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Public Value:
Conjecture And Refutation, Theory And Ethics
PUBLIC VALUE: CONJECTURE AND REFUTATION, THEORY AND ETHICS

ABSTRACT: This paper explores the theory of Public Value and the debate it has created in public management theory and practice. Public Value was first articulated by Mark Moore (1995). Scholars of public administration have argued, on the one hand, that Public Value can ‘solve the puzzle’ of ‘balancing democracy and efficiency’ in democracies (Stoker, 2006a; Wallis and Gregory, 2009) and on the other, that it constitutes a dangerous return to the justification for public managers as ‘Platonic guardians’ of political systems (Rhodes and Wanna, 2007). We argue that this debate neglects that Moore provides an ethical foundation for public managers to exercise autonomy in decision-making; thereby giving them a renewed legitimacy, importance and confidence when managing for unknowable futures.

Keywords: Accountability, governance, new public management, public sector reform.

1. PUBLIC VALUE – CONJECTURE AND REFUTATION

Public administration is subject to currents and trends in theory, which are debated, analysed and flow through to policy cycles (Howlett and Ramesh, 1997). One such controversy has been that surrounding Moore’s theory of Public Value\(^1\). On the one hand, Public Value has been lauded as ‘resolving’ the problem of ‘leadership and accountability in “New Governance” – at least potentially’ (Wallis and Gregory, 2009) as well as ‘solving the puzzle’ of ‘balancing democracy and efficiency’ (Stoker, 2006a). On the other, Rhodes and Wanna (2007; 2008) have labelled it a justification for increased authority of public sector managers, largely independent of political oversight. Moreover, Rhodes and Wanna (2007) have suggested that, as an idea imported from the U.S., where prescribed roles for public management are vested with more authority than in the Westminster system, Public Value is inappropriate outside the United States, and in any event borrows too heavily from theories of private sector management to constitute an appropriate model for public managers.

Beyond theoretical dispute, the idea of Public Value is also found in public administration practice in a number of different contexts. For example, the BBC deployed it as a central organising principle in the major review to its operations conducted in 2004, naming the review Building Public Value (see Alford and O’Flynn, 2009: 181). Scholars of public administration have identified and investigated similar

\(^{1}\) For the purposes of this discussion, we have capitalised ‘Public Value’ to denote that we are referring to the (contestable) concept first developed by Moore (1995) thereby distinguishing it from uses of the phrase elsewhere in the literature.
uses of the term in various policy settings, including in developing countries (Samaratunge and Wijewardena, 2009), in labour markets (Meynhardt and Metelmann, 2009), in management control systems (Spano, 2009) and in public-private networks (Weihe, 2008). This sheer volume of this work demands our attention. This is more so the case when we note that the original text (Moore, 1995) is, arguably, best described as a handbook for public managers that developed out of training courses run for over 20 years by Harvard University’s Kennedy School of Government, with individuals placed in key public sector organisations, in much the same way that Chester Barnard’s (1938) *The Functions of the Executive* was for private sector managers at the time of its publication.

In this context, we provide a synoptic account and discussion of Public Value and argue that Moore’s original idea is given short shrift if public administration theory *writ large* is allowed to take precedence over the ethical dimensions contained in the original formulation of the theory. Moreover, we assert that the theory of Public Value provides a defensible account of the changing practice of public sector management, such that managers can legitimately adjudicate between ranges of policy options and take the initiative to implement policy. The remainder of the paper is divided into four main parts. Part two provides a synoptic account of Public Value by distinguishing between what we refer to as a ‘simple’ meaning of the term in Moore’s (1995) original work, which the author provides by way of an example, and a more complex idea, amounting to a distinct justification of a particular kind of action by public managers. Part three of the paper engages with contesting ‘emergent meanings’ of Public Value, namely that it constitutes a ‘paradigm shift’ from New Public Management (NPM); that it is nothing but self-serving rhetoric for public sector executives; that it provides a reinvigorated ethical practice for all public sector managers and finally, that it constitutes a new set of performance criteria. Part four examines the primary criticism of Public Value, namely the charge laid by Rhodes and Wanna (2007; 2008), that Public Value is principally a self-serving rhetorical tool of public sector executives. Part five of the paper revisits Moore’s theory and suggests that the ethical content of Moore’s original work has been significantly overlooked, despite it offering valuable insight into the normative basis of public management practices. We argue that public managers ought to derive a renewed confidence from Moore’s justification of
embedded, yet autonomous decision-making, as borne out by the accuracy of Moore’s depiction of the practice of public administration.

