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# DEMOCRATIC CITIZENSHIP AND THE FUTURE OF PUBLIC MANAGEMENT

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Genuine management is a continuous and complex process of information and negotiation which goes on until some general and always negotiable agreement is reached. The supposed 'right of management' to ignore, abort or override this difficult process is false to the core. . . . For this now is the general interest: that people working hard at their jobs should not be exposed to these operations of capital and the state, disguised as 'the right to manage'.

Raymond Williams<sup>1</sup>

There is no point denying it: for the past decade a great turmoil has been reshaping the public sector in the image of competitive individualism. Hardly a public service or agency remains untouched by the 'marketizing' of the state sector. Public goods that were previously free, such as national parks and museums, now impose substantial user fees on visitors. State research bodies have been converted into 'cost-recovery' economic consultancies bidding for contracts from their former line departments. Universal entitlement programs for the poor are being redesigned as 'targeted assistance packages' with individualized 'bonus incentives' for re-entry into the labour market. The list could be extended effortlessly. The words 'empowerment' and 'social solidarity' are invoked as often today with reference to market choices and charity as they are in the context of democratic citizenship and equality.

## The Public-Sector Impasse

How did this shift in the conception and administration of the state come about? First of all, it should be made clear, the 'downsizing' and 'marketizing' of the public sector have hardly made it more efficient or accountable. The public sector remains stuck in a long-term crisis of fiscal resources, administrative structure, and service delivery. The marketization of the public sector has compounded these problems: it has not resolved them. The root causes lie much deeper.

The first cause, of course, is the inadequacy of state finances. Structural public-sector deficits have been interwoven with the crisis of capitalist production. As the rate of economic growth has collapsed from the post-war 'golden age', tax revenues have fallen off. Yet at the same time demand for public expenditures has increased as a result of mounting dole queues, an aging population, and new needs in education and training. So, for example, the net federal public debt as a proportion of annual output in Canada has virtually tripled since the early 1970s, remorselessly rising every year since 1974.<sup>2</sup> Similarly, American federal finances show a striking imbalance, even though public infrastructure and social provisions have been allowed to deteriorate shockingly during the Reagan-Bush era. Even the social democratic haven of Sweden has not escaped the crisis: since the 1980s governments of both the left and the right have dedicated themselves to restraint in public finances, with the new conservative government vigorously launched on a privatization campaign.

The fiscal crisis, moreover, is reversing even the modest redistributive efforts of the welfare state. Transfers in income and kind to the less advantaged have fallen consistently in real terms through the 1980s across all the advanced capitalist countries. Yet taxes also have become sharply regressive, shifting from corporate and graduated personal income taxes to flat-rate consumption taxes, without a parallel shift in low-income tax credits. The same global competitive pressures causing a decline in state revenues and services have led to a competitive bidding-down of tax rates on the holders of wealth. The political incapacity of citizens' movements to defend collective services by forcing the state to raise taxes, particularly on the owners of productive assets, has meant that the fiscal crisis continues to be met by calls for restraint and 'market efficiency' in public spending.

The conflicting organizational basis of the state is a second factor upsetting the public sector. Democracy is above all about popular rule, equality, and active citizenship; yet the public sector is organized as a hierarchical, quasi-military chain of control, rules, and regulations for the distribution of public goods and services. This dual structure is rife with contradictions, and increasingly incompatible with an educated citizenry. State workers enjoy limited civil and political rights; the very name 'public servant' points to the anti-democratic nature of their organizational position. Yet they are charged with implementing the 'democratic will of the people'. The public domain has

expanded to meet basic needs with respect to health care, education, and housing as rights of citizenship, but seldom involves the active input of the popular classes in the design and control of these programs. The modern state has depended, as a basic operational rule, on monopolizing knowledge in the hands of professional experts—lawyers, doctors, social workers—who, instead of contributing to independence and choice, often control their ‘clients’ by fostering dependency upon expertise. Indeed, it is startling how infrequently public-sector managers and programs actually venture into expanding the deliberative and self-management capacities essential to democratic citizenship.

