

GOVERNANCE, FACILITATIVE STATES AND TWENTY-FIRST CENTURY PUBLIC ADMINISTRATION

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Summary

Facilitative governance concepts constitute much of the framework of public administration today. While the field still functions largely within contexts of nationalism and bureaucracy of the earlier administrative state era, transformational changes have resulted in facilitative state theories and practices that guide the twenty-first century. This framework encompasses social, economic, and political governance. Thus, while the most extensive feature of governments is public administration and vice versa, the field also serves public affairs external of governments.

Frameworks of public administration within and among nations differ greatly and also share some fundamentals. Both localization (place values and institutions) and globalization (world-level values and structures) impact the field. Legal / political frameworks of continental Europe, along with European Union developments, are largely national and employ bureaucracy models, and they are characterized in the West by high performance. More than others, some Commonwealth nations have embraced reforms codified by the 1990s as New Public Management (NPM), drawing heavily on an economic model of substantive rationality to facilitate cost-conscious and performance-oriented government. Within a historic civic / constitutional framework, American public administration easily embraces today's governance concepts. Both legal / political and economic-managerialist models are employed. However, the field now lacks autonomy in America and increasingly functions instrumentally under partisan political control.

Paradox continues to characterize public administration in this era. Reconciliation of values and practices of place and planet is now a dominant challenge. From the administration state era of the 20th Century, the paradox of democracy and bureaucracy continues as a fundamental quandary. A paradox of NPM is to balance accountability and flexibility. Newly burdensome is a paradox of this electronic era's massive information and reduced time to reflect upon and responsibly use it. Such paradoxes of processes are matched by one giant substantive one of these times: the paradox of poverty amid plenty.

1. Introduction

Changes in governance, nation states, and their local and global contexts are significantly transforming public administration into a facilitative public-affairs field that reaches well beyond government. Thus, it is increasingly reconnected to ancient and enduring governance questions: Facilitation of what and for whom? And, most particularly, by whom and how? Linked in both theory and practice to these challenging questions, public administration is consequently identified in the early years of the twenty-first century in terms of sustainable life support systems. It is broadly understood as a field of significantly varied, human institutions. These include many highly differentiated, often place-oriented rule structures. More visibly, they also

include increasingly numerous, widely shared, more-or-less global understandings of institutions as rule structures that facilitate, hinder, or otherwise impact human interactions in public affairs.

Three dimensions of contemporary public administration are analyzed in this chapter. First is today's practical, global framework of concepts of governance and facilitative institutions. This part also includes a brief critique of competing perspectives of pluralist/interest group politics and of public choice theory, and how facilitative practice of public administration more-or-less reconciles them. Second, today's major frameworks of public administration practices are analyzed. These include European continental practices; developments among Commonwealth nations; the American civic/constitutional framework and contemporary revisions in it; and, among these three sets, variations on interconnected themes, particularly reform movements grouped conceptually as New Public Management (NPM). Third, building on part two, public administration practices related to developments within and among nation states, international organizations, and their dynamics are analyzed. This review summarizes realities of both situational differences and global movements, stressing the importance in the field of several paradoxes. One involves today's paradox of localization and globalization or "places and planet," and another is the old and continuing challenge to reconcile democracy and bureaucracy.

These quandaries are both perplexing and energizing. They demonstrate that public administration, as a facilitative field that depends on many disciplines and connections among them, remains especially dependent on one enduring public-affairs discipline: A balanced, on-going search for reasonableness in pursuit of human dignity and shared governance frameworks, including the rule of law.

2. Governance and Facilitative Institutions

Public administration, as a twenty-first century field, extends far beyond governmental operations, while remaining the largest and most permeating dimension of governments. It deals broadly with social self governance, economic markets, political/governmental affairs, and international organizations. That global framework of practices and applied theories that explain them is the first subject in this section. Next, more fundamental theories (and conflicts among them) that underlie changes in the field in the late twentieth and early twenty-first centuries are discussed. Finally, this section focuses on today's contextual questions: What is good governance? How is public administration facilitative? And how are the field's facilitative processes connected to politics?

2.1 Three Dimensions of Governance as a Global Framework

Today's governance ideals and many practices support facilitation of collective actions through diverse institutional frameworks. This is in contrast to the ideological era of most of the twentieth century that, in much of the world, favored big, controlling government. Up into the late 1980s, many governments determined, performed, and/or controlled many (if not most) collective actions, routinely dominating people, communities, organizations, and markets. By 1997, epochal changes away from that earlier era were reflected in the annual *World Development Report* published by the

World Bank, marking a clear emergence of the new governance framework. That study succinctly reported what was increasingly evident globally to careful observers: the twentieth century ideal of the administrative state was being rapidly transformed but not displaced. What has followed are facilitative state practices. Concepts of dispersed governance responsibilities and authorities partially define this emerging framework. Most fundamentally, these include constitutionally limited but responsibly empowered government.