2. DEFINING PUBLIC VALUE: SIMPLE AND COMPLEX MEANINGS

At one level, Moore’s account of Public Value is relatively simple. In the introduction to Creating Public Value (1995) Moore presented the hypothetical example of a city librarian faced with the problem of the library being used as a *de facto* childminding facility for latch-key children waiting for their parents to pick them up after they finish work. In the example, the librarian’s initial reaction is to stop this use of the library occurring: After all, the library is not a childminding facility. The librarian contemplates publishing a letter in the local newspaper or introducing rules limiting the access of children to the library. For Moore (1995), this (traditional) response is based upon what he labels as the ‘important doctrine’ mandating that the librarian’s actions are prescribed by statute: The librarian is obliged to exercise an administrative/bureaucratic mindset, ‘*downward*, toward the reliable control of organisational operations, rather than either *outward*, toward the achievement of valuable results, or *upward*, toward the achievement of re-negotiated political mandates’ (Moore, 1995: 17). Game over, as it were.

Yet Moore explores this hypothetical scenario further: In her deliberations concerning the problem of the latch-key children (Moore’s librarian is gendered), the librarian conceives of other courses of action leading to alternative sets of outcomes: [i] the librarian thinks the presence of the latch-key children can be used as a justification for asking for more funds for the library; [ii] she also conceives of implementing a user-pays system based on a cost-recovery model of the children using the library; [iii] the option of consulting the community about the use of the library is identified; [iv] as is the idea of harnessing volunteer effort (a complex undertaking that the librarian is unsure of); or [v] restructuring the library to accommodate the latch-key children. At this level, Moore’s point is a relatively simple one: That we miss out on the potential value public managers can create if they do not exercise this ‘imagination’ or ‘entrepreneurial spirit’. Indeed, Moore suggests that many public managers think like this anyway, thus it’s foolish to discourage them from so doing.
Moore points out that in one sense the librarian, by exercising her imagination and acting upon a particular course of action, is simply applying private sector principles to the public sector, wherein the moral justification of the pursuit of a course of action is the production of value measured in financial terms. However, acting this way is problematic precisely because the library is a public facility and the librarian a public manager: There are a range of stakeholders legitimately entitled to expect different outcomes. In a public sector context, we simply do not have a justification for managers acting this way; we assume they are the mere servants, or conduits, of public policy – however unrealistic this assumption is. According to Moore, this is important because public sector organisations need to justify their actions, whether they are relatively insignificant (such as the library in Moore’s initial example) or entities which consume vast quantities of valuable public resources (Moore uses many other examples throughout his text – the Environmental Protection Agency (EPA) in the United States, for one). Importantly, Moore seeks a justification for managers not merely exercising their imagination, but acting upon it without turning to the polity for justification, and acting upon it all the time as the most important and valuable part of their job.

For Moore, this justification relies upon an account of value, but not private value (which is measured in money, and produced through the mechanism of the market) but Public Value, which, due to various, conflicting, but nevertheless legitimate perspectives, is more difficult to measure. In seeking this justification, Moore (1995: 22) noted that, traditionally, we have many criteria that are used to assess outcomes in the public sector: the satisfaction of elected overseers (in turn assessed by those who have elected them); techniques of program evaluation; benefit-cost analysis as well as other techniques. However, Moore (1995: 23) also notes that ‘the different standards are not necessarily consistent with one another, and each of these methods has its own weaknesses’. More problematic than this is to arrive at a concept of Public Value which is not merely measurable but can also provide the basis for managerial behaviour in conditions where managers are faced with the problem of the plurality of values due to [i] different ideas about what is valuable, and [ii] the fact that these perspectives are context-dependant – in short, where there is prima face uncertainty about the most optimal outcome. To do this, Moore takes
what we think is an ingenious step: He re-describes the status of value from an output measured in quantity (gold; money) into a procedure which is nonetheless inclusive of tangible outputs, and of which managers are at the centre. This conceptual scheme (our phrase), which he refers to as a ‘strategic triangle’ has been represented by Alford and O’Flynn (2009: 173):

