administered by probation and community diversion programs (Galaway and Hudson, 1990; Schneider, 1986; Umbriet and Coates, 1994).

In the 1990s, these and other reparative sanctions and associated conflict resolution processes such as victim–offender mediation again began receiving a high level of interest as part of a broader restorative justice movement. Those familiar with criminal justice systems know that programs such as restitution and community service and related reparative sanctions that could be considered the core of restorative justice intervention are now in common use by court and correctional agencies throughout the country (see Figure 7.1). In addition, today a wider "menu" of practices and programs including family group conferencing (FGC), victim impact panels, and community sanctioning boards has been added to the core of restitution, community service, and victim–offender mediation options (see Figure 7.2 for a description of restorative sanctioning practices). But, while any justice agency can add new programs, programmatic reform in the absence of change in values and priorities is unlikely to lead to restorative outcomes, and the reality, unfortunately, is that in justice systems more concerned with incapacitation, deterrence, and offender-focused interventions, restorative practices and programs remain on the margins, and generally receive low priority. If only 10 percent of offenders are referred to a court's restitution program, for example, and similar proportions complete meaningful community service, or meet with their victims, the jurisdiction can hardly be said to be "restorative." Although the restorative justice framework has been developed and refined "from the ground up," based on a continuing process of examining innovative programs and processes such as restitution, community service, victim–offender mediation, and restorative conferencing (Braithwaite and Mugford, 1994; Zehr, 1990), programs are not ends in themselves but simply a means to achieve outcomes that should flow from a clear understanding of community and other client needs (Bazemore and Umbreit, 1995; see also Goldstein, 1990).

What's Really "New"? Programmatic, Systemic, and Holistic Reform

Few modern government reforms have been spurred by community input. They have instead been system-driven, typically top-down, and reactive responses to

Figure 7.1
"What Does It Look Like?" in a Restorative Justice System

Crime Victims:

- Receive support, assistance, compensation, information, and services.
- Receive restitution and/or other reparation from the offender.
- Are involved and are encouraged to give input at all points in the system and to direct input into how the offender will repair the harm done.
- Have the opportunity to face the offenders and to tell their story to offenders and others if they so desire.
- Feel satisfied with the justice process.
- Provide guidance and consultation to justice professionals on planning and advisory groups.

Offenders:

- Complete restitution to their victims.
- Provide meaningful service to repay the debt to their communities.
- Must face the personal harm caused by their crimes by participating in victim/offender mediation, if the victim is willing, or through other victim awareness process.
- Complete work experience and active and productive tasks which increase skills and improve the community.
- Are monitored and supported by community adults as well as justice professionals and are supervised to the greatest extent possible in the community.
- Improve decision-making skills and have opportunities to help others.

Citizens, Families, and Community Groups:

- Are involved to the greatest extent possible in holding offenders accountable (e.g., rehabilitation and community safety initiatives).
- Work with offenders on local community service projects.
- Provide support to victims.
- Provide support to offenders as mentors, employers, and advocates.
- Provide work for offenders to pay restitution to victims and service opportunities which provide skills and also allow offenders to make meaningful contributions to the quality of community life.
- Community groups assist families to support the offender in obligation to repair the harm and increase competencies.
- Play an advisory role to courts and corrections and/or play an active role in disposition through one or more neighborhood sanctioning processes.

Figure 7.2
Some Restorative Sanctioning Practices

Restitution to Crime Victims: It is important that payment be clearly linked to the victim, even if it is processed through the court, and that young offenders be provided opportunities to earn funds to repay victims (e.g., through employment programs).

Victim/Offender Mediation: Offenders meet with victims and a third party mediator, trained in both juvenile justice and victimology tenets, to allow the victim to obtain information about the crime and express feelings to the offender, to develop a reparative agreement that hold the offender accountable for her/his actions, and to increase offender awareness of the physical, emotional, and material impact of crime.

Direct Service to Victims: At the victim's request (usually through mediation or other process), offenders are required to perform direct service.

Service to Surrogate Victims: Offender work crews (Crime Repair Crews) repair homes and businesses damaged by break-ins and vandalism.

Restorative Community Service: Work which is valued by the community and often suggested by neighborhood groups or by crime victims; such service often helps the disadvantaged, promotes economic development, or improves the general quality of life.

Service Chosen by the Victim: Victims recommend service projects for offenders as part of a mediation agreement.

Payment to Victim Service Fund: Offenders pay to support victim services when restitution to their specific victim is not needed.

Victim Impact Statements: With approval from the victim, young offenders can read victims' impact statements or listen to and view audio/video statements that tell how the crime detrimentally affected the victim and his/her loved ones.

Victim Awareness Programs: Incorporate an educational model that helps youthful offenders understand the impact their crimes have on their victims, their communities, their families, and themselves, and include crime victims as guest speakers.

crisis and abuse. Like the treatment and punishment paradigms on which they are based, modern justice reform efforts have often been insular and one-dimensional, and while system-driven, no reform has been truly *systemic*. While many modern reforms have brought about well-intended improvements, whether focused on diversion, deinstitutionalization, case management, detention crowding, or due process concerns, these reforms share a piecemeal quality in their focus on one component or system function. And like TQM, reinventing, and most other "good government" reforms, most criminal justice reforms have sought to rationalize and improve the structure, process, and techniques of intervention—the means by which offenders are treated and punished—but have not questioned *why* we intervene or the *nature* of the intervention enterprise. At the end of most reform initiatives, paid professionals continue to administer treatment, punishment, and offender surveillance outside the context of the offender and victim's community. As they fail to address other community concerns that

crime surfaces, it is little wonder that these interventions often do not mean much to offenders, victims, and other citizens.

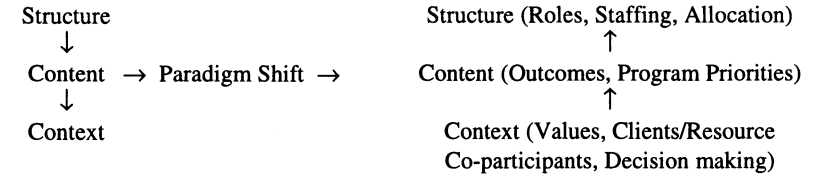
Currently, as the left column of Figure 7.3 suggests, systemic reform in criminal justice is difficult because decisions about staff roles and management imperatives are seldom examined to ensure that they are driven by community needs and expectations. Unfortunately, job descriptions that define what it is that justice professionals "do" in the response to crime—as well as resource allocation and administrative priorities—are based primarily on the traditional needs of criminal justice bureaucracies (e.g., for police officers, guards, case workers) and on the existing skills and role definitions of criminal justice professionals. Innovation, when it occurs, is often based on the addition of specialized units or programs, and seems to be driven by the need to be in step with the intervention trend of the month (e.g., boot camps, crime mapping, drug courts).

What is most "new" and different about restorative justice theory and practice, however, is its three-part agenda for systemic reform in the response to crime. First, based on the priority given to repairing harm by involving victim, community, and offender in the response to crime, restorative justice advocates propose broad changes in the justice process itself. Such changes would ultimately shift the focus more toward community, rather than criminal justice system solutions, and would seek to build capacity in communities to sanction crime, reintegrate offenders, repair harm to victims, and promote genuine public safety. In this regard, genuine systemic reform makes possible a fundamental questioning of basic values and assumptions about crime, as well as the ends and means of the response to it. Systemic reform initiatives therefore raise questions about the *context* of intervention: what values, principals, and assumptions define the essence of crime and what should be done about it; who the system should serve as "clients"; and who should be involved in the response to crime and in making decisions about intervention, and by what process these decisions should be made (see Figure 7.3).

Second, as the right side of Figure 7.1 suggests, based on the answers to these questions and an effort to develop intervention aimed at meeting community needs and expectations, systemic reform would then seek "bottom-up" change in the mission of criminal justice. Such change would focus on the *content* of intervention: what goals and performance outcomes are sought as the justice system seeks to address the needs of its clients; what messages are to be communicated and what changes in clients are to be brought about as a result of intervention; what methods—programs and intervention practices—will be used to accomplish these goals. While current policy is often program-driven, systemic reform would ensure that program priorities are *value-driven* and that practices are selected based on their capacity to accomplish mission outcomes.

Finally, the choice of intervention priorities should then dictate the *structure* of the criminal justice system and thus determine what staffing patterns, resources, and professional roles are required to carry out these interventions and accomplish system goals. Hence, while current policy and reform *begin*s with

Figure 7.3
New Paradigms and Systemic Reform



the current structure and seeks to make changes in procedure and programs, systemic reform *ends* with questions about structure after holistic change in content and context has been addressed (see Figure 7.1).

Restorative justice theory (Van Ness, 1993; Zehr, 1990) and practice (e.g., Pranis, 1997; Stuart, 1996) thus provide a new vision for future community justice responses to crime based on a different set of values and principles, focused on the needs of a different set of clients, who are involved as participants in a range of decisions about the most appropriate response to crime. These new values in turn form the basis for a new mission for management of criminal justice agencies and systems, which articulates a different set of performance outcomes. These outcomes, in turn, gauge the success of an intervention based on the extent to which measurable changes are brought about in the status of victim, offender, and community as clients and stakeholders in the justice process.

CRIMINAL JUSTICE STAKEHOLDERS AND THEIR ROLES: THE CONTEXT OF RESTORATIVE JUSTICE

Viewed through the restorative "lens," crime is understood in a broader context than what is suggested by the questions of guilt and what should be done to punish or treat the offender. Howard Zehr (1990) argues that, in restorative justice, three very different questions receive primary emphasis. First, what is the nature of the harm resulting from the crime? Second, what needs to be done to "make it right" or repair the harm? Third, who is responsible for this repair?

As will be illustrated in the case examples below, questions one and two cannot be answered in a vacuum. Rather, they are best answered with input from crime victims, citizens, and offenders in a decision-making process that maximizes their input into the case. Answering question number three focuses attention on the future rather than the past and also sets up a different configuration of obligations in the response to crime (Zehr, 1990). No longer simply the object of punishment, the offender is now primarily responsible for repairing the harm caused by her crime. A restorative criminal justice system would, in turn, be responsible for ensuring that the offender is held accountable for the damage

and suffering caused to victims and victimized communities by supporting, facilitating, and enforcing reparative agreements. But, most importantly, crime victims and the community play a critical role in setting the terms of accountability (Pranis, 1997).

The need to engage and involve communities in the response to crime is based on an implicit, and sometimes explicit, critique of the ability of the formal justice system and the capacity of criminal justice professionals to address the needs of those most adversely affected by crime. As Judge Barry Stuart notes:

> Crime (control and prevention) should never be the sole, or even primary business of the State if *real differences* are sought in the well being of individuals, families and communities. The structure, procedures, and evidentiary rules of the formal criminal justice process coupled with most justice officials' lack of knowledge and connection to (the parties) effected by crime, preclude the state from acting alone to achieve transformative changes. (Stuart, 1995b, p. 1; emphasis in original)

This assumed incompetence of the formal justice system suggests the need for a different set of values, a different sense of who should be viewed as the primary stakeholders in the justice process, and better ways to involve the stakeholders in decision-making processes. This need is most clearly illustrated by examining the experience of victim, offender, and community in two cases.

Two Cases

Recently, in a large city a 32-year-old man entered the home of a neighbor, and walked upstairs into the bedroom of her 14-year-old daughter. For almost an hour the man made lewd and offensive comments while sitting on the girl's bed. After the man had been arrested and charged, the young woman and her mother were asked by the court to complete a victim impact statement. Except for a brief moment when the man had lightly stroked her hair, she had not been physically molested by the intruder. Yet, the young girl had felt traumatized and "dirtied" by the fact that the man had sat on her bed. After talking at length with her mother, the two decided that what the girl most needed was a new bed. The victim impact statement submitted asked for $500 in restitution from the offender to cover the cost of the bed, an apology, and a recommendation for a year of therapy and other assistance for the offender. The judge ordered 12 months' jail time and a $500 fine, but payable to the court.

In a small town in the state, a 14-year-old male, after pointing a loaded gun (which was actually a BB rifle) at a neighbor, was arrested, charged with second-degree assault with a deadly a weapon, and taken to juvenile court intake in the small town where he resided. The neighbor, an adult male of about 35 who had been so frightened and upset by the incident that he insisted the case be fully prosecuted, was reluctantly persuaded to participate with the offender in a victim–offender mediation session. At the session, after venting his anger and frustration at

being startled with the loaded weapon, the victim learned that the boy liked to hunt. When he asked in the mediation session whom the boy hunted with and learned that it was his grandfather, an idea emerged that he would later propose when it was time to discuss an appropriate sanction. The outcome of the mediation was that, at the victim's request, the boy would be required to tell his grandfather what he had done. After several days of reluctant hesitation, the boy told his grandfather, who in turn informed the victim that the obligation had been completed.

Retributive and Restorative Justice

The experiences in each case were dramatically different for the offender, the victim, and even the community. Most audiences who have heard the young man's story in the second case believe that he learned an important lesson (and did not get off easy) and that the victim was satisfied. Moreover, some have observed that the small community may have witnessed an important example of how a dispute that might otherwise have created a serious offense record for the youth, wasted court time, provided little relief to the victim, and created fear of "armed and dangerous" juveniles in the community could be effectively resolved.

In the first case, most agree that the victim was ignored and again victimized, that the offender got no treatment and might even have been more dangerous at the completion of his jail time, and that the community paid the cost of the jail term while receiving little in return. Many who hear the young girl's story are also upset with the judge for ignoring the victim's request. But while the conversion of the victim's request for restitution into a court fine does seem to add insult to injury, the judge was simply operating in a manner consistent with the current system of justice decision making. The assumptions of the *retributive justice* paradigm tend to result in the exclusion and disempowerment of victims, offenders, and other citizens and, in part, are responsible for the general absence in most criminal justice systems of the stakeholder involvement.

Although these cases are not necessarily typical, the experiences of victim, offender, and community parallel those that occur daily in criminal justice agencies everywhere. In addition, the contrast between them provides a useful illustration of how stakeholders' needs are not addressed effectively by an approach to dispositional decision making that is limited by rigid, rule-driven, impersonal procedures focused on defining "winners and losers" and fixing blame (Messmer and Otto, 1992; Zehr, 1990). At the macro level, the contrast between an obligation to the state versus the victim and community, and a central and more empowered role for these key stakeholders, implies a more significant transformation in the role of government and community in the response to crime.

New Stakeholders and Restorative Processes

Crime victim needs are especially likely to be overlooked unless victims are given a direct voice in decision making. What is most unique about the restora-

tive justice value-base, and most difficult for many criminal justice professionals to accept, is its expansion of the role of crime victims in the justice process. Although victims' *rights* have received increased attention throughout criminal justice systems in most states, victims' *needs* are often addressed only after the needs of police, judges, prosecutors, and corrections staff (e.g., in winning cases, processing offenders, or managing resources) have been considered. Despite frequent complaints about the inability of offenders to pay victim restitution, for example, many jurisdictions, which do a poor job at enforcing restitution orders, have been highly successful in the collection of offender fines and fees. Indeed, in many probation and parole agencies, victim compensation and restitution have taken a backseat to the collection of monies used to support criminal justice agency functions (Shapiro, 1990). Moreover, while prosecutors appear to spare no expense and effort to gain victim input for efforts to increase the probability of conviction and length of sentence, time and resources for providing victim services, mediation, and reparative programs seem always in short supply (Elias, 1993).

Because years of focus on the needs and risks of offenders means that victims do not start from a "level playing field," justice professionals and citizens moving toward a restorative justice approach are giving primary attention to victims' needs for physical and material reparation and emotional healing (Bazemore, 1994; Umbriet, 1995). When actively engaged, victims often express unique concerns and interests, which are frequently unrelated to offender punishment, or even the need for material reparation.

> I can tell you what most victims want most is quite unrelated to the law. It amounts more than anything else to three things: victims need to have people recognize how much trauma they've been through . . . they need to express that, and have it expressed to them; they want to find out what kind of person could have done such a thing, and why to them; and it really helps to hear that the offender is sorry—or that someone is sorry on his or her behalf. (Elaine Berzins, quoted in Stuart, 1996, p. 12)

To summarize the discussion thus far, restorative justice intervention is focused on victim and community as well as the offender. Crime victims and citizens are viewed as clients and stakeholders in a criminal justice system which can no longer be driven by the needs and risks presented by offenders. While it places central emphasis on victim needs and the requirement that offenders are held accountable to victims, the restorative justice paradigm also responds to the "mutual powerlessness" of offenders *and* victims in the current system and assumes the need for communities to provide opportunities for offender repentance and forgiveness following appropriate sanctioning (Wright, 1991; Zehr, 1990). Restorative processes, whose potential benefits to each stakeholder are illustrated by the first case described above, work best when there is active participation of victim, offender, and community. They, therefore, demand opportunities for such participation that are sensitive to and supportive of victim and citizen needs.

COMMUNITY AND GOVERNMENT ROLES IN RESTORATIVE COMMUNITY JUSTICE

To effectively meet the needs of the three stakeholders in the response to crime, restorative justice assumes the need for a drastic transformation in the role of government (represented by the formal justice system) in the response to crime. Such a transformation is necessary to empower a more informal, "naturalistic" response based upon an active role for crime victims, community groups, and socializing institutions (Braithwaite and Parker, 1999; Stuart, 1995a; Van Ness et al., 1989). Hence, from this perspective, more precise answers to questions about the structure of a new restorative community justice system must be based in part on a new vision of the community and its role. Before exploring this vision in more detail, it is important to look critically at the current relationship between government and community in the response to crime. Historically, the current relationship is actually relatively new, and is based upon some disturbing trends of the past three decades.

The Loss of Community Competence and the Rise of Crime Control "Experts"

Most "baby boomers" and older generations can recall a time when adults in their neighborhoods or small towns took responsibility for looking after and imposing informal controls on neighborhood children other than their own. Moreover, there were numerous nonadversarial means of resolving disputes and disturbances peacefully as well as "sanctioning" behavior that exceeded local tolerance limits, without recourse to formal court processes. In effect, community members—with the encouragement and support of police, schools, and other socializing institutions—often "took care of" problems that now end up in juvenile and criminal justice systems. Although not all of these informal processes afford the respect for diversity in culture and lifestyle that we would now demand, it can be argued that something has been lost as communities were stripped of their capacity to respond to many of the problems that now find their way into court dockets (McKnight, 1995; Pranis, 1997).

While we can simply write these actions off as nostalgic memories of a different era, we can also examine ways in which justice intervention has reinforced a process by which community members, and neighborhood institutions, have become helpless and hapless in socializing young people and addressing conflict and disturbances. Numerous case examples and research studies illustrate how efforts to centralize, professionalize, and expand criminal justice and social services have sent messages to communities to "leave it to the experts," thereby undercutting the role and responsibility of citizens, institutions, and community groups in socializing young people and resolving disputes. Three decades of ju-

venile justice experience in trying to minimize use of formal court procedures by developing diversion programs, for example, can teach important lessons about the intrusiveness, expansiveness, and counterproductive impacts of some well-intended social service interventions (Polk, 1987). But while diversion is generally viewed by libertarian critics as a failure because of a process known as "netwidening," in which programs meant to serve as community alternatives to court actually increased the number of youth going to court (Schur, 1972), another critique would not point to netwidening *per se* as the problem. Rather, by widening *government* nets and ignoring the need to strengthen community nets (Braithwaite, 1994; Moore and O'Connell, 1994), juvenile justice policy makers uncritically expanded system intervention by failing to distinguish between interventions that build or enhance youth commitments and youth–adult relationships and those that further stigmatize and exclude young people, isolate them from conventional adults, and usurp the community's responsibility and its role.

When the role of the justice system is not defined in concert with the community's role, justice and social services programs are likely to overextend their reach and contribute to the isolation rather than reintegration of people in trouble. The reasons for this state of affairs are complex. One is that despite their unique professions focus, what social service systems have in common is a deficit focus emphasizing identification of needs and risks and the provision of services intended to correct presumed deficits and dysfunctions. Unfortunately, those who end up in programs of social service systems often find it difficult, as McKnight (1995) suggests, to transition back to the mainstream of conventional socialization networks (e.g., in school, work, etc.).

A second reason such systems can inadvertently cause harm is that, as David Moore (1994, p. 10) has observed, government systems that "take sole responsibility for authoritarian control" may themselves be criminogenic because they "perpetuate the illusion that the state, rather than civil society, is ultimately responsible for social order." *Hence, the very structures we have created to manage (not solve) the crime problem, despite our best efforts and intentions, may themselves be part of the problem* (see also Farazmand, 1994, 1997, 1998).

Crime, Community, and Relationships

At the community level, the restorative view of crime and community can be understood with reference to a familiar cycle of crime, fear, withdrawal, isolation, weakened community bonds, and more crime (Pranis, 1997). This sequence provides an important key to thinking about crime and community dynamics and about the capacity of community norms and tolerance limits to control harmful behavior and reinforce conventional, law-abiding behavior. As community bonds are weakened, the power of community disapproval as a force restraining crime is reduced (Pranis, 1997).

Crime not only harms individual victims, but also communities, offenders, other citizens, and in essence damages the social fabric and peace of communities (Van Ness et al., 1989). Crime victims, other citizens, and offenders are caught up in a cycle in which crime is both a cause of breakdowns in individual and community relationships and a result of these breakdowns. A basic theme in restorative justice therefore is the need to strengthen or rebuild social and community relationships (Pranis, 1997; Stuart, 1996; Van Ness et al., 1989). In the case of juvenile crime, for example, restorative justice responses to crime attempt to break into the cycle of crime, fear, and weakened youth–adult relationships, and in so doing to offer a holistic approach to addressing sanctioning, safety, preventative peacemaking, and rehabilitative needs of communities.

Practically speaking, the most overwhelming aspect of this new agenda is the initial task of identifying community. The magnitude of this challenge is exemplified by the fact that the disperse, transient, and disconnected residential enclaves of the modern urban metroplex often bear little resemblance to any standard notion of community in which residents naturally experience any sense of "connectedness" to others. In such "communities," the prospect that at-risk adolescents and young people will be able to develop bonds to conventional adults is even less likely. In fact, if one were to design a prototypical criminogenic community, one could do no better than to look to current urban and suburban neighborhoods, which separate large numbers of people, especially the young, from the kind of work that could include them securely in community life.

"Community" can be an amorphous term which is unfortunately used more often to obfuscate, rather than to clarify, issues of citizen involvement in government-sponsored processes. It is possible, however, to break down communities into component parts such as schools, churches, neighborhood mosques, synagogues, workgroups, tribes, extended families, and so on. In restorative justice sanctioning practice, for example, this is also being done increasingly by identifying "communities of concern" consisting of those closest to the offender and victim in a crime. In a restructured community justice system, professionals would seek to ensure that sanctioning processes include victims, offenders, their families, and supporters. Processes would also seek to involve those adults whose opinions are most important to offenders, and who can most effectively hold them accountable, while reinforcing rather than diminishing prospects for reintegration (Braithwaite and Mugford, 1994). Although engaging community in this way may certainly be viewed as a micro step which does not directly confront larger social justice issues of racism and oppression, it is one component of a larger effort to connect the juvenile justice process communities and their needs (Braithwaite and Parker, 1999).

Moreover, at the community level, a restorative response to crime seeks first to build and strengthen relationships by increasing the nature and quality of participation in problem solving in the response to crime and conflict. From this perspective, the general health of a community—and its crime rate—is directly related to the extent to which citizens participate in the community. Because com-

munity conflict and disharmony are often a root cause of crime, "justice" cannot be achieved by a government "war on crime" but rather by peacemaking and dispute resolution (Van Ness et al., 1989). In this sense, crime, or any conflict, is viewed as an opportunity because it calls attention to social conditions that cause conflict, and provides a chance for the community to affirm its values and tolerance limits (Christie, 1977; Schweighert, 1997). Implicit in restorative justice is the assumption that as the communities resolve disputes creatively, their capacity to do so also increases. The process of resolving disputes is therefore as important as the outcome because, through this process, community members learn new skills and increase confidence in their ability to manage conflict and control/prevent crime. For their part, when they facilitate or contribute to these processes, justice professionals get closer to the root causes of crime *and* are less likely to reach beyond their competence (Stuart, 1995b).

DISCUSSION

Restorative Justice and the New Government Role

What could justice systems *do* to begin to move toward a future based on a restorative community justice response to youth crime? What restructuring is necessary to achieve the goals of a new mission to meet community needs and expectations for safety, sanctioning, and offender reintegration?

Increased involvement by victims, offenders, and other citizens as active participants in a restorative justice process focused on repair of harm, as well as in new intervention efforts, would have significant systemic implications for resource allocation, job descriptions, and professional roles. While some justice professionals appear to be waiting to see what changes may be mandated, others appear to be proactively pursuing creative changes in their roles to facilitate participation of these stakeholders in a restorative justice process.

Given what has been learned and said here thus far about the system's tendency to aggravate problems by taking on too much, further expansion of justice system jurisdiction through early intervention to simply identify "at-risk" individuals (e.g., developing centralized assessment or truancy centers) seems counterproductive, and destined to further usurp the responsibility of community groups and institutions (e.g., schools). However, building and expanding an advocacy and leadership role for justice professionals in promoting community responses that strengthen neighborhood informal social control and council support could be an effective focus for intervention aimed at rebuilding an important form of said capital.

Criminal justice professionals might, for example, be assigned to develop neighborhood sanctioning and dispute resolution programs—hence, intervening not with at-risk individuals directly, but more broadly with at-risk *schools*, *families*, and *neighborhoods*. Expanding the community's role in sanctioning, rehabilitation, and prevention on the "front end," in turn, should get courts out of the

business of trying to respond to problems they were never equipped to solve (e.g., providing for the educational needs of young people, resolving disputes, acting as substitute parents) while preserving resources for a focus on those tasks court procedures are best equipped to accomplish (e.g., determining guilt or innocence, protecting the rights of the accused). The problem with justice intervention, therefore, has not been with government itself, but with a failure to define a suitable role for government.

The justice system's *responsibility* in sanctioning crime, ensuring public safety, and rehabilitating offenders has become far too broad. In contrast, restorative and community justice advocates argue that a restructured future justice system could acquire a broader *mandate* and *vision*, while at the same time assuming less responsibility for tasks best accomplished by others. If the community is to be empowered as a partner in the response to crime, a redefinition of the role of government from crime control expert to facilitator of community justice and community building processes is required. This new relationship with the community will be an evolving one, and it goes almost without saying that justice systems are not currently set up to support or enhance the kind of community collaboration effort advocated here.

Such a facilitative, community-building focus would redirect criminal justice resources and would begin to redefine the role of the intervention professionals. In a more "naturalistic" approach to rehabilitation (Bazemore, 2001), for example, professionals would no longer view themselves, or be viewed by their communities, as "experts" in providing service or treatment to change offender attitudes and behavior. Intervention staff would instead work through the community in the response to crime rather than exclusively with individual offenders (Bazemore and Schiff, 2001; Pranis, 1997). They would devote equal attention to intervention with citizens, community organizations, and employers to ensure, for example, that young offenders are given opportunities for involvement in work, service, and other roles that facilitate conventional bonding. A restructured professional role in restorative rehabilitation would thus be one that allows staff to function more as a catalyst for building connections between young people, adults, and adults institutions, while facilitating change in the role and image (Bazemore, Nissen, and Dooley, 2000).

A relational approach to offender rehabilitation must at some point confront social service bureaucracies, which focus primarily on deficiency and exclusion and which, in the attempt to provide help, actually minimize the prospects for bonding and relationship building. In place of this youth service and individual treatment model, a new intervention paradigm is needed that seeks to discover and, if necessary, reinvent ways for communities to begin to take back the responsibility for youth socialization and offender rehabilitation. Citizens who look closely at the causes of crime suspect that courts and justice systems have already reached beyond their competence in the effort to control crime, sanction offenders, or build safer communities (Stuart, 1995). Similarly, government cannot be solely responsible for rehabilitating offenders.

But, naturalistic does not mean "naturally occurring." There is nothing accidental about reintegration, and a relational strategy based on restorative principles is not a libertarian approach. Moreover, there is nothing magical about "the community," and identifying and mobilizing citizens to allow for a greater community role in rehabilitation will require a very intentional strategy, which redefines rather than seeks to eliminate the government role (Bazemore, 1997; Karp, 1997). Hence, a naturalistic approach to rehabilitation, sanctioning, safety, and peacemaking would build on a general belief in the capacity of communities and nonprofessional adults, if encouraged and supported, to develop and assist young people in getting through problems such as delinquency and growing up. Relational, restorative justice would maximize use of informal social control and support networks, while minimizing use of formal legalistic control and professional intervention services.

Assessing Implementation: Some Dimensions for Evaluation and Theory

How do we know restorative community justice when we see it? How do we measure its impact, and how do we differentiate processes based on the principles outlined above from those that simply perpetuate formal government control by changing the location of courts, police, and corrections to neighborhoods rather than centralized government complexes?

For purposes of evaluation, what should appear unique about any process labeled "restorative" or "community justice" is a change in the role of the community in the justice process. The change in the role of community may have a number of dimensions. Some will focus on assessing the extent to which community members become more active clients of the justice services. On the system side of the government–community relationship, such dimensions may involve changes in the accessibility of justice services (Bazemore, 1997). More significantly, differences should appear in the extent to which community change or "community building" is a focus of intervention; citizens and community groups are active participants; and discretion is granted to citizens and community groups as collaborators in decision making.

Accessibility is perhaps the easiest change on the government side, and numerous federally funded experiments to locate courts, corrections, and police in neighborhoods and make these agencies less formal and more flexible and "user-friendly" are now underway (Bazemore, 1997; NIJ, 1996). The remainder of this section focuses briefly on the reparative, participant power-showing dimensions.

Restorative Justice and Repairing Harm

As noted earlier, restorative justice asks a different set of questions about crime and the justice response. Hence, as Zehr (1990) implies, the first dimension of assessment in restorative justice must be focused on the extent to which harm is

effectively identified and a plan is crafted to repair the harm. The extent to which the process is focused on answering these questions is then a key variable in assessing the reparative dimension of restorative justice. Based on key principles of restorative justice, the focus on repair can also be assessed by variation in the extent to which participants define crime as an act against another person and the community, while the state has responsibility for ensuring that these obligations are met; accountability is defined as taking responsibility for the offense and taking action to repair resulting harm; and the community plays a role in setting the terms of accountability, assisting offenders in repaying the debt, supporting victims, and reintegrating offenders (Braithwaite and Mugford, 1994; Pranis, 1997).

Answering Zehr's question three, concerning "responsibility" for repairing harm, requires that the process focus on the future in ensuring that these obligations are fulfilled. While formal restitution programs have devoted extensive effort to documenting monetary or material losses and to developing clear and workable payment schedules (Schneider, 1986, 1990), much more observation of the various community sanctioning processes is needed to determine the extent to which obligations and action steps are identified and follow-up occurs. Community sanctioning processes are perhaps best situated to engage citizens in the monitoring and follow-up process, and each seeks this desirable goal of having citizens assume responsibility for monitoring and enforcing obligations. Although researchers are only beginning to focus on the capacity of most of these processes to ensure that reparative agreements are carried out, early results have been promising (Morris and Maxwell, 2001; Umbreit and Coates, 1994).

Because the emphasis on repair is almost never an either/or concern, several measurement protocols are now available which include indicators of the extent to which this dimension of repair has been addressed (Umbreit, 2001; Umbreit and Greenwood, 1997; Zehr, 1990). Zehr, for example, includes the following assessment questions in his restorative justice "yardstick":

> do victims receive needed compensation or restitution, do victims receive adequate support from others, do victims' families receive adequate assistance and support, are other needs—material, psychological, and spiritual—being addressed, is there a need for symbolic restitution for the community, are there provisions for monitoring and verifying outcomes and for problem solving. (Zehr, 1990)

Although not the only dimension of restorative justice (Bazemore and Walgrave, 1999; Van Ness, 1993), it is the victim's central, essential, and elevated role in the justice process that perhaps most distinguishes restorative justice interventions from those that may be labeled neighborhood or community justice. Assessing this dimension in evaluation could involve a range of observation, interviews, and victim impact surveys aimed at tapping the extent to which the process is attentive to victim needs and concerns, provides for the victim's safety, allows victims to express their feelings, meets victim needs for information, and

the extent to which the victim feels that these things have occurred. In this regard, Umbreit and Greenwood (1997), for example, has developed "restorative justice" continua, which focus on the victim experience in various justice processes, with a special focus on victim–offender dialogue.

Participation

One of the most important tasks for empirical research on community restorative justice will be to examine the extent to which citizens actually *wish to* participate in community justice processes and programs. While systematic surveys prior to establishing citizen-run "reparative boards" in the Vermont Department of Corrections answered this question in the affirmative, at least for that state (Dooley, 1995), other initial questions include the extent to which a particular community justice process really invites participation, how volunteers are recruited, and the clarity of expectations for citizen participants. Observational techniques and written attendance records, if they exist, can be used to determine, for example, what mix of potential participants was: "at the table" over time in community sanctioning processes, how they participated; and what difference this citizen involvement made in terms of the process and initial outcomes (e.g., number of sanctioning agreements reached, initial victim satisfaction). Indeed, in practice, subtle differences exist along this continuum of involvement that may be driven both by the nature of the specific community justice intervention and by the willingness of professionals to assume the role of collaborator and facilitator rather than primary provider of services (Bazemore, 1997; McElrae, 1993). Community sanctioning approaches may therefore be ranked along continua that attempt to assess intensity and type of participation.

Community as Collaborator and "Driver"

Dan Van Ness has written that "government" is responsible for preserving order, but the community is responsible for establishing peace (Van Ness et al., 1989). The fourth and highest order community justice dimension is concerned with the extent to which community groups are granted discretion by the justice system to work toward this goal. It is also concerned with the nature and scope of discretion granted. While related to involvement, the collaboration dimension is centered more around concepts such as "power sharing," "community empowerment," "active collaboration," the "devolution of justice decisionmaking" (Griffiths and Hamilton, 1996), and citizens' "ownership" over a process that is to some degree outside the absolute control of the formal justice system. As noted earlier, one practitioner, Pranis (1997), has described this dimension as an evolving relationship between justice systems and communities in which the community role slowly changes in relation to transformation in the government role. This change in the system role from "expert" crisis manager with no need for community input to partner with the community occurs as citizens take on more

responsibility and provide more input in an emerging collaborative process. Stages along the way may reflect intermediate steps in which the justice system attempts to become more "informative-driven" (Clear, 1996) and community-focused (a stance in which information is seen as valuable, and interventions focused on community level outcomes, such as citizen involvement, are seen as important goals), before reaching the highest level of collaboration in which the system may be said to be "community-driven."

The basis for partnership at this highest level is a normative commitment to the assumption that the most desirable state of affairs is when the community is in the role of what Pranis (1997, p. 4) calls "moral authority," as the first line of reaction and decision making in the response to crime. The government, in the form of the justice system, acts as "legal authority," assuming a role of broad oversight and support as well as guardian of individual rights (see Braithwaite and Parker, 1999).

For practical purposes, especially in the context of community sanctioning models, this dimension is best assessed by first examining the structural relationship of the community-based process to the formal system and process. One specific component of this relationship is the extent to which any intervention or program is dependent on courts or other government agencies for referrals. While some relationship with the formal system is almost always necessary, what is at issue here is the extent to which the process is driven by system needs—for example, to reduce court dockets or divert offenders—or by the needs of citizens, victims, and offenders (Van Ness, 1993).

The issue of discretion and gatekeeping also raises questions about the degree of power sharing in decision making and the role of the formal system in the process. The degree of collaboration and authority granted to the community is also seen in the role the system is willing to assume in community justice decision-making processes vis-à-vis that of the community. At two extremes, the system's relationship to the community may be one of facilitator–collaborator, or agent of co-optation and control. A second component is whether both paid and unpaid staff view their primary "client" as the probation department or the judges—rather than victims, offenders, and citizens. Unintended consequences of collaboration with formal agencies include co-optation of the community justice process (Bazemore, 1997; Griffiths and Hamilton, 1996), while extreme independence, on the other hand, leads to irrelevance and marginalization.

CONCLUDING REMARKS

This chapter began with a brief consideration of recent governmental reforms, which appear to have at least some implications for change in the respective roles of government and community. Although the TQM and reinventing government movements have to some degree sought to alter the role of government, they have not significantly altered the relationship between government and citizens.

Viewed in the context of these reform efforts, criminal justice systems remain something of a paradox. On the one hand, these systems have historically been among the most isolated of all government domains from the communities they serve. On the other hand, recent reform movements based on the ideas of restorative and community justice are fostering a rather radical rethinking of the government–community relationship and the respective roles of citizens and justice professionals in the response to crime.

Restorative community justice provides a unique policy lens that focuses on crime as harm to victims and communities, and "justice" as a process aimed at repairing this harm. To heal the wounds crime causes, victims, offenders, and community members must be actively engaged as co-participants in justice processes in which government professionals are cast in a facilitative, rather than directive, role. The structure and culture of criminal justice would, of course, be thereby transformed to support this change in roles and relationship.

Restorative community justice remains a "work in progress" that is today best illustrated in small-scale programs and community decision-making processes. However, a growing number of administrators are accepting the challenge of inter- and intraorganizational changes necessary for the systemic structural and cultural transformation in criminal justice agencies that will in turn be required to support the new way of responding to crime.

Researchers and theorists will need to assess the impact of restorative justice based on empirical results rather than simply appeals to more constructive beliefs and values. It is also important to insist, however, that the terms of evaluation in this emerging paradigm must be different. For example, the question "how well does it work" must be addressed first by asking another question, "work for whom?"

