

Guest Editorial

Why Public Administration?

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In recent years, there has been much criticism of organizations in general and governmental organizations in particular. Economists (and others) argue that human behavior in organizations, like all other human behavior, is driven by self-interest, and hence appropriate mechanisms are required to link that self-interest, expressed in the profit motive, to broader social goals and needs. The only effective mechanisms for achieving this linkage, their argument continues, are economic markets, Adam Smith's "invisible hand." For this reason, it is said, the activities of society aimed at satisfying its economic needs, as well as its needs for public order and for various kinds of public goods and services, should be satisfied, to the maximum degree possible, through privately owned business firms operating in competitive markets. Privatization is the target to be aimed at.

I find this argument badly flawed.

First, its major motivational premise is simply false. Human beings make most of their decisions, not in terms of individual self-interest, but in terms of the perceived interests of the groups, families, organizations, ethnic groups, and national states with which they identify and to whom they are loyal. The "invisible hand" is attached much more strongly to organizational identification than to a more narrowly defined self-interest. As a consequence, the belief that the profit motive is the only reliable motive for welding organizational actions to social needs is wrong. What is essential to make the weld is that organizations must use only those resources that they can induce society (through the market or through democratic processes) to appropriate to them in

exchange for their services.

Second, if identification, and not economic self-interest in the narrower sense, is the driving motive in organizational behavior, then the argument that privatization will always (or even usually) increase productivity and efficiency is equally wrong. Such empirical evidence as we have on the relative efficiency of private and public organizations shows no consistent superiority of one over the other. It does show consistent and predictable inefficiencies of organizations when they are not subjected to the discipline of the market in their external dealings (for example, in conditions of monopoly, or when subsidies are available and manipulable). And evidence also shows that the goals of organizations will be strongly influenced by the sources of their revenues and by the ways in which their productivity is measured.

Of course, it is not enough that a society work efficiently and productively. We also expect a society to distribute goods and services fairly, however vigorously we may debate and disagree about the criteria of fairness. In particular, we cannot expect fairness of distribution, measured by almost any criterion, unless all members of the society are represented in the distribution process.

A democratic society is only sustainable if power is dispersed. A society dominated almost wholly by business interests does not provide a stable equilibrium of power, any more than does a society dominated solely by a centralized government. In fact, history shows that an unchallenged economic oligarchy sooner or later converts itself into a political tyranny. Among the more serious threats to

democracy in our own society today are the parallel abilities, often exercised, of business to use its economic power to corrupt government, and of a centralized government to use its political and legal powers to corrupt its own electoral processes. (The corruption of such processes, as we can see, does not depend on control by a single political party, for even competitive political parties appear to collaborate gladly to facilitate electoral corruption).

Over and above the issues of corruption, the history of the past 20 years in this country and much of Europe shows that changes in the balance between private and public power do influence the distribution of social goods in predictable ways.

This is the case for organizations, and for governmental organizations in particular. A society that does its work through organizations will foster human identification with these organizations and their goals. The impressive contributions of the most creative and dedicated public servants, the Don Stones of the world, are not unexplainable mysteries. They represent the valuable upper end of the distribution of human talents and loyalties to goals in which each of us has a place. Whatever our talents, we have an opportunity, by dedication to the goals of the organizations, public or private, in which we work, to play a productive role in the society in which we live.

It is time to stop defaming the public service. Whatever the rhetoric about "bureaucracy," organizations are not the enemy. They are the most effective tools that we humans have found for meeting human needs. But for their effectiveness to grow, we need, at all levels of talent, the kind of commitment, the sense of responsibility, and the organizational identification that we see in the careers of Don Stone and the myriads of others who have devoted their lives to the public service.

From Professor Simon's speech delivered at the 58th National Conference of the American Society for Public Administration, July 28, 1997, in Philadelphia.