Figure 1 belies the complexity of Moore’s theory and the thoroughness of his explanation. Nevertheless, Alford and O’Flynn (2009) have done us a service in representing its basic elements, wherein [i] the operational capabilities represent the organisation itself; [ii] the authorising environment represents the complex political realm which interacts with [iii] the day-to-day task environment of public managers, such that they are in a position to create Public Value. In other words, Moore’s (1995) librarian can legitimately decide upon and pursue a course of action other than exercise an ‘administrative/bureaucratic mindset’. The key point is that while many of the traditional justifications for government remain intact, much now becomes contingent upon the role of public managers: Even though the vast majority of Moore’s text is a series of prescriptions for managers, or what he refers to as ‘a normative (rather than a positive) theory of managerial (rather than organisational) behaviour’ (Moore, 1995: 1), at the same time it necessarily has ‘to set out a philosophy of public management.

3. ‘EMERGING MEANINGS’ OF PUBLIC VALUE

In their summation of the controversy surrounding the original theory, Alford and O’Flynn (2009: 178-185) have identified what they refer to as four ‘emerging meanings’ of Public Value. We consider these meanings in turn.

Public Value as a [post-NPM] Paradigm Shift

The first of these perceives Public Value as ‘the next Big Thing in public administration’ (Talbot, 2009) or more prosaically, that Public Value is a post-NPM ‘paradigm’ (our emphasis). Stoker (2006a) has
supported this view, arguing, *inter alia*, that in an era of ‘networked governance’, neither the traditional nor New Public Management (NPM) paradigms can adequately *explain* change, nor provide a legitimate *model* of management and, more substantively, that Public Value ‘rests on a fuller and rounder vision of humanity’ than does either public administration or NPM: ‘People are, it suggests, motivated by their involvement in networks and partnerships, that is, their relationships with others formed in the context of mutual respect and shared learning’ (Stoker, cited in Alford and O’Flynn, 2009: 179). Moreover, Alford and O’Flynn (2009: 179) have argued that ‘the paradigm has spread outside the academy to practitioners and think tanks’, citing the examples of the recently completed public sector review in New Zealand conducted for the Public Services Association (PSA), *Reviving the Public: A New Governance and Management Model for Public Services*, as well as the BBC review *Building Public Value* (Alford and O’Flynn, 2009: 179–81) as evidence of the ‘emergent paradigm’. In this context, we will place to one side potential criticisms of this reading of Public Value and continue with our exposition.

**Public Value as [self-serving] Rhetoric**

The second emerging meaning discussed by Alford and O’Flynn, is Public Value as *political [self-serving] rhetoric*. Here, Public Value is a phrase which is deployed to defend the sectional interests of public sector organisations and, by definition, the individuals who constitute them. There are three specific claims in this regard: [i] that the idea of Public Value can be used as a mechanism to justify greater autonomy for individuals and organisations (in the form of ‘leave me alone, I’m creating Public Value’, or, more specifically, ‘in order for the possibility for Public Value to exist, your oversight ought to diminish or desist’); [ii] that the idea of Public Value forms a broader justification for elements of the public sector to demand a greater share of the public purse (‘Bureaucracies don’t just produce goods and services; they create Public Value – a social value whose measure is not captured by cost or price mechanisms – so they ought to be given more money’); [iii] that rhetorically, the idea itself is difficult to argue against. Alford and O’Flynn (2009: 182) cited Crabtree in this regard: ‘Public Value: Who could possibly be against it? As an objective for public service modernisation, it gives motherhood and apple pie
a good run for their money’. Crabtree also pointed to the opportunism with which a struggling New Labour government in Britain clutched at the term in an effort to reinvent themselves for electoral purposes.