As Judge Barry Stuart insists:

> [C]ommunities should not measure the success of any (community-based initiative) based upon what happens to the offenders. The impact of community based initiatives upon victims, upon the self-esteem of others working [in the community justice process] on strengthening family, building connections within the community, on enforcing community values, on mobilizing community action to reduce factors causing crime—and ultimately to make the community safer—while not readily visible, these impacts are, in the long run, significantly more important than the immediate impact on an offender's habits. (1995b, p. 6)

Critical and rigorous evaluation and more fully developed theory are essential at this stage of the emerging restorative community justice movement. What is most important, however, is that community justice processes be fairly evaluated. In other words, restorative justice policies and practices should not be compared against an ideal vision of the current criminal justice system that does not reflect reality. As a First Nations Community Justice Coordinator working with circle sentencing in the Canadian Northwest put it:

So we make mistakes—can you say—you (the current system) don't make mistakes . . . if you don't think you do. . . . By getting involved, by all of us taking responsibility, it is not that we won't make mistakes. . . . But we would be doing it together, as a community instead of having it done to us. We need to find peace within our lives . . . in our communities. We need to make real differences in the way people act and the way we treat others. . . . Only if we empower them and support them can they break out of this trap. (Rose Couch, Community Justice Coordinator, Kwalin Dun First Nations, Yukon, Canada)

The current retributive justice system has had more than three centuries to evolve. The vision of restorative justice should at least be given a few years to mature before new interventions are subjected to sustained criticism.

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8

Modernizing Democracy: Citizen Participation in the Information Revolution

F. STEVENS REDBURN AND TERRY F. BUSS

INTRODUCTION

Rising welfare rolls triggered a prolonged national debate that yielded major state and federal reforms of the terms under which income support is offered to poor families. A series of school killings culminating in the tragedy at Columbine High School in Colorado precipitated national conferences and a flurry of legislation to stop youth violence. But, declining political participation—as measured by turnout in national elections—has not triggered a comparable debate or reforms.

Accumulating evidence that American schools don't always deliver quality education—and that some urban school systems are failing in a more profound way—stimulated a vigorous debate, strong reform proposals from governors and presidents, and active experimentation with major structural changes such as vouchers, charter schools, and new systems of standards and testing for teachers and students. But again in contrast, evidence that many are disenchanted with political institutions and in some cases deeply alienated from and distrustful of the process has not caused political leaders to step forward with innovative proposals for reform or stimulated notable experimentation with alternative institutions.

There seems to be a strong national consensus about the need to expand and finance improved access to good health care, although not about the best means to do so. Presidents and other leaders have advanced bold, even radical, proposals to change the institutional structure that delivers and finances health care. Legislative activity is continuous and high, with committees and staff devoted solely to this large issue. An academic and public policy industry has grown up around the debate. Government funds research and development, including experiments to test controversial new approaches such as medical savings accounts. Cabinet departments at the national and state levels have health care access and

financing as their major mission. Where are the comparable actions by leaders to promote increased and more meaningful political participation? Where is the set of institutions devoted to its study? The federal agency with a mission to deepen and broaden our democracy?

What if the weakness of popular participation were treated as a proper object of public policy, with the same standing as welfare, youth violence, education, or health care? This chapter examines what a major government-led effort to strengthen American democracy might look like. It presumes that: (1) broadening and deepening popular participation is at least a legitimate goal of federal policy—even, arguably, its most fundamental constitutional responsibility; and (2) much could be done by a national administration committed to advancing that goal.

DEMOCRACY AS AN OBJECTIVE

Complacency about performance of American political institutions or anxiety that institutional change might harm performance may discourage exploration of ways to strengthen democratic participation. Some will conclude that the ignorance, alienation, and anti-democratic views of nonparticipants are reason enough not to explore new opportunities for participation. After all, much evidence points to a public that is poorly prepared to engage in sophisticated analysis and debate and either so content with the results of the political process or so alienated from it as to be difficult to engage. On the other hand, a dumbed-down, disengaged public opinion may be the natural product of the present structure of American politics. Without systematic investigation, it is not possible to fairly assess the potential effects of particular institutional innovations or to test the limits of democracy.

The purpose of this chapter is to raise the possibility of a systematic program of research and development into the technology of democratic decision making and to explore its uses and implications. It addresses a series of questions.

- What does it mean to strengthen democracy?
- What would be the objectives of a program of research and development aimed at this goal?
- What would the first products of an innovative democratic technology look like? What would be some of the applications?

WHAT STRENGTHENING DEMOCRACY MEANS

If democracy were approached like health care, there would be a national debate about how to broaden and deepen the democratic process. There would be programs, proposals, and studies about how best to do this. The federal government, certainly, and perhaps state governments, would sponsor research on and conduct large-scale experiments with the reform of political institutions: using

new communications and information technology to inform and aggregate individual and group preferences; creating new venues where people of diverse views can exchange ideas, learn from each other, seek out and express areas of agreement; devising new protocols and strategies that allow people to make rational, informed choices among leaders and policy alternatives. Informed by the results of these experiments, citizens might demand, and presidents and governors might then make, bold proposals to strengthen democratic institutions. Agencies and programs might be created with the continued improvement of our democracy as their main mission.

Instead, today's public discussion focuses almost entirely on important but marginal proposals aimed at perfecting the existing electoral and legislative mechanics of a system that is not fundamentally different from that which existed a century ago. Campaign finance reform can help equalize the influence of the less wealthy and less organized, but it does not create entirely new channels of leadership recruitment or methods of election.

More fundamental changes, even those that fall within the democratic mainstream, are seldom seriously entertained and may even be met with hostility. In 1993, Lani Guinier's academic writings about how "cumulative voting" might be used to increase representation of previously excluded minorities were caricatured and attacked following her nomination to head the Justice Department's civil rights enforcement office. After a hasty scan of her writings, the president publicly characterized them as "anti-democratic." Ironically, Guinier's endorsement of this hardly unprecedented form of proportionate voting resulted from her personal search for ways of "encouraging voters to mobilize and organize at the grassroots level" and for "more inclusive and participatory electoral systems" (Guinier, 1998).

Another leadership response to declining participation has been to encourage the building of local "social capital" in the form of voluntary associations dedicated to public ends. These ideas are found in Robert Putnam's work and others concerned about ways to reengage citizens with the public realm, and they reflect Putnam's empirical work showing linkages between the presence of numerous, vigorous voluntary associations and various indicators of democratic political culture and participation. Community service can perhaps introduce people to the need for collective problem solving through the political process and thereby raise political awareness. At the same time, otherwise meritorious policies to promote or subsidize volunteerism may redirect energies from political activism to apolitical forms of community service—a distraction from political action. Community service may lead to but is not the same as effective popular participation in the choice of leaders and policies.

Absent a commitment by national leaders to a systematic, broad-gauged program of research and testing of alternative institutions, our participatory institutions evolve in a slow, largely unplanned manner. The last major formal innovation in U.S. electoral structure may have been the states' adoption of the referendum. The basic public opinion survey techniques that have slowly

emerged as a major, unplanned and unlegislated, element of the political process are now more pervasive but were devised over 50 years ago. Ironically, the world's prime example of a government founded on rational scientific principles and consciously shaped to achieve greater democracy does not pursue the improvement of its participatory and representative processes in any systematic way. Polling may even dampen reform: Why pursue alternatives when it is cheap and easy to contact 1,500 respondents nationwide with accurate results?

ESTABLISHING THE GOALS OF A DEMOCRATIC REFORM

A place to start is the articulation of ambitious and concrete objectives for the nation. A future president might, for example, commit his administration to a substantial broadening and deepening of participation, with particular emphasis on the effective inclusion of those who feel, and are, most underrepresented.

Target rates could be set for increasing conventional forms of participation and for inclusion of minorities. But, if the limitations of conventional participation are themselves an obstacle to effective engagement of those who now exclude themselves or are excluded, the effort's goals will need to be defined more broadly—as gains in the quality and effectiveness of participation measured by the results of that process as evaluated by participants. In other words, the goal is to give more people the effective means to influence decisions and shape public policy. This should show up as measurable increases in satisfaction with political involvement and—partly because successful engagements are likely to be repeated—in higher levels of future participation.

Goals also must be set for the quality of participation. A democratic society makes decisions by informed compromise. The essential spirit of democracy is that of open-ended inquiry and learning. Organizing a more democratic society, then, requires exposing the agenda to novel and diverse views and keeping it open. Measuring the success of a particular set of institutions in representing and synthesizing a broad set of interests to produce policy choices that are successful and accepted as such is one of the short-term analytical challenges. Institutional innovations must be tested to determine their value as means to increase political productivity—defined as the rapid consensual adoption of policies that either: (1) sustain popular acceptance because they produce the expected results; or (2) on occasions when policies fail to produce expected results or as circumstances change, are rapidly modified or replaced by new policies backed by a new consensus. Democracy is a practical matter, and must be judged by its practical results.

As the Guinier episode shows, merely articulating ambitious goals for enlarging and enriching popular participation through institutional change will be controversial. The resulting reinvigorated public debate about the meaning and consequences of a stronger democracy will be a strong stimulus to innovation.

Organizing and supporting this impulse through a formal, government-sponsored research and development effort would be a logical next step.

ESTABLISHING A DEMOCRACY RESEARCH AND DEVELOPMENT PROGRAM

Maintaining an open, learning policy system in a society or a world of enormous diversity requires techniques that are engaging; efficient in their use of citizens' limited time and varied expertise; and able to handle complex, multilayered problems. Simple voting systems may suffice for the election of representatives, although Arrow, Riker, Olson, Downs, and others have reached pessimistic conclusions about our ability to devise participatory processes that are fair and will reliably produce rational outcomes, except in the most restrictive situations. On theoretical and logical grounds, they argue that prospects for improving democratic procedures are therefore severely limited, and perhaps even that the case for democracy must rest on something other than its instrumental value as a collective means of rational choice (cf., Hauptmann, 1996). Others, however, have challenged this theoretical argument. Hauptmann, for example, questions the appropriateness of borrowing for political analysis concepts of choice and preference developed for and used in analyzing economic behavior. Consumer choices are often seen as revealing preexisting preferences, whereas political choices may emerge through exchanges with others as people come to understand and weigh not only the effects on themselves, but on others and on a broader community. Although ordinary voting processes and survey techniques reduce policy choices to simple, unweighted sums, these represent only part of a larger political realm in which policies may emerge through a synthesis of previously dissonant views. In that larger realm, preferences are not fixed and people do not act alone; instead, they work with others to solve common problems. If participation is limited to the election of representatives, then simpler voting systems—despite their inherent mathematical paradoxes—may suffice. But, if we hope to engage people more directly in policy making—as a way to strengthen democracy—they will not suffice.

Because many of those who do not now participate perceive current political arrangements as irrelevant or inimical to their personal interests, a main focus of a program to deepen and expand democratic participation would be the construction and testing of new procedures and institutions designed to reach the disengaged and to give them meaningful and effective opportunities for participation. The goals of this institutional research and development project would include discovery of techniques that not only engage the presently disengaged but make it easier for everyone to judge, when facing a potential policy choice, where their interests lie. More than this, the R&D effort would aim at developing new opportunities for diverse groups to discover common interests or synthesize and compromise with others as a prelude to effective action. Such am-

bitious objectives imply a major government-led effort to demonstrate alternatives to present institutional arrangements, and to measure their effects. The period of research and demonstration would serve as a prelude to the consideration of particular innovations for broader adoption.

TOWARD A NEW TECHNOLOGY OF PARTICIPATION

As Benjamin Barber puts it in *Strong Democracy*, in communities where participation is properly organized,

> public ends are neither extrapolated from absolutes nor "discovered" in a preexisting "hidden consensus." They are literally forged through the act of public participation, created through common deliberation and common action and the effect that deliberation and action have on interests. (Barber, 1984)

Is it possible to create decision structures that are both commensurate with the complexity of most policy problems and accessed and used effectively by representative groups of citizens? If these techniques were widely used by citizens, would the role of elite decision makers then change to accommodate this more informed, engaged, rational citizenry? Would this make our democracy stronger? Imagine policy-making processes that are rich in information and opportunities for exchanging views and learning and are otherwise structured so that the policies chosen have a maximum chance of success. Imagine a new technology of public opinion measurement and communication that captures the complexity of the public policy problems that face citizens and their governments. Imagine new opportunities for citizen participation that are more engaging and challenging.

Today, citizens and policy makers use decision tools and institutional forms that were fashioned generations ago and seemingly discourage participation, narrow the range of options getting full airing and evaluation, and may lead to policy failure. It isn't hard to think of ways to improve marginally on such processes. On the other hand, it would be a very challenging and complicated undertaking to systematically develop and test an entirely new participatory technology and then gradually build this into our democracy's institutional framework.

The challenge is to develop new techniques for engaging people and allowing them thereby to discover and express new viewpoints, to interact in ways allowing them to form agreements to act in concert to address commonly recognized problems, and to open pathways to devising new, promising options. To become part of our political system's institutional repertoire, such processes can, and must be, inherently interesting and enjoyable. Participatory processes can fail simply because they are deadly or empty of meaning. Participatory processes can succeed if they address problems people consider important, if they foster discovery and persuasion, if they allow people to move toward an acceptable decision efficiently with a reasonable investment of effort and personal time, and if they connect somehow to actual policy outcomes. Quite a challenge.

Creating and testing such technology would require a major investment over a period of years. Progress would depend on systematic design and evaluation. As previously noted, complementary developments in information and telecommunications technology have enormously expanded the possibilities for structuring intelligent group processes. These developments also dramatically reduce the costs of designing and testing alternatives, thereby accelerating the potential rate at which institutional innovation can occur. Constraints on the rate of political innovation are now more likely to be social rather than technological.

A new technology of participation would provide structures through which individuals can interact with information and with each other to construct solutions to common problems. The complexity of the tools would be commensurate with the complexity of the problems being addressed, with the ability of people to absorb, synthesize, and use information to guide their choices; and with a diversity of individual backgrounds, interests, and insights.

The potential of a new participatory technology to support more effective citizen participation can be better appreciated by examining an illustrative protocol, which is described below under the label, "policy forum." Antecedents for structured decision processes such as these can be found in the highly original work of Harold Lasswell several decades ago (Lasswell, 1971; Lasswell and Lerner, 1951). However, the insights and practical designs proposed then remain undeveloped.

The Policy Forum

To support rational outcomes, techniques for structuring individual and group choices must be commensurate with the importance and complexity of the problems and issues that are being examined. Because important, complex problems require a lot of information and analysis to understand properly, because alternatives are many, because preferences and values of the participants vary, because their modes of processing information and ordering alternatives vary, and for other reasons, structuring the decision process to yield rationality is a nontrivial challenge. Other design challenges include: (1) ensuring that participation is representative and not too heavily biased by social factors such as those that favor higher-status people; (2) minimizing opportunities for unfair manipulation of the result either by outsiders who design or facilitate the process or by a small group within the process; (3) making the process sufficiently engaging and enjoyable so as to sustain interest and active involvement; (4) maximizing the efficiency with which the range of alternatives is first expanded and then narrowed to a final round of decisions; and (5) capturing information about individual and aggregated preferences, other than the simple majority preference, that might inform subsequent rounds of decision making.

The suggested general protocol for a "policy forum" is outlined below. This is presented as a sequence that could be repeated any number of times, with any number of player/participants, for any set of policy choices:

1. An interesting problem or set of problems is posed.
2. Resource constraints are specified.
3. A group is assembled (whether in person or in an electronic forum) who represent the relevant range of diverse interests and perspectives.
4. Relevant information is provided, at different levels of detail under the control of the participants, including known or hypothesized patterns of causality and estimated benefits and costs.
5. An open-ended list of alternatives is generated, at least in part by the participants.
6. Exchanges occur among the participants about the alternatives and relevant information and analysis.
7. Information is added to the process at intervals or as sought by participants.
8. Opportunities are provided to "test" alternatives, (e.g., by simulation or by submitting them to expert panels).
9. Preferences are recorded periodically throughout the process and displayed to the participants in ways that help them understand not only the preferences of others but their reasoning as well. Preference reports cover not only the alternatives but the evaluative criteria used to rank-order alternatives as well. (This step is discussed more fully below.)
10. Final decisions are reached by a winnowing of the alternatives based to the extent possible on agreed-on evaluative criteria.

Working Environment

Computer technology and software have developed to the point where they can be used to create a game-like environment in which participants work through a problem, are able to simulate the effects of their initial choices (e.g., rate at which fixed budgetary resources are consumed, benefits, other effects), and are then able to adjust their choices. Graphics can highlight or dramatize options. Interactions can be structured among participants. Information can be supplied about the choices made by others. In contrast to the more sophisticated computer games of today (such as SIMCITY), participants should be able, with justification, to adjust key parameter values (especially where, as is often the case, the scientific basis for a value is weak) and test the effects on outcomes. The environment also should allow participants to construct and test new policy alternatives, which could then be evaluated and manipulated by others. And finally, the environment should move participants toward closure through a set of rules that cause unattractive and weakly supported alternatives to be discarded and that support synthesis of attractive and popular features of surviving alternatives.

A few elements of the policy forum are combined in basic fashion in a software package called "The Community Builder," described by its developers as a "strategic simulation" to "involve community members . . . in crafting decisions impacting their future" (The Healthcare Forum, 1996). Participants "practice coordinating strategies, taking actions, and evaluating results for a community, over a 20-year period." In the process, they explore relationships between various so-

cial investments and various dimensions of the quality of life. Parameters are set initially but can be reset by the participants.

Recording Preferences

Capturing individual preferences is a key element of the decision process. As treated by conventional survey techniques, and to an even more striking degree in elections, preferences are generally recorded as yes–no or multiple choice responses to a limited set of propositions. Underlying these methods or implicit in their design is a model of cognition and reasoning that is simplified and unrealistic. People often think about policy questions in quite complicated ways. Moreover, people are diverse not only in their views on particular questions, but also in their approaches to problems: the kinds of information they bring to bear; values they consider relevant; the logical and ideological constructs they employ to organize ideas; and emotional reactions they experience.

Public opinion surveys and focus groups play a large role in shaping the statements and actions of elected leaders. Participants typically respond to a set of independent multiple choice items, about which most have little information. Reporting may not distinguish between informed and uninformed views. More significantly, the standard techniques make it difficult for respondents to express more complicated or nuanced positions or indicate the logical construction of their opinions. Given their limitations, such public opinion measures are used more to help elites construct effective symbolic appeals than to help them understand what policy choices would best represent the wishes and interests of different groups.

Unless people are able to express their positions fully without distortion, they become frustrated. That is one reason so many are frustrated with or turned off by the standard methods of asking and categorizing their opinions. Developing new, more sophisticated and less stereotyping methods of capturing individual policy preferences should be a major element of the research program for a new participatory technology.

Techniques allowing rank-ordering of multiple preference statements, encouraging respondents to express the reasoning underlying their policy choices, and expanding analysis of both sets of information to identify clusters of people using similar reasoning to support similar preference orderings can quickly portray the array of widely held positions within a group, highlighting the extent of consensus or diversity of views. Feeding back this kind of sophisticated information to participants can help them work through differences by helping them understand the basis of others' views.

The Role of Research

The utility of the policy forum following something like the protocol outlined above could be systematically evaluated over multiple trials. Among many questions of interest is whether use of remote computer-based interactions creates a more comfortable participation venue for people reluctant to express or listen to

different viewpoints face-to-face. If so, then the online virtual policy forum may be a way to broaden as well as deepen public participation. The effect on decision outcomes of particular variations in the protocol could be systematically measured. Outcomes could be compared with those yielded by established, simpler techniques for recording public opinion on the same issues. Comparisons could include not only individual choices, but also the breadth of consensus around a preferred policy and extent to which the consensus policies accommodate minority interests.

Contiones

A second set of institutional innovations, complementary to the first, would address the problem of linkage between decisions by groups of citizens and decisions made by political elites. That is, they would aim to provide new institutions—complementary to ordinary candidate voting—for citizens engaged in the political process. How can techniques such as those described above be connected to the policy-making process?

To succeed, new participatory processes must reengage citizens with politics and policy formation. To do this, they should be both instrumentally rewarding and intrinsically engaging. This presents another set of design challenges.

One reference point may be found in the *contio*, an innovation of the early Roman republic. A popular assembly called by the populist tribunes, it served as a means of public education about important issues that citizens might be asked to decide later in the *comitia* (Cowell, 1967). The atmosphere apparently was informal, and citizens could react immediately and vociferously to the information provided. It was employed in a period of Roman history when, as Cowell observes, "the political contests engaged the activity of the majority of the people of Rome" (p. 204). The name, then, will serve as a convenient label for any mechanism that both presents the public with a pending issue and provides for opportunities to raise and answer questions about it, and records popular preferences. It is a precursor to collective action and a way to connect (or reconnect) people to public affairs: a formal consultation of the public by elected leaders at a crucial stage in the formation of consensus for a major policy change.

By combining key elements of the policy forum with a broader participatory process, the *contio* gives a much larger cross-section of citizenry an occasional major opportunity to participate in a contest of policy alternatives. Elements of the *contio* can be found in the modern public debate staged before a live audience. Although lacking opportunity for direct engagement by the public, the widely watched 1994 NAFTA debate between the vice president and Ross Perot suggests the potential for such events to raise the saliency of an important but complicated issue and to significantly increase levels of information about it. Such examples also illustrate the limitations of public debates and the mass media as they are now used to communicate with the public. The technological plat-

form needed for the emergence and development of such an institution may arrive with the pending merger of computers, cable, television, and the Internet.

Some Applications

Illustrative applications may suggest the potential of new participation structures such as those described to make our politics more democratic and its outputs more effective and satisfying to citizens. These range from simple enhancement of methods already used to capture opinions or shape decisions to uses that have the potential to transform relations between citizens and policy elites.

Simulating Public Response to New Policy Ideas

Policy makers have developed a bold plan to transform health care financing. Remembering the fate of similar recent proposals and anxious to determine whether any of several approaches is most likely to emerge from public debate with majority support, they decide to simulate the outcome of that debate in advance. To do so, they invite a stratified random sample of voters to participate in a structured decision process. Traditional public opinion survey techniques measure public opinion as it is. On a new or emerging issue, most judgments are tentative and based on little or no information, but standard survey techniques offer respondents a set of shorthand choices with little or no context and give equal weight to better and less informed views. A carefully structured policy forum, on the other hand, could be used to simulate how public opinion may evolve in response to public debate. Moreover, rather than limiting choices to a reduced and simplified set, it can allow participants to develop or synthesize alternatives as their understanding of the issues deepens through interactions with information and exchanges with each other. Focus groups, which sometimes are used in similar situations, provide limited opportunities for participants to listen and learn from each other, but are subject to severe distortions resulting from such factors as interpersonal differences in social status and verbal skills. However, using a computer forum, automated database inquiry capabilities, and other techniques to maximize learning and minimize distortions, the decision structure may yield better predictions and related insights into forces that will shape the coming wider debate.

Supporting Large-Scale Coalition Building

Grassroots political leaders in a metropolitan area believe that they can forge a progressive coalition that unites traditionally divided central city and inner-ring suburban interests to change the pattern of public investment that typically favors affluent and growing outer suburbs. To do so, however, they must raise and sustain awareness of common interests among their diverse constituents. By creating an accessible policy forum and challenging participants to develop con-

sensus proposals, they are able to build and sustain such a coalition. By efficiently supplying relevant information and supporting continuous interaction to produce real decisions, a computer-based policy forum can lower the barriers of time and distance and thereby accelerate the formation of such coalitions. The forum also can be activated easily on short notice to deal with new issues or crises challenging the coalition.

Developing National Consensus on a Change of Direction

The president has set aside three or four weeks for an intense national debate on ways to increase tolerance of differences and reduce violence in American society. At the outset, he outlines the evidence for the nature and causes of the problem and presents a range of possible government and private collective responses. Over the next weeks or months, an active, structured dialogue between leaders and representative groups of citizens is monitored and reported by the media. As new ideas emerge and attract support, emerging areas of agreement and dissent are observed by a broader public. After several months, a consensus develops around several policy changes that require legislative action. A modern version of the *contio* might be led by our modern tribune, the president, on an issue of pressing concern about which the public was divided. In the process, it might forge a new consensus that would prove binding on the president and Congress, who would then legislate accordingly or face electoral consequences.

CONCLUSION

While some may be complacent about our democratic institutions or even fearful about the effects of enhanced opportunities for participation, others see democracy as a work in progress and believe that a more complete realization of that ideal could have great benefits both for individuals and for American society. Some possible payoffs from investment in new techniques of democratic participation include: more sophisticated measurement of public opinion; more sophisticated judgments by citizens; the development of unanticipated policy options; and a faster pace of policy innovation. Perhaps the most important payoff would be inclusion of and increased participation by a large and possibly growing proportion of the population who find the present options for involvement unappealing or meaningless. If new, more engaging means of participation emerge, then participation and popular support for democracy may increase. If these changes cause government to perform better, then instrumental ratings of public institutions and politicians are likely to rise. If more democracy leads to higher political productivity, then a virtuous cycle of more effective participation leading to better policy choices supported by a broader consensus, leading to better results and thus growing reengagement with the political process could begin.

American democracy has been a world-class performance, imitated by others. But, can we take it to a higher level? To find out, we need to recognize that, as in other areas of public policy, progress in devising new, more effective institu-

tions is likely to be accelerated by a conscious program of design, demonstration, and evaluation. The level of investment in research and development will affect the rate of progress in identifying more meaningful and effective participatory structures. New technologies make this a propitious time to consider such an investment. Declining engagement with conventional politics and deepening alienation of many may soon make it more urgent. The long-term return to society from a systematic program to develop new participatory institutions could be a reversal of the pattern of declining and narrowing involvement, rising alienation and cynicism, that threatens to weaken our democracy even as the world celebrates its successes.

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IV

INNOVATIONS IN ORGANIZATION, MANAGEMENT, AND GOVERNANCE

9

Organizational Innovation and Public Management

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The themes of this chapter concerning innovation have a schizoid quality. Thus, the development of public agencies is much influenced by the willingness to adopt valuable changes in the right time and place. Rogers (1983, p. 11) defines innovation as "an idea, practice, or object that is perceived as new by an individual or another unit of adoption." Nonetheless, that willingness is often hard to achieve. To this effect, Rogers cites Benjamin Franklin (1781), who claimed that

> to get the bad customs of a country changed and new ones, though better, introduced, it is necessary first to remove the prejudices of the people, enlighten their ignorance, and convince them that their interests will be promoted by the proposed changes; and this is not the work of a day.

No one discussion can hope to reconcile the required welter of prescription and proscription but a start will be made here! In sum, attention in turn goes to:

- the base-line features of a useful "innovation" concept;
- the often-footloose conceptual sense of what will be called Innovation 1, as contrasted with Innovation 2;
- the derivative but ill-placed rooting of innovation in the bureaucratic model, and in its associated concepts of authority and control;
- the good fit of an elaborated concept—here called "Innovation 2"—to horizontal versus vertical features of structure and associated policies as well as procedures;
- some structural forms exhibiting good fit to Innovation 2; and
- a model of interaction that provides normative guidance for Innovation 2.

The foci below of both essence and detail often will target the public sector, but much the same argument implies in all sectors of management.

CHALLENGES TO A USEFUL CONCEPT

Most writing on the topic assumes that innovation is by definition good, and also that more innovation is better for organizations and society (Kimberly, 1981). Consequently, managers and politicians are usually urged to increase innovation in any possible way. However, others urge that the same innovation may be desirable for one adopter in one situation but undesirable for another in a different situation (Rogers, 1983); and also that many innovations become harmful only with the passage of time (Abrahamson, 1991; Kimberly and de Pouvourville, 1993). Hence, a useful concept of "innovation" must draw forceful attention to often-substantial time lines (e.g., Hobby, 1985; Rogers, Dearing, and Chang, 1991).

This chapter seeks to encompass other useful conceptual territory and hence the summary introduction of several other features in a serviceable concept of authority. Basically, we argue that the evolution of a creative idea into a practical organizational change should be seen as an *innovative process*. An ideal type of a good innovative process is characterized by high motivation of individuals, groups, and organizations to acquire new information and to increase sources of knowledge about a relevant problem in order to stabilize turbulent social systems; and such an ideal process also involves openness and practical methods that can help turn a promising idea into an ongoing productive change (e.g., Kimberly and de Pouvourville, 1993). Individuals in organizations often find that bureaucracies stifle transformation.

The failure of many promising reforms to gain escape velocity also implies that useful concepts of "innovation" must help deal with bureaucratic features (e.g., Kimberly and de Pouvourville, 1993). Hence, the common charge that public management is frequently incompatible with innovation.

In addition, "innovation" is culturally loaded. For example, Rogers (1983) illustrates how a lack of adaptiveness to clients' needs caused the failure of a two-year water-boiling campaign conducted in a Peruvian village. This campaign was aimed at reducing the number of illnesses and diseases among the population. From the viewpoint of the public health agency, the task was simple. However, the results were very poor due to misinterpretation of crucial cultural aspects. The villagers' local traditions linked hot foods with illness. According to the village norms, water-boiling was used only to help the sick and less capable.

Finally, innovation requires both scientific ahas! as well as less-programmable progress involving diffusion, resulting in an associated "take-off" velocity (e.g., Rogers et al., 1991). The AIDS epidemic provides one clear as well as tragic example of how scientific advances got built into the attitudes and behaviors of relevant publics.

TWO CONCEPTS OF INNOVATION

To simplify in the service of essential meaning, the historic emphasis on innovation in public agencies does not successfully cope with challenges like those just elaborated. Here, two major concepts of innovation can usefully be distinguished, and they take adherents—both aware and unreflective adherents—to very different places. Worse still, the dominant variant—Innovation 1, conveniently—takes analysts to places that are increasingly out of sorts with environmental pressures acting on all managements—pretty much in all sectors, and worldwide.

Innovation 1

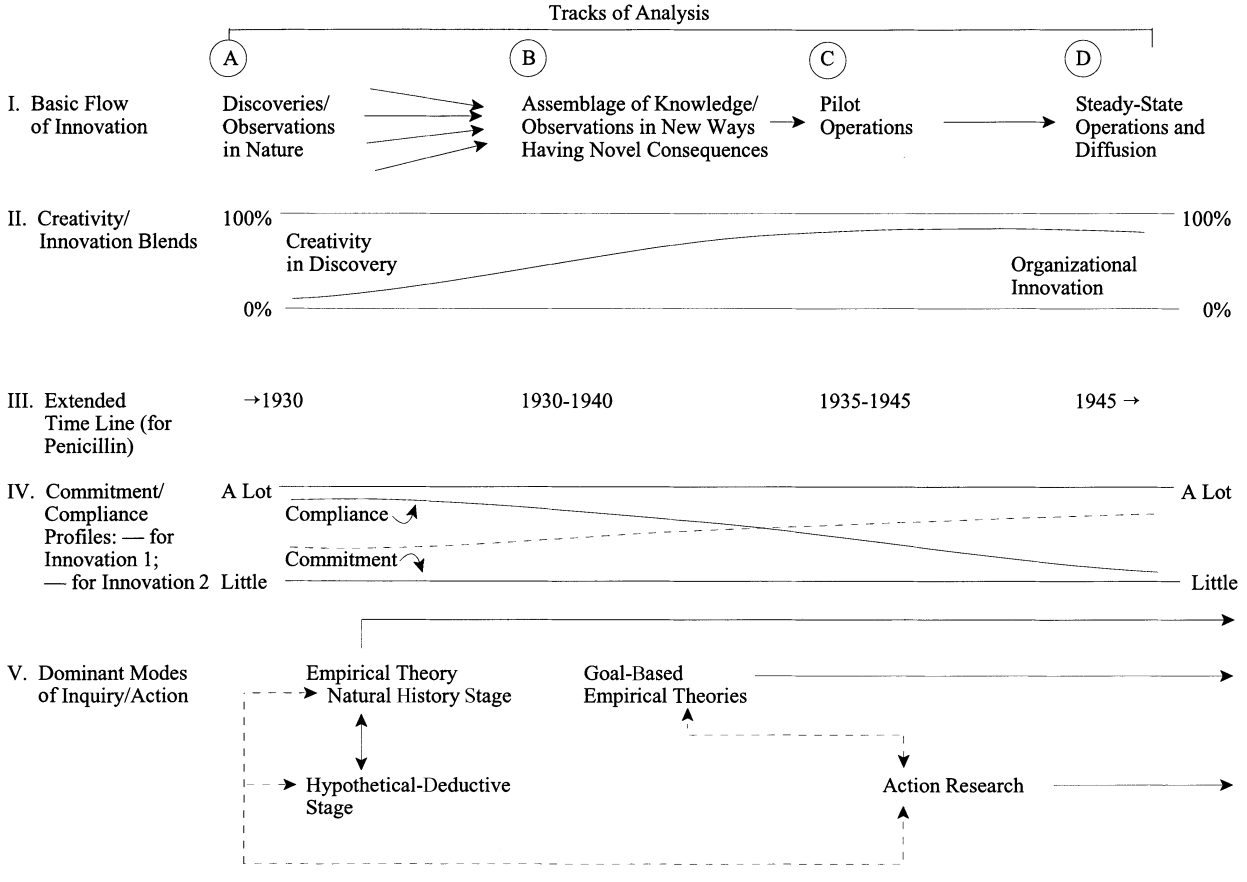
Early concepts were restrained and restraining, but only at great cost. "Innovation" was loosely viewed (e.g., as in Webster as) "a new idea, method, or device," and its conceptual circumscription was only broadly distinguished from such terms as "creativity," even by Rogers (1983, p. 11). The latter term (as by Webster) was viewed as "having the quality of something created rather than initiated." Moreover, the common implication was that Innovation 1 was substantially a good thing in itself. "More innovation," consequently, was a goal to be pursued.

This formal looseness was tethered for most observers by a more or less implicit but nonetheless firm nexus of constraints, however, with the point applying differently in business as opposed to public sectors. Managerially useful innovation was *the* goal in business and, by implication, this implied that anything contributing to better command-and-control or compliance was "good," even though that excluded most useful interventions. Indeed, in extreme forms, innovation was more or less restricted structurally to large "staff" units—often centralized, following prescriptions associated with the bureaucratic model (e.g., Golembiewski, 1967). There, "thinking" often is sharply separated from "doing," (e.g., Henning, 1997). Many observers of the public sector, in addition, had all but lost hope. Almost by definition, observers like Light (1997) propose, government agencies inherently have to be oriented toward regularity and predictability, and innovation has to take what little is left over. Here, a "should" is employed to legitimate an unattractive "is"—the innovation deficit commonly proposed to be characteristic of public agencies.

Innovation 2

Where you stand typically determines what you see and how you construct your worlds. Hence Innovation 2 in Figure 9.1 attempts to enlarge the concept of innovation so as to see more and further—to provide a more elaborated view of required managerial insights and applications which, broadly, deal with such challenges as those illustrated above.

Figure 9.1
Perspectives on Innovation 2: Some Selective Stages of the Full Process



In effect, Figure 9.1 contrasts Innovation 2 with Innovation 1 along five tracks. Brief descriptions must suffice here to sketch the synthesis that Figure 9.1 summarizes for several realms of theory and experience contributing to a more revealing sketch of "innovation." In introductory preview, Figure 9.1 presents two kinds of condensed information: five basic tracks of analysis, with each distinguished by five suggested stages of the processes encompassed by Innovation 2. Each track is introduced briefly below, along with some sense of how the selective stages impact major features of each tack of analysis.

Basic Flow

Track I in Figure 9.1 basically views innovation in organizational or collective terms. Hence, Innovation 2 has a transpersonal bias, with the basic implication that ways-and-means of increasing innovation have to include serious attention to supportive structures as well as to associated policies, procedures, and patterns of individual and group interaction. Details can be found at many places in the discussion below, such as that associated with Figures 9.2 and 9.3.

Creativity/Innovation Blends

Track II sketches a significant distinction concerning a crucial shift—from individual creativities to organizational innovations required in Innovation 2. For example, consider the medical treatment of high levels of stomach acid. Many discoveries—most by individuals or very small teams—revealed that, among numerous other particulars:

- hydrochloric acid is significant in converting food to energy;
- this acid is formed by combinations of hydrogen (H_2) and chlorine (Cl);
- for complex reasons, with uncomfortable and even fatal consequences, HCl levels can become "too high";
- critical in this process are the relatively specific H_2 sites ("receptors") where Cl atoms bond to form HCl molecules.

Typically, at Stage B the consequences of "too much" HCl were treated, but after centuries of such accumulating discoveries/observations, several research groups upped the ante. In Stage B, the issue became, how to "cap" the H_2 receptors so as to inhibit HCl formation in the first place.

This sketches the essentials of the "H_2 receptor antagonist," and a family of very powerful and socially useful drugs like Tagamet.

Distinguishing Tracks I and II in Innovation 2 also can be useful in highlighting pervasive organizational features. Thus, along Track I, the movement C $\rightarrow$ D can be hugely consequential; and "real innovation" should be aware of such interactions. For the H_2 receptor antagonist approach to medicating gastrointestinal disturbances, the laboratory and pilot operations could produce with relative ease small quantities of the active materials; but the large volumes required for Stage D depended upon major advances, a new technology for synthesis, and reliance

on processes featuring high pressure and a volatile catalyst. These challenged "full innovation" to include those with a broad range of specialties, such as those who could amass capital. To simplify, Innovation 2 required the linking of a long chain of specialties in such a way that what needed doing later was not exacerbated by what was done earlier. Innovation 2 helps remind us of such theoretical and practical contingencies—backwards as well as forward, as it were. Without such developments, diffusion of the innovation would have been impossible, and "full innovation" would not have occurred.

Time Line

Relatedly, extensive time frames are encompassed by Innovation 2, which is not surprising, given the discussion above. Figure 9.1 uses the development of penicillin as an example, with the relevant details being underappreciated, if well-known (e.g., Hobby, 1985).

Shift Toward Commitment from Compliance

The first three tracks in Figure 9.4, relatedly, imply that Innovation 2 provides a context which encourages an increasingly dominant emphasis on commitment versus coercion, and arguably requires it. Innovation 1 leans more toward coercion or narrow control. Indeed, Innovation 1 often defines innovation in terms of its contribution to direct management control or coercion.