The third cause has its origins outside the state sector, but is the counterpoint to the other two. Citizens elect representatives to preside over a state machine that delivers public services to varied constituencies. The struggle of popular movements for a more egalitarian, participatory democracy has unsettled this view of the public sector. Citizen movements, including labour movements, have struggled to expand the conception of ‘popular rule’ beyond the normal four-year cycle of electing representatives. Central to this struggle has been a re-conception of citizenship, beyond the confined meaning of legal status for the exercise of the franchise within a nation-state. Rather, popular movements tend to emphasize (at least implicitly) a notion of ‘democratic citizenship’ in the sense of equal entitlement to the consumption of collective goods and services, and the right of participation and control over the planning, administration, and distribution of these same goods and services. Environmental movements, for example, want as active a role in the enforcement of pollution standards as in their formation. The women’s movement claims the capacity and right to control women’s community health clinics as part of the public health system. The labour movement struggles to impose public accountability and control over the use of productive assets. A developmental conception of citizenship clashes with the principles of distribution of a market economy and the bureaucratic administration traditionally central to capitalist democracies.

The crisis of the public sector, therefore, has complex and diverse roots. The passing of the traditional relationship between paternalistic state and individual citizen symbolizes the transition. There are three alternatives for public-sector restructuring, each with its own response to the impasse: continued marketization, a return to technocratic management and professional accountability, or a democratization of administration. As the following analysis will suggest, it is unlikely that we can begin to find a route out of the public-sector crisis without the third of these alternatives: a democratization of its administrative structure, or, as Raymond Williams puts it, the securing by citizen and labour movements of ‘the right to manage’.

### **Controlling the Administrative Machine**

It is fashionable these days to point to the liberal *optimism* of Keynesianism and rational management theory as the source of the overdevelopment of

the state sector in the post-war period, and to conclude that a smaller, market-oriented state is therefore in order. Not only is this view a gross oversimplification of the actual history of state intervention, but it is also an impoverished account of the evolution of the modern state. The failings of the post-war state can more accurately be traced to the *pessimism* of ruling elites concerning democracy. Instead of expanding mechanisms of popular control, political and administrative elites have imposed rules and regulations to ensure their control of the administrative machine and to insulate the state from popular pressures and direct forms of accountability.

The fortifications guarding against popular control date back to the rationalization of public administration in the late nineteenth century. The popular-democratic struggles of the early socialist movement sought to wrest control of the state structure from aristocratic elites and compel the administration to be accountable to directly elected parliaments. The achievement of the universal franchise and responsible government, with notable exceptions for racial minorities and the mentally disabled, largely completed the institutions of 'representative democracy as we know it'. Democratic citizenship came to be equated, more or less, with the popular election of peoples' representatives at set intervals, who would then hold the administrative machine accountable for implementing the electoral manifesto of the political party supported by a plurality of voters.<sup>3</sup>

The imposition of 'parliamentary control' over the state, however, had a paradoxical outcome: it also entailed the systematization of the organizational structure and bureaucratic rules that distanced the administrative machine from the direct popular control envisioned by democratic reformers as diverse as Marx and Mill. Two guiding principles, broadly speaking, became central to controlling the public sector.

The first is commonly called the Westminster model of accountability (although similar notions of accountability apply to both parliamentary and presidential systems). In essence, 'accountability' simply means that individual administrators explain and accept responsibility for their actions, and those of their subordinates, *before other administrators*. In the Westminster model the principle is generalized, extending from front-line workers to senior officials to ministers, who are ultimately held accountable by elected representatives in parliament. By clearly defining areas of responsibility for each office, it is contended, this model creates a closed loop of democratic accountability with the administrative machine ultimately controlled by the electorate through intermittent elections. As one authoritative text asserts: 'The [administrative] portion of the state is in a strict constitutional sense an agent for executing purposes . . . it is an organization for implementing goals, not for setting them.'<sup>4</sup>

Public administration developed a corollary to accountability. This was the thesis, which might be called the Woodrow Wilson principle, after its famous author, that 'politics should be separated from administration'.<sup>5</sup> Representative institutions would deliberate about policy, and a politically-neutral bureaucracy

would execute these decisions. Numerous writers have noted that separating politics from administration is, of course, a principle most often honoured in the breach: politicians regularly interfere in administration to favour constituents, and public officials consistently lobby for their own favoured policy courses. Nonetheless, it has been as necessary and as an enduring myth as strict vertical accountability from front-line workers to parliament. With these two principles in place, it could be contended that democratic control was legitimate and ensured by 'control from above', while the machinery and programs of the state were protected from the intemperate demands of citizens' movements for 'control from below'.