We can add that the idea of Public Value as being self-serving for the public sector does not capture the way in which implementation of a program under the guise of Public Value can also be expedient for politicians. Any policy implemented which deploys a Public Value framework necessarily opens up the space for public managers to make decisions and implement them – for the librarian to take one of several options imagined by her when confronting the problem of the latchkey children, to take Moore’s (1995) initial example. While it does not, in fact, follow that the public manager is responsible for the success, in contexts where public managers assume a high profile (think of police commissioners as a generic example, but also where a high-profile public executive assumes a public role with respect to a specific implementation process), a situation of moral hazard may well develop, where an elected politician will simply hang the executive out to dry in the event of policy failure. Alasdair Mant (2008) has made this point with respect to the dominance that leadership has assumed in the public sector. In the Australian context, the Victorian Police Commissioner, Christine Nixon, being thoroughly chastised for dining out on the evening of the Black Saturday bush fires, is an obvious and recent example. This ‘pushing forward’ of responsibility onto the public management and service lines is extremely convenient in that it is the managers, not elected politicians, who take the blame for bad policy outcomes.

**Public Value as [self-understanding] narrative**

The third ‘emergent meaning’ Alford and O’Flynn (2009: 182-3) list is what they refer to as ‘Public Value as Narrative’, defined as ‘the stories people tell’ and ‘how they make sense of the world’. Noting the inherent pluralism, and indeed contestability of these narratives, they suggest that Public Value in this sense is a form of self-understanding for public managers, not merely at the level of ethics, but in terms of public accountability: ‘[T]he leaders of the enterprise have to have a story, or an account, of what value or
purposes that the organisation is pursuing’ (Alford and O’Flynn, 2009: 183). Indeed it is precisely at this point – at the level of ethics – which Moore’s Public Value moves beyond its instrumental fashioning.

Moreover, we assert that this normative logic applies not only to leaders in the public sector. Think again of Moore’s (1995) example of the librarian and the shift that is inherently entailed in her exercising an ‘administrative/bureaucratic mindset’ on the one hand, to her creatively thinking through the options with respect to administering the challenge of the latch-key children, albeit embedded within a complex environment. Moreover, the primary difference lies precisely in the legitimacy of her exploring these options and pursuing their fulfillment, rather than grudgingly imagining what ought to be done by those in authority. The shift here is a fundamental one. We will return to this observation in the final part of the paper.

Public Value as Performance Indicator

The fourth ‘emerging meaning’ that Alford and O’Flynn (2009: 184-5) locate is ‘Public Value as performance’. On the one hand, they noted that authors such as Kelly, Mulgan and Muers (2002) have argued that Public Value can form a ‘rough yardstick’ and/or ‘holistic approach’ to measuring public sector performance; on the other hand, Cole and Parston (2006) have developed Public Value into a performance measurement methodology. In this way, Public Value is a technique of government (in Foucault’s (1977) sense). As such, these authors are correct in asserting that there is nothing especially novel about it, particularly when the criteria being measured remain the same and ‘Public Value’ is tacked on. Nevertheless, we suggest that it ought to be possible to measure what is unique to Moore’s original system of ideas, to incorporate appropriate criteria. Self-assessment by decision-makers and assessment of an organisation’s performance by that organisation’s staff are routine practices across a range of types of public organizations. Such assessment could be designed to incorporate the overarching goal of Public Value as an ethical practice – asking Moore’s (1995) librarian what challenges she saw for the library, to identify competing interests and, most importantly, ways of dealing with them that create value for a range of interests, are by no means unfamiliar types of questions for staff in public sector organisations.
4. PRIMARY CRITICISM OF PUBLIC VALUE

We turn now to the principle criticism of Moore’s work, namely the charge by Rhodes and Wanna (2007: 413-15) that Public Value seeks to reinscribe the role of the bureaucracy as arbiters of public decision-making, specifically, that ‘if public managers adopt a public value approach they are being asked to rebel against standard politics and usurp the democratic will of governments’, leading them to ask: ‘who gave these Platonic guardians the right to choose between these perceptions of the public good?’