Dominant Modes of Inquiry/Action

Finally, Innovation 2 helps highlight the kinds of inquiry/action likely to be dominant at different stages during the full flow of Innovation 2. This is a useful reminder, since public administration has been seriously troubled (for example) in its own development by a failure to be clear as to what mode of inquiry/action needed attention, as well as why and how. The three modes used in Figure 9.1 can be briefly described in these terms:

- *Empirical theory*, which typically will be amalgamated into growing increasingly comprehensive "patches" of middle-range theories concerned with relationships between conceptual domains A, B, C . . . under conditions 1, 2 . . . N. At advanced stages, networks of theoretical relations are sufficiently comprehensive to support hypothetic-deductive inquiries to test the reach-and-grasp of these "patches." This testing can lead to a conflation of 2 or more "patches" or, more likely will result in a rejection of one or more of them.
- *Goal-based, empirical theories*, which seek to specify the causal relationships associated with separate sets of values or goal-bases; and
- *Action theories*, which seek to define desired or desirable conditions at specific work settings, and also to realize those conditions for local populations, given participation and consensus-building, when empirical theories or goal-based, empirical theories are incompletely developed (e.g., Golembiewski and Roundtree, 1999).

Innovation 1 is tethered very far short of completeness by its gentle rooting in only a weak form of empirical theory. Much historical mischief has been caused by neglect of specific attention to goal-based, empirical inquiry. Directly, every organization theory is of this variety and, consequently, the number of organization theories is limited in principle only by our wit-and-will in developing alternative goal-bases reflecting different normative ends, as well as by an ability to specify the conditions or relationships in nature that approach those ends. In contrast, traditional management thought emphasized *an* organization theory, and this feigned universality had the general effect of poorly serving Innovation 2. Later discussion will highlight more specific effects.

In addition, the fixation on *an* organization theory also demotivated action theories. These have major attractions because, in general, they often can be extended into contributions to goal-based, empirical theories as well as to empirical theory, or fragments thereof (e.g., Golembiewski, Hilles, and Kagno, 1974).

Bureaucratic Rooting of Innovation 1

To become a bit more specific, the theory and experience with innovation was limited by the common linkage of Innovation 1 with the bureaucratic model. Figure 9.2 helps make the point, even as it relies on extensive analysis in other sources (Golembiewski, 1987, 1995a, 1995b). The focus is elemental, but broadly representative of most structures in nature. A, B, and C are the three activities or functions to be structured, with only two conditions: (1) that the need for each is approximately equal; and (2) that A+B+C yields some product or service.

From the bird's-eye view, the bureaucratic model implies a commonly fragmented structure. At the top, both generic and *in vivo* versions of the bureaucratic model suggest the towering and separate "smoke stacks" so commonly excoriated nowadays. These vertical pathways induce long, upward-oriented chains of communication, and foster the induction of self-interests that complicate innovation, if they do not stifle it. Available evidence comes early (e.g., Golembiewski, 1967) and it is also accumulating at a very great rate in today's literature (e.g., Ashkenas, Ulrich, Jick, and Kerr, 1995). See also the samples of typical bureaucratic effects in Figure 9.2B.

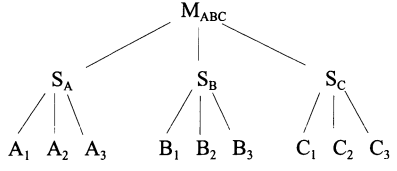
Toward the bottom of an organization—that is, from the worm's-eye view of the bird—similar dysfunctions force themselves on the observer. The focus on like or similar activities in organizing makes difficult even such mundane contributors to workplace innovation as job rotation or cross-training, whose value is urged by most observers including (for example) the National Performance Review. For details, consult many convenient sources (e.g., Golembiewski, 1995a, esp. pp. 248–269).

Structure Congenial to Innovation 2

No entirely satisfactory way exists to demonstrate how and why the bureaucratic structure inadequately serves Innovation 2, but one exercise illustrates what

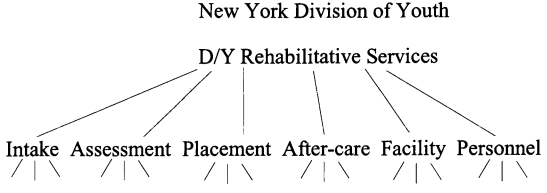
Figure 9.2
Bureaucratic Model: Generic Form and an *in vivo* Exemplar

A. Generic Model



- Like or similar things constitute the basic units for departmentation.
- The emphasis in authority/responsibility is vertical.
- Only a few subordinates should report to any superior, which narrow span of control dictates "tall" structures with many levels.

B. Exemplar *in vivo*



- ". . . no one person [or immediate work unit] was responsible for a particular youth [and] service flow was often inconsistent and haphazard."
- "Communications [were] often strained and hostile."
- "Relationships between functions tended to we/they fragmentation of the flow of client services."

Note: Quotes from Carew et al., 1977, pp. 327–329.

is possible. The focus here is narrow, if hopefully revealing: on the post-bureaucratic structure which can be called the divisional model at higher levels of organization, and on the flow of work or autonomous team model at lower levels of organization. Figure 9.3 provides some useful detail about this single but increasingly diffused post-bureaucratic structural alternative. As in the case of Figure 9.2, substantial evidentiary support exists in convenient sources (Golembiewski, 1987, 1995a, 1995b).

At higher levels of management, the divisional model can be organized around product or territory, among other possibilities, but the basic intent is the same. That is, Figure 9.3 structures bring together under one authority—here, M_{ABC} who might be an individual or group—all or many of the activities necessary to make reasonable decisions about a total flow of work, here A+B+C. Not all activities need be included at the S-level: For example, some activities may be reserved for M_{ABC} for reasons such as their usefulness for managerial control, the insufficient maturation of S-level managers, or activities like institutional lobbying that are conveniently centralized.

Whatever such details, three points usefully circumscribe major features of Figure 9.3 structural models. First, such models commonly assign clear responsibility for performance at the S-level, which serves to encourage all required activities to develop loyalties in a specific integrative S-unit. Among many other features, this reduces jurisdictional conflicts and encourages problem solving to improve performance within each S-unit.

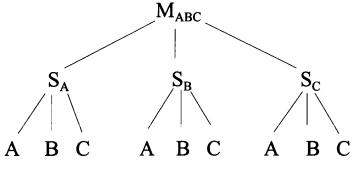
Second, the model permits, even requires, substantial decentralization of S-units while also providing convenient comparisons of their relative performance. This suggests the loose-tight style of senior management which has attracted so much attention, even in popular sources (e.g., Peters and Waterman, 1982). In the case of the Division of Youth, for example, each Youth Service Team had such features, among many others:

- each YST was responsible for a specific cohort of clients;
- within policy limits, each YST was allowed—better still, tasked with a responsibility—to tailor the full range of activities to *a* specific cohort of clients;
- each YST could have its performance evaluated in terms of a meaningful bottom line: for example, the rate of redivision of each YST's clients; and
- each YST's personnel consequently had a clear incentive to resolve issues and to perform in ways that would improve performance, as contrasted with blame-avoidance or jurisdictional conflicts.

Third, in various ways, but only for present purposes, Figure 9.3 structures can build into work continuous incentives for Innovation 2. For example, the full range of activities represented in each S-unit provide the information and motivation to innovate, perhaps whetted by the elemental that other S-units might get there first. Although they do not "fix" all managerial concerns, such structures usually have a clear balance of attractive consequences.

Figure 9.3
Post-Bureaucratic Divisional Model: Generic Form and an *in vivo* Exemplar

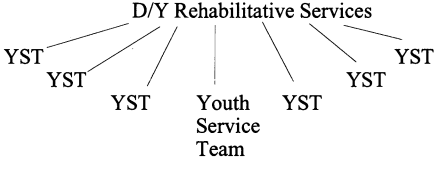
A. Generic Model



- Related things, or contributions to a flow of work, constitute the basic entities for departmentation.
- The emphasis in authority/responsibility relationships is both vertical and horizontal.
- Many subordinates can report to any superior, and the variable but possibly broad span of control permits "flat" structures with few levels.

B. Exemplar *in vivo*

New York Division of Youth



- In-take
- Assessment
- Placement
- Aftercare

- Reflects a basic shift from "compartmentalization . . . to continuity of services" for each client in any YST.
- Decisions can be made closer to the action level.
- Encourage "collaborative problem solving" by the range of functional specialists in each YST.
- Evidence suggests D/Y now more "trustful, flexible, facing problems, sharing decisions, cooperative, experimental, and participative."

Note: Quotes from Carew et al., 1977, pp. 335–337.

At low levels of organization, in addition, Figure 9.3 structures also have predominantly attractive features. For openers, see the sampler of effects in Figure 9.3B. For example, moreover, practices like cross-training and job rotation—often useful stimulants of employer satisfaction and motivation—are facilitated by Figure 9.3 structures. As contrasted with a Figure 9.2 structure, post-bureaucratic variants also have such advantages, among others detailed elsewhere (Golembiewski, 1995a).

- each S-unit can have its own rotation or cross-training effort, which reduces the costs of start-up to such workaday interventions;
- employees can participate in such a program without changing their S-locus;
- each S-unit head will have responsibility for such efforts, and will also reap any rewards/punishments; in contrast, bureaucratic structures can encourage heads of S-units to nominate their "losers" for such programs, on the ground that they might not get their "winners" back after training; and
- each S-unit can directly put any cross-training to work, so as to meet work fluctuations or to provide other flexibilities; this is not the case under the bureaucratic model, where activities A, B, and C are in different units.

Details could be added in large number, but to the same general point. In a revealing sense, Figure 9.3 structures are intended to reduce the "barriers" or "blockages" to cooperative activity (e.g., Ashkenas et al., 1995; Henning, 1997). Here, we can only illustrate aspects of this pervasive thrust toward "boundaryless organizations," whose very label suggests how their features relate to the purposes of variously facilitating Innovation 2. Broadly, also, Figure 9.2 structures deliberately restrict the information possessed by any S-unit, which has patent implications for continuous and long-term activities like those envisioned by Innovation 2. Figure 9.3 structures seem better adapted to Innovation 2 than bureaucratic variants, as a few particulars will suggest. For example, related post-bureaucratic variants provide for more scope for the "Basic Flow of Innovation" depicted in Figure 9.1. To suggest the point, bureaucratic models typically generate separate "line" and "staff" substructures, and these often fragment those who should be collaborative participants in full-fledged innovation (e.g., Henning, 1997). Relatedly then, Figure 9.3 structures also better serve Innovation 2's need for commitment versus compliance. Similarly, the integrative S-units provide useful laboratories for what Figure 9.1 calls "action research," while Figure 9.2 structures are more likely to encourage centralization of innovation activities, which implies direct limits on various aspects of Innovation 2. Put another way, Figure 9.3 structures will reinforce Innovation 2 in the development and comparison of local "good practices," while Figure 9.2 structure properties discourage innovation and induce major problems in the measurement of performance (e.g., Golembiewski, 1995b, pp. 197–218).

Template for Horizontal Reformatting Suitable for Innovation 2

At times, it will be neither possible nor political to fundamentally change the bureaucratic structure at specific worksites, but it also will be convenient or even necessary to impose what may be called "normative templates" that provide horizontal crosswalks over the vertical fragmentation encouraged by the bureaucratic model. Such cases are prominent in the literature, in fact (e.g., Golembiewski and Kiepper, 1988). Here, consider only one such template, which details ways and means to generate horizontal forces in organizations to compensate for the fragmentation associated with the bureaucratic model.

Figure 9.4 provides one convenient approach to summarizing the substantial and growing theory and experience concerning how to compensate for the vertical fragmentation associated with bureaucratic variants. And extending this argument a reasonable next step also urges that the template in Figure 9.4 will also serve Innovation 2.

The horizontal or integrative thrust in Figure 9.4 is transparent in most or all of the components of its template, so this discussion resists any gilding of the lily. Note only here that the figure illustrates major themes in the growing if hardly complete normative consensus about the how and why of organizing work so as to minimize what was long ago called "vertical fragmentation" (Golembiewski, 1967), or today often gets labeled as "smokestack effects." The point is perhaps clearest in the several from → to generalizations concerning communication.

The case for the horizontal components in Figure 9.4 contributing to Innovation 2 will here be allowed to remain assertions—hopefully, reasonable assertions. That case has not been established by extensive research, but the rationale for such an interpretation of Innovation 2 seems quite direct.

Template for Post-Bureaucratic Interaction

Again, when basic structural change is not possible, another powerful normative overlay may be useful—regenerative interaction at work. The ideal case is when regenerative interaction reinforces post-bureaucratic forms (e.g., Golembiewski and Roundtree, 1999), but it often will be useful to approach the regenerative model of interaction even when structural change is not possible or convenient. In such cases, periodic booster shots will be necessary because bureaucratic structures have powerful effects which tend to be contrary to regenerative interaction over time (e.g., Golembiewski and Kiepper, 1988).

The distinctions between regenerative and degenerative interaction have been developed in detail (e.g., Golembiewski, 1993), and it is well known that high success rates characterize applications of learning designs to move degenerative → regenerative interaction (e.g., Golembiewski, 1998). So summary treatment is possible here.

Figure 9.4
Components of a Template for Horizontal Thrusts at Work

A. Behaviors and Attitudes

- Cultures and values shift from a protection of narrow self-interests focused on skills/functions to enhanced performance on a total flow of work.
- From workers implementing detailed directives to employees making decisions within a context of missions/policies.
- From "one size fits all" to similar units developing in multiple ways in response to specific histories, mixes of personnel, and so on.
- From communication that is variably intense and even conflictive to communication that is continuous and focused on problem solving.
- From complicated and often-political reconciliations *between* basic units of organization to straightforward reconciliations *within* a basic unit.
- From competition to gain a great share of total resources to competition to reduce the costs of performance, as estimated by direct comparisons, market share, or return on investment.

B. Policies and Procedures

- From vertical bias of narrow jobs to an integrative bias, such as via job enrichment, job rotation, cross-training, and so on.
- From multiple points of access/contact for both internal and external customers to a single point of access/contact, to "one-stop shopping."
- From loyalty and lifetime employment by *an* employer to learning how to learn and lifetime employability, probably by *many* employers.
- From conformity and compliance as criteria for reward to a growing emphasis on achievement of holistic results.

Basically, for present purposes, degenerative interaction is poorly suited to Innovation 2, but regenerative interaction often does not exist in organizations and must be induced. Broadly, openness relates to "telling it like it is," and owning relates to the psychological acceptance of ideas, reactions, or emotions. To illustrate, a Valentine signed "Guess who" might be open about the sender's sentiments, but the sender clearly refuses to own those sentiments. Risk is the degree of objective threat in the environment, and trust estimates the sense of confidence in colleagues that things will work out. The degenerative profile is Low, Low, Low, and High, respectively. From multiple perspectives, degenerative interaction poorly serves Innovation 2. For example, degenerative interaction implies that inhibiting challenges to innovation will be raised, as well as that central issues and reactions will not be shared.

Figure 9.4 helps make the present point from a positive point of view. Directly, what are the advantages of regenerative interaction? In Figure 9.5, regenerative

Figure 9.5
Probable Consequences of Regenerative Interaction

Regenerative Interaction →	• Real issues are likely to be isolated and resolved without creating other and perhaps even less tractable issues; • That is to say, communication and decision-making processes probably will be more effective; • Diffusion of decisions will be easier and effective; • And, consequently, "unfinished business" probably will be reduced, which leaves more energies available for the task; • Relatedly, participants are less likely to be cautious and dependent; • Organization folkways reinforcing such degenerative features probably will not develop; and • The interaction system can be self-heightening, with real issues likely to surface; and so on. . . .

interaction fits this profile: openness is high; owning is high; trust is high; and risk is low, and that profile tends to generate the attractive probable consequences illustrated in Figure 9.5.

To conclude, the senses in which this profile supports Innovation 2 can be sketched briefly. Thus, regenerative interaction raises the probability that real issues will be surfaced, as will valid and reliable data for dealing with them. References to Figure 9.5 will help make the point, at a face-valid level which could be supported in substantial detail (e.g., Golembiewski, 1995a, 1995b). In addition, regenerative interaction well suits the longish time lines associated with Innovation 2, as well as the commitment versus compliance ratio congenial to that model. Finally, on this short list, regenerative interaction seems an all-but-necessary precondition for extensive and telling attention to action theories, while longer-run effort focuses on the two types of empirical theories.

REPRISE

And so this preliminary sketch is complete, for now, and all that remains is to restate the flow of the argument. Basically, Innovation 1 provides unsteady guidance, in the public sector as well as in other arenas. If Innovation 2 is to be acted upon with greater frequency, the argument continues, researchers and practitioners will have to distance themselves from the bureaucratic model. Fortunately, much theory and experience suggest a family of post-bureaucratic structures for organizing work, and both generic as well as *in vivo* illustrations provide substance which can be augmented by numerous convenient sources. If basic structural change is impossible or inconvenient, the argument concludes, two basic

"templates" will provide useful guidance for approaching the sense of Innovation 2—one template deals with horizontally oriented behaviors and attitudes as well as policies/procedures that can minimize the vertical fragmentation associated with the bureaucratic model. The second template deals with a supportive system of interaction.

These two templates, among numerous other possibilities (e.g., Golembiewski, 1995a), can serve as a kind of shock-absorber of bureaucratic effects. Ideally, however, the horizontal thrust and regenerative interaction should complement basic structural change in any aggressive effort to exploit Innovation 2 as well as to elaborate concepts built upon it, or beyond it.

Finally, can we reasonably propose that the "chorus" can be adapted to include such "cacophonies"? Specifically, is it realistic to see a public sector movement toward flow-of-work structures and regenerative interaction? Certainly, most observers do not see it that way. Thus, Light (1997) has a dour view about replacing the bureaucratic policies and practices that have withstood numerous tides of reform in the public sector, and he sees little hope for any real "liberation" from that pattern in the future. And Peters (1996) seems only a bit less pessimistic in his review of four models for public sector reform.

Our view is more hopeful, and we will here merely state its major features and leave the heavy work to other sources (e.g., Golembiewski, 1995a, 1995b, 1996). We favor one available technology-cum-values for change which is widely applied in business and government, and with substantial and comparable success rates in both sectors—Organizational Development, or OD. Whether or not OD is the model for public sector change does not concern us here. OD designs are widely applicable, and are already on the record; and too many challenges exist to wait on a comprehensive demonstration of any one model's uniqueness—even if such a thing will be found, which we doubt.

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10

Diversity, Administration, and Governance

MARY E. GUY AND JASON BENNETT THATCHER

> For all the glories of Adam Smith, somebody has to set the rules and adjudicate disputes. Somebody has to defend the country and to explore space. Somebody has to keep the air clean and the environment safe for the next generation. Somebody has to . . . [keep] government working effectively and efficiently if self government is to work at all.
>
> —Paul A. Volcker, 1986

Ours is a turn-of-the-millenium society profoundly fissured by the qualities that define us: race, religion, gender, ethnicity, class, age, lifestyle. It falls on the shoulders of government to transcend the chasms—to forge a civic culture that benefits from our differences and builds on our commonalities. Responsive democracy, trustworthy government, and civility depend on this. One way to make progress toward a civic culture is to make sure that workers who tend to the public interest reflect an "American" image. For representative government to be more than a symbolic phrase, all segments of society must have a hand in the governing process. True representative governance brings a multiplicity of viewpoints to thorny policy issues, expands economic opportunity for all groups, and provides meaningful career paths for those who want to make a difference in their communities.

Reformers in the early part of the twentieth century viewed government as an instrument for achieving community purposes, for securing safety, equality, and prosperity—notions that are as timely now as they were then. Today, local communities are enjoying a resurgence of attention as we come to realize that, just as all politics is local, all *real* government is local. Ignored for too long as the bedrock of democratic process, local communities are back on track as the place

where the American promise comes alive and where government's actions have their greatest impact on people's lives.

In his early work, Peter Drucker focused on central questions of organization: the distribution of power and responsibility, the formulation of general and objective criteria of policy and action, and the selection and training of leaders. His focus on human relationships led him to the conclusion that any organization "is like a tune; it is not constituted by individual sounds but by the relations between them" (Drucker, 1946, p. 26). He felt that institutions, like tunes in harmony, could "induce in their members an intellectual and moral growth" beyond people's original capacities (p. 28). The same can be said for communities. The notion of ordinary people doing extraordinary things is instructive:

> the ability of an institution to produce leaders is more important than its ability to produce efficiently and cheaply. . . . (W)ithout an able, responsible and enterprising leadership, willing and capable of taking the initiative, the most efficient institution cannot maintain its efficiency, let alone increase it. (p. 128)

These words anticipate the importance of effective leadership in our institutions of governance.

A diverse workforce is democracy in action. Political theorists have long argued that democratic processes in the workplace provide a practice ground for skills required to run a constitution: civil relationships among those who hold differing views, the principle of compromise rather than the compromise of principle, and respect for fairness and the rule of law (Pateman, 1970). As early as 1918, Mary Parker Follett argued for the importance of practice on the part of each citizen if democracy is to achieve its fullest potential. In *The New State: Group Organization and the Solution of Popular Government*, Follett argued that citizenship develops when communities establish the conditions by which neighborhood groups are involved in decisions that affect them. Making the case for citizen empowerment at the grassroots level, she said:

> We get good citizenship by creating those forms within which good citizenship can operate, by making it possible to acquire the habit of good citizenship by the practice of good citizenship. The neighborhood group gives the best opportunity for the training and for the practice of citizenship. (pp. 339–340)

Both Peter Drucker and Mary Parker Follett knew that which we now rediscover: Citizens are more comfortable with government, and those who govern, when they can see, feel, and touch them. Because of the immediacy of issues that local governments address, such as zoning, public schools, streets, parks, and recreation, citizens come face-to-face with career administrators and elected officials. But this reality does not exclude the federal government. Workers in every Social Security Administration office and Veterans Affairs office know it is important to be responsive. Personal contact enables citizens to experience democ-

racy up close and to accept more readily government's authority. When the public workforce, as the hands and feet of government, mirrors citizens, government comes alive to constituents and loses its starched removal from everyday lives.

To parse this theme, we look at the diversification that has occurred in the public workforce and follow with a discussion of the impact this has on governance. Then, we discuss changes in the nature of work that will expand today's concepts of diversity, administration, and governance.

DIVERSITY

Everyone is part of a group, either by gender, race, religion, ethnicity, age, physical ability, sexual orientation, partisanship, skills, or tenure in the organization. In traditional parlance, diversity efforts have been framed in terms of race, ethnicity, and gender. More recently, the term has expanded to include additional categories of demographic "otherness," such as age and disability. As technology revises job demands, additional dimensions of diversity will include telecommuters versus on-site workers, part-time versus full-time workers, and temporary versus permanent workers.

Diversity of any sort affects the tenor of work groups, changing the way workers interact with one another. Much as an alloy is stronger than a single metal, a diverse group is more capable of adjusting to complexity and new demands than a homogeneous one. This has been substantiated in experimental simulations. For example, a 1993 study pitted racially mixed teams of business students against all-white teams. By the end of the 17-week experiment, the diverse groups were viewing situations from a broader range of perspectives and offering more innovative solutions to problems than the homogeneous groups were (Rice, 1994).

When faced with national policy problems, Graham Allison (1971) and Irving Janis (1972, 1982) have demonstrated that homogeneous work teams employ problem definitions that far too frequently begin with perfect rationality yet end in perfect failure. Without the broadened peripheral vision that multiple viewpoints bring to a problem, homogeneous groups begin with a more limited scan of circumstances surrounding a problem. This results in errors in the early stages of the decision-making process that magnify at each phase, from problem definition, to arraying alternatives, to designing solutions. Heterogeneous groups start from a more varied base of assumptions. From a process standpoint, diverse groups require a longer start-up time as members grow comfortable working with one another; in the end, however, they produce better decisions because of the broader base from which they start.

Despite enriched decision making, increased diversity is not without drawbacks. First, it diminishes privilege that had been taken for granted by those in the traditionally advantaged group. For this reason, the entry of "others" into the workforce occurs not in a unilinear fashion, but in a more halting pattern. Newcomers to the organization are encouraged until the complexion of the workforce has changed just enough that the advantaged group fear that their "kind" will

soon be in the minority. Doors of opportunity to "others" swing shut while those in the majority accommodate to the "otherness" of strangers. The resistance in the 1990s to affirmative action bears witness to this. Second, diversity transforms the workplace through culture change. "Others" bring their own values, experiences, stories, and worldviews into the workplace, gradually changing the dynamics of the workgroup, and requiring changes in organizational processes.

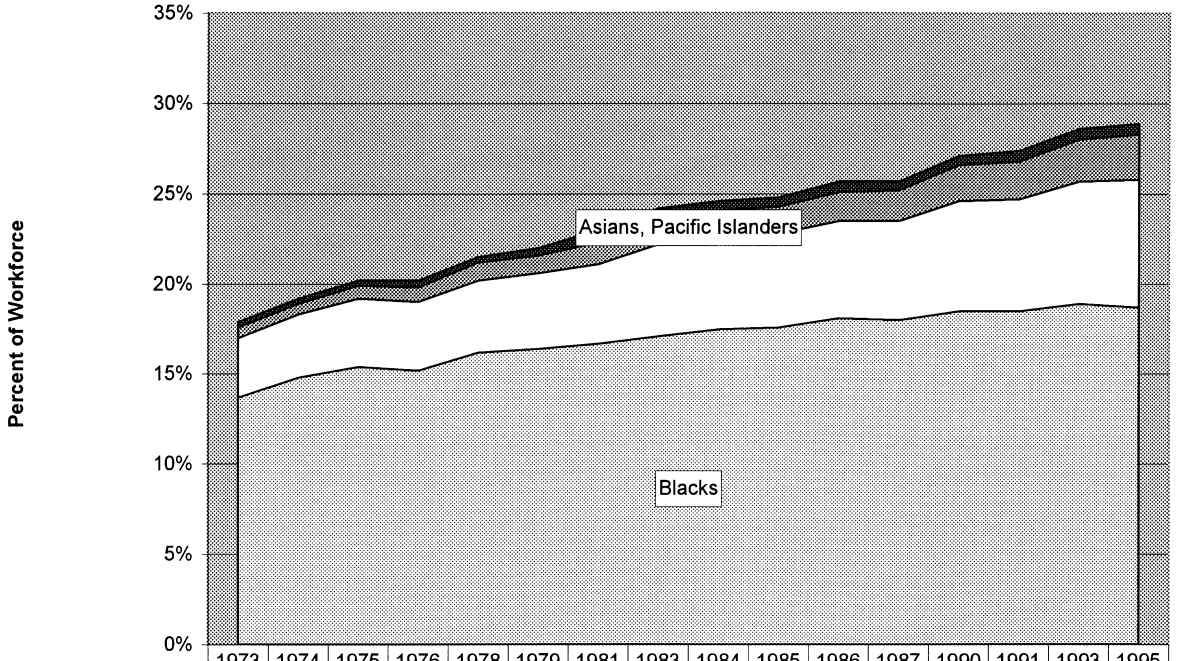
Public jobs are public resources, an important source of employment opportunity for all groups of workers. With municipal, county, state, and federal employment, positions and career ladders are numerous. Once the province of white males, minorities and women have experienced significant gains in public employment since the equal opportunity era began in the mid-1960s. By 1974, minorities comprised 19 percent of state and local government employees; 20 years later, minorities were almost 29 percent of the state and local workforce. Similar gains are noted in the federal workforce. By 1982, minorities were 23 percent of the federal workforce and 14 years later, continuing to gain, they comprised 29 percent of the federal workforce (U.S. Equal Employment Opportunity Commission, 1997, pp. 9 and 12). Figure 10.1 and Table 10.1 depict these changes.

Over the past 25 years, women's participation has also increased substantially. In 1974, women comprised 35.5 percent of the state and local government workforce; by 1995, women held 44.3 percent of state and local government positions. Similarly, in 1982, women held 38 percent of federal career positions and by 1996, they held 44 percent of federal jobs (U.S. EEOC, 1997, pp. 12 and A-3). Table 10.1 shows this change among federal workers and Figure 10.2 depicts this change in the state and local workforce.

The figures and Table 10.1 show the inexorable change as "others" gain entry to the public workforce. Projections indicate that these patterns of change will continue in coming years. In fact, the data reported here underestimate the proportion of women in state and local government because Figure 10.2 excludes public school faculty and staff, an enterprise that is dominated by women, especially at the elementary school level where 87 percent of teachers are women (U.S. EEOC, 1997, p. 30).

Along with employment growth, women and minorities have made inroads into higher-level positions that offer more autonomy, more decision-making authority, and higher salaries. While they still trail behind the traditionally advantaged group, white males, the economic gap is narrowing, indicating that doors of opportunity are slowly opening wider to those who were previously shut out. Using average salaries of white-collar federal employees, Table 10.2 shows the ratio of women's and minorities' average salaries to that of white men. (White-collar positions include all professional and administrative jobs but exclude the U.S. Postal Service.) The table shows that in 1988, black men in white-collar positions earned 76 cents for every dollar that white men earned. By 1996, this ratio had increased, but only by 2 cents. Asian and Pacific Islander men had closed the gap by 2 cents, also, but they had started from a higher base. By 1996, they

Figure 10.1
State and Local Government Workforce: Minority Representation, 1973–1995



	1973	1974	1975	1976	1978	1979	1981	1983	1984	1985	1986	1987	1990	1991	1993	1995
American Indians, Alaskan Natives	0.3%	0.3%	0.3%	0.4%	0.3%	0.4%	0.7%	0.5%	0.5%	0.5%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%
Asians, Pacific Islanders	0.6%	0.6%	0.7%	0.8%	1.0%	1.0%	1.2%	1.5%	1.5%	1.5%	1.6%	1.7%	2.0%	2.1%	2.3%	2.5%
Hispanics	3.3%	3.5%	3.8%	3.8%	4.0%	4.2%	4.4%	5.1%	5.1%	5.2%	5.4%	5.5%	6.1%	6.2%	6.8%	7.1%
Blacks	13.7%	14.8%	15.4%	15.2%	16.2%	16.4%	16.7%	17.1%	17.5%	17.6%	18.1%	18.0%	18.5%	18.5%	18.9%	18.7%

Data source: U.S. EEOC, 1997, p. A-3.

Table 10.1
Proportion of Federal Workforce by Race and Gender

Race	1982	1996
White	77%	71%
Black	16%	17%
Hispanic	4%	6%
Asian, Pacific Islander	2%	4%
American Indian, Alaskan Native	1%	2%
Gender		
Women	38%	44%
Men	62%	56%

Data source: U.S. EEOC, 1997, p. 12.

earned 97 cents for every dollar that white men earned. Over the eight-year period captured in the table, white women narrowed the wage gap by 8 cents while black women narrowed it by 5 cents. State and local salaries mirror the pattern shown in this table.

Figures 10.1 and 10.2 and Tables 10.1 and 10.2 demonstrate that public organizations are increasingly employing a more diverse, gender-balanced workforce. All minority groups have realized gains in the percentage of administrative and professional positions held, although these gains are uneven. Even though it is narrowing, the pay gap is devilishly persistent despite passage of the Equal Pay Act a generation ago.

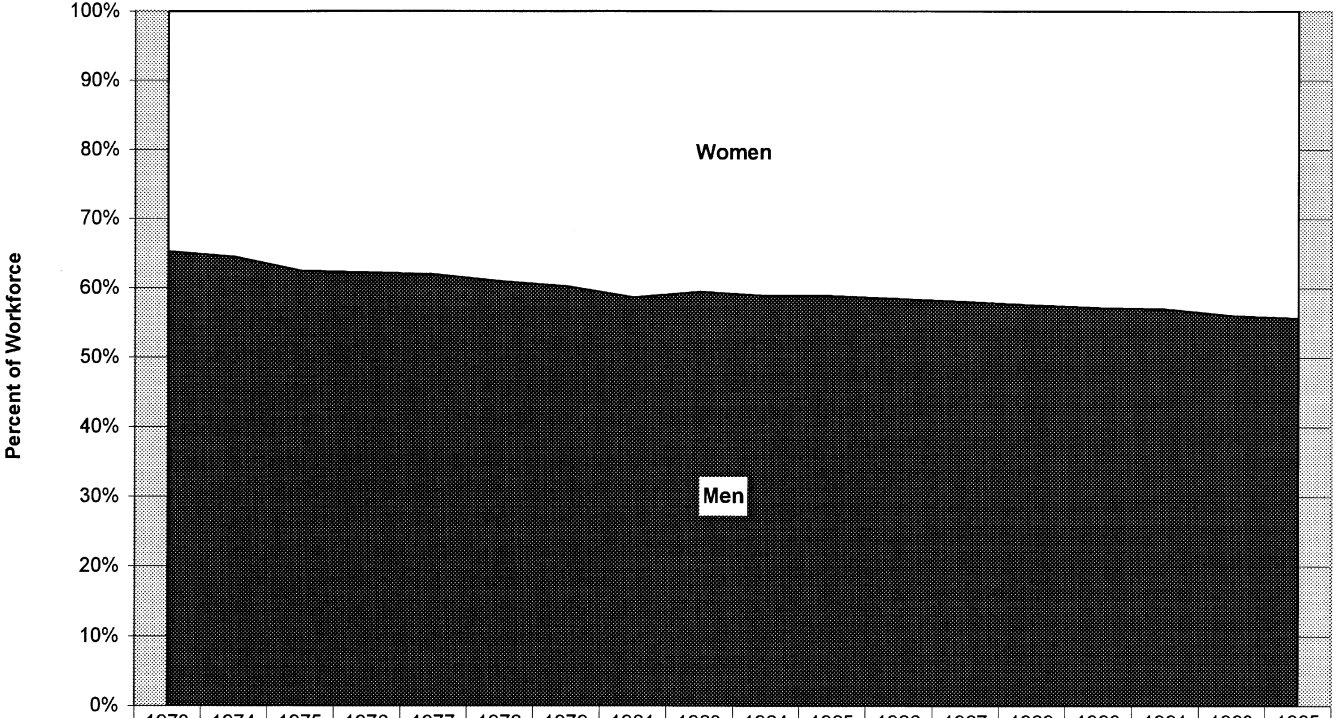
More Categories of "Otherness"

Age, disability, and nationality mark three additional points of departure for categorizing "otherness."

Older Workers

Since 1980, participation rates in the civilian workforce have increased for most older Americans. Since 1975, the participation rate for women ages 55 to 64 has increased by nearly 30 percent. Even among women who were 65 or older, participation rates have increased from 1 percent to 1.6 percent. Older men's participation rates demonstrate an inverse trend. Among men whose ages ranged from 55 to 65, participation rates have declined from 7 percent to 6.4 percent (U.S. Department of Commerce, 1961–1996).

Figure 10.2
State and Local Government Workforce: Gender Participation, 1973–1995



	1973	1974	1975	1976	1977	1978	1979	1981	1983	1984	1985	1986	1987	1989	1990	1991	1993	1995
□ Women	34.7%	35.5%	37.5%	37.7%	38.0%	39.0%	39.7%	41.3%	40.5%	41.1%	41.1%	41.5%	41.9%	42.4%	42.8%	43.0%	43.9%	44.3%
■ Men	65.3%	64.5%	62.5%	62.3%	62.0%	61.0%	60.3%	58.7%	59.5%	58.9%	58.9%	58.5%	58.1%	57.6%	57.2%	57.0%	56.1%	55.7%

Data source: U.S. EEOC, 1997, p. A-4.

Table 10.2
Ratio of Women's and Minorities' Salaries to White Men's in White-Collar Jobs (Federal Government)

Demographic Group	1988	1996
Men		
White	1.00	1.00
Black	.76	.78
Hispanic	.81	.82
Asian, Pacific Islander	.95	.97
Am. Indian, Alaska Native	.83	.82
Women		
White	.66	.74
Black	.60	.66
Hispanic	.60	.65
Asian, Pacific Islander	.69	.73
American Indian, Alaskan Native	.58	.61

Data source: U.S. EEOC, 1997, p. 50.

Disabled

The trend line for disabled workers is similar to that for older workers. The growth in employment of the disabled parallels employment for women and minorities. The U.S. Equal Employment Opportunity Commission (1997) defines a disabled employee as any person who (1) has a physical or mental impairment that substantially limits one or more major life activities, (2) has a record of such an impairment, or (3) is regarded as having such an impairment. Within this broad definition of disabilities, distinct employment patterns emerge along gender and age lines. From 1983 through 1994, disabled men experienced a 4.2 percent decline in employment while women with disabilities experienced a 21.7 percent increase (Trupin and LaPlante, 1997). Research also suggests that older persons with disabilities now have an easier time securing employment than their younger counterparts. Within the federal government, employment among disabled Americans grew from 4.9 percent to 7.2 percent between 1982 and 1996 (U.S. EEOC, 1997, p. 38).

Immigrants

Estimates suggest that foreign workers are at least 10 percent of the labor force, including 10 million foreign-born legal workers, 0.5 million legal nonimmigrant workers, and 2 to 3 million illegal workers (Martin, 1990).

ADMINISTRATION

Growing diversity in the workforce can lead to communication problems, disrupted organizational norms, and increased value conflict (Hofstede, 1980; Hopkins, Sterkel-Powell, and Hopkins, 1994). Due to diverse cultural backgrounds, managers and employees may have different expectations about authority, rulemaking, and acceptable boundaries of behavior (Hofstede, 1980; Hofstede, Neuijen, Ohayv, and Sanders, 1990). To mediate these problems, organizations must adapt their human resource programs, technologies, and structures, to accommodate and mediate cultural differences. Training programs that emphasize interpersonal skills, socialization of new employees into the organizational culture, and improved language skills of foreign-born employees are helpful (Hopkins et al., 1994). Over time, training, technology, and other shared experiences combine to build identification with the organization and to develop shared culture and processes (Kerr, 1983; Tajfel, 1982). In the interim, organizational structures are needed that allow managers the flexibility to operate in the dominant culture and to manage the unique challenges that an ethnically and linguistically diverse workforce present (Pineda and Whitehead, 1997).