The centrality of 'control from above', as much (if not more) by administrative elites than by elected representatives, had the effect of rationalizing the bureaucratic machine. As Max Weber noted, an emerging set of characteristics could be observed: appointment by merit rather than by patronage; impersonal standard operating procedures replacing arbitrary allocation of public goods; a hierarchical, specialized division of labour into 'offices', with power concentrated 'at the top'; the rise of the expert to counter the popular opinion of representatives; layers of financial controls to ensure accountability for expenditures; and pervasive secrecy to limit public scrutiny of internal decision-making processes. Modernization of the state became equated with bureaucratic administration, or 'control from above'. Weber's gloomy forecast for democracy was based on the inevitability of this iron cage:

The ruled, for their part, cannot dispense with or replace the bureaucratic apparatus of authority once it exists. . . . If the official stops working, or if his work is forcefully interrupted, chaos results, and it is difficult to improvise replacements from among the governed who are fit to master such chaos. This holds for public administration as well as for private economic management. More and more the material fate of the masses depends upon the steady and correct functioning of the increasingly bureaucratic organizations of private capitalism. The idea of eliminating these organizations becomes more and more utopian.<sup>6</sup>

The growth of post-war entitlements, brought about by working-class mobilizations to develop the welfare state, added new layers to bureaucratic administration. As the state sector expanded to meet these commitments, so too did the span of control of individual ministries, both horizontally and vertically, as the number of programs multiplied and the distance between the control apex and the front-line worker increased. With the main organizing principles of the public sector being value-neutrality and control through vertical accountability to superiors, service delivery within the welfare state inevitably became a matter of standardized processing of cases, whether the cases were hospital patients, welfare claimants, or industrial subsidy applications.

Even when the public sector delivered its goods and services with greater efficiency than the market, as it often did, citizens could do little to affect

the actual operation of public institutions except to grumble about stifling 'red tape'. State officials were in charge, and they would ensure that the standard rights and services associated with citizenship were provided with due haste, and in multiple copies. Joseph Schumpeter, more than any other commentator, realistically depicted, and advocated, the organizational basis of 'actually existing representative institutions':

. . . the success of democracy is that the effective range of political decision should not be extended too far. . . . It is not enough that the bureaucracy should be efficient in current administration and competent to give advice. It must also be strong enough to guide and, if need be, to instruct the politicians who head the ministries. . . . It must be a power in its own right.<sup>7</sup>

As Schumpeter projected, the dominance of the administrative machine, and the marginalization of 'the people' in modern democracies to the role of selecting between alternate teams of leaders, soon placed bureaucratic politics at the centre of policy-making. Instead of maintaining a sharp distinction between politics and administration, bureaucrats command a great deal of discretion in implementing policy, and senior officials engage in extensive negotiations over appropriate policy directions. Indeed, no serious analysis of power in the modern state could fail to observe the decline of parliament relative to the administrative executive. Substantial barriers to control of the administrative machine by popular assemblies, moreover, have been erected around key state institutions: notably, the limited accountability of the police and security apparatuses, and the autonomy and power of ministries concerned with essential economic functions. The failings of the 'control from above' model partly reside in the limited ability of elected representatives to gain actual control of the state machinery.

The democratic shortcomings of 'control from above' have been poorly compensated in service delivery. Bureaucratic allocation of public goods partially offsets the distributive flaws of the market, but it also lacks the market's flexibility. The rigid operating structure of the bureaucracy (as Robin Murray points out in Chapter 4 below) mirrors the rigidity of Fordist mass production (entailing automated production and minute division of labour). As public-sector organizations grow in size, so too do the operating manuals of rules and regulations to ensure vertical accountability and standard treatment. Administrative centralization has resulted in inability to respond to special cases, as bureaucratic efficiency rests upon 'calculable rules without regard to individual persons'. Here is the material basis for the clichéd criticisms of public services: delays, inaccessible offices, short hours of service, confusing programs, failure to accommodate regional and cultural diversity, and so on. These faults, it should be stressed, fall disproportionately on working-class citizens, who lack the time or contacts to speed administrative processing through the unofficial channels available to the upper classes. The administrative machine is least accessible and accountable to those citizens most dependent upon state services.