Facilitation of public-values-oriented social self governance and civil society is one principal concern of public administration today. Another is facilitation of responsible market economies. A third is governmental administration that is conducive to facilitative-state integrity, effectiveness, efficiency, and economy. Each of these three dimensions is briefly analyzed below, following a note of concepts that apply to all three.

Note that, while contemporary theory and practice emphasize facilitation of valued collective actions, rule practices that responsibly constrain actions among individuals, communities, and nations are also understood to be basic to workable frameworks. In both theory and practice, facilitation often means that public administration (and government generally) should leave people and markets and their interactions alone. At the same time, however, today's concepts do not embrace a return to nineteenth century *laissez faire*, although reaction from the mid-1970s through the 1980s against big governments sometimes resulted in an extremism against government that nearly matched earlier excesses in support of command-and-control state bureaucracy. As examples, Thatcherism in Britain and Reaganism in the United States connoted (even though they did not necessarily denote) such hostility. In his first inaugural, for example, President Reagan declared that government is not the solution but the problem behind the ills of society. Subsequently, following many glaring failures that resulted, in part at least, from absence of a rule of law and robust government to enforce laws (ranging from \$400+ billion in USA savings and loan losses in the 1980s to widespread corruption of enterprise and society generally in the former Soviet Union and in Sub-Saharan Africa in the 1990s), the two-decade flirtation with *laissez faire* cooled. A search for balance ensued, taking form in the theory of a new institutionalism and taking root in practice in support of dispersed authority among governance rule systems and restructured public administration to facilitate their effectiveness.

2.1.1 Social Self Governance and Civil Society

As one contextual framework of public administration today, social self governance is defined more in positive, transformational terms of a civil society than as “anything goes,” transactional, *laissez-faire* values. However, a constitutionally framed “hands off” perspective remains powerful as a limitation on governmental actions related to people's private affairs and private social interactions.

The positive thrust of today is found in theory and practice under the rubric of social capital. That term embraces activities that facilitate constructive human connectedness, including both differentiated practices of individuals and groups, and broadly shared public values among groups, organizations, and communities. Social self governance

frameworks enable people and their varied communities/places to multiply personal, civic, and other values consistent with human dignity and, largely on their own, to harmonize with those values and many reasonable ways to accomplish them.

Facilitative public administration in such social-capital terms is highly practical. For example, considerable research into experiences in creation and allocation among users of some irrigation resources demonstrates superiority of certain self-governing structures over governmental construction and administration. Similar conclusions have been reached in studies of rule frameworks for other ventures, such as tree cultivation on common land and micro-credit in support of enterprise by the poorest of the poor. Such examples demonstrate that governmental institutions affect levels and types of available social capital; government may facilitate operations of private rule structures, through such underpinnings as public rules to limit crime and corruption. Research demonstrates that social capital is not easily created by external interventions, and that social capital is diminished by disuse and commonly strengthened by use (in contrast with physical capital). Social capital that is developed through particular community activities and structures—such as sporting events, cultural associations, and shared civic responsibilities (and particularly through horizontal frameworks rather than vertical hierarchies)—tends to build capital reserves to facilitate self governance in other activities, such as responses to disasters, community enterprise, and sustained economic development.

2.1.2 Economic Governance and Markets

Facilitation of responsible market economies in this era of increasingly (but not entirely) globalized markets is a second challenging dimension of governance theory and practice. General agreement is that neither comprehensive command-and-control economies nor *laissez-faire* libertarianism work. Clearly, for almost all of the world, even where privatization of former public-sector functions has been limited, markets and related rule structures have significant roles today as governance institutions. Also clearly, however, the dominant role of unrestrained markets was overrated during initial transition years in the late twentieth century following the collapse of the former Soviet Union. Economic roles of nation states, including such basics as provision of rule frameworks for private property and integrity in commerce, were neglected. International organizations, particularly the International Monetary Fund (IMF) and the World Bank in the early and mid-1990s, encouraged that neglect in favor of “free-market discipline.” In that period, except for dealings with finance ministries, government sometimes seemed discounted in economic restructuring. *Laissez-faire* failed as a replacement for the Soviet Union’s highly centralized, all-encompassing rule structures and mandatory planning, and international organizations were forced to reconsider social cultures and nation-state roles, along with their own.