Culture is an integral feature of organizations, just as it is of societies. It is at the core of organizational behavior because it frames how individuals interact with one another. Research has examined how culture affects organizational processes (Barley, Meyer, and Gash, 1988; Barney, 1986; Ott, 1989; Saffold, 1988; Wilkins and Ouchi, 1983) and culture's links to socialization (Chatman, 1991; Van Maanen and Schein, 1979), change (Kotter and Heskett, 1992; Schein, 1985), and effectiveness (Denison and Mishra, 1995; O'Reilly, 1989). Hofstede (1980, 1991) has identified five culturally linked variables that influence behavior on the job. These variables are *power distance*, *uncertainty avoidance*, *individualism*, *masculinity/feminity*, and *time horizon*.

Power distance is the extent to which inequality (a pecking order or hierarchy) is seen as an irrefutable fact of life (Hoecklin, 1995). Workers with low *power distance* values expect to have discretion over their work and to participate in decision making. They have little regard for titles and hierarchical rank. This describes Generation Xers, the most recent new entrants to the workforce. They expect relatively high levels of autonomy and discretion over their work, even in entry-level posts. On the other hand, those who hold high *power distance* values work most productively in a hierarchical setting where deference to authority is important and discretion rests at higher ranks. Low *power distance* workers are more productive in self-managed teams, while high power distance

workers are more productive in traditional hierarchical settings. *Uncertainty avoidance* is the degree to which people prefer structured over unstructured situations. Structured situations are those in which there are clear rules as to how one should behave (Hofstede, 1994). One's position on this variable determines the extent to which he or she feels threatened by and tries to avoid ambiguous situations (Hoecklin, 1995). *Individualism* is a concern for oneself as an individual as opposed to concern for the priorities and rules of the group to which one belongs. The opposite of individualism is collectivism (Hofstede, 1980; Trompenaars, 1993). *Masculinity/femininity* values concern the emphasis on control and dominance as compared to flattened hierarchies and collaboration. A final category is *time horizon*, in which "soon" differs in meaning from one hour from now to one year from now, depending on the worker's frame of reference.

Differences in culture create opportunities and challenges for managers. For example, according to Hofstede's scheme, workers who hold low power distance, low individualism, and more feminine values are more productive in teams than are those who are higher on these variables. These teams plan, organize, control, staff, and monitor themselves; they decide who works on what, where, and when; they control start-up and ending times, the pace of work, and goal setting; they are responsible for inventory, quality control, and work stoppage decisions; and they take action to remedy problems. Benefits of self-managed teams include less managerial overhead and, on the part of workers, more initiative, personal responsibility, creativity, problem solving, and self-reliance (Kirkman and Shapiro, 1997).

Characteristics of Diverse Work Teams

By being sensitive to individual differences and mediating them, managers affect the productivity of the team. Individuals with different cultural backgrounds will conflict or cooperate, depending on their understanding of cues and language in the workplace. Employees have different understandings of terms, expectations, and authority. In general, diversity creates more complexity and more ambiguity in processes yet also holds promise of greater productivity (Adler, 1997; Steiner, 1972). To prevent miscommunication and conflict, managers benefit from a deeper understanding of cultures and workers' perceptions and expectations.

Studies tend to examine employees within organizations (Hofstede, 1980) or individual groups across organizations (Baugh and Graen, 1997). Research has left unexplored the broader regulative and normative institutional context in which groups and organizations are embedded (Greenwood and Hinings, 1996; Powell and DiMaggio, 1991; Scott, 1995). Organizational "publicness," that is, the extent to which the organization's activities are owned and funded publicly and overseen by legal governmental authority rather than market forces, is a potentially important feature of the institutional environment (Bozeman, 1987; Perry and Rainey, 1988; Rainey, 1997). By comparison to their private sector counterparts, public managers have unique obligations to the media, interest

groups, political leaders, and other "government in the sunshine" expectations (Allison, 1981; Appleby, 1945; Rainey, Backoff, and Levine, 1976). Public managers' discretion and organizational flexibility are substantially constrained by specific statutory mandates and regulatory oversight.

Further, the ethic of public service is an additional dimension of culture. Traditional models, like expectancy theory (Vroom, 1964), have focused on goals and desires as a major motivator for workplace performance. However, the institutional context influences motivation. For example, workers in the public and nonprofit sectors are motivated differently than their private sector counterparts (Perry, 1996, 1997; Perry and Porter, 1982; Perry and Wise, 1990). Research suggests that altruism guides people to work in the public sector. Altruistic behavior is associated with the ability to identify with other human beings and to pursue social equity, affirmative action, and compassion, all of which are motivators that affect job selection, performance, and continuing employment (Perry and Wise, 1990).

As the nature of work changes and tasks requiring multiple skills must be performed quickly, we see increasing reliance on work teams. Productivity gains or losses stem from how teams integrate diverse ideas and conceptual frameworks (Adler, 1997; McLeod and Lobel, 1996). There are both advantages and disadvantages to diverse teams. Diversity contributes to increased creativity, provides a wider range of perspectives, and guards against groupthink. It also brings new ideas and meanings and helps groups to think out of the box when tackling perennial problems. On the other hand, it causes a lack of cohesion and contributes to mistrust and suspicion. As groups isolate themselves from one another, communication between groups decreases and miscommunication occurs. Lack of cohesion across groups makes it difficult to gain consensus on decisions and threatens effectiveness.

Race Diversity

Research on the impact of racial diversity in teams has yielded mixed results. In the short term, heterogeneous teams tend to have more conflict and lower performance levels. When evaluating their processes and performance, members of short-term teams perceive themselves as being less effective, having higher levels of conflict and poorer performance than homogeneous groups (Baugh and Graen, 1997; Watson, Kumar, and Michaelson, 1993). Over time, however, heterogeneous groups equal the performance of homogeneous groups (Watson et al., 1993). Further, when examining group performance, external evaluators did not find a significant difference in project outcomes between heterogeneous and homogeneous groups (Baugh and Graen, 1997).

At the supervisory level, racial differences manifest themselves in performance ratings and communication. Supervisors' perceptions of minority employees change as numbers increase (Cox, 1993; Cox and Nkomo, 1986). Kraiger and Ford (1985) found that as the percentage of African American employees rises, white supervisors tend to increasingly undervalue the contribution of mi-

nority workers. Ugorji (1997) reports that perceived discriminatory ratings contribute to employee dissatisfaction within New Jersey state agencies. At the same time, race appears to influence the frequency and type of communication within groups. When examining state government, Hoffman (1985) found greater reliance on formal communication in groups that had proportionally more African American supervisors.

Gender Diversity

The presence of conflict over gender issues hinges on the gender balance within organizations. In those organizations where the workforce is gender balanced at all ranks, women are treated more equitably (Ely, 1994). In organizations that are more than 15 percent female, women are more likely to have positive perceptions of their counterparts, supervisors, and work processes. However, in organizations with fewer women, studies suggest that women receive fewer rewards, resources, and advancement opportunities (Greenhaus, Parasuraman, and Wormley, 1990; Levitin, Quinn, and Staines, 1971). Women also tend to experience more inter- and intragender conflict than in more gender-balanced organizations (Tsui and O'Reilly, 1989). Once the tipping point is reached, meaning a sufficient number of women to constitute a critical mass, concerns get a fairer hearing (Kanter, 1977). Until that tipping point is reached, however, women's concerns fall on deaf ears. Gender differences are also manifest in terms of how women are treated within teams (Greenhaus et al., 1990; Kanter, 1979; Levitin et al., 1971). When people are working in teams, gender composition impacts member commitment to group goals and affects behavior. Team members of the dominant gender are more likely to commit to and participate in group activities (Tsui, Egan, and O'Reilly, 1992).

Research on gender and race suggests varied impacts of diversity on group performance. Baugh and Graen (1997) find that women experience less discrimination from men of the same racial group. Clearly, racial and gender diversity influences team integration. The introduction of diversity leads to more intragroup conflict and changed processes. Diversity's negative impacts may be attributed to team members' inability to identify with people from different backgrounds, cognitive differences that weaken communication processes, and the simple presence of stereotypes about cultural differences (Hofstede, 1980, Hofstede et al., 1990; Zenger and Lawrence, 1989).

Superficial versus Deep Diversity: How Different Is Different?

Demographic diversity is immediately recognizable, while differences in personal values and temperaments take longer to assess. Superficial diversity diminishes over time as workers come to know one another as individuals rather than as members of a class. Deep diversity, on the other hand, develops over time

as the indiosyncrasies of individuals become known to group members (Harrison, Price, and Bell, 1988). This explains why demographically diverse work groups typically require a longer start-up time than homogeneous groups. Once heterogeneous groups have worked together and developed a comfort level with one another, group output, in terms of creative and sound decisions, meets and then exceeds the output of heterogeneous groups (Watson et al., 1993).

Faultlines

Diverse work groups are a new challenge for managers who are accustomed to the workplace of the past. With the increasing diversity of the workforce plus the increasing reliance on teams, come opportunities for creativity as well as communication difficulties and misunderstandings. As Lau and Murnighan (1998) point out, managing groups is different from managing individuals; they use the analogy of faultlines to identify cleavages that develop in groups based on demographic characteristics. For example, they say that if all women in a group are over 60 years old and all men are under 30, the sex and age faultlines align and form a chasm compared to when a group is simply comprised of half women and half men, all of whom are of similar ages. The more distinct the faultline, the more divided the workplace becomes. Shallow diversity has more potential for productivity gains while faultlines have more potential for performance losses. Faultlines are dividing lines that split a group into subgroups based on one or more attributes. Demographic characteristics as well as differences in personal values or personalities have the potential to create faultlines, just as demographic differences do. The faultline deepens when personal characteristics combine with racial or gender differences.

While diversity brings more perspectives and ideas to groups and is a source of innovation and creativity, faultlines exaggerate differences and introduce conflict (Watson et al., 1993; Wiersema and Bantel, 1992). By definition, diversity includes multiple perspectives and experiences. This, as decision theorists know, correlates with task conflict while providing the potential for enhanced creativity. The downside is that severe conflict can reduce satisfaction and stymy performance. For this reason, coordinating mechanisms in the form of conflict-accepting group norms and group disapproval of personalized conflict are necessary for groups to take advantage of their diversity. The salience of faultlines within a group diminishes as members accumulate common task experiences and mutual understandings, thus strengthening the value of membership that is stable over time (Guy, 1985).

Ensuring Team Effectiveness in a Diverse Environment

Despite the slower start-up time of diverse groups, heterogeneity positively impacts team creativity and decision quality. The presence of competing ideas and

ideologies helps to prevent groupthink (Adler, 1997; Janis, 1982; Miranda and Saunders, 1995). By injecting conflict and tension into team meetings, diverse membership contributes to airing alternatives and ideas that might otherwise be ignored or go unvoiced (Bolman and Deal, 1992). An additional bonus is that heterogeneous groups develop higher-quality ideas than homogeneous groups when solving problems and generating ideas. McLeod and Lobel (1996) found that heterogeneous and homogeneous groups developed the same number of ideas; but, that diverse groups developed higher-quality, unique ideas.

The nature of tasks assigned to diverse teams is an important determinant of success (Adler, 1997; Steiner, 1972). Where situations are more complex, leaders may need to carefully nurture cohesion in the team; in less complex circumstances, the simplicity of the task will lend itself to less conflict. When selecting members and managing diverse teams, managers need to carefully structure group processes (Adler, 1997). Individual differences and power and language issues should be acknowledged at the team's inception. To ensure that the group retains focus, managers need to provide frequent feedback on expectations and progress. This allows teams to internally assess progress and may help resolve internal conflict over goals and expectations. Ensuring that members respect each other, that the task is appropriate, and that feedback focuses the group's work mitigates conflict.

Up to a point, conflict and tension within heterogeneous groups contribute to innovation and creativity. Kirchmeyer and Cohen (1992) suggest that through using constructive conflict, diverse groups make more valid and more important assumptions, and the performance and reactions of ethnic minorities improve at rates either the same as or greater than those of nonminorities. For public managers who deal with an increasingly diverse workforce, conflict management is an important means for ensuring continuing productivity and stability.

Knowledge Workers

In 1987, the *Workforce 2000* report projected that jobs of the future will require higher language, math, and reasoning skills (Hudson Institute, 1987). Peter Drucker had predicted this years ago as he forecast the coming era of the knowledge worker. As educational institutions run to catch up with the educational needs of a changing economy, employers struggle to find qualified workers and retain them. Following on the heels of the *Workforce 2000* report came the *Civil Service 2000* report (Hudson Institute, 1988). It predicted that hiring and retention will become more competitive; women will continue to enter the workforce and stay through child-rearing years, increasing the need to accommodate the cross pressures of work and family in terms of leave time, day care, and flexible work hours; and that as the baby boomers age, managers will have to focus resources on training and inspiring their aging workforce. These predictions have come true. For each new job, employers must cast their net widely to find workers who have necessary skills. Workers' personal demographics have become less important while their skills have become more important.

Technology and Diversity

The conclusion of much research is that demographic cues shape how individuals interact within groups. When groups make decisions, high-status members frequently contribute more to discussions, influence group opinions, and shape outcomes more than their low status members (Bales, 1950; Hirokawa and Poole, 1996). Status is shaped by both relevant and irrelevant cues. Relevant cues include skills or abilities; less relevant cues include race, gender, age, or social status (Weisband, Schneider, and Connelly, 1995).

Information and communication technologies like e-mail or computer conferencing systems have the capacity to reduce the salience of demographic and social cues (e.g., Sproull and Kiesler, 1986). Computer-based communication mitigates the effect of status cues. Systems may use computers to encourage idea generation and discussion while in the same room (Gallupe, Dennis, Cooper, Valacich, Bastianutti, and Nunamaker, 1992) or allow individuals to communicate across distances with people they have not and may never meet (Finholt and Sproull, 1990). Software may either allow anonymous discussion (George, Easton, Nunamaker, and Northcraft, 1990) or identify and provide information from, about, and to each participant.

With greater anonymity, computer-mediated communication reduces social inhibitions. When compared to traditional groups, electronic groups were found to have more participation and more equal distribution of influence among members over final decisions (George et al., 1990; McLeod, 1992; Zigurs, Poole, and DeSanctis, 1988). For example, Dubrovsky, Kiesler, and Sethna (1991) tested the effects of status differences in electronic and traditional decision making. They found that group decisions reached via e-mail demonstrated fewer inequalities among members. In the case of true electronic groups, technology reduces social cues and allows individuals to contribute in a more egalitarian manner. When members met face-to-face, social status differences contributed to the emergence of inequalities in the decision-making process. Sproull and Kiesler (1986) suggest the difference results from the fact that technology removes social cues and information about group members. When social differences are less salient, people have fewer fears of rejection or loss of power. As a result, they are more able to communicate in a forthright manner.

Computer-mediated communications make it possible for workers to work from home, to engage in quick communication, and to bypass the links in the hierarchical chain; this diminishes the importance of mid-level managers whose primary purpose in a traditional hierarchy is to serve as the conduit for information moving up, down, and sideways. In contrast, when knowledge of elements like gender or ethnicity exists, status differences often persist and weaken the "equalization effect" of electronic communication. Weisband, Schneider, and Connelly (1995) tested the implications of computer communications in group decision making. Across groups, they found when social information was available, high-status members tended to dominate group discussion. Even when com-

municating anonymously, if members were aware status differences existed, high-status individuals asserted dominance in group discussions.

A persistent assumption is that women are less comfortable with computer technology than men and therefore use it to communicate with others less frequently than do men. To test this, Genie Stowers conducted an experiment using computer conferencing. Employing a group decision-making task, she found that contrary to conventional wisdom, women engaged in more online communication than did men. However, she found that the types of communication differed. While women engaged in more rapport-talk, men engaged in more report-talk. Thus gender differences that emerge in face-to-face communication also emerge in online communication. This finding supports Tannen's (1990, 1994) descriptions of the difference between how women communicate as compared to how men communicate. Thus, computer-mediated communications neither mitigate nor vitiate gender differences, but merely speed and simplify communication (Stowers, 1995).

In the context of diversity, it is clear that features of the technology guide the way employees communicate (Boland and Tenkasi, 1995). If they wish to encourage greater equality and value diverse opinions, organizations may be better served by technologies which include elements of anonymity. Such a system would allow individuals to share and understand distinct perspectives. Rather than forcing consensus via voting, it would encourage discussion of ideas and differences that stem from cultural differences. However, when engaging in important decisions, leaders may choose to use technologies that convey social information. By sharing information, the technology reinforces the importance of social status and how diverse opinions are valued. Further, as telecommuting grows, organizations will need to carefully select appropriate technologies to ensure that desired outcomes are produced.

THE EFFECT OF DIVERSITY ON GOVERNANCE

To manage a diverse workforce, organizations will need to change processes and techniques. Many techniques applicable in homogeneous environments are not applicable in environments shaped by diverse cultures and expectations. To effect positive changes, leaders must foster important changes in workplace norms and rules. Proactive leadership must shift attitudes and processes to move away from accepting minimal compliance with diversity requirements toward enabling the organization to proactively select and retain skilled, diverse employees (Joplin and Daus, 1997).

An important first step for encouraging change is evaluating existing processes and their implications (Joplin and Daus, 1997). Organizations need to understand the nature of power and communication between employees, limiting favoritism of the dominant group while encouraging equity across groups. When they perceive equity in processes and evaluations, employees are less likely to leave an organization (Wright and Bonnett, 1993).

The difference between capital resources and human resources is that capital, as an inanimate object, is far more predictable than human behavior. While organizations own capital, they merely "rent" human resources and receive the benefit of workers' labors as workers choose. The impermanence of "renting" human assets drives the need to identify workplace variables that address worker needs and cause workers to stay rather than leave. Unlike buildings, equipment, and other capital investments, even the most productive worker may walk out the door at any time. Unlike other strategic assets, human assets can demand higher salaries, can reject supervision, or become unmotivated. But, if governance is anything at all, it is about people affecting the lives of people.

As the pace of decisions speeds up, job opportunities proliferate, and high-skilled workers become scarcer, job satisfaction is an essential ingredient for retaining workers. But, retaining good workers requires more; it requires commitment to the worth of public service and loyalty to constitutional values. A number of variables are now receiving added attention because of their impact on an employee's decision to stay or leave: employee participation in decision making, at least in the American setting; recognition, fairness, satisfaction with co-workers, and a sense of being an important part of a team.

An important strategy for promoting equity is encouraging communication among employees and supervisors. Managers need to be open to sending and receiving messages related to nonwork as well work-related messages (Wanguri, 1997). Open communications lessens feelings of discomfort, encourages a sense of inclusion in the group, and leads to higher retention. When an open relationship with managers exists, research suggests that employees have higher levels of job satisfaction (Danserau and Markham, 1987; Wanguri, 1997).

A necessary component of fostering equitable processes and communications is to provide employees the means to learn management skills and build social networks. Although less frequent than homogeneous relationships, heterogeneous mentoring serves as a powerful tool for advancing understanding and opportunity (Ragins, 1997; Wanguri, 1997). Through associating with a mentor, an employee learns existing rules and norms. For example, a mentor might inform a protégé of rules surrounding simple things like memoranda or use of the copy machine. Through learning norms and rules, the employee gains experience and power required for advancement in an agency (Joplin and Daus, 1997; Ragins, 1997). Over time, experiences with cross-cultural mentoring allows managers to gain a deeper understanding of values and build relationships with members of other groups (Ragins, 1997). For example, through working with an African American protégé, a white mentor gains a source of important informal feedback from that group within the organization.

In the case of minority workers, mentoring becomes one of the factors that retains or drives workers away. The mentoring relationship is usually one of homophyly: Workers seek out those in whom they see themselves. This means that those of the majority group tend to mentor those like themselves, thus functionally excluding minority members from getting on the fast track. Diverse work

teams that span departmental and hierarchical lines increase informal opportunities for networking among diverse groups of potential protégés and mentors. This provides a means for bringing majority and minority group members together and fostering mentoring relationships that, in the long run, work to the advantage of the entire organization.

Diversified relationships are what this chapter is about, diversified in terms of power, intergroup relations, and integration of differences into an organization that builds on the strength of the amalgamation. When employers encourage communication and relationship building, they contribute toward a civic culture that benefits from the strengths of diversity. Civic culture provides rules and norms for communicating and interacting across cultures and instills a habit of allowing citizens to recognize differences and integrate them into daily work (Chen and Eastman, 1997). It also places mediating values, like empathy, trust, inclusion, and fairness, into the substrate for constructive interaction across diverse groups. This is what governance is all about.

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11

Innovation in Intergovernmental Relations

DAVID C. NICE AND ASHLEY GROSSE

The federal system in the United States has been the object of criticism since before the adoption of the U.S. Constitution. That criticism has noted a number of problems, including unresponsiveness; inequality of services and rights; inadequate coordination; neglect of externalities; localistic biases; a bias in favor of the well-to-do; inadequate accountability due to the large number of governments and officials—many with overlapping responsibilities; and a tendency for officials to evade responsibility by blaming other officials (Downs, 1973; Dye, 1997, pp. 58–59; Kettl, 1988; Nice and Fredericksen, 1995, pp. 20–21; Pressman and Wildavsky, 1979; Zimmerman, 1992, p. 7). The complexity of the American federal system also creates serious problems for policy makers trying to design programs that will be implemented, at least in part, by other governments, particularly at the local level. America's local governments vary greatly in their responsibilities, legal powers, financial and administrative resources, political environments, and adaptability to different approaches to service delivery (Reischauer, 1977; Seroka, 1990). A program that is well suited for implementation by one local government may encounter great difficulty in another locality.

Many of the criticisms of the American federal system or of its components are rooted in policy concerns. When people are unhappy with the policy decisions of a particular level or institution of government, they are likely to complain that the offending level or institution has exceeded its authority or failed to fulfill its appropriate role. When they are unhappy with the initial formulation of a policy, they are likely to try to revise, blunt, or deflect that formulation as it works its way through various levels and institutions of government (Grodzins, 1984, pp. 14, 274–276; Schattschneider, 1960, pp. 2–11). These efforts may lead to a policy that differs considerably from one locality to another and to com-

plaints that one or more levels or institutions are ineffective, uncooperative, unresponsive, or incompetent.

Dissatisfaction with the federal system has produced many attempts at reform. Many of those efforts have been guided by a desire to improve the performance of the federal system, although different participants have sometimes had very different views regarding what would constitute improved performance. Moreover, the complexity of the federal system means that reforms do not always have the effects that their advocates intend. In this chapter we will examine a number of efforts to improve the capabilities of one or more aspects of the federal system. As we will see, the results have been somewhat mixed, with some reforms generating new criticisms.

INTERGOVERNMENTAL GRANTS-IN-AID

For much of the early history of the American political system, most governments raised virtually all of their own revenues themselves. During the twentieth century, state and especially local governments became increasingly reliant on financial assistance from other levels of government. Financial grants-in-aid helped to establish minimum levels of service for specific programs, reduce inequality of needs or resources, correct for externalities (as in the case of grants for sewage treatment plants), promote development of new policy approaches, and enable recipient governments to remain involved in programs that they cannot afford to finance alone, among other objectives (Aronson and Hilley, 1986, pp. 50–53; Break, 1980, pp. 76–87; Nice and Fredericksen, 1995, pp. 56–60; Wright, 1988, pp. 208–210).

The numerous and sometimes conflicting objectives of grant program supporters have led to the creation of many different types of grants. Categorical grants give recipient governments relatively little discretion in deciding how to spend grant funds, while block grants give some discretion and revenue sharing, even more discretion. Bear in mind, however, that grant program guidelines are only one factor that may influence the amount of recipient discretion. When the national government decided to give state governments more flexibility in spending federal highway grants for other transportation programs, most state governments continued to spend virtually all of that grant money on highways (General Accounting Office, 1997a). The high cost of highways and the continued attention of the highway lobby did not provide a friendly environment for efforts to allocate substantial sums to nonhighway programs in very many states. Conversely, fungibility, the tendency for a grant for one purpose to free up recipient revenues that may then be spent for some other purpose, gives recipients of categorical grants more flexibility than appears to be allowed at first glance (Hale and Palley, 1981, pp. 113–116).

Critics have often complained that categorical grants give recipient governments too little flexibility to meet needs or preferences that vary from one jurisdiction to another. In 1972, the federal government adopted general revenue

sharing to provide some funding that states and localities could use for virtually any purpose (Beer, 1976). However, it was a relatively small portion of the federal grant system and was always adopted for a limited time frame, which made state and local officials reluctant to use the funds for any ongoing commitments. In effect, their flexibility was still limited. During the Reagan years, revenue sharing came under attack as a symbol of excessive government activism, and few groups were willing to rally to revenue sharing's defense. As a result, it was terminated.

Bear in mind that many federal grant programs involve a relatively modest amount of money. State and local officials can and do shop around for funds that serve programs that they favor and avoid grants that do not meet their needs. In addition, the multiplicity of federal funding sources and grant guidelines may serve to weaken the influence of each individual funding source and its guidelines if state and local officials play one source against another (Elazar, 1998, p. 42). Federal officials are not always willing to enforce grant guidelines and regulations very strictly, for strict enforcement may lead state and local governments to decline small amounts of grant money, and cutting off large amounts of money may damage programs and create unpleasant political repercussions. Consequently, the implementation of grants is often accompanied by bargaining and negotiation, which may give states and localities more flexibility than at first appears to be the case (Ingram, 1977; Lazin, 1973).

Controversies aside, the intergovernmental grant system has been an important component of a number of major public programs. Grants helped to create the nation's highway system, and state grants have helped, in varying degrees, to equalize funding among local school districts (on the latter point, see General Accounting Office, 1997b). Grant funding has led to improvements in municipal waste water treatment and numerous other services that, in the modern era, cost far more than many local governments and some state governments can afford.

The vast majority of grant funding involves grants from higher levels of government to lower levels: In 1996, the federal government distributed over $227 billion in intergovernmental grants, with state governments receiving $208 billion, and states gave localities $248 billion. However, some financial assistance flows in the opposite direction: Localities gave state governments $13 billion in 1996, with most of those funds supporting welfare programs (Council of State Governments, 1998, pp. 431–442). A number of states have provided funding to support federal programs, such as added state payments for the Supplemental Security Income program or subsidies to obtain additional or upgraded Amtrak service (Nice, 1998a, ch. 4).

LOCAL GOVERNMENT REORGANIZATION

The United States has well over 84,000 local governments, including municipalities, counties, special districts, and other varieties as well. Critics have complained for many years that there are too many local governments, that many

local governments are too small to perform effectively, and that the boundaries of many local governments do not correspond to the problems that those governments need to address.

According to critics, the enormous number of localities creates many problems. Citizens find the multiplicity of local governments, many of them with overlapping boundaries, to be very confusing. Residents of a typical metropolitan area may be affected by the decisions of a dozen or more local governments, any number of which may receive little media coverage. Holding those governments accountable for their actions is very difficult. Jurisdictional boundaries may separate problems from the resources needed to deal with those problems. That tendency is exacerbated when individual localities use zoning and building codes to exclude people of modest means from their communities. When boundaries do not match the problems facing an area, local problem solving is made very difficult. Decisions made by one local government may affect people in adjacent jurisdictions, even though those people have little or no voice in those decisions. Many local governments are too small to achieve economies of scale or afford sophisticated equipment or highly trained personnel (Bish and Ostrom, 1973, pp. 7–10; Burns, 1994, pp. 107–116; Cigler, 1998, p. 63; Downs, 1973; Nice and Fredericksen, 1995, pp. 201–202, 204–205).

Reformers who believe that the existing structures of local government are inadequate have proposed a variety of remedies that might offer some relief, in one way or another, from the problems caused by the current system. The proposals include relatively incremental approaches, such as informal consultation among local officials and more formalized methods of consultation, such as councils of local governments, creation of new special district governments to handle problems that cut across existing governmental boundaries, and greater use of service contracts between local governments or between a local government and a private contractor. More drastic remedies include consolidation of local governments and federated metropolitan governments, which include one level of local government that covers the entire metropolitan area and another level of smaller governments that handle more localized concerns (Bollens and Schmandt, 1982, chs. 10–12; Schneider, 1980, pp. 269–301).

Generally speaking, the more drastic approaches to local government reorganization have encountered substantial political opposition whenever they have been proposed. Only the more modest approaches have much political feasibility (Advisory Commission on Intergovernmental Relations, 1976, pp. 361–364). This pattern may reflect some underrated virtues of numerous local governments, including providing citizens with choices of different public policies and providing a smaller, less impersonal, and less intimidating arena in which to conduct local politics (Bish and Ostrom, 1973). Less positively, opposition to major reorganizations may indicate that the current system benefits affluent citizens and business interests, who can create new local governments to insulate themselves from the needs and problems of their less affluent or nonwhite neighbors (Burns, 1994, pp. 107–112; Downs, 1973).

While the less drastic remedies have some value, they have little ability to cope with some of the problems attributed to the large numbers of local governments. Informal cooperation calls for a cooperative spirit that is sometimes lacking when controversial issues arise. Service contracts are of limited value to communities that cannot afford the price of the contract. Creating new special district governments may add to citizens' confusion regarding which governments provide which services. In addition, voter turnout in special district elections is often extremely low, and the elections are often uncontested; accountability to the public suffers as a result (Burns, 1994, pp. 12–13).

The great difficulty of adopting major local government reorganizations in the United States (with the major historical exception of school consolidation) has contributed to efforts to expand state and national involvement in what were once primarily local policy responsibilities, although many other factors have contributed to that development as well. If local governments are unable to cope with a policy problem, citizens are eventually likely to call for state or national intervention. That may take the form of financial assistance, policy mandates applying to local governments, and/or direct provision of some services by higher levels of government (Nice and Fredericksen, 1995, pp. 212–213; Stephens, 1974). Over time, the shifting of more responsibilities to state and national governments may reduce the pressure to reorganize local governments in any substantial fashion.

SORTING OUT FUNCTIONS AND RESPONSIBILITIES

In the modern era, policy responsibilities in the American federal system have often been shared among two or more levels of government. Critics of that arrangement have complained that sharing of responsibilities leads to confusion and delay, hampers determining responsibility for program results, and serves as a vehicle for greater centralization of policy making at the expense of grassroots governments. Those complaints have led to a number of efforts to achieve a clearer delineation of responsibilities among levels of government and, frequently, to reduce the policy responsibilities of the national government (relative to states and localities) and of the states relative to localities (Grodzins, 1984, pp. 307–316; Rivlin, 1992, pp. 122–125).

Calls for sorting out functions date back to the era of Dual Federalism, during which the U.S. Supreme Court repeatedly tried to distinguish between national and state government responsibilities (Grodzins, 1984, pp. 25–41). Since World War II, the Hoover Commissions, the Kestnbaum Commission, the Joint Federal-State Action Committee, and the New Federalisms of the Nixon administration and especially of the Reagan administration all tried, to varying degrees, to separate national and state government responsibilities, as have a number of proposals focusing on individual programs or policies (Conlan, 1988; Grodzins, 1984, pp. 307–316).

Some of these proposals have been based on efforts to determine which levels of government can most efficiently and effectively handle various governmental tasks. For example, because lower levels of government are more strongly affected by interjurisdictional competition for affluent taxpayers, jobs, and investment than are higher levels of government (it is easier for a wealthy family or business to relocate to another municipality within a metropolitan area than it is for them to relocate to another country), programs redistributing wealth from wealthier to poorer people are likely to be more effective at the national level than at the local level (Peterson, 1995, pp. 27–34). Local officials are likely to feel that local government efforts to redistribute income will lead to an exodus of wealthy citizens and erosion of the local tax base.

Other proposals to sort out functions have ideological undertones. Proposals to reduce the federal role in anti-poverty programs are at least partly based on the expectation that the result will be smaller anti-poverty programs (Peterson, 1995, pp. 126–128). That expectation is apparently being fulfilled in the case of recent welfare reforms, which have triggered a substantial decline in the welfare roles—a far greater decline than the decline in poverty during the same period.

Given the amount of effort devoted to sorting out functions over the years, the amount accomplished seems to be rather modest. One major obstacle to systematic separation of functions is the tendency for most political actors to be more concerned with policy objectives than with broad schemes to reallocate functions among levels of government. Even the Reagan administration, which seemed to be more concerned with federalism issues than most other political actors, deviated from its New Federalism principles when individual policy concerns conflicted with those principles (Conlan, 1988). The George W. Bush administration has similarly talked of devolution at times but has also supported new mandates to restrict the flexibility of states and localities in a number of key respects. In a political system with many interest groups and with political parties that sometimes have difficulty in holding their members together when external pressures are high, individual programs and policies are often difficult to align with general strategies for reallocating responsibilities. People who are unhappy with a decision made by one level of government are very likely to ask another level of government to become involved. Over time, that tendency makes a clear delineation of responsibilities by level of government almost impossible to achieve or maintain (Grodzins, 1984, pp. 313–316; Schattschneider, 1960).

Efforts to separate functions also encounter difficulties because of multiple levels of program effects and the tendency for programs to affect one another. Transportation policies influence local traffic congestion, state economic growth, and national dependence on imported oil. Education policies may affect a nation's ability to conduct research to improve its defenses or food production. Welfare and other income security programs may help to stabilize the national economy in a recession if those programs are able to expand assistance promptly when a recession develops. A clear separation of functions increases the risk that those

effects would be overlooked by decision makers (Nice and Fredericksen, 1995, pp. 235–236).

The interests of public officials and the incentives that they face also discourage major separation of responsibilities by level of government. Many public officials serve in more than one level of government over the courses of their careers. An official who has a strong interest in education or crime control and whose career begins in local government is likely to carry that interest from one level of government to another. In addition, if involvement in a policy issue is expected to please the public, elected officials at all levels are likely to become involved, regardless of whether that involvement undercuts efforts to separate functions by level of government. This dynamic may help to explain why, during the 1970s and 1980s, there was a great deal of discussion of decentralizing power from the federal government to the states, accompanied by budget cuts for some federal discretionary programs. At the same time, however, the national government adopted a considerable number of mandates in fields ranging from drug usage and environmental protection to education and drinking water (Beam and Conlan, 1993). When officials feel strongly about an issue or believe that the public feels strongly about it, many of those officials are likely to become involved, regardless of whether they are national, state, or local officials.

HOME RULE

For many years, state governments in the United States exerted enormous control over the structures of local governments and largely determined what authority local governments could exercise. If local officials wanted to alter the structure of their local government (change from an elected mayor to the city manager plan, for example) or wanted to address an issue for which their local government did not have a reasonably clear grant of authority from the state, they often needed the approval of the governor and state legislature. That approval might not be granted, or it might be granted only after a considerable delay. Local officials sometimes resented having to seek state approval, especially if they were not on good terms with state officials. State officials also found that as the number of local governments in the state increased and as the work of state government grew, the burden of processing local requests for structural and programmatic authorizations grew increasingly burdensome.

Reformers sought to remedy those problems by proposing home rule, which would give local governments the authority to revise their governmental structures and, in more ambitious versions, grant themselves additional programmatic authority, generally subject to the approval of the local electorate. Reformers generally preferred creating home rule authority in the state constitution, although some states adopted statutory home rule instead. Eventually, most states enacted home rule for municipalities, and a number of states have home rule for counties as well (Marks and Cooper, 1988, pp. 203–207; McCarthy 1983). Approxi-

mately half of the states have also given some of their local governments the authority to exercise all powers not denied to them by state law (Advisory Commission on Intergovernmental Relations, 1982, p. 156). This devolution of power strengthens local government capabilities to address policy issues even in the absence of home rule.

Home rule has been partly successful as a device for increasing local government capacity. Many localities now have considerably more flexibility to adopt structural reforms and can create new authority for themselves without the need to seek approval from their respective state governments. Home rule has also fostered greater recognition of local governments as significant political actors, particularly when buttressed by local political influence (Elazar, 1998). At the same time, home rule has not always been as successful as many of the reformers had hoped.

Home rule's impact has been limited by a variety of restrictions on the scope and coverage of home rule powers in many states. Some states limit which local governments are allowed to exercise home rule powers, and some states require each locality to receive state approval before it can have home rule. Some states have adopted versions of home rule that give localities only limited powers to create new programmatic authority or none at all. In those states, a city might be able to change its form of government but might not be able to give itself authority to operate a new program. Home rule for municipalities has been much more widely adopted than has home rule for counties (Nice, 1998b; Zimmerman, 1992, pp. 172–173).

The continuing doctrine that state policies override local policies when a legitimate state interest in the issue exists also limits the impact of home rule. During the twentieth century, state governments have become increasingly involved in many policy areas that were once primarily local responsibilities. State mandates, sometimes accompanied by state financial assistance, provide considerable state influence over localities, even in the presence of home rule. Many states restrict local financial powers in a host of ways, from forbidding the use of particular revenue sources and limiting local tax rates to state policies regulating local government borrowing. State governments have also assumed a larger role in direct provision of services that were once local responsibilities (Elazar, 1998; Nice, 1998b; Stephens, 1974; Stonecash, 1998).

More generally, the political dynamics that hamper efforts to separate governmental responsibilities by level of government, coupled with the general inability to reorganize local governments, encourage state and national involvement whenever people are dissatisfied with local government decisions, with or without home rule. If crime control is a politically appealing issue, or if poorer school districts cannot fund their schools at an adequate level, or if some communities dump raw sewage into rivers, pressures for higher levels of government to become involved are likely to build. Home rule has not proven to be a very effective defense against those pressures.