The dominance of 'control from above' tends to lead to the equation of efficiency with cost savings on inputs (for instance, savings of \$5-million from shortening the hours of the Motor Vehicle licensing bureau), rather than expansion of the 'control from below' of user groups. The control focus preserves the monopoly of 'policy knowledge' inside the administrative machine. One of the least credible conclusions of the 'control from above' model has always been that policy-makers have adequate knowledge and foresight in taking a decision, without consulting either direct service providers or users. This has reproduced in the public sector, where negotiation and debate are central, the Taylorian edict of the private sector: 'All possible brainwork should be removed from the shop and centred in the planning or layout department.'<sup>8</sup> Service users inevitably suffer for the failure to tap popular knowledge: day-care centres are located far away from transportation nodes, popular library collections are dismantled, community centres are open only during working hours. Front-line workers fare little better: they are seldom consulted when senior officials formulate new policies and, moreover, are actively discouraged from meeting with user groups over program delivery. The lack of structured popular involvement means that policies tend to be designed chiefly to meet the control needs of the bureaucracy rather than the diverse needs of users.

Inflexibility, bureaucratic inefficiency, and limited popular control have fuelled popular discontent against 'control from above' administration. The narrow democratic foundation of the modern state—with only partial oversight by representative institutions—provides social groups dependent upon state services with only minimal institutional resources to fight 'from below' the course of public-sector restructuring. The structure of management control is central to the battle over the future of the public sector.

### Marketization of the State

The new right, more than any other political movement, has seized upon the prevailing discontent with the 'control from above' model of the state and suggested a way forward. The marketization revolution of the past decade within the public sector has taken place at the new right's urging. But the ideas behind this revolution have a longer history, dating back to the attacks launched on bureaucratic administration in the 1960s by public-choice theory. This view contends, as does the new right, that the dominance of the bureaucracy in policy-making produces an oversupply of the 'quantity of output' and an inappropriate 'combination of public services'.<sup>9</sup>

The public-choice counter to administration is essentially simple. *Markets* constitute the only alternative to the inefficiencies of bureaucratic administration; consumers of public services should have *choices*, rather than suffer through a centrally-controlled allocation of goods. This has been the logic governing public-sector restructuring. The state sector has been stripped of assets and responsibilities that can be handled, more or less adequately, by the market, ranging from airports to government publications services. Private

services regulated in the public interest, notably utilities and transportation, have been de-regulated to allow market flexibility. And activities remaining in the public sector are being mandated to reproduce 'market-like' conditions: hierarchical line departments are broken into competing units, and the ultimate market instrument, the *contract*, is used to control the relation between service providers and purchasers. This has been the new-right mantra: markets and choices as the means to efficiency and empowerment of citizens.

The breaking apart of the administrative machine—government as a series of contracts, as public-choice theory puts it—has been integral to the new right revolution in the US, Canada, and Britain. In the past, hierarchical control always left some element of administrative discretion, which additional rules attempted in vain to control. Under the new model, discretion is turned, in effect, into opportunity: within the frame of an enforceable contract, producers and purchasers have the autonomy to innovate in service provision. For example, improved bus services might be the result not of exhortation from the Ministry of Transport to expand schedules, but of an autonomous agency meeting the test of market demand and consumer sovereignty. Or, in the case of health services, competing hospitals might offer different service packages to obtain new treatment facilities from a central purchasing agent or to gain consumers carrying medical vouchers.

Such changes carry immense organizational adjustments. The major proposals for reform of the Canadian public service put forth by the Public Service 2000 review of government management and services, for example, advocate a flatter organizational structure and flexibility in service delivery to customers. Consequently, there is an effort to 'de-layer' the number of occupational categories and to gear pay systems more closely to performance. The role of line departments also shifts: contracts would be tendered between competing delivery units agreeing to meet set standards; managers would have more flexibility in determining staff deployment and pay levels; and emphasis would be placed on responsiveness to 'customers' through delegation of authority to lower levels. One point is common across these myriad proposals: competition is essential to innovation.