In defence of Moore’s theory, our response to this charge is that we are hardly dealing with an absolute notion of ‘The Public Good’ that underlies some accounts of politics. In particular, Moore is far too busy and American to be bothered with such dangerous bunkum. Rather, his exposition *writ large* is a recognition of the vast array of both the *sources of knowledge* for policy and of the *institutional constraints* upon public managers – even those whose authority is decidedly expansive compared with authority prescribed in the Westminster system (we are thinking here of elected executives in the United States– see Grant, Dollery and Gow, 2010). It is possible that Rhodes and Wanna misinterpret Moore’s account of institutional knowledge because they perceive decisions to devolve to individual managers. Yet the constraints upon any action are circumscribed by the situating elements of Moore’s theory, namely the ‘operational capabilities’ of the organisation and the ‘authorising environment’ (Figure 1, above). For example, the potential courses of action for Moore’s librarian are heavily circumscribed, although the ethical dimension of her behaviour assumes greater significance in justifying a particular course of action.

A second objection to the claims of Rhodes and Wanna is their implicit assumption that, in the Westminster system, the public service behaves – and indeed ought to behave – as though it is merely a conduit for policy implementation. This can be dismissed for two reasons. First, this idea of representation as a mere mirror or conduit is really an artefact of philosophical history in the social sciences (as elegantly argued by Richard Rorty (1991)). The second is that much of the appeal of Moore’s arguments is that his account of reality – of *being* a manager, of working in public sector organisations is inherently plausible: Public Managers *are* faced with situations such as that of Moore’s librarian, and can and will choose a course of action. It’s what they are paid to do, within a complex framework of accountability. While
Rhodes and Wanna (2007; 2008) might not find Moore’s (1995) account of politics conceptually elegant, or they may object to the particular style of politics originating in the United States, the objection ought to be made on these grounds rather than a broad dismissal of Moore’s ideas.

5. RECOVERING THE ETHICAL IN PUBLIC VALUE

We have argued that our reading of Moore (1995) reveals two ideas of Public Value: First, a ‘simple’ account (depicted in his initial example of the librarian) as the legitimate basis that public managers have when confronted with decision-making. Second, we concur with Alford and O’Flynn’s (2009) working through of the definition of the concept, wherein Public Value is defined as a framework for strategic decision-making (Figure 1, above) incorporating not merely the production of public goods, but also a reinvigorated, pluralist and ultimately political/contestable account of value. Here, value is ‘that property of a thing because of which it is esteemed, desirable or useful, [of] worth, merit or importance’. Moreover: ‘It can be presumed that public goods have value for those that receive or enjoy them, but that is an additional step not encompassed by the term. If something is valuable, it is perceived to be valuable by people.’ (Alford and O’Flynn, 2009: 175-6).

Here, the idea of value is utilitarian in that it is defined at the level of individual satisfaction (and indeed may have the same consequences – Bentham’s famous edict, ‘that push-pin is as good as poetry’). Nevertheless, Alford and O’Flynn (2009: 176) recognise that Moore’s idea of Public Value connotes an active sense of adding value, rather than a passive sense of safeguarding interests. As such, a reinvigorated account of public service is anchored in a thoroughly familiar (modern) moral theory – and therein lays the appeal. Further, in our exploration of Moore’s (1995) theory, we have argued above that a useful way to characterise his Public Value is to emphasise the shift in status, from one where value is a tangible entity to be measured, to one where Public Value is a process, incorporating outputs, but nevertheless valuing the procedure itself and placing managers at the fulcrum point of this process. Moreover, we have
argued that implied in this account of Public Value is an ethics of management which is under-described in the accounts of Public Value discussed above, and it is to this that we now turn\textsuperscript{2}.