PRIVATIZATION/PUBLIC–PRIVATE PARTNERSHIPS/SERVICE CONTRACTS

Governments through the ages have often relied on the private sector to help perform a wide variety of tasks. Private schools have educated millions of children, and private companies have manufactured military equipment, built roads and bridges, and managed public facilities. During the Creative Federalism era, the private sector was given greater recognition in scholarly discussions of federalism and was enlisted to help in the War on Poverty. In recent years, a number of reformers have called for greater reliance on the private sector to alleviate many governmental problems.

Privatization can take many forms. Government may purchase products or services from a private company instead of relying on a government agency to produce them. A private firm may be hired to manage a public facility, such as a national forest campground or a publicly owned railroad. Citizens may purchase a service directly from a private firm instead of relying on a government agency. Public and private agencies may combine their resources to launch a coordinated attack on a major problem, such as poverty or domestic violence. A government may give public and private agencies the opportunity to competitively bid on a particular project or service. In the process, public agencies will be encouraged to improve the efficiency of their operations (Donahue, 1989, pp. 5–8; Kettl, 1993, chs. 1–2).

Supporters of privatization believe that it will help to overcome the monopolistic tendencies of government and, consequently, increase efficiency. Competition will increase sensitivity to customer/citizen preferences and increase efforts to control costs. Private organizations may be more innovative and may have expertise that employees in public agencies do not have. For smaller governments, private vendors may also offer economies of scale (Donahue, 1989, ch. 4; Savas, 1982, pp. 83–111).

Governments at all levels now rely extensively on the private sector to provide or help to provide a wide range of products and services, although reliance on private firms varies considerably from one policy area to another. Available evidence indicates that utilizing private vendors often saves money, in part because of improved management and in part because the private sector workers are often paid less and given fewer fringe benefits than their public sector counterparts (Kettle, 1993, pp. 157–163).

At the same time, reliance on private firms can present some serious difficulties. Governments lacking sufficient experience and expertise in contract administration may encounter problems with inadequate quality and higher costs. Corruption may occur if collusive arrangements develop among private contractors or between private contractors and public officials. If an activity requires highly specialized skills or equipment, if the activity does not appear to be sufficiently lucrative, or if collusive arrangements develop among vendors, there

may be little genuine competition. In that event, shifting to private vendors may produce little in the way of benefits for the public. For citizens who find a federal system with a national government, 50 states, and thousands of local governments confusing, adding thousands of private firms to public program operations makes the system even more confusing and makes holding anyone accountable an even more difficult task. Ongoing relationships among public agencies, private vendors, and elected officials may create new, relatively invisible centers of political power (Donahue, 1989, ch. 4; Kettl, 1993, pp. 162–165; Nice, 1996).

Privatization appears to be more effective when it has strong political support and where the relevant governmental authorities have adequate skills to negotiate contracts that provide clear performance standards and cost controls. They must also have accurate information regarding whether the performance standards are being met. In addition, privatization is more likely to be beneficial when the market is reasonably competitive. For some specialized products and services, competition may be rather limited. Moreover, officials need to evaluate how readily they can terminate an agreement once they have committed to a particular vendor. If termination is likely to be very difficult, officials may have simply traded a public monopoly for a private one. Determining whether privatization is likely to be beneficial in a particular case requires careful analysis of the various benefits and costs, along with an assessment of the extent of uncertainty associated with a particular program or policy and how to cope with that uncertainty (General Accounting Office, Kettl, 1993, chs. 8–9).

INTERSTATE COMPACTS

Almost all state boundaries in the United States were established many years ago. As the nation has grown and developed, many problems that have emerged cut across state boundaries. Although there have been a number of proposals to modify state boundaries over the years, none of them has attracted much serious political interest. In that context, interstate compacts, which are legally binding agreements between or among states, offer a method for coping with problems that cross state lines.

Although interstate compacts were noted in the U.S. Constitution, they were not initially used for resolving many interstate problems. Originally, compacts were used primarily to resolve boundary disputes between states. In the modern era, however, compacts have been adopted to deal with a wide range of issues, including taxation, environmental protection, corrections, education, regulatory policies, and problems associated with metropolitan areas that extend into two or more states (Council of State Governments, 1977, p. vii; Nice, 1987; Zimmerman, 1992, pp. 142–145).

With the growing role of state government in public policy making and the wider range of issues addressed by interstate compacts came more frequent adoption of compacts. Prior to 1920, a new compact was adopted approximately once

every four years; the rate of adoption increased to a peak of more than four compacts per year in the late 1950s and 1960s, followed by a decline to roughly two per year (Council of State Governments, 1977, p. 7; Welch and Clarke, 1973, p. 478).

The wider range of issues addressed by compacts contributed to a change in the scope of compact membership. Because the earliest compacts typically addressed a boundary dispute between two states, those compacts involved only those two states. As compacts began to address issues of interest to more than two states, an increasing number of compacts offered membership to all the states in a region, all states with an interest in a particular issue, or even all the states in the country. In addition, a limited number of compacts addressing subjects of interest to the national government as well as the states have offered membership to the national government. The first effort of this type, the Delaware River Basin Compact, took effect in 1961. Since that time, a number of joint federal–state compacts have been adopted (Council of State Governments, 1977; Nice, 1987; Welch and Clarke, 1973).

One of the virtues of interstate compacts is that they form a legally binding agreement that is likely to endure beyond the current state officials. However, because compact membership is relatively voluntary, compacts tend to be more successful when addressing less controversial issues. For more controversial issues, particularly issues that offer officials in one state the possibility of advancing their state's interests at the expense of other states (or the fear that officials in other states may have that opportunity), achieving a sufficient level of agreement to win adoption of a compact and then enable it to function effectively is often impossibly difficult. The recurrent wrangling over sales taxes for interstate mail-order Internet sales and disposal of low-level radioactive waste illustrates the substantial obstacles to achieving interstate cooperation on divisive issues.

CONCLUDING THOUGHTS

The American federal system has changed enormously over the years. Much of that change has resulted from efforts to cope with individual policy issues—crime, poverty, defense, education, and the like. In a nation where many people seem ambivalent regarding government (in the abstract) and where discussions of the proper role of government make some people uncomfortable and others bored, it is hardly surprising that individual policy concerns are often a driving force in shaping the system. That tendency is reinforced by the often undisciplined nature of American political parties and the vitality and activity of American interest groups (see Anton, 1989; Grodzins, 1984; Lowi, 1979; Nice and Fredericksen, 1995, ch. 9).

If this characterization is approximately correct, then efforts to improve the performance of the federal system are more likely to have significant impact if those efforts are focused on individual policy problems. The track records of the

various approaches to improving system performance examined in this chapter seem consistent with that view. The two approaches that have been least successful, according to most accounts, are major local government reorganization and sorting out or separating governmental functions by level of government. Both of these approaches reflect relatively broad, abstract views regarding the proper functioning of the federal system. Both approaches have suffered from a lack of dependable political support.

The two approaches that, by most accounts, have had the most impact are intergovernmental grants and privatization. Each can be and has been tailored to meet the needs of individual programs and policy concerns. Interstate compacts can also be tailored to specific policy concerns and have scored some successes in less controversial policy arenas, but their effectiveness has been limited in controversial policy areas. Home rule emerges as somewhat of a deviant case in that it is a relatively abstract and general strategy but has been at least modestly successful. That may reflect home rule's ability to increase local capacity to deal with individual issues, coupled with the fact that home rule does not preclude taking an issue to a higher level of government if citizens are unhappy with the local government's decision.

Although this pattern is only suggestive, it indicates that efforts to improve performance of the federal system are more likely to have significant impact if tailored to address specific policy problems. The complexity, uncertainty, and multiple veto points of the American system do not provide a congenial environment for grand strategies under most circumstances. Efforts to resolve a specific policy problem, by contrast, are more likely to generate significant interest and political support. Without that, most reforms will have little impact.

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V

STRATEGIC INNOVATIONS IN PUBLIC MANAGEMENT

12

Total Quality Management in Public Management: An Innovative Strategy for Managerial Capacity Building

ALI FARAZMAND AND FRIEDERICK MITTNER

INTRODUCTION

The global movement of Total Quality Management, or TQM as it is abbreviated, has by now spread almost all over the world and should be considered a new strategy for improving public organizations' performance in service delivery. It is also an innovative strategy of public management for meeting the challenges of globalization, and for building human capital capacity toward sound governance and public administration. As an innovative strategy, public organizations across the world need to adopt the concept of TQM and turn it into a reality at local, national, and international levels. Initially, the private industries applied the concept to improve their production and productivity outputs, while that trend has now been widely extended to the service industries, which employ more than 80 percent of the workforce in the United States (Milakovich, 1995) and most European countries.

According to the United Nations reports (UN and Tokyo Metropolitan Government, 1993, p. 17), by early in the twenty-first century, half of the world's 6 billion people will live in cities, and metropolitan governance and administration will have to meet an overpowering challenge of providing services to their citizenries that demand more but want to, or can, pay less. This trend is likely to increase even further as most production jobs are being performed in developing and less-developed countries of Africa, Asia, and Latin America, where global factories are capturing the cheap labor, cheap resources, and unregulated environments. Consequently, concentration of increasingly urbanized populations in cities requires new strategies; new approaches; new policies to provide services that are satisfactory to citizens/customers, and that provide an enabling environment for different groups of citizens to develop self-governance and self-

management organizations. This will reduce the details of public management directly performed by governments.

The process of globalization is now presenting a multitude of challenges to governments and all organizations that both provide (directly or indirectly) public services to citizens and undertake large-scale projects with national and international impacts. Global competition of market actors and technologically empowered citizens worldwide is making these challenges more formidable, and governments can no longer hide behind bureaucratic rules, inadequate resources, and managerial inefficiency while performing their functions. They are challenged by demands for better-quality services, improved performance standards, and more responsiveness. None of the countries, including the United States and the Western industrialized nations of Europe, are prepared for the challenges of the new globalizing world, but steps are being taken by many of these countries to improve their capacities for better governance and administration. While there is a long way to go, the first steps must be taken and TQM offers an effective strategic instrument toward the optimal goal of improved/quality service delivery and organizational performance. Thus, public, private, and nonprofit organizations worldwide are up to a new challenge of adaptability, rigor, and effectiveness, as well as responsiveness.

This chapter explores the key concepts of TQM, presents an analysis of some of the best practices of TQM for improving public service delivery and organizational performance, and asserts that TQM should be applied as a strategy in human resource capacity building for achieving the goals of an efficient, effective, and responsive public management system in the age of globalization. Innovation, change, and adaptation are key factors to organizational openness and effectiveness, and TQM is a strategic factor in promoting innovation and effectiveness in public management and sound governance in the twenty-first century.

RATIONALE, MEANING, AND BACKGROUND

Total Quality Management began as a challenge to private business to satisfy customer needs, reduce costs, and continuously improve industries' performance. It refers more to a general organizational movement or philosophy and a way of thinking than to a very specific set of management procedures, processes, and rules. The public sector adopted the idea of TQM in government operations in the late 1980s in order to improve the quality of public service.

There are many rationales for quality service and improvement in organizational performance. First, it is common sense to expect any individual or organization, in the public or private sector, to provide services to people and society at large with quality and satisfaction. Second, quality service and performance eliminates or reduces duplication, waste, and redundancy. There is an old Persian saying that goes like this: "Do the job right the first time so you do not have to do it over [*kar ra dorost be kun, ke dubare kari nakuni*]." Third, quality performance helps build trust and enhance confidence in two directions: The performer devel-

ops a feeling of confidence and pride in personal and professional performance, and this builds further on self-confidence. At the same time, the receivers of the quality performance or service—either citizens, customers, or users of the products—develop a feeling of trust or confidence in the suppliers of services and goods or products. This further builds on the customers' satisfaction and citizens' trust in organizational performance and contributes to the legitimacy of, and support for government and public management. Fourth, quality performance and TQM processes provide a mechanism of self-correction, improvements, and elimination of waste and defects during the process itself, saving money and time and building long-term effectiveness in products and services produced. Fifth, quality performance and TQM application help build and enhance a culture of ethical work behavior in private individual and organizational performance, a culture of values, self-respect, and integrity in workmanship, psychological well-being, and organizational effectiveness. Finally, quality performance eliminates or reduces the need for after-the-fact inspections that can be too costly, too time-consuming, and can sometimes reveal irreversible consequences, such as defective products or services posing hazards to ecological health and human lives.

There are also other reasons or rationales for adopting TQM and quality standards in organizational performance. As the global economy has expanded for the last decades and the globalization process has accelerated, businesses and industries worldwide, especially the automotive industry and electronic manufacturers, have become aware of their need to reform their ways of performance and improve their product quality or fail as a business enterprise. As a pioneer in this endeavor, Japan realized the need for continuous improvement in business and industry before the United States. It acknowledged the need for such improvement, and internalized the values of TQM as a philosophy in its work culture.

Consequently, Japan's success in producing and supplying "quality" products and services captured the world markets and was responsible for a large portion of the financial losses American companies faced in the 1970s and 1980s. In fact, while American corporations often use coercive means (financial, military, and political pressures) to export their products to developing countries and other industrialized nations, Japanese quality products serve as the best and most effective "ambassadors" worldwide; they are sought in towns and villages around the globe for their quality, durability, dependability, and reliability. Citizens worldwide have the same demands and expectations of their governments, only more and better for less.

Thus, defining quality is a simple matter of "validity," and validity is the essence of any functional entity's behavioral as well as conceptual product. This applies to both human and technological or objective entities. Although this is a broader realm of scientific inquiry, for there are exceptions and variations, the notion of quality nevertheless applies to any setting as a universal concept. Yet, this may be one side of the coin, with the other side showing the degree of complexity that exists in the application of TQM, or simply Quality Management

(QM), which is faced in both the private and public sectors. Thus, like any innovative idea, quality management faces its own friends and foes in modern organizations.

Therefore, quality can be defined as how well a product does what it is supposed to do (i.e., does the product or service meet or exceed expected performance standards?). What is needed, then, is a set of standards to measure quality. In general, quality is the "degree of excellence" on which products or services can be evaluated and ranked. "Companywide quality is the continuous process of involving all organization members in ensuring that every activity related to the production of goods or services has an appropriate role in establishing product quality" (Certo, 1992, p. 100).

Total Quality Management applies the ideas of continuous improvement, customer service, and quality across the board. It concentrates on improving quality rather than reducing costs by cutting corners or eliminating jobs, and in turn the better end-product produces more consumers, making the company more profitable. Improved quality also lowers rework and scrap costs as well as lower warranty and product liability costs, again leading to increased profits. The famous old Persian (and perhaps in many other cultures as well) saying that "quality performance eliminates duplication" applies well here. As noted earlier, it is a commonsense idea, yet not practiced widely. Why? Several reasons may explain this failure. These include individual and managerial incompetence, obsession with political and organizational control, feelings of insecurity among managers and supervisors, fear of losing control, distrust of employees and workers, inadequate resources, lack of motivation or low morale; and anxiety over job security and organizational stability, lack of leadership support, and a host of other factors. Even though the idea of quality originated in the United States a long time ago, American corporate culture was not receptive to the TQM principles. But the Japanese embraced the idea and developed it. Constant improvement is the key to Japanese success; this is how Japan was able to surpass U.S. companies in quality.

Governments have played a key role in national developments and public service delivery for well over five thousand years, and civilization and public administration have grown hand-in-hand, one promoting the other and depending on each other (Farazmand, 2001; Waldo, 1980). However, faith and trust in government performance have not always been strong. After an increase in governmental faith post–World War II, the public trust began to decline and fade in the mid-1970s. This trend has continued since then due to a multitude of factors, including the relentless attacks from conservative right-wing politicians, corporate business elites, and academics, who by virtue of their intellectualization and research/scholarship or political conviction, have been critical of the growing role of government and public bureaucracy in governance and administration of society (for a detailed discussion of this issue see, for example, Farazmand, 1989, forthcoming). Other factors have also contributed to this phenomenon. They include dissatisfaction with taxes, excessively optimistic promises by politicians,

and an inadequate delivery on those promises by public bureaucracies (Hays and Plagens, 2002).

Politicians often promised to solve societal problems such as poverty, environmental degradation, drug abuse, social injustice, and other broad discrepancies. When these issues persisted, civil servants became the scapegoats, while most politicians rode the coattails of these problems with future promises of reform. This was when many governments and administrative systems realized the need to reinvent themselves, though one may argue persuasively that the whole idea could be part of the grand plan of globalization of corporate capitalism—a market-based government that is responsive to the goals of globalization and performs the new social transformation through citizens (discussion of this point is beyond the limit and scope of this chapter). TQM was one major strategy that was adopted and modified from the private sector, and especially following the Japanese success, to improve services, please the citizenry, and sharpen the capacity of governments in the new era of a corporate-dominant market system. This happened in the United States, Western Europe, and some developing nations. However, in spite of the intention, adoption of business strategies and ideas from the private sector must be done very carefully and their implementation requires significant cautions, since there are many intrinsic differences between the private and public sectors.

There are several criteria used in identifying the differences between public and private organizations. Two of these are the bottom line and the types of goods and services they provide. Public organizations serve the broad-based general interest. They are expected to be fair and to provide public goods for a broad society. Private organizations are market driven, provide individual goods, and pursue selfish interests, with externalities released to society and the environment that have to be handled and paid for by government and taxpayer dollars. These organizations are also different in the ways they are measured or defined. It is often difficult to pinpoint who is responsible for the failure or successes in public organizations while private organizations look at the net result, the dollar figure. The process of decision making is also different for these entities; it is much easier to make decisions within private organizations. The public image or accountability is also different for these two groups. A private organization depends on its board members. Public organizations are high on political authority but low on economic authority. Compensation also varies. Within the public organization there is generally a lower monetary compensation rate than in the private counterpart.

Therefore, business strategies from the private sector must be modified and adjusted for the differences before they can be utilized in the public sector. Yet, TQM is applicable in the public sector because it addresses the needs for a better end-product and customer service with measurable results. Total Quality Management is implemented by creating teams to tackle projects, and analyzing the citizen or customer satisfaction levels. ISO 9000:2000 offers a quality assessment system that can determine if quality standards are being met. With the continued

threat of downsizing or privatization, governments must become more efficient and quality oriented to be both effective and responsive. This is a challenge that demands training and development as well as a philosophical realignment in public management.

Government provides challenges in implementing TQM because of problems in "securing sustained commitment in the context of political turnover at executive levels, problems of identifying customers, problems in measuring outputs and products, personnel systems that limit empowerment and the use of teams" (Rainey, 1997, p. 363). Failed TQM efforts often display qualities of "insufficient leadership, weak culture, weak management of the change process, and poor provisions for motivation and teamwork" (Rainey, 1997, p. 363). Application of TQM is a long-range process, with challenges and opportunities. Critics of TQM call it a management "fad," an issue that challenges governments all the time (see Dean and Evans, 1994). Especially in government, TQM implementation requires thinking that is out of the box. And indeed the public sector has done this and moved toward a more output-oriented, customer-focused approach to service delivery. But output orientation is not enough in government; it must also become more quality-outcome oriented. Unlike the private sector's primary concern with outputs and profits, public sector organizations have a broader concern and responsibility for quality outcomes with multiple consequences for society and individual citizens.

KEY FIGURES AND CONCEPTS IN TOTAL QUALITY MANAGEMENT

There are several key figures that have contributed significantly to the conceptual development and implementation of TQM, which began in the 1930s. These include W. Edwards Deming, Peter Drucker, Charles Handy, Tom Peters, David Packard, Malcolm Baldridge, Frank Carlucci, Philip Crosby, and Joseph Juran. Entire books could be written about these men, but due to space limitation, an outline of their main points of contribution and history is presented below. These men developed the key concepts of Total Quality Management that are still in use today, though many of these ideas have origins in the ancient public management systems, such as in Persia under Darius the Great (sixth–fifth century B.C.) and Babylon under Hammurabi (2,000 B.C.).

W. Edwards Deming was born in the United States in 1900. He was a statistician and quality control expert who taught quality control techniques as part of the national defense effort after World War II. Commenting on the ways private business and public organizations operated in the United States, in *Out of Crisis* (1986, p. 69), Deming identified several "deadly diseases" and developed 14 points for management to follow in order to deal with them and to achieve success in improving and maintaining product quality. A brief version of these points is given below:

1. Create constancy of purpose for continual improvement of products and services.
2. Adopt a commitment to seek continual improvements.
3. Switch from defect detection to defect prevention.
4. In dealing with suppliers one should end the practice of awarding business on price and move toward quality of product, reliability of delivery, and a willingness to cooperate and improve.
5. Build partnerships with employees and suppliers.
6. Improvement is not confined to products and their direct processes but to all supporting services and activities.
7. Train in a moderate way but do it organizationwide.
8. Change supervision from chasing to coaching and support.
9. Drive out fear and encourage two-way communications.
10. Remove barriers between departments.
11. Do not have unrealistic targets.
12. Remove barriers that prevent employees' having pride in the work that they perform.
13. Encourage education, training, and self-improvement for everyone.
14. Publish top management's permanent commitment to continuous improvement of quality and productivity. (Also see Milakovich, 1995, pp. 227–228)

Deming's ideas became so ingrained in Japanese industrial culture that the Japanese award the Deming Prize annually to companies that demonstrate a successful companywide quality control program. The first U.S. company to win this award was Florida Power and Light in 1989. The principle of Deming's philosophy is that quality is about people, not just products, and the process used to make the product needs to be continuously improved. His "Do-Study-Act" approach to the product development cycle can be found in many companies, but it requires total commitment from the organization.

Peter Drucker was born in Austria in 1909, and emigrated to Britain in the late 1920s, and then to the United States in 1937. He believed that there were few differences in types of organizations being managed, whether it was a business, church, hospital, school, or government agency. His five basic principles of quality management were: (1) setting objectives, (2) organizing, (3) motivating and communicating, (4) establishing measures of performance, and (5) developing people. Drucker linked the bottom line with the satisfaction of the customer (Milakovich, 1995).

Charles Handy, born in 1932 in Ireland, worked as an economist in London before joining MIT's Sloan School of Management. Handy stresses that the status quo is no longer acceptable. Organizations must seek continuous improvement or grow stagnant and die. He emphasizes the motivational aspects of participation, delegation, and empowerment. "He writes about quality attitudes

and the need to involve all employees in finding solutions to the problems of waste within the organization" (Gatiss, 1996, p. 8).

Tom Peters was born in 1942 and went to work at the Pentagon in Washington, DC. Peters, in conjunction with Robert H. Waterman, published *In Search of Excellence* (1982), in which they analyzed 43 companies and concluded that excellent firms believed only in constant improvement and constant change. David Packard sparked an interest in TQM in 1985 as head of a commission to study defense management. And in 1988, Secretary of Defense Frank Carlucci made TQM an official policy for the U.S. Department of Defense, showing interest in the adoption of TQM in the public, military sector.

The Malcolm Baldridge National Quality Award is presented annually to U.S. companies that are doing exemplary work in the area of quality. Some past recipients include Motorola, Milliken, Xerox, IBM, and Federal Express; this is the U.S. answer to the Deming awards. The awards are named after Malcolm Baldridge who was a former U.S. secretary of commerce. And the Malcolm Baldrige National Quality Improvement Act was put into effect in 1987 under public law 100–107.

Philip B. Crosby is known as an expert and pioneer in the quality movement.

> According to Crosby an organization must be injected with certain ingredients relating to integrity, systems, communications, operations and policies. By adding these ingredients to an organization, the organization should be able to achieve significant progress in achieving product quality. Crosby calls these ingredients the vaccination serum that prevents the disease of low company wide quality. (Certo, 1992, p. 659)

Finally, Joseph M. Juran, like Deming, taught quality concepts in Japan.

> Juran's philosophy emphasizes that management should pursue the mission of quality improvement and maintenance on two levels: (1) the mission of the firm as a whole to achieve and maintain high quality; and (2) the mission of individual departments within the firm to achieve and maintain high quality. (Certo, 1992, p. 662)

In 1951 he published the first edition of his *Quality Control Handbook* (Gatiss, 1996).

These men developed the principles based on their observations and the human component of TQM so critical in its success today. Yet, as noted earlier, the whole notion of TQM is nothing new, no more so than common sense. Doing things right the first time saves money and time, eliminates duplication and waste, and promotes reputation, sense of confidence, and satisfaction among both custumers and individual performers of organizations; it is an all-out, win–win outcome policy and organizational behavior. But what makes it a more sophisticated system of management and governance is its operational components or requirements, some of which are statistically drawn and technologically challenging.

However, the term *Total Quality Management (TQM)* has also appeared with diverse connotations and variations, both terminologically and conceptually, in business and public management textbooks, reference documents, guide pamphlets, and instructional manuals around the world. A cursory review of the literature reveals a cluster of concepts and terms, which include the following: Total Quality Service (TQS), Quality Circle (QC), Quality Improvement (QI), Quality Improvement Program (QIP), Quality Improvement Team (QIT), Quality Control Circle (QCC), Total Care Concept (TCC), Total Quality Control (TQC), and Total Quality Management (TQM) (for details on these, see Milakovich, 1995). Of these concepts, TQM appropriately captures the whole notion of thinking, conceptualizing, designing, and implementing quality ideas in private individual life, in professional work organizations, in service delivery, and in production and processing organizations.

TQM AS A PHILOSOPHY?

Total Quality Management may be viewed as a philosophy in individual and organizational life. Philosophy is a search for truth in the universe. It involves value structures with underlying assumptions that can be injected and enhanced in culture, community, and society demanding collective action. Philosophy, therefore, in this context encompasses a set of structured principles, value systems with attitudes and beliefs, and processes that are never ending and always in motion: detecting and preventing defects while creating new ideas through innovation. In a sense, it may be considered a dialectical process which requires institutional competence and organizational dynamics. Thus, the philosophy of TQM is holistic and all-encompassing. It is important to make a distinction between (1) the broad-based, generic, or absolute philosophy that covers and guides aspects of life and society, on the one hand, and (2) the instrumental philosophy that guides work and organizational behavior in daily life of modern society, on the other. Of these two types of philosophies, instrumental philosophy is the one that is the central concern in this chapter, and key to understanding TQM.

By implication, therefore, TQM differs from other management techniques because it focuses on the outcome and not the output of a particular organization. Even though at the end of the day one organization may have served customers in an efficient way, the question remains: Was their service effective? The fact that a project is "done" does not necessarily mean it's "done well"; it just means it's finished, not even completed, because the concept "complete or completion" has meaning beyond finishing a task or job. It refers to completing the required task of integrating together the necessary components of a product or service with "quality" assurance and consequences.

Total Quality Management attempts to make any residual political or social effect a positive one by focusing on doing the job right from the beginning to the end and respecting people and their ideas during the process. TQM focuses

on long-term and broad-reaching success. It is believed that this commitment to quality outcome will result in a more productive organization over the long haul. Customers are attracted to good service and good products, especially if the customers need to invest their time and money only once instead of over and over again. Quality is what a healthy, productive, and effective life is to a person and organization.

Proper leadership and the right types of team structures can provide checks and balances needed to ensure quality. Using outputs and citizen/customer feedbacks enables organizations to understand the impact their policies or programs may have on society. With national borders shrinking, it is necessary that organizations examine the broad effect they have not only on a particular society but also on other countries worldwide, reflecting the philosophy and quality of products of organizations in the age of globalization. The case study of the ice cream company Ben & Jerry's depicts some of its quality measures, but it also donates a good percentage of its profits to charitable organizations, ensuring that though its output is ice cream its outcome is happy employees and better-funded charities. Charitable donations benefit corporate organizations in many ways: They promote the corporate culture and the organization's identity in society, promote the products and services of the organization, buy legitimacy in society by institutionalizing the structure and values of the organization; and gain sizable tax breaks, tax exemptions, and further revenue gains for the owners of the corporation. These are the big rewards that corporate capitalism in America and its pro-business-class laws provide to the capitalist/ruling class. So, any contribution to charitable foundations will gain multiple returns in the forms of rewards, tax benefits, and wealth.

An integrated quality approach to public management promotes a total quality service culture, and public sector organizations can develop this culture in many ways. Customers in general, and citizen customers in particular, are key sources of quality indexes. Their favorable feedbacks can boost the morale and motivation of public employees and promote the legitimacy and support for the organizational leadership. And this is something that can be built into the philosophy of the organizational leadership concepts, approaches, and managerial processes. This is done in various parts of the world, and whenever done genuinely it has resulted in astonishing success for all, both citizens and organizations. The culture of TQM is a comprehensive one, integrated, holistic, and philosophically embedded in the basic assumptions of the organization that believes in and promotes the concept that "quality culture" is manifest not only in its words, but also in deeds and actual products and services.

CASE STUDIES/BEST PRACTICES

Case studies provide laboratories for experimentations and cut many costs of trial-and-error efforts. The next two cases show how one can learn from successful companies that focus on employees and process outcomes.

> New model believers hold that employee satisfaction is a leading indicator of customer satisfaction, and that loyal employees develop loyal customers. As employee satisfaction increases, a company can expect its key customer satisfaction indicators to improve also, along with financial results. (George and Weimerskirch, 1998, p. 111)

Ben & Jerry's is an example. Its product is distributed through supermarkets and franchises. It employs more than 700 people who appear to be "dedicated to the creation and demonstration of a new corporate concept of linked prosperity that includes holding a deep respect for individuals inside and outside the company" (George and Weimerskirch, 1998, p. 114). This statement may be corporate biased, but it does say something useful about, valuing people. Another company that believes the investment in its employees will bring about a better quality environment and product is Building Products Operations (BPO), a subsidiary of Armstrong World Industries. It manufactures and markets acoustical ceiling systems for commercial and residential use. Additionally, the two cases presented below show that dedication to quality does pay off; well, sort of.

Case #1: Florida Power and Light Company (FPL)

Florida Power and Light, a utility company based in Juno Beach, Florida, provides electric power to the entire state. FPL aggressively incorporated TQM strategies into the company and it was the first American service firm to receive the Deming Prize in 1989. FPL initiated the Quality Improvement Program (QIP) in 1981. FPL's newly developed mission statement read: "During the next decade, we want to become the best managed electric utility in the United States and excellent company overall, and be recognized as such."

To accomplish this mission, FPL developed and followed a three-stage process that led to the ultimate success in achieving its goals. In doing so, FPL drew from the expertise of quality experts such as W. Edwards Deming and Joseph Juran, as well as Japan's 1984 Deming Prize–winning Kansai Electric company, but FPL also settled on a mixed strategy and defined quality "as conformance to the valid requirements of the customer" (Milakovich, 1995, p. 106). And customers were defined as "not only the ultimate rate paying customer, but also the person in the next department who received the product or service in the next step of the extended process (Milakovich, 1995, p. 106).

There were four underlying principles to FPL's Quality Improvement Program (QIP): (1) customer satisfaction; (2) the plan-do-check-act cycle; (3) management by fact; and (4) respect for people. FPL implemented the strategies through the formation of quality improvement teams (QIT) and by focusing its resources on a few priority issues at a time. FPL also made its vendors an important part of the process, so that quality could be seen throughout. FPL's case study was a success; it resulted in increased revenues, a $600 million savings in construction projects, reduced customer complaints, decreased worker injuries, and the receipt of the Deming Prize.

Unfortunately, shortly after the receipt of the Deming Prize there was a change of management, and the program was dismantled. Officially, the complete incorporation of quality was cited as the reason for discontinuing the program, while others cite increasing competition, economic crisis, and the cost of thousands of man-hours for obtaining the prize as the reasons the program was repealed in 1990. In the end, the TQM program became the victim of its own success. Why? Several reasons may explain this successful failure, or failed success, all of which may serve as "lessons" to be drawn from this case study. One reason was that too much attention was given to, and emphasis placed on, the goal of winning the Prize, rather than considering the adoption of TQM as a strategy of continuous service improvement.

The second reason was, perhaps, the political and business/nationalistic motivation that drove a big public service corporation (a privatized utility corporation previously operating as a public enterprise) to this self-serving competition to show that Americans can do what the Japanese had done: "If Japan can do it, why can't we?" This may sound like a silly and stupid motivation, but typical of many other self-serving political and ideological behaviors in the public policy area, this was also intended to make a point in the circle of corporate elites and those in U.S. top policy-making circles. This leads to the third reason, and an organizational lesson, and that is the self-serving nature of many organizational changes and policies that are so often initiated and implemented by top-down policy makers and organizational elites. These elites come and go frequently but bring in personally and politically motivated changes that cause instability and disruption to organizations.

Still, the fourth lesson to be drawn from this failed success was the cost—the prices that consumer citizens had to pay, and did pay. Finally, there is an implication for organizational behavior: Organizations become dysfunctional when goal displacement takes place, an anomaly that is often coupled with either overzealous leadership or a total lack of interest and leadership support. So, was TQM a success or a failure in the case of Florida FPL? You be the judge.

Case #2: The Ritz-Carlton Hotel Company

The Ritz-Carlton Hotel Company, winner of the 1992 Malcolm Baldridge National Quality Award, made employee commitment to total customer satisfaction its number-one priority. This Atlanta-based company manages 25 hotels, which integrates quality in its marketing and business objectives. The Ritz-Carlton has established its own in-house program, called the "Gold Standards," that empowers its entire workforce to move heaven and earth to satisfy its customers. This starts at the top with 13 senior executives meeting weekly to review quality. Ritz-Carlton relies heavily on orientation, training, certification, daily "line-ups," recognition for achievement, and performance appraisals to implement quality service. Again teams serve as the mechanism for approaching quality and each hotel has its own quality leader. Daily quality production reports coupled with

quarterly summaries make sure everything is on track. And indeed it appears to be the case, since in 1991, Ritz-Carlton received 121 quality-related rewards (Milakovich, 1995, pp. 79–83).

A key lesson to be drawn from this case is that Ritz-Carlton Hotel was a private, corporate organization of first-class service, and extremely high priced; its mission to cater to high-class elite customers requires application of quality service that is continuously improving in order to meet the satisfaction of the exclusive clientele. Therefore, Ritz-Carlton Hotel's application of TQM with an ability to compensate and reward QS employees and workers may be feasible and essential. However, such an application in public sector organizations with multiple goals and checks and balances systems can run into a number of challenges, if not serious difficulties. Yet, the determination and commitment for building quality into the process of service design, development, and delivery is and should be considered an innovative management strategy.

PUBLIC SECTOR APPLICATION CASES

Statistics also show that quality management has made its way into the public sector. The U.S. General Accounting Office found that in 1992, 68 percent of all federal organizations and installations surveyed were engaged in some kind of quality effort. "However only 13 percent of the employees in these organizations [were] involved in TQM activities" (Hyde, 1995, p. 307). The low 13 percent participation of course speaks directly against the ability of TQM to be effective if conditions are not right, but as Cole (1993) reminds us, Japan has been using TQM for over 40 years but only recently put it to work in the public sector.

Generally, the whole notion of TQM application has been a problematic issue in the private sector in the United States since the 1980s, and its adoption in the public sector has faced more difficulties. In fact, evidence shows that until recently, three out of four TQM applications in the private sector have failed due to many factors, some of which are mentioned here. And, for that matter—a problematic that has been shared by both management and workforce employees—the concept of quality management (QM) rather than TQM, has received more reception in the management circles. For example, Cole (1993, p. 8) notes the dislike and failure of quality management in the United States ever since its application in the private sector in the 1980s: "Failed attempts at implementing quality practices are commonplace. . . . Yet, out of this seemingly blind trial and error learning process, we are starting to see examples of successful performance and are beginning to understand what it takes to succeed."

Obviously, early attempts at implementing any new idea, including TQM, in organizations is expected to face problems and failures. Given the major cultural and managerial differences between Japan and the United States, the failure rates are expected to be experienced in the United States, where the culture of teamwork is poor and large gaps exist between the management and workers'/em-

ployees' compensation and reward system. Yet, application of TQM in the United States has been steady, and the realization by management in both the public and private sectors has become common. Despite the increasing applications, there is also a new realization in both sectors of management that an entirely new environment, a new organizational approach characterized by innovation, flexibility, and reformation, is required to successfully implement TQM. And, at the same time, a new, "flexible" notion of TQM is needed to be applied in the American cultural setting or environment. Thus, a two-way restructuring, reorganization, and reform has been conceived and applied in the United States at the federal level.

State and local governments show similar trends in the United States. A U.S. National Governor's Association survey from 1992 indicated that 36 states had some type of quality initiative underway. And one year later the American Society for Quality reports showed that 82 percent of all states were implementing some form of quality management program. The International City Management Association showed in a 1993 survey that 25 percent of cities with populations greater than 25,000 had also adopted TQM in at least one functional area (Hyde, 1995, p. 307). Some cities have not completed the TQM process, citing cost and lack of support as their reasons.

In Canada, the federal government formed the National Quality Institute (NQI). The NQI is a public/private sector, not-for-profit organization, with a mission to "stimulate and support quality driven innovation within all Canadian enterprises and institutions, including business, government, education and healthcare. Its vision is to create a new future for Canada by employing the full potential of every Canadian" (National Quality Institute, 1995, cited in Robertson and Ball, 2002, p. 390). This organization has also produced numerous how-to pamphlets for public or private organizations that are interested in TQM. The National Quality Institute hosts a yearly awards program called the Canada Awards for Excellence. Local governments in Canada have also applied TQM or simply QM, but their records are small, about 24 percent applying formally, while more cities are attempting its implementation with considerable modifications and on an informal basis. Yet, TQM application in Canada is gaining increasing recognition as an innovative managerial tool to empower employees and to provide quality service to citizens by emphasizing the slogan "putting people first" (for more on Canada, see Robertson and Ball, 2002).

The United Kingdom has also embraced TQM. The Citizens Charter was introduced in 1991 to improve public service delivery. The Citizens Charter established the Quality Networks, which are designed to "share information or development on best practices; compare progress in areas of common interest; help erode boundaries between public sector organizations; and encourage problem sharing and solving" (Morrison, 1997, cited in Robertson and Ball, 2002, p. 391). These networks encourage teamwork across agencies as well as within them.