The competitive state model of the new right projects a decentralized, pluralistic, and more flexible state administration. The actual practice, however, has been quite different. In fact, the new right has placed the public sector in a vice: it is squeezed by fiscal restraint and expanded controls from above, and by market pressures through privatization and performance contracts from below. The fiscal squeeze has driven the effort to contain the size of the state sector. It has been the spur behind short-term measures to trim staff and service levels. Fiscal pressures also have shaped long-term restructuring. Contracting-out of services, for example, began as a temporary policy, but now is an enduring feature of staffing and service delivery. The pressure from fiscal 'caps' is increasingly being used to break the institutional power of public bodies.

The control apex, therefore, has been massively strengthened. The balance of power within the bureaucracy has shifted away from social delivery departments to central agencies. Treasury and management boards have multiplied their financial directives as the use of contracts to decentralize services leads to increased monitoring to ensure that performance and financial commitments are met. New co-ordination problems also arise as services are spread over more agencies located in both the public and private sectors. The privatization of training for skilled workers, for example, has produced a large number of fly-by-night training companies abusing funds and offering vastly different courses, while a new central bureaucracy has re-formed to monitor and standardize training delivery. The idea that the discipline of market contracts would do away with bureaucratic controls has proved illusory.

In addition, the goal of using the discipline of the market to empower the 'consumer' in service delivery has been elusive. Cutbacks have meant hiring freezes at the same time that the demand for benefits has skyrocketed. The multi-skilling of front-line workers has helped to flatten organizational hierarchies, but it also has entailed fewer workers doing more jobs. Increased intensity of 'consumer' processing has characterized the public-service transaction. Contracting-out for services has also in many cases meant declines in quality, particularly for low-income groups and regions, as firms quickly find they cannot meet their performance contracts and turn a profit. This is unfailingly the case with 'public goods', such as research, parks, and public infrastructure, that the market delivers inadequately. Service cutbacks, from office closings to user fees to the gutting of public information, often follow in an effort to sustain profitability.

The reliance of the competitive state on contracts means that user groups have even less input into service delivery. As in any market transaction, users are dependent upon their market power and alternative choices. But low-income users have little market leverage, and contracted service providers have no reason to consult with user groups over changes in delivery. Private contractors, moreover, often maintain a monopolistic position, so the choice to move to alternative providers does not exist. Citizen complaints to elected representatives regarding service delivery are of little help: the delivering agency is not accountable to line departments, and thus to representative bodies, except in terms of the contract.

The 'control from above' model is being re-shaped, not abolished, by the marketization of the public sector. Privatization may increase 'customer choices', but these choices raise new problems and barriers to access. Furthermore, the new right has hacked away at even modest forms of participatory administration—citizen advisory boards, funding for citizens' groups, rights of procedural justice—that strengthen the access of subordinate social groups to the state. Democratic citizenship is limited to the power commanded in the market, with all the restrictions that this entails for the choices produced by public deliberation and political participation.

## Restoration of Professional Management

The new right has not been without its opponents. There are always defenders of the old order to be found. Both liberal and social democratic parties have leapt to the defence of the 'professional civil service' in their efforts to protect post-war entitlements. At the same time, the crisis of the public sector has caused them to put forward the professional management model as the way to restructure that sector.<sup>10</sup>

The professional model, of course, has a long lineage, being an integral component of the 'control from above' advocates' reliance on expertise. The holding of an office within the bureaucracy is normally dependent upon the holding of appropriate professional credentials. There are two additional principles, however, that set the professional model apart. First, it is suggested that professionals manifest greater respect for 'ethical conduct' as part of their professional codes, in occupations as diverse as engineering, the law, and social work. In addition, professionals exercise discretion as an integral component of their jobs; and this discretion is presumed to be handled responsibly through education and peer review. In other words, professionalism adds a form of horizontal accountability apart from the hierarchical chain of rules and controls.