A continuing search now is for workable, reasonable policies and administrative capacities to deal with the realities of both increasingly giant supra-national business organizations in growing global markets, and still somewhat differentiated economies within and among nations and regions. Public administration is thus challenged to operate in greatly varied frameworks, with rule structures that share the quality of reasonableness because they differ, in part, to suit varied situations. For example, it is

notable that, at the May 2000 United Nations' Fifteenth Meeting of Experts in Public Administration and Finance, public-sector indicators supported two conclusions: that "globalization is not global" (of 116 countries reporting trade, only 81 reported increases in the ratio of trade to GDP in the 1990s), and that "no evidence" shows "that globalization is causing the demise of the state." Yet, the overwhelming trends are toward increasing cross-border integration of nationally based economic activities and growing internationalization/globalization of economic capital and enterprise.

To facilitate responsible, successful private enterprise under contemporary conditions, governmental regulatory protocols have been greatly changed. Several highly developed nation states have decades of experience with facilitative rule frameworks in support of sustainable growth. These innovations include negotiated rulemaking for enterprise regulation, facilitative systems for electronic commerce, and business/government accounting standards (and real-time electronic reporting) to limit economic crime, corruption, neglect, and destructive errors. Just as national borders are permeable to trade, nation states are increasingly open to transformational exchanges of such practical innovations in public administration.

Reliance on market disciplines for provision and/or performance of former and/or current public functions is another major feature of today's public administration (and these practices have been somewhat used throughout American history). Dispersion of responsibility and authority is one major reason for such reliance on market governance. In short, concentration of governmental power is not often favored today (at least in theory); decentralization and devolution are. Economies and efficiencies are among other reasons for reliance on private performance of functions. These developments, including privatization, contracting-out, and reliance on internal cost centers and competition within governmental organizations, are further dealt with in the second and third parts of this chapter, particularly with reference to varied reform movements connected with NPM.

2.1.3 The Facilitative State and Political Governance

Following the transition years from the late 1970s through the mid-1990s, during which government was devalued in reaction against "isms," bureaucracy, and glorification of state power and political leaders, interests refocused on the importance of nation states and their governments. Theory and practice of the facilitative state emerged to transform and displace some features of the administrative state. With respect to contemporary public administration, four sets of theories and practices most fundamentally define the facilitative state and political governance.

First in importance are theories and practices of constitutional democracy. Note that the ideal is not unrestrained democracy but rather a constitutional polity that both limits and empowers popular government, to facilitate responsible rule structures and enhancement of human dignity (including human capital, in twenty-first century terms; human rights and responsibilities in longer terms). With respect to accomplishment of such facilitation, the ideal is of the nation state (and interdependent nation states) founded on popular sovereignty and constitutionally limited government, connected as one inseparable principle. Such facilitative government operates under law. In short,

political “good governance” is characterized by constitutionally limited government that is empowered with balanced, robust roles. Among developing nations, these are basic challenges.

Second, to merit and inspire trust, accountability and transparency are fundamental to political good governance. These practices are highlighted in later analysis of public administration frameworks.

Third, responsible political leadership and popular participation systems are essential. Fraudulent elections and other forms of corrupt manipulation of people have often been passed-off as democracy—and still are. Such corrupted political frameworks destroy foundations for integrity, effectiveness, efficiency, and economy in public administration. Reforms of politics and politicians are essential in such cases, a factor often neglected by NPM.

Fourth, administrative reforms and sustained professional practices under law can help to facilitate such political transformation, but both leadership and popular politics must support reform frameworks, or constructive changes are impossible. In short, it is generally understood today that political and administrative systems, and desired reforms in them, are integrally connected, although some role distinctions (such as between politicians and career public service personnel) remain useful. The second section of this chapter analyzes today’s major administrative frameworks, linking them to concepts of the facilitative state and governance generally.

2.2 Applied Pluralist and Public-Choice Theories and Today’s Search for Good Governance

Social, economic, and political governance, and related public administration practices today, are greatly influenced by theories of pluralism/interest group politics and theories of public-choice from the discipline of political economy. Often, these are viewed as opposing theories: pluralism versus public choice. Some proponents of NPM (see below) think that it can involve a transforming culture through which these theories can be reconciled. As one dynamic movement among others, NPM does contribute importantly to reconciling these perspectives in facilitative nation-states, and governance theories and practices. The transforming connections are found in searching questions about what constitutes good governance, including organizational management. Public administration is crucially involved in those questions and answers to them.

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Biographical Sketch

Chester A. Newland is a teacher at the University of Southern California, where he is the Duggan Distinguished Professor of Public Administration. He is principally located at the USC State Capital Center in Sacramento. He is a fellow and past trustee of the National Academy of Public Administration (NAPA). He is a past national president of the American Society for Public Administration (ASPA). He has been an honorary member of the International City / County Management Association since 1980. He was editor in chief of the *Public Administration Review*, 1984 – 1990. He was the initial director of the Lyndon B. Johnson Presidential Library, and he was twice director of the Federal Executive Institute (FEI), the U.S. government's development center for top executives. His recent international service has

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