In Germany, the City of Saarbrucken initiated a quality management program

in 1993. This program was in response to a cross-border competition "between France and Luxembourg" (Hirschfelder, 1997). In 1997, the Speyer German Quality Award was presented to Saarbrucken as the first city that succeeded in applying the quality management program as a restructuring process to adopt a quality-oriented practice to reform and modernize the public service delivery system (Hirschfelder, 1997).

The International City/Council Management Association (ICMA) studied local governments in the United States to document their strategies. In their 1993 survey they found that only 11 percent of local governments had a formal quality program in place and 22 percent were developing a program. The ICMA also identified three main points of "best practices": First, a city needs to start with a "customer facing" service area that is prepared to adopt new methods to improve service. The second key is to get the support of the internal stakeholders, particularly department heads. And finally, the need for acknowledging employee and work teams in support of quality goals is critical. Obviously, these points only scratch the surface of a much more serious and sophisticated TQM application system.

While many of these local, national, and international cases present opportunities to study and draw lessons for future application, the degree and number of failures must be considered, as appropriate application of TQM requires several preconditions which are often lacking or ignored in the adoption process by many organizations, public and private alike. A comparative study of this sort would certainly be a major contribution to social science inquiry and for organizational and public management implications. Until then, one must settle for a growing realization that application of some degrees of quality management QM, and ideally TQM is a major first step toward building and enhancing managerial capacity for sound governance and public administration. This is an imperative that all governments need to consider in the age of rising citizen expectations and globalization.

IMPLICATIONS FOR STRATEGIC PUBLIC MANAGEMENT AND SOUND GOVERNANCE

In the context of TQM application, implementation means putting ideas, decisions, and laws regarding product quality into strategic actions. When managers put strategies to work they must be sensitive to the fears and frustrations of employees, provide organizational resources needed to implement the strategy, and monitor the implementation process. Two tools managers commonly use to implement product quality strategy are: (1) policies, and (2) organizational structure. A policy is a standing plan that furnishes broad, general guidelines for channeling management thinking toward taking action consistent with reaching organizational goals. A quality-oriented policy is a special type of policy. A quality-oriented policy is a standing decision that furnishes broad, general guidelines for channeling management thinking toward taking action consistent with

reaching quality goals and objectives (Certo, 1992). Quality-oriented policies can be made in almost any organizational area and can focus on issues such as the quality of new employees recruited, the quality of plans developed, the quality of decision-related information gathered and distributed, the quality of parts from suppliers, and the quality of training provided to employees.

Strategic control emphasizes monitoring the strategic management process to make sure that it is operating properly. In terms of product quality, strategic control would focus on monitoring company activities to ensure that product quality strategies are operating as planned. In achieving strategic control in the area of product quality, management must measure how successful it has become in achieving product quality. Philip Crosby states that in order to control efforts in achieving product quality, several organizational areas should be monitored. These areas include management's understanding and attitude toward quality, how quality appears within an organization, how problems are handled, the cost of quality as a percentage of sales, quality improvement actions taken by management, and how management summarizes the organization's quality position. Achieving the goals of TQM may take time and organizational commitments to long-term processes and activities. According to Crosby, organizations go through five successive stages of quality maturity: uncertainty, awakening, enlightenment, wisdom, and certainty, as they approach the maximum level of quality in all phases of the above-mentioned organizational activity (Certo, 1992).

Another commentator on government application of TQM, Hyde (1995) suggests four critical elements in implementing advanced or modified forms of TQM in public organizations: internal process measurement, external customer measurement, internal workforce participation, and external supplier collaboration. Yet, he warns of difficulties public organizations may face in adopting TQM, which he actually refers to as "quality service."

As far as implications for public management are concerned, the lesson is clear: The traditional methods of management and human resource strategies must be upgraded with innovation, and advanced to meet the current challenges and demands of TQM application, if success is a priority. Therefore, a number of factors need to be taken into account. These include establishment of the "constancy of purpose" in the mission of an organization, as Deming (1986) has reminded us of; commitment and support from top organizational leadership; building and enhancing trust, motivation, and serious employee empowerment through genuine participation, job security, and equitable compensation; teams of various structures; training and development of employees and workers; measurements of quality through process as well as outcomes; building a "culture of quality" in the organization and rewarding that culture with recognition, respect, and various personnel policies to reinforce that culture and promote both employee and citizen/customer satisfaction and confidence.

Yet, as noted earlier, public organizations by nature face multiple difficulties in implementing each of these points. For example, training and development requires balancing the forces of diversity, equity, equality, efficiency, politics, and

racial and gender issues. Similarly, the issues of participation and empowerment require application of genuine methods of engaging employees and workers, and here politics, gender, race and color, and a host of other issues intervene in the process. Another issue, compensation, is problematic in the public sector, in which legislation authorization and public/citizen sentiments are key players; public managers do not often have the ultimate decision power on compensation and reward decisions. Finally, public managers must deal with competing forces of politics, economics, and finance, as well as organizational goals they are supposed to accomplish. In fact, the mere viability of their jobs is highly dependent on these balancing forces.

However, despite all these major challenges, public management has a great deal to gain from adopting either the pure or some appropriate form of TQM in public organizations across the world. The rationales and advantages of such strategic application were outlined at the outset of this chapter. In short, public managers must avoid the "deadly diseases" Deming has identified (lack of constancy of purpose, short-term thinking, individual performance appraisal, turnover and mobility of senior management, managing by numbers alone excessive medical and liability cost, etc.), and try to build a "culture of quality" to achieve and promote the goal of quality in public organizations.

Steven W. Hays and Gregory K. Plagens (2002) explore cases where private sector reform strategies have been successful and unsuccessful in their application to public sector human resource management. The objective of their research was to determine if any HRM innovations are taking place in American jurisdictions that help with recruitment, retainment, motivation, and the rewarding of workers in human and social service agencies. One area that blatantly needed reform and could utilize TQM was recruitment. As Hays and Plagens point out, infrequently administered tests, narrowly defined job classifications, lengthy delays in appointment, restrictive interview requirements, and time-consuming authorization and approval periods complicate the process of TQM application. Yet, TQM could be incorporated into the recruitment and hiring of employees by giving the reviewer the authority to hire on the spot and flexibility in the type of benefits given to the employee. This will reduce the waiting period for the agency and fill a position that is needed so that customers can be served. Of course, the large number of unions and their power make it difficult to modify the selection process.

One of the biggest problems with TQM application is the massive downsizing that has characterized the private corporate sector, and the public sector through privatization. Downsizing undermines severely the efforts toward a successful TQM application: It creates anxiety among employees, causes uncertainty, and promotes a sense of job insecurity, all of which negatively affect the process of quality improvement. To counter this problem, organizations need to devise a concrete program that clearly outlines the plan, objectives, and means by which organizational personnel policies are implemented with regard to retention strategies and privatization or contracting-out practices. Many companies guarantee

that jobs will not be lost in order to gain the confidence and cooperation of existing employees. In order to retain employees management must make them feel as if they are actively contributing to the well-being of an organization and are empowered to make decisions. Public organizations can pursue a similar strategy to reduce anxiety and tension.

Technology as it is applied to the business process is not enough; highly trained and motivated people who are providing the actual service to customers are what is needed. Frontline employees and workers are the closest people to consumer citizens. "People must come first." Citizens' expectations are rising all the time. More is expected while budgets are shrinking and faith in government is waning. Quality is expected yet there is less accountability. As Deming and Drucker point out, people are key as both service providers and receivers. According to these experts, people set the tone for a business and determine its fate. This assertion may be an exaggeration, since in the age of rapid globalization, corporate monopolies make unilateral decisions and often dictate their preferences and demands to society and citizen consumers through massive TV commercials and other means rather than the other way around.

The neo-market ideology of corporate capitalism considers citizens as consumer pigs with increasing appetites, imposed upon them—through relentless commercials—for more consumption so more goods and services can be produced and sold. Yet, these same corporations need people to purchase the goods and services, and citizen consumers are also learning their own ways of responding and asserting their own desires and preferences. The result is a dialectical process of interactions that demands constant attention to the quality of products and services offered. In this environment of growing awareness and knowledge, public as well as private sector organizations must learn to adapt and improve their performance in all aspects.

The last two decades of the 1980s and 1990s have been a critical period for public sector governance and administration, and public management has faced serious challenges from almost every direction. The general slogans of anti-bureaucracy, anti-regulation, and anti-public organizations, compounded by sweeping privatization, marketization, globalization, deregulation, downsizing, and so-called government reinvention have caused serious negative impacts on the capacity of public sector organizations to manage the public's business. These major impacts have had dual consequences for public management. On the one hand, the institutional, managerial, and financial as well as human resource capacities have been eroded with serious losses to organizational ability to perform in public administration. This has resulted in massive turnover, brain-drain into the private sector, low morale and motivation among employees; subsequent problems with recruitment, retention, training; and "staff shortages, antiquated facilities, shoddy financial management, and rapid turnover" (Goldstein, 1996–97, p. 15).

On the other hand, these same problems can serve as motivation for application of the TQM principles in order to overcome the shortcomings while taking

steps to improve organizational performance, provide better public service, lower citizen dissatisfaction, and build and develop capacities to a more efficient and more effective system of public service delivery and a stable government workforce. Adoption of TQM in public administration is a new challenge that must be met by embracing the challenge itself as an "innovative strategy" to build and enhance capacity for improving the performance of public organizations in the age of accelerated globalization (Borins, 2001; Farazmand, 1999, 2002, 2003). How to accomplish this challenging task should be the subject of another chapter or even a book presentation.

CONCLUSION

Total Quality Management is more important today than ever before due to the age of globalization and customer/citizen demands. With worldwide national barriers shrinking and competition at full speed ahead, TQM strategies are key to achieving customer satisfaction, employee satisfaction, and a superior product and service, which lead to higher rates of profit in the private sector, and more effectiveness in the public sector.

Why wouldn't governments want to continue to embrace TQM? Unfortunately, the implementation of this strategy is time-consuming and requires full cooperation from the entire agency for its success. Many agencies do not possess the leadership with long-term vision and goals. Yet to be successful, the human resources in government need to be given top billing. Internal modifications for a positive work environment that fosters pride in a product through quality control will equate to a satisfied customer and renewed faith in the system of government and administration. Public organizations, small and large, are up to a formidable, growing challenge in the age of rapid globalization.

Knowledge and information spread fast, competition is growing high, citizen demands and expectations rising rapidly, but old ways of thinking and managing public organizations are no longer working effectively. What is needed is a new way of thinking, a new mental awareness, and a new philosophy of management—a TQM philosophy—in order to meet these challenges and to help build a quality organizational culture and develop strategic capacities for sound governance and public administration. Despite the reports of failures, the global cases of success should be studied closely and the application of TQM should be considered a key innovative strategy to organizational effectiveness and quality public management. There is a great deal to gain from this global innovation.

However, successful design and implementation of TQM or even a good degree of QS in public management depend on many key factors: supportive organizational leadership; meaningful employee participation; genuine employee empowerment; commitment to quality thinking and culturally embedded philosophy of work ethics and values; workforce stability and relative job security; member loyalty; continuous training and development; compensation; and institutional stability through organizational continuity and administrative balance

sustained against periodic or rapid political changes produced by either elections or shift of power structures.

These are major challenges that work against successful programs of TQM in government and public management. Yet, opportunities abound that can offset many of the above challenges, and the superchallenge is the imperative of facing and meeting these challenges or obstacles. It is this innovative strategy that is needed to overcome other problems and challenges of contemporary public administration and governance.

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13

Quality Assurance as Public Administration Capacity Building

RAYMOND SANER

BACKGROUND

The public sector produces a large and growing proportion of goods and services in most OECD countries. They range from nonmarket services provided in the general government sector, such as public administration and defense, to marketable services, such as telecommunication and postal services, and include merit goods, such as health and education.

OECD countries face several constraints and challenges which make it of paramount importance that the public sector in general and the public administration in particular, is managed as efficiently and effectively as possible. Many public sector organizations are now faced with competition and are hence in need of increased efficiency and effectiveness.

The push toward better management of limited resources is partially due to the external pressures emanating from globalization (e.g., WTO plurilateral agreements in public procurement) and regionalization (EU integration, NAFTA, FTAA, etc.). An equally strong push comes from internal constraints, namely, growing budget deficits, technological change (e.g., telecommunications and computerization), and different forms of privatizations.

A competent, well-functioning public administration is needed more than ever before to manage the current and coming internal and external conflicts and challenges which have arisen to a large extent due to increased globalization and concomitant competitive pressures affecting the private and public sectors (Farazmand, 2002).

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As a result of the above mentioned external and internal pressures, the public sectors of OBCO countries are faced with growing demands for better and more equitable modern management and improved leadership of its governments and civil servants (Saner, 2001). Efforts have been made to improve existing management practices over the last 10 years but the results have been considerably less than expected.

REASONS FOR A NEW QUALITY STANDARD

The public sector administration is faced with constraints and tasks, which do not exist in the private sector (e.g., legal requirements demanding impartial treatment of citizens/customers and equal access to service). The civil servants/public managers themselves are governed by public law regulations and the services provided by public offices have to be observant of constraints emanating from a multitude of often-conflicting policies.

Existing quality standards such as ISO 9000:2000 have been used in some of the OECD public administrations but the application has been mostly reserved for the control of external service providers and less for internal management controls within a public administration system. The reasons for this limited use of existing ISO standards is mostly due to the specific nature of public administration as described above.

In particular, a key task of any public administration system is the reluctant work of regulatory policy making (regulatory function) which means knowing how to work with conflicting goals and objectives. Private sector companies do not have to deal with such conflictual tasks. Hence, importing quality systems from private sector to public administration would be inappropriate without adding tools to assess this key function of government.

Experts and scholars representing, for instance, the school of New Public Management have made important initiatives for public administrative reform. The same is true for contract-based public administration developed in France and Belgium (Racheline, 1997). Both offer meaningful methods to improve performance of public administration.

However, there exists no quality control of NPM nor one single agreed definition, of either NPM or of NPA. Important amounts of money and political capital are being spent for NPM and NPA reforms without quality control. A new standard focusing on the particularities of the public sector is needed to guide future public administrative reforms or to safeguard quality standards of public administration in general no matter what persuasion.

MAIN FEATURES OF NPM AND NPA AND COVERAGE BY QUALITY ASSESSMENT

Table 13.1 highlights some of the main features of NPM and NPA and shows their respective coverage by a quality assessment (QA) system. The listed ele-

Table 13.1
Main Features of NPM and NPA

Main Features	NPM	NPA	QA
1. Separation between service user, provider, and sponsor (source of financing)	Yes	Yes	Yes
2. Delegation of competencies, definition of performance based on contracts	Yes	Yes	Yes
3. De-hierarchization, flexible project work, teamwork	Yes	Partially	Yes
4. Merit-based remuneration	In favor	Depending on public service law	Yes
5. Analytical cost accounting	Yes	No	Yes
6. Audit reports and policy evaluation	No	Sometimes	Yes
7. Customer/Citizen satisfaction surveys	Yes	Sometimes	Yes
8. Benchmarking with other public administrations	Intention	Sometimes	Yes
9. Competitive tendering, contracting of services	Sometimes	Sometimes	Yes
10. Redefinition of status (e.g., Régie, autonomous agency, fully privatized publicly or privately owned enterprises	No	Yes	Yes

ments of NPM and NPA are nonexhaustive. The main purpose here is to highlight the scope of a QA system and how it could offer an approach that could encompass both systems of public administration.

QUALITY ASSESSMENT SYSTEM: A NECESSARY COMPLEMENTARY TOOL FOR NPM/NPA

Different quality assessment systems have been developed over the last years. The most well known and most often used are (1) ISO 9000:2000, (2) the European Foundation for Quality Management (EFQM), (3) the Common Assessment Framework (CAF), and (4) the Excellence Models such as the ones based on EFQM or Speyer.

While all of these quality systems offer useful tools and instruments, the following shortcomings have been observed:

1. EFQM is a mixture between quality assessment, policy evaluation (output and outcome), and organization development. While it is a very encompassing concept, EFQM

can also be experienced as requiring an inordinate amount of resources and time which public administrations often cannot muster.

2. The CAF is based on EFQM concepts and methods but according to its developers it remains an intermediary measure leading, e.g., to a full assessment based on EFQM or other quality systems. The weakness of CAF is its voluntary nature. CAF is only meant for self-assessment. External audits are not foreseen which reduces its attraction for nongovernmental stakeholders.
3. Quality awards such as the European Excellence Model offer attractive incentives for public administrations to concentrate forces and energy in order to obtain the award. However, once achieved, public administrations tend to relax their discipline leading to a loss of gains previously achieved. In addition, as was pointed out by Bovaird and Löffler (2002), "the questions arise as to whether the criteria measure assesses the right things?"
4. ISO 9000:2000 and its previous versions have been used by various public administrations in different parts of the world including Taiwan (Chu et al., 2001). The benefits from using ISO quality instruments are associated with the introduction of standardized procedures making the outcome of events more predictable and giving management more control (Brennan and Douglas, 1999). On the other hand, ISO 9000 instruments have also been reported as being too bureaucratic, the audit process too lengthy and too costly and not satisfactorily covering the policy-making process, a core aspect of public administration.
5. Switzerland has completed a guideline titled "Quality Management in the Public Administration," which offers quality guidance to interested government officials. The quality guideline can be used as a basis to reach consensus between the executive, legislative, and judiciary branches of state administrations. It can also be used to reach common understanding of how a government should provide services to its customer/citizens. The SNV guideline offers suggestions on how to develop a quality system and how to go through the related change management in general. The guideline can be used for any public administration be it organized according to traditional public administration, NPM administration, or NPA administration.

Other countries have also developed ISO-related quality instruments for the public administration. For instance, Canada has created the "Guidelines for Implementing ISO 9000 Quality Management Systems in Public Sector organizations"—CGSB 184.1-94; Finland has started an ISO 9000 Pilot Project aiming at municipal service operations; Portugal has developed the "Public Service Quality Charter"; and New Zealand is developing unit standards for "Policy Process, Service Delivery and Management in the Public Sector."

APPLICABILITY OF ISO AS CONSENSUS MECHANISM TO ALLEVIATE STAKEHOLDER CONFLICTS

Mandate, structure, and performance of public administration remain a thorny and conflictual issue pitching different stakeholders against each other with some arguing for more "service public" while others want to see a shrinking role of

Figure 13.1
Stakeholder Conflicts

government. The clashes are at times due to ideological differences (e.g., neoliberal versus conservative concepts of state administration) or often simply based on shrinking budgets and consequently sharp disputes over its allocation of limited budgets.

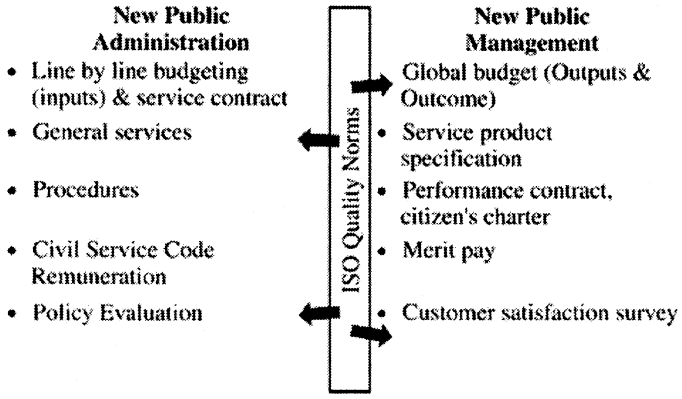
Another conflict has emerged between constitutional lawyers and representatives of the judiciary who take issue with some of the administrative reforms, especially in regards to NPM. They see dangers to constitutional guarantees of equal treatment and warn of discrimination of citizen/customers. On the legislative side, members of parliament (national, provincial, or municipal level) fear a loss of democratic control when paired with an NPM-type public administration and are uneasy about agreeing to a global budget and yearly defined strategies without retaining a possibility to intervene as seen needed or politically useful.

The potential for disputes between the different stakeholders has increased. Conflicts emerge between the different parties (e.g., executive, legislative, judiciary, and civil society, as depicted on Figure 13.1).

Difference of opinion as to what a public administration should do or not do, how it should be structured, what mandate and means it should be given, all these different and often divergent views can easily lead to paralysis due to lengthy political battles. These battles are of great importance since they determine the future shape and function of our governments. However, they can also stifle attempts to conduct quality assessments now.

Quality assessments are useful at any time of our societal developments. Once the various stakeholders have agreed to the idea, an agreement could be reached to ensure quality of the current government structure and administrative performance. A quality system based on ISO concepts but further developed to fit the complexities of government can easily be adapted to NPM, NPA or a traditional public administration as, for instance, suggested by Figure 13.2.

Figure 13.2
Applicability of ISO Quality System



Once it has been agreed to use an ISO quality instrument, the various stakeholders could agree to create a committee overseeing the application of the ISO quality system. While it is better to leave the actual quality audit to an outside professional organization, it could nevertheless be envisaged that the committee members could be involved in the process at the beginning (defining contract) as well as at the end (e.g., discussion of audit results and decision on implementation measures).

A quality measurement system hence would offer a middle ground for different stakeholders to meet and to agree on criteria to be assessed by the quality audit team independently whether the respective public administration is organized along NPM or NPA principles. The different parties could engage in constructive dialogue with the other constituencies, monitor the process, and at the end, as a multistakeholder team, discuss and agree on the improvements, which might have been identified by the ISO auditor (see Figure 13.3).

CONCLUSIONS

Globalization has presented our governments with many challenges and opportunities. Faced with budget constraints, increasing demands by the public and political pressures from political parties, many public administrations have undergone significant reforms be this following NPM or NPA concepts and principles. However, neither of the two main new orientations has encouraged nor facilitated the development of a quality assessments measure, which would allow the public and the concerned civil servants the opportunity to assess the quality of NPM/NPA claims of superior performance and which would give the concerned actors the opportunity to engage in continuous improvement of administrative performance.

Figure 13.3
QMS as Tool for Consensus

Initiatives have been recorded in several countries in terms of developing quality assessment methods based on EFQM, CAF, ISO, or excellence models. Taking into account the shortcomings of all the above mentioned quality approaches, this article proposes adoption and further development of an ISO-based guideline, which has recently been published by the Swiss Norm Society. The new quality guidelines offer sufficient common ground for all schools of thought (including NPM or NPA). It can be used as a consensus-building instrument which in turn can help reduce time and energy being lost due to lengthy, often inclusive, and wasteful political battles about the ideal shape of today's governments and public administration systems worldwide.

NOTES

1. The author is Director of CSEND, a nongovernmental research and development organization (NGRDO) based in Geneva, Switzerland.
2. Parts of this chapter have been presented at the 10th Annual Conference of NISPAcee (The Network of Institutes and Schools of Public Administration in Central and Eastern Europe), Cracow, April 2002.
3. An excellent background document on policy making and quality of regulatory function was developed by the OECD titled "Recommendation of the Council of the OECD on Improving the Quality of Government Regulation" (1995), OECD-PUMA, Paris.
4. For more information on ISO QA systems: www.iso.org.
5. "Guidelines for Self-assessment in Public Sector: Education and Training," www.efqm.org; A further improvement on EFQM is the "Public Sector Quick-Scan" (2000) developed by Northedge b.v.; Gouda, Netherlands, contact: info@northedge.nl.
6. Download possibility at www.eipa.nl.
7. *Qualitätsmanagement in der öffentlichen Verwaltung* (*Quality Management in the*

Public Administration), Swiss Norm Association (SNV), Beuth Verlag, Berlin, Zürich, Vienna, 2002 (ISBN 3-410-15362-4).

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VI

INNOVATIONS IN DEVELOPMENT POLICY AND ADMINISTRATION

14

Revisiting the Public Sector Reform in the Context of Globalization: A View from Inside the United Nations

YOLANDE JEMIAI

INTRODUCTION: WHAT HAS CHANGED WITH GLOBALIZATION?

Increasingly in today's world, groups and individuals interact directly across frontiers, without involving the State. This has its dangers: crime, narcotics, terrorism, pollution, disease, refugees and migrants, and all move back and forth faster and in greater numbers than in the past. People expect states to do something about it. To this effect, states need to be strengthened. While only recently, some argued for the roll-back of the State to leave the field to the market and nongovernmental organizations, it has now become clear that public administration has a key role to play to preserve democratic values and promote equity for all.

Public sector reform has been ongoing for the last 50 years with widely diverse forms related to various cultural environments, but also with a number of common aspects. In particular, in most countries, the public sector expanded a great deal between 1945 and 1980. As economies grew and societies became more differentiated, the State's conventional tasks of regulation, allocation, and redistribution became more complex. This vision of the State came under attack during the 1980s and 1990s in practically every region of the world. The alternative vision, which has been promoted more recently, seeks to create a market-friendly, liberalized, lean, decentralized, customer-oriented, managerial and democratic State. At this point in the evolution of public sector reform, it appears that "there are tensions between, on the one hand, concerns for efficiency, market-soundness, deregulation, competition and stabilization and issues of accountability, representation, participation and equity, on the other."[1]

The current globalization movement reveals unprecedented levels of exchange,

fuelled by levels of consumer demand never previously known, carrying a potential for growth and prosperity transcending any that the world has ever recorded. However, one cannot ignore the obvious disparity amongst nations, and much more needs to be done to close the widening gap between the world's rich and poor. True globalization means the ability to study, understand, and incorporate different and alternative cultural traditions into a common matrix, with respect for diversity and with an open mind. Such a perspective requires holistic and innovative strategies as well as increased sensitivity in many areas, but in particular to look afresh at traditional approaches to public sector reforms which have proved more often than not either limiting in results or lacking genuine commitment.

This chapter is divided into three parts. The first part will take stock of the present situation in the various cultural environments where public sector reforms have taken place. The second will highlight the challenges and opportunities that global pressures have put on the public sector. Finally, based on recent recommendations made at the Fifteenth Meeting of Experts on the United Nations Programme in Public Administration and Finance, a vision for public administration in the twenty-first century will be presented, including the role the United Nations can play in this process.

PART I: REGIONAL TRENDS IN PUBLIC SECTOR REFORM

The sweeping changes in public administration during the last 20 years, both in theory and practice, have transformed the geopolitical configuration and socioeconomic environment of the world. The State and central government, which in the early post-war decade had been widely perceived as the necessary engines of growth, were now, quite on the contrary, portrayed in essentially negative terms.[2] In both highly industrialized and developing countries, the recession of the 1970s and 1980s triggered pressures for containment and retrenchment of the size and scope of the public sector.[3]

This approach has:

- Reaffirmed the rights of individual citizens, groups, or associations against a paternalistic, bureaucratic State;
- Tried to reduce tax burdens while raising the quality of public service;
- Pushed for decentralization and devolution of power;
- Attempted to redefine the nature, scope, and processes of governance in broader, more inclusive and participative terms; and
- Pressed for modernization, initiative, and effective use of information technologies.

In most countries, the retreat of the State greatly accentuated disparities in wealth and opportunities. The downsides of this trend, as highlighted by the Economic and Social Council of the United Nations, are:

- A dramatic rise in poverty;
- A widening gap between the rich and poor, the powerful and the weak, the skilled and the unskilled, the networked and the isolated;
- A rise in organized crime and corruption; and
- A deteriorating global environment.

This part of the chapter reviews developments in public sector reforms in different regions, based on observations by specialists selected from these regions which were presented in May 2000 at the Fifteenth Meeting of Experts on the United Nations Programme in Public Administration and Finance. Countries are grouped according to regions based on their common language, values, traditions, and socioeconomic status.

The New Public Management Model: Australia, Canada, New Zealand, the United Kingdom, and the United States

These five highly developed, democratic, stable, and prosperous countries have been hosts to major reform movements, which transformed their administration in several critical areas.[4] They may rightly be considered as the principal exponents of the New Public Management (NPM) movement.[5] The upshot of this doctrine is that government should create an "enabling environment for business" and let private enterprise provide the goods and services that individuals want. Let competition flourish even in the domains of basic social services (e.g., education or health). Nongovernmental organizations, including U.S. faith-based organizations, may be invited to help. But governments should intervene only minimally to correct market failures and to enforce the law (property rights, police security, etc.).

A common feature of these countries is their experience of erosion of confidence in government during the 1980s and early 1990s. The rising cost of government and of the public service has been a major factor in this regard. Initiated by New Zealand and later replicated by several other countries, substantial cuts in benefits were attempted, means tests were introduced, and steps initiated to privatize delivery of public welfare services. These changes added impetus to the New Public Management movement, which contributed significantly to charting a new course for public administration broadly in the direction of de-bureaucratization.

These developments, however, were not without their dangers:

- There is reason to fear that merging of the two spheres—public and private—might help create a world where the public good would no longer remain the paramount consideration.
- Allied to this concern is the concern over what New Public Management, with its emphasis on reduction of centralized procedures, might bring in its wake: greater emphasis on outputs, separation of purchaser and provider roles, the development of

contractual mechanisms of accountability, and departure from lifetime career employment.

Redefining the ethical dimension of the public service profession has been a major aspect of public service reforms in these countries. "Putting the people first" became the theme of New Public Management systems—bringing the government closer to the public, treating people as valued customers, and also making government officials less remote and more responsive, but also less bureaucratic and more entrepreneurial and results oriented.

A Successful Model of Regional Integration: The European Union

The fifteen member states of the European Union,[6] the most successful example of regional cooperation, have changed the shape and configuration of their institutions of governance. Significantly, this superstructure does not negate the importance or otherwise reduce the role of the State: On the contrary, the role of the State acquires a new dimension as an integral part of an innovative institution-building process and contributes to its smooth mechanism of work.

These member states have also been engaged in the task of reform and reengineering at the national and subnational levels. The degree of convergence apparent in the national reforms is the outcome of an ongoing process of consultation between member states on several levels (central, local, municipal) and also a reflection of the shared traditions, practices, and institutions that go back many centuries.[7]

Strategies of reform have tried to avoid the errors of the past, leading governments to take a segmented approach to reform. Excessive reliance on the form or the letter of the law and failure to address the substance in order to produce effective change in practice is another tendency which EU countries are now endeavoring to correct. This is related to the influence of managerial thinking on policy development and administrative practice in most European countries. There is more emphasis on "output over process," "lean government," "value for money," but equally on "professionalism and customer-orientation." With increasing stress on openness has also come reliance on national and international networks and partnerships with nonstate actors, private enterprises, and other civil society organizations.

A Transition Model: Eastern and Central Europe

In barely a decade, the countries of this region have attempted a triple transition from a single-party State to a pluralistic democracy, from a centrally planned economy to a free-market regime, and from subordination to independent statehood.[8] In spite of the complexity of the process and the distinctive patterns in

particular countries, four major phases in the transition process can be distinguished:

- Transformation: the overhaul of the old structure;
- Consolidation: the design of long-term, capacity-building policies;
- Modernization: the quest for and need to adopt "best practices";
- Adaptation: the reference to the standards and practices of the world community.

In the initial period, the overall conditions were marked by volatility and rapid change. The end of the decade brought with it indications of growing consolidation in most of the countries concerned. This was true of both the political and the economic spheres. But the overall social predicament continued to be problematic compared to the political and social context. Continued unemployment, increase of absolute poverty, and widening income disparities were some of the indicators. On the credit side, however, one can emphasize the emergence of a new triangular relationship between the State, the private sector, and the individual, together with the rise of an active civil society and the expansion of the private sector. Despite expected differences among the countries of Eastern and Central Europe, some of the following lessons may be drawn from the experience of a decade of transition:

- There is still a mismatch between intention and outcome due to excessive reliance on form, legal texts or statements of intention, and a "top-down approach."
- Better processes of coordination and cooperation among multilateral and bilateral donors are urgently needed, as well as understanding of government operations at the national level.
- Capacity-building emphasis should be on personnel, and training programs should be designed on the basis of genuine needs assessment for each country.

A Model of Mixed Results: Africa

The severity of repeated crises in Africa served both to highlight the pressing need for action in public service reform and to illustrate the perils of hastily conceived and poorly executed blanket solutions to problems, which were often responsible for aggravating the situation.[9]

After generally promising attempts following their independence, the reforms initiated in the African countries in the mid-1980s sought to reduce the role of the State in production, as well as in service delivery, and the regulation of private enterprise. The stress was on maintaining macro-economic stability, avoiding deficit spending, and drastically reducing the size and scope of government. It soon became apparent that the macro-economic adjustment and stabilization policies were not sufficient to address the fundamental problems of governance and public management, which were political and institutional in nature.

In recent years, the evolution has been reversed. The focus has now shifted from retrenchment and downsizing to capacity building for effective resource management and quality service delivery, financial accountability, and smart government. Retrenchment and downsizing the government was not an easy task in Africa where government is the single largest employer for most of the countries. A United Nations study of civil service in 10 African countries[10] revealed that cost and size are only labels for deeper concern, which barely address the issue of public sector effectiveness. The study also found that most governments were unable to compete on the market for high-level skills, even though there was no shortage of relevant skills. Governments were confronted with the difficult challenge of a public service that was understaffed on the top-management and policy-advisory levels and overstaffed on the lower levels.

Looking to the future, it is apparent that there are no shortcuts to reform. In most sub-Saharan African countries, current prevailing conditions are not conducive to effective reform. One of the most disturbing factors militating against progress in the right direction is the relative weakness of sub-Saharan Africa in relation to the rest of the world.

An Opening to Civil Society: Latin America

In Latin America, the 1990s have been marked by extensive reforms of the State in the following directions:

- Democratization;
- De-bureaucratization;
- Reduction of the scope of state intervention;
- Privatization and opening to the global market.[11]

Deregulation and de-bureaucratization went hand-in-hand with a process of decentralization, delegation of authority, and devolution of power to lower levels of government and actors in civil society. This paradigmatic shift is gradually transforming a closed, inward-looking, rule-bound, and formalistic administration into a more open system. The new system is more responsive to citizens' demands, accepts the current challenges of globalization and technological progress, actively looks for partnerships to accomplish objectives in close collaboration with private sector groups, and aims at value for money.[12]

A major declared objective of reform in most of Latin America was the redefinition of the functions of the State, and therefore its relation with civil society. What has been sought was to circumscribe the functions of the State in the economic sector, to reinforce the technical administrative and organizational capacities of the public sector, and to enhance the effectiveness of the institutional framework of government for the establishment of norms and their enforcement in partnership with civil society.

The transformation process has made substantial headway and continues at a fast pace. On the other hand, the disparity between two worlds—one of the super-rich and the other of precariousness, poverty, exclusion, and ignorance—is seen by critics as essentially the product of a reductionist vision which is destructive of culture, social capital, and democracy itself.

The Diversity of Asian Experiences: General Trends

Asia is the largest, most populous, and most diverse of all the regions of the world. It combines a group of nations with enormous racial, ethnic, cultural, linguistic, economic, political, and religious diversity. One commonality that singles them out is a long and strong tradition of State administration.[13]

Such a diverse group of nations defies generalizations. However, some common observations are useful. East, South, and Southeast Asia, in spite of all their problems, further complicated by differences in language, caste, religion, and creed, experienced in the 1950s, 1960s, and 1970s a veritable transformation on a monumental scale affecting the lives of close to one-half of humankind. Varying models were used in the process of reconstruction. In almost every case, the State and central government were called upon to play a very major part in the development effort.

Overall, the results of this drive were impressive, but the benefits to people in the countries concerned were uneven. South Asia, on the whole, performed less well than East and Southeast Asia. In the region as a whole, progress has been made on some fronts, but in the case of public administration, the latest attempts at "externally-induced modernization" have not produced the hoped for results.[14] The New Public Management which has been introduced has some sound aspects: accent on results, service to the public, delegation of authority; greater attention to cost and the quest for efficiency, through the adoption of private sector practices, such as "contracting out" and merit pay. But the market-driven rhetoric and "reductionist approach" of the New Public Management system have been questioned. In Asia, it offers no practical solution to the critical concerns such as the following:

- Corruption as a way of life;
- The political factor in the management of the public sector;
- Growing influence of religion and traditional values in politics and administration;
- Human deprivation in South Asia; and
- The global impact of the public management movement.

Asian countries must craft their own solutions in dealing with these concerns. Indeed, there are indications that the Asian countries are now inclined to follow paths more consonant with their particular traditions. Specifically:

- In Asia there is less mental resistance to State intervention compared to the West because it has a long positive experience with State administration.
- Many Asians do not subscribe to the Western notion of extreme forms of individualism.
- The style of doing things is going to remain at variance with the Western models of governance.

Despite some economic and political problems, East and South Asian nations have been able to achieve a relatively strong industrial base. There is growth in literacy and scientific and technical knowledge, and there is relative prosperity. The bureaucracy has in general responded well in times of crisis. All this gives hope for further improvements in the style of governance, administration, and management. People holding public office will have a special responsibility to behave in a manner that enhances their capability to protect and defend humanity in an ethical way, without allowing the land, its natural resources, and social capital to be impoverished.

PART II: PUBLIC SECTOR REFORM—CHALLENGES AND OPPORTUNITIES OF GLOBALIZATION

Governments are challenged to *redefine the role of the State*, especially in light of globalization as they grapple with both sides of the coin—*to embrace globalization without loss of sovereignty*. Globalization is in part a result of global market forces and other international actors and in part of decisions made by individual countries in responding to it through their own policies. It must be emphasized that it is still individual governments that are setting the policies and the rules of the globalized economy. Globalization, driven by information technology, telecommunications, and economic liberalization, has the potential to transform the traditional ways in which organizations and people operate, cooperate, and interface. It holds the opportunity to help states transform their decision-making processes to be inclusive, participatory, and democratic. What we should then direct our attention to, today, is the types of institutional changes and managerial approaches necessary to face and embrace globalization. This leads to the question of adopting appropriate public sector reforms best suited to take full advantage of globalization.