It is only a small step, then, to suggest that professional competency offers a way out of the public-sector impasse. Greater efficiency could be achieved on two counts: better-qualified staff and less need for rigid operating controls. Indeed, it is the generally accepted wisdom that sound professional judgement is indispensable to bureaucratic efficiency—the expertise of urban planners, statisticians, law enforcement officers, and so on. A similar line of thinking is common when it comes to resolving social problems. If the poor are treated unfairly by the legal system, supply them with lawyers. If women are badly served by the health care system, promote women with the right credentials into hospital administration. If workers lack jobs, let economic forecasters select the skills and occupations for retraining. Assembling the right group of experts, to administer the appropriate program, is always preferable to giving the less powerful the resources to organize themselves.

Even when the efficacy of a particular decision depends upon the input of the 'client', the professional model tends to formalize this relation without disturbing the final rule of the expert. So, for example, policy formulation for a new housing program might adopt 'consultation exercises' to gather information from tenants and builder groups, but the final planning proposals and decisions still rest with the urban planning experts in the housing ministry. Similarly, front-line workers might be trained to administer with 'sensitivity', to ensure equitable treatment of clients from different class and ethnic backgrounds, but direct control over service delivery would stay with the central bureaucracy. In either case, professionals are admonished to 'do the right thing', and clients are expected to be co-operative and consensual.

There are, it should be stressed, many advantages to upgrading the skills of public-sector workers: more flexibility and efficiency in service delivery, for instance. But professional management should not be unduly emphasized, for the drawbacks are equally profound. First, there is little plausibility to the argument that professional accountability offers a democratic alternative to either 'control from above' or 'control from below'. Professional accountability is premised on peer review. The fact that clients fall outside the self-monitoring process objectively insulates professionals from the censure of the groups they should be most directly accountable to. And peer pressure—whether for doctors or professors—subjectively tends to the protection of the profession against the clients, whether these be patients or students.

Second, it is commonly asserted that professionals bring a neutral competency to service delivery. This claim rests on the dubious grounds that professionals are less likely than others to abuse discretionary authority, and more likely to be free from political and class biases in policy administration. The failures of the 'professional fix' are perhaps greatest here. Studies of public-sector service delivery consistently show that professionals reproduce the social biases that limit access for subordinate social groups. Police officers, doctors, masters of public administration, all tend systematically to favour 'high-status clients'. Moreover, professionals are no less likely to abuse authority than others; indeed, they are notoriously difficult to hold to account for mistreatment of clients because the professions are self-regulating. Ethical training in the use of professional discretion is a poor substitute for direct accountability to users.

Third, the centrality of technical knowledge within the professional model tends to breed contempt for popular forms of knowledge and involvement in policy formation. Adding 'consultations' with client groups to professional responsibilities thus produces little in the way of substantive results. Public deliberation is confined to information-gathering and the vetting of politically unviable options, rather than a process of social learning and the development of self-management capacities among user groups. Indeed, it has been characteristic of adherents to the professional model, particularly social-democratic governments, to distrust popular initiative and control as leading to 'unreasonable demands'.

By now it is well understood, and generally accepted, that the machinery of state power is not a neutral instrument. The administrative structure and the professional model reflect the existing power structure of society. Advancing professionalism within public-sector management might help to defend some of the entitlements of citizenship against levelling by marketization; but rule by experts is no substitute for development of the self-management capacities of citizen movements that are essential to democratic accountability 'from below'.

## Democratization of Administration

Both further marketization and recasting of professional management appear to be dead ends. What is the route forward for public-sector reform that would expand democratic control? First, the view that the administrative machine can be steered in the right direction by a reform government must be rejected. Nothing has failed social democratic governments more than adherence to the Wilson axiom that administration is simply a technical instrument to be put to new ends. This principle hopelessly neglects the actual structure and limits on power available to a reform government. Any attempt to democratize the state machinery will inevitably confront hostility whenever it conflicts, as it must, with the collective interests of financial and industrial capitalist and bureaucratic elites in maintaining 'control from above'.