In discussing what he referred to as ‘the psychological challenges of public leadership’ Moore (1995, 306-308) counsels public managers not to search for refuge in either their own deep commitments, nor in those espoused by others they choose to consort with, but ‘to distance themselves from these common sources of comfort’; to ‘walk the razor’s edge’ between two kinds of failure, one derived from lacking courage, another from being too aggressive and being ‘metaphorically assassinated’ by political overseers, staff, or both; and to seek partners drawn from the ranks of their opponents as well as their supporters because they are operating in a democracy and as such must learn to ‘take their opponent’s views seriously’. Yet these recommendations amount to mere platitudes if we do not have an account of the public manager as the legitimate creator of Public Value. For Moore, it is the justification that is important, and this is where the deep ethical core of the theory resides.

To explain this core, Moore (1009: 295) pointed out that public managers are constituted by radically inconsistent ‘images of virtue’: On the one hand, the classical view mandates that ‘public officials are discouraged from having (let alone acting on) their own views of what is right’, yet on the other hand, ‘officials are morally obligated to have (and act on) their moral views’. Yet Moore asserts that this is a false dichotomy based upon two misconceptions: First, that the actions of public managers are guided by ‘clear, coherent and stable mandates’ – this is rarely the case and, in general, public managers cannot ‘re-open’ policy debates, rather they adapt to changes during implementation. Second, public managers usually do not wish to put their views in abeyance, and even if entitled to contribute to the decision-making process, and then forever hold their peace (Moore, 1995: 296) their position will be one of resentment. Moore is forthright in his observations: ‘Because traditional images of virtue among public sector managers are founded on sand, they not only fail to provide useful guidance but also foster

\textsuperscript{2} Nevertheless, the account of Public Value articulated here does raise the intriguing possibility that it may be just as relevant – or at least partially so – to private sector managers. Moreover, it would appear that the public/private split may be a false dichotomy in the case of the key virtue of loyalty to an organisation and an ownership of outcomes generated by it. We would like to thank an anonymous Reviewer of this manuscript for pointing this out.
cynicism and hypocrisy’, to the extent that ‘the secret image of virtue among government managers becomes one of skilled advocates building powerful dykes protecting themselves... In short, managers are judged by how skilfully they recruit a political constituency to support their preferred policy position, rather than by how creative they are at integrating or adapting to conflicting political forces’ (Moore, 1995: 299).

Again, the accuracy of Moore’s diagnosis ought to attract our attention, as indeed ought his solution, namely for public managers to contentiously take up their role as ‘explorers commissioned by society to search for Public Value’ based, in particular, on a principle of openness (Moore, 1995: 299) – just as Moore’s (1995) librarian explores the options available to her when confronted with new and challenging circumstances. While Moore’s recommendations may sound glib, this may be because we assume that in being ‘explorers’ (Moore’s phrase) public managers act as scouts (our phrase) for potential opportunities of Public Value. This is a fundamental misinterpretation of his prescription (and probably because we are patterned to think of public servants in this way). Rather, we have to re-envision the policy formulation and implementation process as procedural (and continuous) rather than output driven, where accountability (or authorisation) is after the fact as well as before the fact; where there are both substantive (ethical) and operational risks in the decisions made, where obligations to one’s subordinates have to be recognised and where at times the difficult moral question will not be resource allocation but ‘how aggressively, and on behalf of what values, public managers should engage and respond to their political environments’ (Moore, 1995: 302). Moore (1995: 306) is quite clear that ‘in making such choices, managers expose themselves to moral risks’ because all voices are entitled to be heard and as such to privilege one by acting upon it or valuing it more highly ‘is making an important decision not only about what is publically valuable but about to whom they are democratically accountable.’ It is in providing a justification for action, not a post-facto analysis thereof, that the fundamental shift lies, central to which is the ethical public manager. Perhaps it was this realisation that frightened the nay-Sayers (Rhodes and Wanna), yet this ought not to deter us from taking up the challenge of public management at the ethical level, nor of defending attempts to do so.
References


Figure 1: Moore’s ‘strategic triangle’ (Alford and O’Flynn, 2009: 173)