Sound governance must be a firm belief and needs to be continuously practiced. Instead it is a change about change—not change to a specific final stage but an acceptance of the need for change as a permanent state. It involves developing support systems to nurture an attitude of service excellence in meeting the needs of the public with high standards of quality, courtesy, and responsiveness. It is about fostering an environment that induces and welcomes continuous change for greater efficiency and effectiveness by employing modern management tools and techniques, while paying attention to morale and welfare of public officers. Civil service reform then encompasses both institution building and

human resources development in a unique combination of strategies, programs, policies, and institutional tools. Designing and implementing civil service reform, in all cases, will entail a judicious combination, which only experienced and ethical people will be able to bring about.

The Impact of Globalization on the State

Among the forces of globalization that are reorienting visions about how national public sectors should be organized, four are of special significance. The first is the spread of global markets, especially those relating to financial integration and liberalization. Fiscal deficits experienced by most states in the 1970s and 1980s and thus the need to control budget deficits to get economies out of inflation and recession and promote the private sector is the second pressure leading to much debate on issues of downsizing, marketization, and privatization which gained prominence as methods for controlling the fiscal deficits and thus the restructuring of the public sector. The third pressure for reform is ideological. If globalization and the fiscal crisis provided the structural contexts for reform, it was the multilateral institutions that offered the arguments, policies, and in many cases, guidance for reforms. The fourth pressure for reform came largely from society and is related to the democratization process as it was linked with calls for better forms of representative and accountable government.[15]

In responding or (in some countries) trying to cope with the pressures mentioned above, public service as an institution is currently under strain. A greater role for the private sector in national development has shifted the responsibility of public administration from directing the economy to facilitating and managing it. Increasingly, the concept of public service applies to multiple levels of government: international, national, and subnational. It encompasses elected and nonelected officials, governmental and nongovernmental organizations. This has heightened the need to increase public administrative capacity for coordination and conflict resolution through effective management of legal and regulatory frameworks. The public task environment today makes extraordinary demands on all professionals and these add new dimensions to the leadership criteria. The acquisition, development, and retention of critical leadership talents are central to performance. Thus, while institutional reinforcement entails modernization, empowerment, readjustment, and often "reengineering" of organizations, human resources development, in turn, implies empowerment: equipping civil servants with skills, competencies, knowledge, values, and attitudes commensurate to their tasks.

The Structure of Government and Institution-Building

In response to external pressure and internal demand, modern public administrations are no longer conceived of as insular systems with a uniform organizational structure under the command of one authority. To redesign and modernize

the State institutions to face the new challenges of globalization, a government must first consider and analyze how globalization is affecting the role and functioning of the State. After careful evaluation of the country's needs and priorities, institutions should try to adapt to the dynamism of change and be geared toward their "public" with organizational patterns and procedures tailored to specific client groups so as to promote effective service delivery. This shift connotes a conceptual change that emphasizes flexibility, responsiveness, proactivity, and multisectoral partnerships that encourage transparency and account-ability. The emphasis is therefore not on stronger or weaker governments but on *smart* governments, which have strategic institutions that deal with globalization and flexible partnerships between the private and public sectors, as well as national, international, local, and central levels of government.

The need to build institutional capacity so as to manage the change process itself and (in this regard) the strategies to be recommended as institutional responses must be fundamentally based on democracy consolidation, rule of law, and a participatory approach, in order to achieve the conceptual and operational reappropriation of the State mechanism by its citizens and the inclusion of all national stakeholders and components. In each of these areas, the following questions may be raised with regard to devising effective strategies to deal with globalization within a given national context:

- Regarding the consolidation of democracy, how are political leaders, local authorities, and public officials elected or designated? What type of electoral system is most appropriate? How are the constitution, legislation, and regulations operating? How are the systems and procedures dealing with transparency and accountability? Are there independent evaluation and control board/organs?
- In the domain of the rule of law, what is the state and status of the rule of law? What kinds of rights protection and promotion do citizens benefit from in the political, economic/commercial, social, and other domains? What are the legal rights and obligations of citizens?
- Concerning participatory approaches, what are the most effective relationships between the national government and central administration and the local governments and administrations, as well as the private sector and civil society at large? What types of dialogue and decision-making processes have to be engaged in order to promote innovation, stimulate creativity, and engender the necessary changes?

While democracy is not as yet uniformly accepted in the general climate of world opinion, democratic governance has now achieved the status of being taken as generally right. This requires governance institutions to proactively develop power-sharing arrangements so that ethnic and other demand-bearing groups have platforms for being heard. The development of new roles, relationships, and partnerships among government, citizens, and business has heightened the influence of the public on governance policies and institutions. And in response to these domestic pressures for more participation in decision making, governments are formulating strategies toward de-bureaucratization,

decentralization, and democratization as means to devolve power to lower levels of government and to multiple actors in civil society. Most significantly, this has led to a gradual transformation from closed, rule-bound, formalistic administrations to more responsive, flexible, permeable ones that seek to be responsive to diverse demand-bearing groups in society. It encourages a profound structural, functional, and spatial restructuring of the state.

Civil Service Reform and Human Resources Development

Since the inception of its Programme in Public Administration and Finance in 1948, the United Nations has consistently emphasized the issue of strengthening human resources in the public sector with a view to achieving sustainable development, especially for newly independent countries. With changing social values and a shift in paradigm from a traditional bureaucratic organization to a managerial model, the focus on human resources has become even more critical. The recent trends are exerting an impact on the character and operations of the public service and they demand new human resource capacities, professional behaviors, and values. It is critical to provide meaningful careers and clear career paths to individuals choosing to serve the public interest. However, the public sector should also keep in mind that there is competition within a single global market for skills and competencies. The impact of this new shift on human resources in the public sector will have consequences for various personnel management processes such as recruitment, personnel administration, career development, performance assessment, succession planning, job security, work patterns, and the use of technology.

As the public service of the future needs a unique combination of knowledge, skills, and attitudes, one of the principal goals of civil service reforms is to build a framework able to attract, retain, develop, and motivate personnel of the appropriate calibre for service to the government and to the country. This requires the provision of adequate remuneration to public sector employees.

A paper commissioned by UNRISD[16] on Public Sector Restructuring states that governments have identified five main problem areas with respect to pay—inadequate pay across the board, opaque remuneration systems, unclear links between pay and responsibilities, ambiguous links between pay and performance, and insufficient attention to retaining employees with scarce skills. Reform-oriented governments have addressed these problems in different ways—from across-the-board pay increases to consolidation of remuneration, job evaluation, promotion of performance-related pay, and pay decompression. Even in countries that have made big strides in restoring living wages in their public services, the problem of paying competitive wages that will retain or attract the best staff remains. Low-income countries then face wages too outrageously low to motivate staff and even where increases have occurred they have not been enough to meet basic living costs; yet the increases that have occurred seem to have been at the expense of other vital recurrent inputs.

To escape the low-wage-corruption–low-morale–low-performance trap that has bedevilled the public services, and to improve public sector pay and the quantity of other inputs that are essential for efficient service delivery are the challenges that states need constantly to confront in their reform programs. Some governments have done this by carrying out massive retrenchments. Other countries have been ambivalent in pursuing this policy because of the problems of unemployment and severance costs, as well as resistance from potentially affected groups.

The influence of globalization has led to an emphasis on one other essential characteristic of people and organizations: continuous learning. Adequate training through a wide array of means such as formal education at all levels, on-the-job training and continuing education, distance learning and use of modern technology, coaching and mentoring, should be provided to meet all the existing and new demands and requirements as mentioned above. An important point has to be emphasized. The enrollment of staff in training programs is only the beginning. What is often found in most public sectors, after training is provided, is that trained personnel are neither utilized properly nor provided with working conditions suitable for application to their organization or their acquired skills and knowledge. Strategic competency planning will enable the public service to develop training programs adapted to the global environment.

Thus, in summary, in order to meet the challenges of globalization, strategic human resource policies and management have to include the following three types of concerns: values, knowledge, and outcomes. In particular, the following three core values have to be highlighted: integrity, professionalism, and respect for diversity.

In addition, the following competencies are critical for success:

- Information and knowledge management;
- Knowledge and access to modern technology and the Internet;
- Mobility/flexibility/speed of people and processes;
- Continuous learning;
- Attention to cost-effectiveness and results;
- Client orientation and quality of service;
- Communication and negotiation skills; and
- Teamwork and partnerships within and outside the public service.

In all organizations and especially so for public service, human resources are the input with the greatest relative value. They determine both the quantity and quality of the outputs. The role that public service employees have to play in responding to globalization includes ways and means of dealing efficiently with the demands, opportunities, and constraints. Sound human resources management and development in the public sector is the key to success and optimization of the State response to globalization.

Knowledge-Based Administration—A Revolution in Management

New information management technologies are revolutionizing the work of organizations and methods of delivery of public sector services. Technologies and tools may be grouped indicatively into four categories:

- Information technology (IT);
- Performance indicators and benchmarks enabling organizations to measure, monitor, and evaluate progress in implementing policies, projects, and programs;
- Best practices and methods and corresponding skills needed to handle sensitive and complex situations: conflict management, mediation, and the management of diversity; and
- Critical information and tools for policy making in the social, economic, and environmental fields.

Cutting across all those four categories is the issue of efficiency and effectiveness. One of the professed goals of the New Public Management (NPM) school of thought has been to redirect the attention of public administrators from rules and processes to outcomes and outputs. United Nations Secretary-General Kofi Annan also strongly embraces new information technology and sees a major role for it in promoting human development, as well as in improving United Nations operations, as new technologies also create opportunities for mutual understanding and common action.

PART III: THE UNITED NATIONS ROLE AND PUBLIC SECTOR REFORM

The Economic and Social Council, in its Resolution E/RES/1199(XLII) of 26 May 1967, decided that "The United Nations Programme in Public Administration should from time to time be reviewed by a Meeting of Experts, taking into account the public administration aspects of all programmes of the United Nations system and that a report should be submitted for consideration to the Economic and Social Council." Following the resolution, the Meeting of Experts has taken place on a biennial basis and acted as a functional Commission of the Economic and Social Council in the field of public administration and finance.

The Fifteenth Meeting of Experts on the United Nations Programme in Public Administration and Finance

The overall orientation of the United Nations program for economic and social development is to strengthen international cooperation and to promote development in a rapidly globalizing world. Given the unique position of the United Nations in addressing the issue of globalization of the world economy, it was

deemed appropriate to adopt "Globalization and the State" as a main theme of the Fifteenth Meeting of Experts on the United Nations Programme in Public Administration and Finance. The result of the deliberations as well as the recommendations made by the Meeting of Experts were presented by the Secretary-General to the Economic and Social Council during its session in July 2000. A summary of these views and recommendations is presented in the following paragraphs.

The Meeting deliberated on the effects of globalization and how it affects the role and functioning of the State and the types of responses, whether institutional or managerial, to attain maximum benefits and minimal negative consequences. The plenary discussion was enriched by the sharing and exchange of the experiences of globally aware governments that have created or altered institutions to scan the rapidly changing environments, to promote innovative policies and policy dialogue, to speed up decision making, and to recognize short-term failures in favor of creating long-term sustainable strategies.

The Meeting took the view that countries could be empowered, by means of better governance and more effective management, "to move away from the sense of inevitability of globalization with a limited role for the State and also to develop a clear response to what would be required to ensure that any drawbacks from globalization are obviated and the advantages capitalized upon for the benefit of all." The Meeting also addressed the process that affects national and global economic governance systems and a number of comments and recommendations were made on major undertakings to the United Nations Division for Public Economics and Public Administration.

The Meeting of Experts recommended that the United Nations establish appropriate mechanisms to provide the opportunity for ministers and/or high-level officials of member states responsible for public administration to meet periodically to discuss themes of common interest and exchange experiences. It also recommended that the United Nations should collect, analyze, and publish data on the public sector on a regular basis with appropriate analysis of changes and trends.

The Expert Group repeatedly expressed strong skepticism about "one size fits all" solutions and emphasized the importance of customized approaches to meet the diverse needs of individual countries. The United Nations can help in the design of guidelines, "checklists," case studies, and other reference tools for use in developing countries and countries in transition.

With a view to raising performance levels in the public sector at large, the Meeting stressed the need for proper monitoring and evaluation based on relevant benchmarks. It called for the development of training programs which form an integral part of public servants' careers, prepare for change, and underscore connectedness with the employees' environment, including sensitivity to the role of the media. It further emphasized the role of personnel policies that highlight the "3 Ms"—Merit, Mobility, and Motivation—and thus reinforce both competence and ethical values in the public service. The United Nations can help

through policy advice and information sharing in the design of guidelines for such policies. It can also support efforts of national governments to reinforce professionalism and may also help develop a Global Standard for the Public Service.

A Vision of Public Administration in the Twenty-First Century

There is no dispute that vision, openness to change, receptivity to new ideas, sensitivity to human needs, and political awareness are essential to meet the challenges in the twenty-first century. As such, personal integrity coupled with leadership and managerial skills in the public sector will have to be strengthened. This, however, will be premature or even impossible to speak about without first establishing ethical public management systems that will guarantee credibility to deal with the demands of globalization.

As mentioned above, there have been tremendous pressures in the 1990s to change the character and functions of the State in developed and developing countries alike. However, the core elements of reforms have sometimes been contradictory as different social forces have driven them in different contexts. There have been tensions between concerns for market efficiency and deregulation, on the one hand, and issues of accountability and equity on the other.

A vast majority of countries that are implementing reforms are also grappling with complex programs of democratization, which seek to lay the ground rules for the way their societies are governed. There are governance issues that have not been satisfactorily resolved in a large number of low-income countries. This raises serious questions about their capacity to implement far-reaching State reforms. Market-oriented managerial reforms will be difficult to implement in countries that have not established a professional civil service. Without this, market reforms may further fragment the State systems of low-income countries and encourage more corruption.

Thus, the challenges of the twenty-first century demand that governance must be ethical, service-driven, accountable, and responsive. This will require a basic understanding of global dynamics, consensus among key stakeholders in policy making (which may require painful policy choices), transparency, accountability, strict rule of law, and expansion of popular participation in policy dialogues bringing various stakeholders into the policy consensus. The objective is to create an atmosphere that motivates officials to respond to the challenges of government by adhering to the notion of duty and service to the community, as well as taking responsibility for the welfare of others. Public officeholders will have to behave in a manner that enhances their capability to protect and defend citizens in an ethical way, without allowing the land, its natural resources, and social capital to be harmed. Having been entrusted with the stewardship of governance, they are accountable for any infraction in the effective management of the machinery of government.[17]

CONCLUSION

Deep changes are currently taking place in government and state institutions. Although in the past some reforms have had only limited success and have appeared to be more fads than genuine sustainable processes, some lessons have been learned. In particular, the concept of governance has introduced the critical importance of linkages between the executive, legislative, and judiciary systems, as well as between government and the private sector. The approach that is advocated is more holistic and more pragmatic, taking into account the diversity of cultural and institutional environments. There is hope that by using the positive aspects of the New Public Management, countries will make the necessary changes adapted to their particular national situation.

Looking ahead with the aim of making globalization work for people in every nation, United Nations Secretary-General Kofi Annan very recently presented the UN 21st Century Action Plan. It is a detailed report that set the agenda for the United Nations Millennium Summit. Interestingly, the first key area addressed is globalization and governance. Aptly put by the Secretary-General, "The UN was founded in the name of 'We, the Peoples.' . . . If one word encapsulates the changes we are living through, it is 'globalization.' We live in a world that is interconnected as never before—one in which groups and individuals interact more and more directly across state frontiers, often without involving the state at all."

"The challenge," Mr. Annan concludes, "is clear: if we are to capture the promises of globalization while managing its adverse effects, we must learn to govern better and we must learn how to govern better together." We must learn and practice sound governance.

NOTES

1. Yusuf Bangura, "Public Sector Restructuring: The Institutional and Social Effects of Fiscal, Managerial and Capacity-Building Reforms," prepared for the United Nations Research Institute for Social Development (UNRISD), Geneva 2000: Occasional Paper No. 3, February 2000, p. 17. See also Ali Farazmand, "Building Partnerships for Governance," background paper presented at the UN-sponsored World Congress on Governance, Manila, the Philippines, May 31–June 4, 1999.

2. United Nations Programme in Public Administration and Finance, "Globalization and the State at the Threshold of the 21st Century." Prepared for the UN Meeting of Experts, ST/SG/AC.6/2000/CRP.1, 2000.

3. United Nations, "Managerial Response to Globalization," ST/SG/AC.2000/L.7, 2000.

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5. United Nations, "Globalization and the State: An Overview," ST/SG/AC.2000/L.5, 2000.

6. G. Timsit, Background Paper prepared for the 15th Meeting of Experts on the United Nations Programme in Public Administration and Finance, DPEPA/UNDESA, May 2000. The United Kingdom is, of course, a member state of the EU, but for our purpose has been classified in paragraph A, as it has clearly adopted the New Public Management model, which is not a contradiction. Other countries on the European continent tend to follow the Roman law system.

7. United Nations, "An Institutional Response to Globalization," ST/SG/AC.6/2000/L.5, 2000.

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15. Ali Farazmand, "Globalization and Public Administration," *Public Administration Review* 59(6) (1999): 509–522; Ali Farazmand, "Globalization, the State, and Public Administration: A Theoretical Analysis and Implications for Developmental States," *Public Organization Review: A Global Journal* 1(4) (2001): 437–464.

16. Bangura, "Public Sector Restructuring," pp. 59–61.

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15

Innovation in Development Administration, Governance, and Management

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Because we will be discussing innovations in the global context, the concept needs clarification. Innovation usually refers to novel or nonroutine or nontraditional ways of doing things, or a novel or nontraditional product or service. Innovation may refer to the spirit or approach in doing something or leading a lifestyle. It may also refer to the organization that provides the framework or environment to practice innovative ways of doing work or the final product or service that comes out of such practices.

What is identified as innovation can be a matter of time or place. What was considered as innovation five years ago, say, for example, preparing a mission statement for a public organization, has now become a routine practice in this country. Similarly, in terms of place, what is routine in many developed democracies, say, for example, the practice of involving beneficiaries or clientele groups in decision making, is still considered a novel or innovative way of organizing public service in many developing countries that are accustomed to their traditional authoritarian ways in public administration and management.

Discussing innovations in development administration and management will be like travelling in a desert with no clear-cut pathways to guide the travel. While some clarity has been made with respect to innovation, it can be observed and discussed in the context of policies or administration to improve governance in any level of government—national, state, local, or even international. Yet it can also be discussed in the context of one sector or even subsector, for example, education or adult education. It can also be discussed in the cross-sectoral context of planning, finance, personnel, or broad-based holistic development strategies and approaches that enhance the effectiveness of governance measured by degree of equity and fairness, efficiency, economic justice, participation, infrastructure development, and so on.

What is discussed in this chapter includes a selection of approaches and methods in development administration and management with illustrations that enhance governance effectiveness. In terms of areas, these will refer to the overall systems of public management, building coalitions/partnerships in delivery of public service, citizen/customer role in monitoring and evaluation of public services, interchange of management methods and techniques between public and private sectors, use of performance-based organizations in government, creating innovative facilities for display and dissemination of public services, and innovative leadership in development administration and management.

INNOVATIONS IN ADMINISTRATIVE AND CIVIL SERVICE REFORMS

Recent waves of governance, administrative, and civil service reforms are distinguished from their predecessors by the innovative approaches using the economic market as a model for restructuring and reinventing government (Nagel, 1997; Osborne and Gaebler, 1992). The civil servant is required to behave like an entrepreneur and a businessman in organizing and reducing the cost of public services and customizing such services to the satisfaction of customers/citizens. This factor appears in similar public sector reforms in countries as varied in their economic and political systems as Argentina, Australia, Brazil, Canada, Korea, New Zealand, Portugal, Uganda, the United Kingdom, and the United States. The assumptions, the goals, and the methodology in these reforms are so different from in-use models that the reforms are characterized as "New Public Management." Their institutional manifestations are heavily influenced by the assumptions of public choice approach, principal–agent theory, and transaction cost economics. Various roles of individuals and groups such as voter, bureaucrat, elected officials, clientele and interest groups, and the relationships among them are patterned using market analogies. Similarly, policy making, implementation, and service delivery systems are to be organized and analyzed as a series of transactions as in any corporate structure with the characteristics of negotiated contracts, fulfillment of mutual obligations, bonus and rewards, and strict accountability concerns. Problems attendant in these situations such as monitoring to ensure compliance, rent seeking, and similar others are also recognized (Lane, 1993, p. 33).

While the reform movements vary in depth, scope, and success by country, they are very similar in the goals they pursue and the technologies they utilize. While they retain the traditional goal as providing public service in a most efficient and effective way, they tend to emphasize the economic goal, that is, to maximize productive and allocative efficiencies by improving responsiveness of public agencies to the needs and demands of citizens.

The traditional way of controlling administrative bureaucracies by political leadership has been supplemented by injecting strict separation of policy mak-

ing and service delivery through various institutional patterns as found in business practice of separating business goals, production, sales, and service (Light, 1997). Service delivery managers are held responsible for results, without any political interference in the methodology and implementation. These arrangements take different forms, for example, in the United Kingdom and New Zealand; but their purposes are the same—that is, to provide quality public services at the most economical cost.

The innovative administrative technologies that are commonly used in these reforms can be identified as customer service, performance-based contracting, competition, market incentives, and deregulation. An orientation to customer service focuses workers, managers, and agencies on what users of service define as important. Such orientation is instilled and reinforced through training, customer surveys, citizens' charter of rights, and other specialized charters like patients' bill of rights.

Well-designed measures for the performance of agencies and managers, sometimes modeled after those used in private or nonprofit organizations like hospitals and schools, provide direction on a regular basis and enhance accountability to political overseers for performance. Market-type arrangements like competition in governmental units and across governmental boundaries to nonprofit and for-profit sectors along with performance pay, bonuses, and penalties tend to lose the monopoly and frequently inefficient services of public agencies and public officials. More and more competition in the delivery of public services is created by engaging various agencies, as in the delivery of social services, education, and health services.

It is well known in the literature that most of the innovations and changes in the development administration and management achieved through reforms have been externally induced, mostly through the World Bank's Structural Adjustment Loans (SAL) and technical assistance loans (TAL), and efforts by other global institutions and bilateral donors. Between 1981 and 1991, administrative reforms were supported in 44 developing countries under 90 World Bank lending operations (World Bank, 1995). Additionally, World Bank also uses conditionalities in other credits to encourage the recipient countries to initiate reforms. The results of these externally induced reforms have been mixed (Farazmand, 2001).

However, an example of effective external inducement for administrative reform appears to be the current reforms being initiated in central and eastern European countries as part of the preparation for improving administrative capacity to implement European Laws for future membership in the European Union. The European Commission (EC), through its Secretariat and other specialized bodies, is providing guidance and monitoring critical administrative and civil service reforms in the Central and Eastern European countries so that those that apply for membership will develop sufficient capacity to administer European laws in their countries. Such cooperation and external pressure seems to work because of mutuality of interests and the benefits for the EC and the individual sovereign countries that seek EU membership (SIGMA, 1997, pp. 3, 8–9).

PERFORMANCE-BASED ORGANIZATIONS (PBOs)

One of the most important innovations in the "new public administration" is the creation of performance-based organizations, initially started by Lady Margaret Thatcher, formerly Prime Minister of the United Kingdom, in the 1980s, to improve the efficiency and performance of the public sector. These PBOs are organized through privatization and downsizing and reorganizing civil service structure and processes, and allow significant deregulation in order to make them perform better and hold them accountable for results. The goal is to make civil servants more customer oriented while giving them operational freedom and financial and program authority, as in private business.

The model British system provides the establishment of executive agencies that are given more flexibility in administration and expected to meet the annual performance targets. The heads of these executive agencies are no longer career civil servants; instead, they are recruited from either the private or public sector, hired on limited contracts, and given performance-related pay, as in the private sector. As of 1997, almost 157 executive agencies have been in operation, which include roughly about 80 percent of personnel in the British civil service. Similar performance-based organizations were established in New Zealand, Canada, and on a much smaller scale in the United States under the Gore plan. Different versions of performance-based organization or its key elements are being incorporated in the traditional government organizations in various parts of the world.

An objective review of these results-oriented reforms show that claims of benefits are exaggerated and the constraints faced in deregulating service delivery organizations were underestimated. Cost savings in budgets and personnel in many of these performance-based organizations have been realized (for example, Next Step agencies in the United Kingdom), but studies show that "in recent years total operating costs for Next Step agencies have shown consistent, albeit modest, annual increases. Even after adjustment for inflation, operating costs have increased" (Roberts, 1997, p. 468). With respect to performance, studies show difficulty (for example, performance data in both pre-reform and post-reform and the impact of other initiatives such as Citizen's Charter and Competing for Quality Initiative in the United Kingdom) in assessing with precision how much performance improvement has resulted from these permanent-focused reforms. It is, however, recognized that the United Kingdom initiative "allowed agencies to achieve significant improvements in performance, but it has not produced deep cuts in operating budgets or personnel requirements" (Roberts, 1997, p. 467). Thus, increased "value for money" has been realized. But these studies also admit that it was not possible either in the United Kingdom or in the United States to toss out restrictive rules to permit a free hand for the managers to run these agencies because the department headquarters, central finance and personnel agencies, and finally the legislative bodies were reluctant to waive their control on many safeguards to preserve equity and harmony in the civil service (for example, restrained use of monetary rewards, performance bonus). Some stud-

ies also note the limited replicability of these reforms in other countries due to differences in constitution, political culture, relative power of various actors (such as labor unions), and a range of historical factors.

Notwithstanding, it should be noted that this worldwide innovative movement focuses on making public administration more efficient and performance and results oriented. Differentiated from past efforts, the current administrative and civil service reform does not primarily focus on the input aspect of public service like structural change and reforming various aspects of personnel management with the hope that these changes will lead to better performance in the public sector. Instead, it focuses directly on performance and outputs and, more importantly, even beyond this to outcomes and results as focus, orientation, and goals of administrative and civil service reform. In many developing countries, this innovative reform is being introduced, albeit slowly in some areas, especially those dealing with delivery of development supplies and services (for example, in distributing seeds and fertilizers, disbursing loans to the poor for productive activities, organizing school and health services, distributing electricity, and delivering social services).

PARTNERSHIP IN THE DELIVERY OF PUBLIC SERVICES

The usual practices of planning, organizing, and delivering public services by government agencies only, albeit from different levels, have undergone changes in many developing countries. The challenge of development, the experience of developed countries, and the pressures of international donors and NGOs are gradually changing the monopolistic mind-set of government agencies and functionaries and encouraging them to seek partnership with community groups, business organizations, and NGOs in both planning and implementation of public activities. There is enormous variation in this coalition/partnership of public and private agencies. Some involve degrees of participation of beneficiaries in the delivery of services; for example, allocation of irrigation water among farmers, or import quotas for crude vegetable oil among the various vegetable oil refineries. Others involve consultation on policy and programmatic matters through a web of councils, committees, and other interaction, at all levels of government as they take place in Japan Incorporated and Malaysia Incorporated. Yet others deal with economic activities in which government and private agencies share in the costs and/or risks (for example, joint investment), such as industrial joint ventures, concessions for the delivery of infrastructure services (for example, build-operate-transfer contracts for roads, ports, water and sewerage systems, and electric supply), management contracts and leases of government assets for the private sector operation, service contracts, low-cost housing programs, and government support to selected NGOs.

These various types of partnerships represent innovative ways of conducting public business with less civil service involvement in policy areas than in specific service deliveries. Policy making is the responsibility of government, but

service delivery can be effectively shared with the private sector, NGOs, or the clients themselves. Two cases—one dealing with Indonesian small businesses and the other dealing with national wage policy in Singapore—will illustrate the scope and difficulty in putting partnership to work in policy areas. Small and micro businesses in Indonesia, as in all developing countries, are the main source of productive employment for the poor. Although there are some 15 to 20 million medium, small, and micro enterprises, they generate only 15 percent of private sector GDP as they are hamstrung with poor management skills, low productivity technologies, limited access to traditional marketing channels, without the benefit of enforceable contracts, and generally facing market environment badly distorted by unfavorable regulatory and resource allocation policies. One severe problem common to nearly all Indonesian small businesses is the slow extension of the deregulatory process to local levels of government, and the prohibitive costs (as much as 30 percent of production costs) of official and unofficial levies, licenses, and other implicit taxes imposed on business (called *pungutan* in Bahasa Indonesian) acting as constraints to improved performance by medium, small, and micro enterprises. Despite its impressive record of deregulation over the past decade, thousands of levies remain in place. Because most of these are local and not national in scope and because the largest firms can cut through much of the burden of official and unofficial levies, the burden of these levies falls on smaller firms.

These levies are imposed in various manifestations with local variation and a certain lack of clarity about the authority by which they are imposed in similar situations in production, service, and trade sectors. Revealing the devastating effects of these payments on small business development is much easier than doing something about the situation. It will require new and innovative governance mechanisms at the local level that facilitate public–private dialogue and lobbying on these issues, backed up by powerful political demand for reform from the center. In recent years, a strong coalition of interest between government and civil society in reducing levies has emerged, as reflected in the Government of Indonesia's commitment to policy and program change in this area. Responding to the pressures of globalization and rising public concern with the wealth gap, GOI passed the new Small Business Law in December 1995. The law reduces significantly the levies imposed on businesses, encourages larger firms to "assist the small," and requires capital-intensive and extraction-based companies in the outer islands to assist the development of local small/micro enterprises.

Increasingly, the political will to take action is apparent, but skills and experience to chart out detailed policy guidelines and effective public–private networks required to deliver sound ideas to the decision makers need to be developed. This is where the role of a technical assistance program supported by the Asia Foundation is significant to work both inside (Ministry of Cooperatives and Small Business) and outside the government: (1) to build knowledge of problems faced by small business as a basis for effective coalition building; and (2) support for public–private collaboration on small business policy and programs

as a means of facilitating emergence of a broader coalition to promote changes, including the issue of levies. The project consultants are working very closely with senior Ministry officials to promote more market-friendly approaches to small business regulations and more direct private sector support to small business development. Outside the government, the consultants are working with Indonesian think tanks, academic centers, and nongovernment organizations to improve the technical knowledge needed to argue for more effective policy and programs. As well as developing more effective policy supporting conclusions, analysts need to be able to translate those conclusions into actionable policy and program options. While noticeable changes continue to occur in this innovative partnership in policy areas, assisted through an external consultancy, some lessons about the use of such international consultancy can be drawn. They include defining an appropriate role in policy coalition building, working on government and nongovernment sides, developing program flexibility, and long-term focus to technical assistance (Cole and Parker, 1996).

Another aspect of policy reform dealing with a critical area in the national development process is the wage system that a country follows for private and public organizations. Without a satisfactory and orderly system for changing and adjusting the wages at both macro and firm-specific levels, a country faces severe problems and occasional breakdowns in the economic and social processes. Singapore has been able to maintain since 1972, through the operation of its National Wage Council, mutual agreement among the employers, employees, and government to ensure orderly changes and adjustment in the wage system. The Council examines wages and their impact on a macro perspective without getting involved in micro-level, firm-specific negotiations. Its recommendations are based on consensus and every Council member must sign the report as testimony of his/her agreement. The Council is advisory and its guidelines are not mandatory, but they are widely implemented due to its moral authority and credibility flowing from its equality of members, confidentiality of extensive deliberations, and consensuality of decision-making process. The guidelines are published in the government gazette, and are officially endorsed by the prime minister and the cabinet, acceptance by the largest employer, the government. Even though there is no legal obligation to use the guidelines, they influence the conduct of arbitration and conciliation efforts.

The Singapore National Wage Council (NWC) comprises 31 members, both full-fledged and alternate, divided equally among three groups, namely, employer, employees, and government, with a university professor chairing the Council. These members are usually the highest office-bearers of employer federations, employees unions, relevant government departments, and their deputies. Because the NWC is not limited by statutory restraints, it can change its nonmandatory guidelines across the time dimension, according to the prevailing circumstances of the period; it can allow the extent of implementation to differ across the industries, according to the situation specificity of the industry; and it can allow the different socioeconomic groups to make necessary adjustments and save government

the costs of enforcing the guidelines. Over the years, its recommendations and guidelines have followed four phases: moderate wage increase (1972–1978), high wage increase (1979–1984), wage restraint (1985–1987); and qualitative wage increase (1988 to present). The NWC made significant contributions to the promotion of industrial peace and harmony that led to a conducive climate for economic development and instilled confidence in foreign investors. It facilitated restructuring the economy from labor-intensive to higher value-added, capital-intensive industries and achievement of wage reform and orderly wage changes. Although the guidelines are not mandatory, the Ministry of Labour requires compliance with a survey that monitors implementation of the NWC's guidelines (Campos, 1997).

CITIZEN/CUSTOMER ROLE IN MONITORING AND EVALUATION OF PUBLIC SERVICES

It is common with successful enterprises to focus on customer satisfaction and feedback in order to survive and expand their business. Customer-driven firms have developed different ways of hearing from the customer, such as customer surveys and interviews, customer follow-up, focus group discussions, suggestion boxes, and various means. By listening to customer feedback, these firms receive critical ideas on where, when, and how they can improve their products and services. By responding to customer feedback, these firms not only satisfy and anticipate the needs of their customers; they can often delight their customers.

No such practices prevail with respect to public services in many countries where governments view their people (Mintzberg, 1996) as subjects (who pay taxes and obey laws), not as citizens (who deserve to be treated equally regardless of wealth or status) or customers (who deserve to be served well). There are several reasons why government agencies are in general insensitive, even indifferent, to people's right to be treated as citizens and customers. These include: (1) budget not being dependent on customer satisfaction; (2) monopolistic government agencies face no pressure to be efficient, effective, and innovative; (3) government employees act arrogant, complacent, and even disparaging of the public; and (4) governments are replaced through elections and cannot be changed in between, hence they court voters only during election times. Most clients of government services are accustomed to receiving minimum services badly delivered; they simply have not developed a "culture of complaint" and the practice of pressuring systematically for better service. In many developing countries, long waiting periods at government offices are inevitable; the arrogance, indifference, and incompetence of many government employees are considered inescapable; and sloppy and slipshod services are unavoidable.

However, while many of these conditions continue to persist, the "culture of noncomplaint" is undergoing changes through various innovative modes of citizen/customer participation in monitoring public services and providing effective feedback. One such innovation is the preparation of "report cards" on selected

public services. This practice provides feedback to agencies so that they can learn how to improve their services. In Bangalore, an NGO called Public Affairs Centre identified the eight public utilities depended upon by most of the people. The Center issues report cards to citizens and invites them to rate the agencies providing public services. Using a variety of feedback mechanisms—random sample survey, in-depth interviews, focus group discussions, case studies, and documentation of other information—the Center ranked these agencies in terms of citizen satisfaction and analyzed the problems encountered by the citizens, such as corruption, excess billing, and poor service. The Center's comprehensive report is presented to individual agencies and published by local press, which apparently pressured two agencies to respond and remedy some of their deficiencies. One of the agencies responsible for housing, the Bangalore Development Authority, got the lowest scores for staff behavior, quality of service, and information provided. Confronted with this, the director responded positively with a joint initiative to address problems of service delivery. The report card instrument is now being used by other cities in India including Mumbai (Paul, 1995; World Bank, 1997).

On a larger scale, a similar innovative instrument, Service Delivery Surveys (SDS), is being used as part of government reform to get information on both quantity and quality of various public services to develop citizen/customer feedback for improving the organization and delivery of these services on a continuing basis. In Nicaragua (EDI, 1996) these surveys were employed as part of its governmental reform in 1995 with the following goals:

- to measure client satisfaction and other aspects of performance;
- to feed into annual performance review of restructuring ministries;
- to create local evaluation capacity; and
- to involve civil society in governance.

As to the structure and methods, SDS breaks down each ministry into specific services and identifies the clients that use those services; spells out performance indicators and links quantitative and qualitative data to assess performance; and conducts periodic surveys to measure changes. For example, for the Ministry of Construction and Transportation, SDS was undertaken during 1995 and 1996—a pilot study in February 1995, and actual runs in January, May, and August 1996. Based on a pilot study, three performance indicators were identified: (1) incidence of robbery on buses; (2) incidence of respect of official fares; and (3) customer satisfaction scores. The January survey showed that most bus drivers do not respect official fares and users are paying too much but not complaining. But in May 1996 survey, 90 percent said that drivers are respecting official fares, but the quality of ride has not improved: robberies increased by 60 percent from the prior year. In the August survey, people offered to cooperate with the national police by having police agents ride on buses to monitor for public safety. The

respondents further agreed to support public recognition campaigns for those private bus companies with lowest thefts/rider ratios and construction of better bus stops. Similar surveys were conducted for customs service with these three indicators: average time for release of imported goods; actual clearance cost/official tariff; and customer satisfaction scores. Experience with the use of SDS shows that its effectiveness as an innovative tool in development management can be ensured if there are:

- Technical capacity—surveying, data management, policy analysis, training;
- Leadership—vision, intellectual commitment, willingness to take risks;
- Incentives—recognition, rewards, job satisfaction;
- Communication—workshops, press conferences, public information campaigns.

Similar innovative approaches, especially adapting Total Quality Management (TQM) for the public services are being applied by the Asian Institute of Management for various public service agencies at national, provincial, and local government levels. The adapted model, "Total Quality Governance" (TQG), uses survey research to promote bureaucratic performance and foster political accountability to the end-users of government services—the citizen-customers. In an application of this model in Makati City, the commercial capital of the Philippines, the TQG review was designed to measure the performance of local government offices (for example, such criteria as timeliness, courtesy, responsiveness, and availability) in delivering basic services and to develop a prioritization of city problems and concerns based on the feedback of citizen-customers. The results show that priority service categories, according to bureaucrats, were traffic, fire control, and police assistance while citizens were more likely to name as high priority illegal drugs, illegal gambling, prostitution, pornography, and squatters, in that order. A clear picture of client priorities enables officials to reorder their priorities to match supply with demands/supports. The results show the potential for citizen-customers to be effectively engaged in monitoring, evaluating, and improving the performance of local governance (Bolongaita, 1996).