The centrality of administration to the actual exercise of power, therefore, raises a crucial dilemma for any reform government. To proceed on policy manifestos inside the state, it must turn to, and develop, sources of political initiative and power outside the state. This need prefigures the agenda that a democratic administration must set for transforming the state: a deepening of representative democracy and political freedoms at the centre, and the development of the capacities required for self-management and new forms of democracy within the popular movements.<sup>11</sup>

### *Shifting Power at the Centre*

One of the most naïve assumptions of the Westminster model of control is that new governments can count on the loyalty, dedication, and neutrality of their civil servants. In fact, if they are at all reform-minded they can expect open opposition from senior bureaucrats intent on defending what they see as the traditional interests of the state. Establishing control over the means of administration is therefore a priority. The general democratic principle is clear: power must be shifted from the administrative executive to elected representatives—even if the means of effecting this shift are less easy to specify.

Two initiatives are a start to achieving this, however. First, ministerial staff and new personnel must be brought in line with the reform agenda. This is far more important than relying on outside consultants, who will always be too late and too distant from the trench warfare inside the state. It is also a small part of the more difficult battle: gaining control over the economic centres of the state, notably central banks and treasury departments. These centres will actively resist any radical extension of state intervention and democratization that weakens their veto over other departments or challenges the economic power of business. Any serious reform effort, therefore, will require as a second step the establishment of a counter to traditional line departments in the form of a central planning and policy review board. Such a body is pivotal as well to developing a long-term strategic capacity, and to overcoming the lack of co-ordination of state activities, which locks a reform government into a crisis-management mode.

Even though such reforms are, on the surface, minimal, they are fundamental to breaking the concentrated power that the Westminster model leaves in the hands of the senior bureaucracy. They will draw considerable heat from the executive and the press on the grounds of 'needless politicization' and 'jobs for the boys'. But unless democratic control is imposed at the control apex, the rest of the reform program—administrative and economic—to strengthen 'control from below' is doomed.

### *Levelling the Organizational Hierarchy*

Administration within the bureaucracy needs to move in the opposite direction: loosening rigid operating structures, pushing decision-making authority to lower levels, crossing jurisdictional boundaries, multiplying points of citizen access, and decentralizing services. This type of pluralism traditionally has been opposed by the left on the grounds that central control is required to defend against reactionary forces and to rationalize the public sector. Undoubtedly a strong centre is needed for strategic planning, redistribution, and quality audits. Yet it is impossible to revitalize the public sector without tackling the question of organizational flexibility. If democratic citizenship carries with it the right to plan and control the delivery of services, it must do so within the actual communities in which user groups live. Local environmental problems, safer public transit for women, community employment projects—all hinge on a decentralized, flexible public sector.

Organizational flexibility must extend into several areas. First, one failing of bureaucratic administration is the information gap between policy-makers and users. Departmental policy committees traditionally work in secrecy, keeping their briefing studies out of public view. The use of parliamentary reports and policy consultations opens the process a crack, but cabinet secrecy still prevents citizens from scrutinizing the advice submitted to ministers for decisions. A great deal remains to be done to permit freedom of information and public deliberation. Second, task forces or 'network teams'—composed of officials, consultants, unions, and users—will help to loosen up bureaucratic rigidities. There is an enormous need to bring fresh perspectives to policy from outside the state, and to transfer substantive control over the planning of services to user groups. Such a shift will help to free up sectors of the bureaucracy sympathetic to a reform government and build a base of political support amongst user groups. Third, this type of popular planning requires changes in operational procedures as well: de-layering of the bureaucracy, 'contracting-in', reduction of pay differentials between professionals and others, and release of detailed operational figures.

### *Producers and Users*

Increasing organizational flexibility is one means to improve public-sector services. A second is to develop a working relationship of equality between producers and users. Front-line workers come in many forms—nurses, teachers, garbage collectors. All face similar organizational problems: they lack the

operational autonomy, performance criteria, input into policy formation, and many of the skills necessary to improve the quality of service delivery. Re-skilling front-line workers and giving them responsibility to work more closely with users is an important step.

Since public-sector services typically lack regulation by a market and price adjustments, improving production hangs on advancing the rights of access of users. This can take many forms. Partly it is the right of users to procedural justice: appeals processes, ombudspersons, and advocacy bodies with real resources and powers of administrative sanction to ensure equality of treatment. Access can also mean simply convenience of use in terms of hours of service, simpler procedures, decentralized offices, child-care support at public meetings and offices, one-stop shopping, and many of the other 'consumer' issues that the new right has exploited. The point of improving access is to shatter the bureaucratic relationship of dependency and develop active associations of users. It is in the kinds of relations formed between front-line workers and user groups that the potential for a different kind of public encounter lies.