INTERCHANGE OF MANAGEMENT METHODS BETWEEN PUBLIC AND PRIVATE SECTORS

Traditionally, both fields—public administration and business administration—observed the uniqueness of public and private sectors, although for-profit service delivery businesses blur the distinctions. Management methods and techniques that were considered unique to each sector are being increasingly applied to the other sector with innovative modifications and adaptations. Mission statements, broad goals and quantified/time–dependent objectives, business plans, broad strategies, and specific performance measures which were so common in successful business enterprises are now applied in many government agencies around the world. There has been closer exchange of experiences and management meth-

ods and procedures between agencies in both the private and public sectors operating same or similar services, for example, in health services, education, transport, utilities, and similar activities. The private sector experiences of budget preparation techniques, cost cutting and downsizing, performance evaluation of individual units and organizations, and management performance and related pay and bonus are being applied with innovative adaptations in public agencies.

Similarly, although on a smaller scale, public sector experience of fairness and due process (for example, in laying over or dismissing employees, discrimination and sexual harassment cases) and social accountability practices (for example, in following environmental, health, and public safety regulations) are being gradually incorporated in the philosophy and operations of many private sector corporations. Although interchange and sharing of management methods and techniques through innovative approaches and adaptations are becoming quite common in many developed administrations, they are still a novelty in the development administration and management of many developing countries. Hopefully, with increasing dissemination of these experiences around the globe, such innovative interchange or sharing of experiences between the private and public sectors will be more frequent in developing countries.

CREATING INNOVATIVE FACILITIES FOR DISPLAY AND DISSEMINATION OF PUBLIC SERVICES

Some of the critical challenges in development administration and management center around the problems of letting people know about the availability of specific public services, especially those who need them, providing them necessary forms and organizing the package of relevant services in such a way that individuals do not have to move around and lose their valuable time in the process (for example, in securing a business license, obtaining a driver's license, securing a permit for building a house, getting advice on planting a crop, and similar others). Many developing countries have been using a one-stop service system for offering a business license (for example, locating all relevant offices for issuing licenses in one building or a complex, guiding them sequentially in the process of fulfilling the conditions for getting the license) as a way to promote private business and foreign investment. One major problem is the preparation of service delivery information in easily understandable language, eliminating all technical jargon and displaying it in places where it is likely to be seen by the relevant citizens/customers. Some governments have used innovative approaches by creating offices to review the language used in publicity and using post office, public library, and bulletin boards in market places/shopping centers for its dissemination. In some countries, as in Malaysia, government offices that offer related services are located in the same complex and on the ground floor of each office. The information about specific services and the way to obtain it are clearly and boldly displayed with counters staffed with people and telephones for more detailed information.

The challenge of making public services more customer focused and friendly is not unique to developing countries, where innovative practices are slowly being introduced. In developed industrialized countries, with 24-hour banking, computer shopping, and a host of conveniences that businesses offer to attract and retain customers, the public has come to expect from government more customer-oriented programs that make public services more convenient and accessible. One highly successful, innovative example of local officials creating value through customer service is Camden County's (New Jersey) 1,600-square-foot "County Store," located in Echelon Mall, a regional shopping mall in Voorhees Township. The Store offers services from more than 30 county agencies, seven days a week, during all of the regular mall hours. In the first 18 months of its operation (since opening on September 10, 1994), more than 50,000 county residents used this award-winning one-stop citizen service center. It is operated by the Board of Freeholders and managed under contract by the Camden County Library Commission. Besides the initial one-time capital costs of $75,000, the annual salary and operating costs have stabilized at $75,000–$100,000—approximately less than one-tenth of 1 percent of the county's $228 million annual budget. The costs are viewed as an investment in citizen service rather than simply as an "expenditure." Mall officials still receive more than 50 positive telephone calls each week praising the Store and its services.

Some of the services available include: county college and vocational school registration, blood pressure testing and health screenings, small business start-up classes, free will clinics, passports, veterans' benefits counseling, utility bill payments, voter registration, library book return, ID and county park events information. Factors that contributed to such an innovative system of delivering public services included vision, business plan, one-stop shopping, training, and persistence. All levels of government can adapt this model because it is more than a facility—it is an innovative way of serving the taxpayer. Based on its success, the county opened a second facility in September 1996, called "Citizen Service Center," located in a strip shopping center serving the eastern section of the county (*Public Administration Times* 20(3), 1996).

INNOVATIVE LEADERSHIP IN DEVELOPMENT ADMINISTRATION AND MANAGEMENT

The most critical factor responsible for effective development and utilization of systems and procedures in the delivery of public services is the development of public service personnel (including policy makers, planners, managers, operators, and workers) with appropriate approaches, orientation, and skills. It must be accepted that no matter how well we develop better systems, innovative planning, criteria for service delivery, and mechanisms for coordination and cooperation, these will not lead to desired results if qualified personnel with the right approaches and orientation are not there to use them flexibly in the design and management of public services. Therein lies the critical import of the role of in-

novative leadership and the training and professionalization of those responsible for development administration and management. Osborne and Gaebler (1992) argued that civil servants should become entrepreneurs who are aware of opportunities and constraints, and have necessary skills and appropriate orientation to develop and implement public service programs with flexibility and adaptation in the ever-changing contexts that demand complex and highly sensitive systems of interpretation, in order to provide an efficient basis for action. This type of leadership is encouraged in many countries (for example, the United Kingdom, New Zealand, Canada, and the United States) through creation of performance-based organizations that offer more flexibility in recruiting public officials from open markets, offering them contracts instead of tenure, relating their remuneration to performance, and allowing through deregulation more flexibility in operation in order to achieve the mission and objectives of their organizations. In developing countries, there are relatively few successes in developing and sustaining innovative models of entrepreneurial administrative leadership. Studies show some limitations in implementing flexibility with rules and regulations, pay and bonuses, and allocation of authority, because they tend to adversely affect the values, uniformity, and due process required to maintain a unified public service (Roberts, 1997).

Other approaches followed in some developing countries, to develop and sustain an innovative approach among their mangers and leaders of public service, are to break the closed market system in hiring public servants at selected levels from the open market, especially from the private sector (as in Argentina, Chile), to bring in new ideas and approaches in dealing with issues of public management. In countries where the recruitment of public servants at middle and senior levels is from within, some are trying to instill innovation and flexibility through joint training with private sector managers and attachment of public servants with private firms. In Malaysia, in addition to sending its civil servants abroad for master's and Ph.D. degrees, the government has encouraged civil servants to participate in seminars, workshops, and conferences and dialogues organized by the private sector. It has also selectively loaned qualified personnel to private firms identified by the Business Councils and multinational firms. For example, the British Malaysian Industry and Trade Association arranged annual loaning of 11 to 12 officials to British firms in Malaysia. Since 1993, 12 officials have been chosen annually for an overseas assignment to European firms. The Malaysian government sends a good number of its executives for training or internships to Japan and South Korea to facilitate emulation of successful business/economic models.

Additionally, many governments realize that innovative leadership must include accompanying attitudinal changes and that in an era of downsizing, progressively reduced public service must inject new values and work ethics, approaches, and attitudes to meet the growing demand for efficiency and productivity. In several East Asian countries, significant initiatives undertaken by governments included productivity measures, new remuneration system, new per-

formance appraisal system, comprehensive training system, a new code of ethics, quality improvement circles, and the elements of total quality management. Some governments also use the instrument of campaigns to spread and integrate new approaches, values, and practice. For example, in the early 1980s, the Malaysian government introduced three campaigns: (1) establishing a clean, efficient and trustworthy administration; (2) calling for inculcation of Islamic values in the administration; and (3) "leadership by examples" which extolled the virtues required of civil servants in their dealing with their customers and in the management of public resources. Additionally, introducing name tags and punch clock systems for all civil servants added more discipline, a concern for punctuality and a greater awareness of time; and nurtured a sense of pride, responsibility, and equality among public sector employees (Government of Malaysia, 1994).

One innovative approach used by the Singapore government to prepare its civil servants for the twenty-first century is to accept change as a permanent state and to foster an environment that welcomes change, and to nurture an attitude of service excellence. The idea behind the program, PS21, is to develop a proactive civil service that will see change as a necessary and even superior way of life, an instrument for improvement and advancement. With the changes, in which the public is more demanding and the economy is more outward oriented, the role of the public sector has to be repositioned from being regulator and controller to being facilitator and nurturer; acting as a catalyst for change, a pace setter, and a standard bearer. Three pillars of PS21 are to welcome change, anticipate change, and execute change, centering around an officer's perception of himself and his attitude toward continuous work improvement and externally and internally induced change. Specific methods used to prepare officers for PS21 are simplifying work procedures (for example, a six-day passport application process through the post office), creating work improvement teams, staff suggestion schemes, training and instituting long service awards, and promoting healthy lifestyle programs (Government of Singapore, 1996).

It is not only in the national context that innovative leadership in development administration needs to be fostered. It is also needed in the context of regional integration where national civil servants have to use more diverse expertise and capacity to adopt and implement regional laws and guidelines, as in the case of the European Union. The impact of the market economy on the work, organization, and functioning of the civil service will increase in a way that will be more and more common across EU member states. Improving the quality of civil service with a view to avoiding mismanagement and enhancing service orientation and efficiency is seen as one way of making European countries more competitive in attracting foreign investment and in providing domestic enterprises with a business-friendly climate. There are three areas in which civil servants of new entrants to the EU will have to be well prepared with innovative approaches: (1) Prepare workers for free movement of labor forces for certain functions within the public administration; (2) candidate countries need to adapt civil service lat-

eral mobility, promotion, social protection, and retirement for possible mobility with the public services of other EU member states and European institutions; and finally, (3) training for participation in the decision-making process and the implementation of EC directives, regulations, and programs has fostered and accelerated innovative ways (SIGMA, 1997, p. 7).

Innovations in development administration and management, particularly with respect to systems, methods, procedures, and leadership, are taking place in many developing countries. Although the speed and contents of change and innovations are not as rapid and remarkable as changes in some developed administrations, nonetheless, changes in some countries are significant (for example, Malaysia, Uganda, Chile, Argentina, Botswana). Some examples of these innovations and the areas in which they are occurring are noted in this chapter. It is expected that, with globalization and the pressures it generates for the efficiency of national governments to deal with increasing numbers of national issues having global implications, on the one hand, and the rapid flow of information on innovations in management, on the other, the pace of change and innovations in development administration and management will accelerate in the coming years. One can only hope that such expectations will be realized so that governments in developing countries can be more responsible and forward looking in their search for growth and prosperity with equity.

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16

The Struggle of Small Bureaucracies to Develop Traditional Ethical Policies

JEAN-CLAUDE GARCIA-ZAMOR

A PROFILE OF THE SMALL AND ISLAND STATES

It is difficult to arrive at a clear definition of "small state" and to decide how large an island can be before including it in a study of mini-countries. Each author seems to come up with his/her own arbitrary list considering a large variety of territorial sizes, often including both fully independent nations and dependent territories. Attempts at defining smallness are numerous and can be found in the emerging field of micro-states studies. Thirty years ago, a first definition was published by Benedict (1967), followed by works of the members of Working Group V of the International Association of Schools and Institutes of Administration. This group has been meeting yearly since 1983 to address issues pertaining to the administration of small and island states. Baker (1992) published a selection of their papers. One of these papers, by Raadschelders (1992) is a comparative study of definitions of smallness, and several others in the volume deal with the definitional problem.

The author has selected only states and islands of less than 1,000 square miles that are independent nations or independent territories for inclusion in this chapter (Table 16.1). Only the Vatican City and the tiny Italian village of Seborga, with 356 inhabitants in about 5 square miles, which declared itself an independent principality in 1995, were excluded. Despite their autonomy, they lack other elements of a functioning political system. The sample in this chapter includes states as small as 0.75 square mile (Monaco) to one that measure 999 square miles (Luxembourg). Only 4 of the 26 states are not members of the United Nations, and only 2 of them have literacy rates below 80 percent. An examination of Table 16.1 shows that most of them have some European cultural heritage and some type of viable economic mainstay.

However, 25 of the 26 countries are densely populated—Palau being the only one with a moderate population density (Table 16.2). The solution to the population problems of small states is a difficult one. The densely populated ones with non-European citizens find it very difficult to emigrate to larger industrialized countries. Furthermore, in these micro-countries, it is only a small minority of the people who are aware of the significance of rapid population growth, and often birth control campaigns antagonize both religious opinion and well-established patterns of behavior (Smith, 1967, p. 22).

Even the most minuscule states have membership in one or more international organizations—Nauru being the only exception (Table 16.3). For many years, several small states did not want to apply for membership at the United Nations. The cost of maintaining a permanent mission in New York and paying their share of the organization's annual budget were too high, as Maldive Islands confirmed by locating their small mission in the former Maldive Islands Stamp Shop in Manhattan (de Smith, 1970, p. 10).

It is difficult to develop a profile of the small and island states. Except for their small territorial size, most of them seem to have very little in common. A classification of their economies by income and region (Table 16.4) places them almost evenly in every income group and subgroup and their geographical location span over four continents. Only the two small states situated in Africa, Comoros, and São Tomé are in the low-income group. Singapore's world economic role is so disproportionate to its size that it is not even in the World Bank's classification. Despite its lack of manpower resources, Singapore remains a world market for several products, has a developed port with facilities for trans-shipping, processing, and packaging operations which are essential to the region's economy (King, 1973, p. 254). Singapore is presently making very swift progress in the field of robotics and other general technology indicators, such as semiconductor production. Its government has targeted electronics and computers as key industries for export-led growth (Kennedy, 1994, p. 91).

The 26 small and island states considered in this chapter are fairly integrated. Despite Neuman's findings (1976) about a lack of integration of small states, most of them are fairly homogeneous and share a common predominant culture, language, and history. Neuman's book also covers some very large segmented states, a fact that may explain her findings.

In a different analysis, a Human Development Index (HDI) developed by the United Nations Development Program (UNDP, 1995) places a majority of the small and island states in this chapter among the highest in the world in human development (Table 16.5). The concept of human development was first introduced in 1990. For years, economists, politicians, and development planners have measured per capita income to chart year-to-year progress within a country. As a result, a great deal of national development activity was focused on economic growth, often neglecting the human dimension of development. As a new way to measure human development, a team of leading scholars created a new Human Development Index (HDI) for the UNDP. It revealed that even countries of a low

Table 16.1
Islands and Small States (Under 1,000 Square Miles)

Country	Size (Sq. miles)	Population (1997 est.)	Cultural Heritage	Literacy Rate	Life Expectancy at Birth M/F	Economic Mainstay
Andorra	181	72,766	French Spanish	100%	- / -	Tourism Sheep Tobacco
Antigua & Barbuda	171	65,647	British	90%	- / -	Manufacturing Tourism
Bahrain	268	590,042	Arabic British	85%	72 / 77	Oil Products Aluminum
Barbados	166	257,030	British	97%	72 / 77	Sugar Tourism
Comoros	719	569,237	French	57%	56 / 61	Perfume Textiles
Dominica	290	82,926	British	90%	75 / 80	Soap Tourism
Kiribati*	313	80,919	British	90%	- / -	Fishing Handicrafts
Liechtenstein	62	31,122	German French	100%	- / -	Machines Electronics
Luxembourg	999	415,870	German	100%	75 / 82	Steel Chemicals
Maldives	115	270,758	British	93%	65 / 68	Fish Tourism
Malta	122	375,576	British Italian	91%	76 / 81	Tourism Electronics
Marshall Islands	70	58,363	German Japanese	91%	62 / 66	Tourism

Mauritius	788	1,140,256	French British	83%	67 / 74	Tourism Textiles
Nauru*	8.2	10,273	German Australian	99%	- / -	Phosphates Mining
Palau	188	16,952	American Polynesian	---	69 / 73	Tourism Fish
St. Kitts & Nevis	104	41,369	British	90%	- / -	Sugar Tourism
St. Lucia	238	157,862	British	80%	67 / 74	Clothing Tourism
St. Vincent & Grenadines	150	118,344	British	96%	71 / 75	Agriculture Tourism
San Marino	24	24,521	Italian	98%	- / -	Tourism Wool Goods
São Tomé & Principe	386	144,128	Portugese	54%	- / -	Cocoa Coconut Products
Seychelles	176	77,575	French British	84%	67 / 74	Tourism Food Processing
Singapore	247	339,692	British	91%	75 / 81	Shipbuilding Oil Refining
Tonga*	290	106,466	British	93%	66 / 71	Tourism Fishing
Tuvalu*	9.4	10,416	British Polynesian	96%	62 / 65	Copra

*Not a member of the United Nations.

Source: Famighetti, 1997.

Table 16.2
Demographic Classification

Country	Number of Persons per sq. mi.	Country	Number of Persons per sq. mi.
Andorra	402.0	Micronesia	462.7
Antigua & Barbuda	383.9	Monaco	42,292.0
Bahrain	2,201.7	Nauru	1,252.8
Barbados	1,548.4	Palau*	90.2
Comoros	791.7	St. Kitts & Nevis	397.8
Dominica	285.9	St. Lucia	663.3
Kiribati*	258.5	St. Vincent & Grenadines	788.9
Liechtenstein	501.9	San Marino	1,021.7
Luxembourg	416.3	São Tomé & Principe	373.4
Maldives	2,354.4	Seychelles	440.8
Malta	3,078.5	Singapore	13,752.0
Marshall Islands	833.8	Tonga	367.1
Mauritius	1,447.0	Tuvalu	1,108.1

*Not a member of the United Nations.

Note: All of the islands and small states can be considered densely populated (more than 250 persons per square mile). Only Palau has a moderate density (50 to 250 persons per square mile). None can be considered thinly populated (less than 50 persons per square mile).

Source: Famighetti, 1997.

per capita GNP, like some of the small and island states, may rank higher on the HDI. The difference lies in the way national leaders set their priorities and allocate government funds, and in the degree of freedom that citizens enjoy to act on their choices and influence their own lives.

The triple-component HDI considers life expectancy as one component not only for its own value but also because it speaks to health care delivery and the ability of people to live long enough to achieve goals. The second component, literacy, not only helps people to get and keep jobs but also assists them in understanding their surroundings and culture. The third one, purchasing power (per capita income adjusted to account for national differences in exchange rates, tariffs, and tradable goods), demonstrates the relative ability to buy commodities and meet basic needs (Garcia-Zamor, 1994, p. 113). For example, Malta, classified by the World Bank as an upper-middle-class country, is ranked 34 in the HDI scale among 174 countries, ahead of several high-income countries. However, the HDI index can only reinforce the concept of formal status of a nation. As pointed out by Lagos (1963, p. 22), the real status of a country in the system of international stratification is based on three basic variables—economic stature, power, and prestige—all of them quite difficult to attain by the small and island states.

THE BUREAUCRACIES OF SMALL AND ISLAND STATES

Peters (1988, pp. 3–4) views comparative administration as more than simply the accumulation of descriptive material about various countries. He thinks that such description is sometimes useful as a means of beginning a more theoretical inquiry. The following discussion of some of the features of small and island states' bureaucracies will hopefully help us to understand their struggle to develop traditional ethical values. Furthermore, it might initiate a new area of research that will eventually enrich the growing literature on small and island states.

The majority of the small and island states, like many developing countries, are a composite world of two contrasting realities. There is, on the one hand, the so-called urban elite—civil servants, politicians, military officers, and teachers—and on the other, the rural poor, who have very little participation in the planning or managing of development strategies that supposedly would help them. Often, the administrative frameworks of these countries have been set up by larger nations and/or international organizations primarily to handle the requirements imposed by the donors of foreign aid (Garcia-Zamor, 1985).

Peters (1998) introduced the concept of "micro-bureaucracy" in which a type of informal clique or faction of officials organized themselves to promote political or administrative objectives. The former category, which sometimes aims at the overthrow or transformation of an exiting regime, is composed of "policrats," whereas those drawn to the latter function are the "technocrats." In a book on three "small" island states in the Caribbean, he further developed that concept and made the point that the relative weakness or absence of a military force in most of the small island states means that groups of civil servants often carry out political functions, which elsewhere in the developing world are performed by military officers. Another aspect of that work on small island states that is related to this chapter is the formulation of a Typology of Creole Bureaucracies, derived from Aristotle and Robert Dahl's works, which included propositions about types and dynamics of transformation from one type of bureaucracy—or political system—to another (Garcia-Zamor, 1977).

In small and island states, the management of development is usually concentrated in the public sector. Government economic development strategies are dependent on foreign aid. In São Tomé, for example, most competent civil servants work in some donors-financed projects. Their hard currency salaries make their wages 50 times higher than their previous national salaries. This imbalance makes it almost impossible for them to return to the civil service. They are constantly looking for positions in donors-financed projects. In addition, those who are not involved in such projects spend considerable amount of time trying to get into one. This permanent race for positions outside the civil service takes place at every level, from chauffeurs and secretaries to high-ranking administrators, and makes any attempt at administrative reform appear ludicrous.

Table 16.3
Types of Government and International Links

Country	Type of Government	Head of State	Membership in International Organizations
Andorra	Parliamentary Co-principality	President of France & Bishop of Urgel	UN
Antigua & Barbuda	Constitutional Monarchy	Queen of England	UN, OAS, the Commonwealth
Bahrain	Traditional Monarchy	Emir	UN (WTO, IMF, FAO, World Bank, WHO), Arab League
Barbados	Parliamentary Democracy	Queen of England	UN (FAO, WTO, World Bank, ILO, IMF, WHO), OAS, the Commonwealth
Comoros	In Transition	President	UN (World Bank, FAO, IMF, WHO), OAU, Arab League
Dominica	Parliamentary Democracy	President	UN, OAS, the Commonwealth
Kiribati	Republic	President	The Commonwealth
Liechtenstein	Hereditary Constitutional Monarchy	Prince	UN (WTO), EFTA
Luxembourg	Constitutional Monarchy	Grand Duke	UN (WTO), OECD, EU, NATO
Maldives	Republic	President	UN (WTO, WHO, IMF), the Commonwealth
Malta	Parliamentary Democracy	President	UN (WTO, WHO, IMF), the Commonwealth
Marshall Islands	Republic	President	UN

Mauritius	Republic	President	UN and all its specialized agencies, OAU, the Commonwealth
Micronesia	Republic	President	UN
Monaco	Constitutional Monarchy	Prince	UN
Nauru	Republic	President	---
Palau*	Republic	President	UN
St. Kitts & Nevis	Constitutional Monarchy	Queen of England	UN (WTO), OAS, the Commonwealth
St. Lucia	Parliamentary Democracy	Queen of England	UN (IMF, WTO, ILO), OAS, the Commonwealth
St. Vincent & Grenadines	Constitutional Monarchy	Queen of England	UN (WTO), OAS, the Commonwealth
San Marino	Republic	Two Co-Regents appointed every 6 months	UN
São Tomé & Principe	Republic	President	UN, OAU
Seychelles	Republic	President	UN, OAU, the Commonwealth
Singapore	Republic	President	UN (WTO, IMF, WHO), ASEAN, the Commonwealth
Tonga	Constitutional Monarchy	King	The Commonwealth
Tuvalu	Constitutional Monarchy	Queen of England	The Commonwealth

*Not a member of the United Nations.

Source: Famighetti, 1997.

Table 16.4
Classification of Economies by Income and Region, 1995

Sub-Saharan Africa			East Asia & Pacific		Other		
Income Group	**Eastern & Southern Africa**	**West Africa**	**East Asia & Pacific**	**South Asia**	**Europe**	**Middle East**	**Americas**
Low Income	Comoros	São Tomé & Principe					
Lower-Middle Income			Kiribati Marshall Islands Micronesia Tonga	Maldives			St. Vincent & Grenadines
Upper-Middle Income					Malta	Bahrain	Antigua & Barbuda Barbados St. Kitts & Nevis St. Lucia
High Income					Luxembourg Andorra San Marino		

Note: Only 19 of the 26 islands and small states were classified. Their economies were divided according to 1993 GNP per capita; low income, $695 or less; lower-middle income, $595–$2,785; upper-middle income, $2,786–$8,625; and high income, $8,626 or more.

Source: World Bank, 1995.

Table 16.5
Human Development Index (HDI), 1995

HDI Level	HDI Rank	Islands and Small States
High Human Development	25	Barbados
	27	Luxembourg
	34	Malta
	35	Singapore
	37	St. Kitts & Nevis
	44	Bahrain
	55	Antigua & Barbuda
	60	Mauritius
	62	Seychelles
Medium Human Development	69	Dominica
	79	St. Vincent & Grenadines
	84	St. Lucia
	118	Maldives
Low Human Development	133	São Tomé & Principe
	139	Comoros

Note: Only 15 of the 26 islands and small states were ranked. A composite index, the HDI contains three indicators: life expectancy, educational attainment, and real GDP (in purchasing power parity dollars).

Source: UNDP, 1995.

The author was the Non-Resident Chief Technical Advisor of a United Nations administrative reform project in São Tomé in 1993. He experienced firsthand how powerful foreign donors could not overcome the obstacles to reform that were coming from within the Santomean bureaucracy itself. Contrary to some notions, it is often more difficult to reform the bureaucracy in a small state than in a large industrialized one. The total lack of other economic opportunities outside government employment makes it almost impossible to implement reform policies.

Unlike the larger and richer countries where public policy implementation involves countless routine tasks by the public servants, in small and islands states (as in most developing countries) the ultimate goal of public policy implementation is the attainment of developmental objectives expressed in the national development plans. These plans are usually inspired by foreign donors and are based primarily on expected technical assistance from abroad. In addition, many small and island states do not have the administrative framework to handle the requirements imposed by donors of foreign aid (Garcia-Zamor, 1996, p. 198).

THE STRUGGLE OF THE BUREAUCRACIES TO DEVELOP ADMINISTRATIVE ETHICS

The decades of the 1980s and the 1990s have witnessed considerable attention to the problem of administrative ethics in both industrialized and developing countries. Denhardt (1988) states that there is no clear consensus about what constitutes ethical administrative behavior and what that means for public administration. Should concern lie primarily with corruption, with the conflicting obligations of administrators, or with other dimensions of administrative activity? For the purpose of this chapter, administrative ethics (i.e., accountability by public administrators or bureaucrats) and political ethics (i.e., accountability by the political leadership or the decision-making body) are discussed under the same umbrella as administrative ethics. The reason for this is that in the majority of small and island states, there really is no sharp demarcation between the two. Politicians not only make the decisions at the top, but at the same time act as administrators in carrying out governmental decisions to promote development.

There is an obvious difficulty in applying Western-developed ethical standards to administrative systems of different socioeconomic and cultural environment. However, Frederickson suggests that the future ethics research agenda should "focus on the settings, professions, and cultures in which ethical issues occur and measure behavior against the cultural expectations and professional standards appropriate to the research context" (1993b, p. 258). He further recommends that "once this is done, researchers should compare ethical standards and behavior between settings, professions, and cultures. In this way, the richness and variety of the common ethical themes and variations on those themes can be described" (1993b, p. 259). Today, the term *ethics* has become such a popular one in every country or culture that a study of administrative ethics in small and island states is necessary and hopefully will open the door for future research in this direction. The main assumption in this chapter is that small and island states' bureaucracies find it difficult to develop traditional ethical values. In the following paragraphs there is a review of some ethical theories that are usually translated into codes of ethics for public employees in various countries. They clearly differentiate ethical behaviors from unlawful ones and corruption.

Different ethicians have different theories that might be relevant in this case. But for the purposes of this chapter, only five prominent theories of ethics will be considered:

1. egoism (the view that the standard that should be used to determine the best course of action is self-interest);
2. conventional morality (the standard for determining right and wrong is the customary rules and practices of one's society);
3. utilitarianism (that one should choose the course of action that produces the greatest benefit for the greatest number of people);
4. duty ethics (the right action is the one that is done solely for the sake of duty); and

5. virtue ethics (which places primary emphasis on forming good habits of character and acting accordingly). (Beabout and Wenneman, 1994, pp. 9–16)

There are several reasons why administrative ethics based on these five theories will be a difficult thing to develop in the bureaucracies of the small and island states. One of them is the lack of awareness of ethical standards. Gortner suggests that the most important factors underlying the success of any bureaucrat attempting to behave ethically are his/her individual personality (or characteristics), his/her self-understanding, and the ability to apply that understanding to the ongoing organizational context (1991, p. 37). However, it is quite difficult to develop such understanding without the necessary awareness provided by a published code of ethics, on-the-job ethics training, and continuous open discussions of ethical issues. The author's own experience while teaching ethics to graduate students—mostly career civil servants—is that even U.S. bureaucrats often cannot perceive the difference between unethical and unlawful behavior.

Another reason why administrative ethics will be hard to develop in the bureaucracies of small and island states is the territorial size of these states. Administrative ethics is a concept that can better flourish in large-scale, formal bureaucracies. Not only have these bureaucracies usually created an environment for the understanding and practice of ethical behavior (code of ethics, training, etc.), but they are also tightly regulated by a myriad of public service laws and regulations. Their interpretation of administrative ethics has depended on two important features of the Western bureaucracies: their decentralized structure and their adherence to a set of characteristics patterned after Max Weber's bureaucratic model. Both of these features are often lacking in the bureaucracies of the small and island states. Even when they are formally present, in practice the bureaucrats ignore them.

Other factors that make it difficult for small and island states to apply administrative ethics are their geographical location, and tourism. Many small and island states are situated very close to larger developed countries (i.e., the Caribbean islands and the United States). They offer excellent opportunities for outsiders to attempt to corrupt their bureaucrats in order to be allowed to establish offshore bank accounts, smuggle drugs, and so on. Tourism is another negative factor. The saying is that small is beautiful. This is definitely so in the admiring eyes of Western tourists who want to experience a certain closeness to nature that their overpopulated cities cannot provide. Unfortunately, anytime the number of pleasure-seeking tourists exceeds, and sometimes doubles, the number of native residents, some negative consequences tend to follow.

All the five theories of ethics that were mentioned can help increase our understanding of the situation in small and island states. Ethical egoism states that an action is right if it promotes self-interest. In the setting of small and island states, people tend to know each other and tend to value social contacts much more, even across socioeconomic lines. The Weberian characteristics of a formal bureaucracy are hard to accept in such a context. Bureaucrats will not hesitate to

bend the rules to help friends and relatives. They feel that it is in their best interest to act in a manner that will not marginalize them from the rest of society.

Conventional morality states that the standard for determining right and wrong is the customary rules and practices of one's society. Cultural heritage, national values, and the scale of a society play important roles in determining what might constitute a violation of administrative ethics. Possibly, a behavior that could be considered unethical in a large-scale society might be an acceptable one in a small-scale society. But here size alone in terms of territory and population does not determine the scale of a society. Benedict (1967) states that a large number of roles has to exist in the society. Quoting several other scholars, he makes the point that for a large-scale society to exist, there must also be a condensation of society, multiplying social relations among more individuals, and leading to a greater division of labor. Benedict admits that while this need not take place in a large population with a simple economy (as in the segmentary societies), it is more difficult to achieve in a very small-scale society (1967, p. 47). In this context, conventional morality might even vary among the small and island states. On the one hand, some of them are typical small-scale societies (São Tomé, Comoros, etc.); on the other, some can be considered large-scale societies despite their small territorial size (Singapore, Luxembourg, etc.).

Utilitarianism states that one should choose the course of action that produces the greatest benefit for the greatest number of people. In small and island states, the bureaucracy and its clientele do have a shared interest, as distinct from their purely personal and private interests, and it is this common interest which holds them together and gives them their identity. Discussing small groups within a larger society, Bond observes that the existence of a common interest is important. It shows that there exists something that benefits all the members of the group. This is enough to kill purely egoistic individualism, for everyone is concerned with the common interest of the group (Bond, 1996, p. 211). Violating such principles can socially isolate individual bureaucrats, a situation hard to deal with in a small-scale society.

Duty ethics is the theory that states that a morally good action is one that is done solely for the sake of duty. The problem with duty ethics in small and island states is that family and social ties can be so close that conflict may arise regarding which course of action is morally right. Sheeran states that duty is often defined as a moral obligation to do something or omit something. "There is a binding of the will to perform or not perform" (1993, p. 95). But D.F. Thompson distinguishes between two kinds of moral duties: those that are valid whether or not anyone is observing or acting on them and those that are not valid unless one has good reason to believe that others are also observing them (1987, p. 109). This can be quite a dilemma for an individual bureaucrat in a small and island state where often no civil service regulations and no codes of ethics firmly establish acceptable norms of conduct.

Since there is a large variety of political systems among the small and island states, each one of their bureaucracies might be facing a different political real-

ity. Moore (1995, pp. 32–33) states that under such a situation public administrators sometimes find it necessary to challenge the wisdom of politically expressed policy mandates. They do so on the basis of their moral obligations to defend the public. However, there are times when public servants have to act on their own because either a weak or indifferent leader fails to oversee them. These can be dangerous times since bureaucrats can become abusive with impunity. A good example of that is what happened in Malta during the 1970s and 1980s when corruption flourished within the bureaucracy. Everything required a permit and there was almost a published tariff of bribes (Gaul, 1993, p. 76).

Some ethicians claim that virtue is the most important element in the moral life. Virtue ethics places primary emphasis on forming good habits of character. Beabout and Wenneman (1994, pp. 16–17) point out that this approach also has problems. The qualities of character that are considered virtuous and what is recognized as a virtue seem to vary from culture to culture. It is also unclear whether the same virtues apply to all people universally. So virtue ethics lacks universality in its application and suffers from a lack of clarity when applied to specific issues. One way to identify the presence of virtue ethics among bureaucrats of small and island states is to analyze their policy making and implementation. Pops (1991, p. 265) mentions Rawls' focus on the role of government institutions in the fashioning of social justice. When bureaucrats contribute to fair economic and social policies, they exhibit virtue ethics and set the stage for and determine all other values.

THE FUTURE OF ADMINISTRATIVE ETHICS IN THE SMALL AND ISLAND STATES

The previous section of this chapter established how difficult it is for bureaucrats of small and island states to be aware of and practice traditional administrative ethics. This is not surprising when one considers the many failures of public accountability in large-scale societies. Caiden (1989, pp. 26–28) discusses several shortcomings of their bureaucracies: the existence of incompetent political overseers, corrupt career public servants, an anti-democratic ethos, and bureaucratic inertia and anonymity. Sembor and Leighninger (1996, p. 162) elaborate on the same theme. They state that the meaning of the word "public" in public administration seems to have splintered in the l990s. Citing other scholars, they remark that the majority of the general American public does not believe that public administration is a particularly ethical or public-minded profession—almost everyone in public service is portrayed either as a power-hungry politician or a self-interested bureaucrat. At the same time, the voting public is widely characterized as apathetic, uncommitted, and uninterested in public affairs. But despite the apparent failures of applied ethics in the large-scale societies, a new awareness of the problem has contributed to more progress in the field.

Table 16.6
Entries on the Internet

Country	Number of Entries on Internet	Number of Entries with Keywords: Ethics; Corruption; Accountability
Andorra	12,657	0
Antigua & Barbuda	7,661	1
Bahrain	22,094	4
Barbados	23,094	2
Comoros	6,373	0
Dominica	11,648	2
Kiribati	6,465	1
Liechtenstein	15,723	3
Luxembourg	52,697	5
Maldives	8,906	1
Malta	33,946	19
Marshall Islands	6,627	4
Mauritius	15,606	6
Micronesia	10,032	0
Monaco	34,036	1
Nauru	6,464	1
Palau*	10,399	3
St. Kitts & Nevis	2,624	0
St. Lucia	4,727	0
St. Vincent & Grenadines	2,630	1
San Marino	13,971	1
São Tomé & Principe	4,407	0
Seychelles	9,888	2
Singapore	185,949	90
Tonga	9,105	4
Tuvalu	5,612	0

*Not a member of the United Nations.

Source: World Wide Web search engine Alta Vista.com, Advanced Query.

Before discussing the future of administrative ethics in small and island states in this chapter, several attempts were made to diagnose their present ethical situation. Extensive bibliographical references were used to determine the level of ethical violations in these states. Since it was not possible to find the proper citations for all 26 countries, it was originally assumed that by using fairly good and reliable library resources and the Internet, the results would be as scientific as any random polling sample. A major difficulty that soon arose with this methodology was that updated bibliographical references on the small and island states were scarce; thus the research relied only on the Internet. Using the World Wide Web search engine Alta Vista.com/Advanced Query, the number of general entries for each state was recorded. Then a count was made of the number of entries obtained using the three keywords: ethics, corruption, and accountability (Table 16.6). The result was that Singapore had the most entries in that category.

However, because of the large number of general entries it had, only .05 percent of these were negative, not a far worse result than some of the other small and island states.

As pointed out earlier in the chapter, the scale of a society increases the more it is in contact with other societies. Thus, a dramatic increase in communications with the rest of the world might foster the development of universalistic role-relationships and impersonal institutions now lacking in small-scale societies (Benedict, 1967, p. 55). At the present time, big cities in North America and Europe are wired in the Internet for fast, heavy-data traffic, while the small and island states are not. But technology being presently developed might eliminate this imbalance in the early 2000s. A print journalist, E.Weise, reported in a *Miami Herald* article of March 17, 1997, that Telesedic Corporation, a company financed by two American billionaires, Bill Gates and Craig McCaw, plan to place 840 Volkswagen-size satellites about 435 miles above the earth to form a constellation that covers the globe. Since the cost of digging up Asia and Africa to lay millions of miles of wire would be absurd, by using satellites, messages will simply bounce up into space and then come back down to receivers. When such a technology becomes fully operational, even the most isolated small and island states will start closing the general awareness gap that now exists between small-scale and large-scale societies. Reich (1992, p. 87) states that new technology already in place has created a "new web of enterprise" that will dramatically reduce that gap. People all over the world will be in direct contact with one another to continuously discover new opportunities. Administrative ethics will no longer be an alien concept for the bureaucrats of small and island states. Applied ethics will become an achievable objective for them.

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