#### *Developing Self-Management Capacities*

Democratic citizenship depends on the expansion of the capacity for involvement in decision-making and management. This should not be equated with the fashionable concepts of 'consultation' and 'partnership' between government and interest groups, which cause bureaucrats to search for policies agreeable to all the 'partners'. Such a mediation process locks in existing inequalities of representation, making actual partnership and negotiation impossible. It is a process, moreover, that is directly accountable neither to parliament nor to citizen-users. For example, government pleads with business and union leaders for 'industry partnerships', thereby ruling out public ownership and workers' control, and shifting the determination of industrial policy to elites for negotiation. The democratic principle is to elect directly, and thus make accountable, representatives from the appropriate constituencies, and to maximize the ability of elected councils to intervene in management deliberations.

Self-management, therefore, must be looked upon as a process of developing new forms of democracy and parallel forms of public responsibility. It would involve institutional changes at a minimum of two levels. Within the state structure itself, it is possible to extend radically direct forms of citizen participation. Long-term improvement of service delivery is contingent upon input from user groups. Innovation in delivery of municipal services, for example, would benefit immeasurably from regular canvassing of elected neighbourhood councils, each with its own urban planner. Similarly, in a whole range of public services, user groups should have the independent capacity to do policy research, with core funding granted by an autonomous funding agency as a right of citizenship. User groups should be encouraged to develop their own plans for producing services so that they can negotiate forcefully with producers. And to make these popular plans more than mere blueprints, they need to be directly tied to a 'right to initiate' policy, with user groups having

access to enough power and resources to test these ideas in pilot projects. In each policy sector the appropriate decision forum will differ, but it is in elected councils that popular majorities can be built around real negotiations rather than the co-optation of partnerships and the backrooms of consultation exercises.

Second, self-management should be a priority to democratize the workplace. The great failing of nationalized firms has never lain in their ownership—they have performed, by and large, at least as well as private firms, and often better—but rather in their failure to democratize their internal administration with respect to workers and consumers. Self-management should also be extended upwards to sectoral national planning councils, where sustainable production might actually be negotiated and realized. In addition, workplace democracy has a role to play within government departments in terms of the extension of workplace rights, and in the election by public-sector workers of managers and representatives for departmental and sectoral councils.

#### *A Redistributive State*

Public-sector reform can hardly avoid the need to raise taxes if the quality and level of collective consumption are to increase. Few reforms, however, will be more difficult than overcoming the idea that tax levels are too high already. Deficits have found favour on the left, especially among trade unions, not necessarily because of their economic efficacy—they have their place—but because of unwillingness to confront the tax issue. In any case, without public ownership or restrictions on capital mobility, the ability to raise tax loads on the capitalist class is restricted. Value-added taxes are a fundamental way of limiting the market: collective consumption is supported by taxes on private consumption. But public control of the economic surplus remains indispensable. The political capacity to shift the tax burden onto the wealthy has to be built. Initially, solidarity within the working classes will be required to support the unemployed and to raise the level of collective consumption. Establishing the practical basis for that solidarity means developing control over the public sector 'from below'.

Introducing democratizing reforms in socially unequal societies undoubtedly raises political dangers. The economically powerful can threaten loss of jobs through capital flight. The politically articulate can capture decentralized programs to the disadvantage of the poor. Leaders of citizen movements always run the risk of being co-opted into agendas set by the bureaucracy. These are ever-present obstacles to democracy, which even attempts at control at the summits of state power by left governments have not succeeded in preventing. Political power—the ability to control and shape one's life and community—depends on citizen and worker movements' developing the organizational and deliberative capacities of self-management. In the actual balance of political forces that a democratic administration will face, this is ultimately the only route forward.

## Democratic Citizenship and Popular Movements

Let us not deceive ourselves, then, that public management reform, no matter how democratic in process and intent, can strike down the barriers posed by private ownership of the means of production. It is no accident that the 'control from above' structure of liberal democracy also allows the powerful to monopolize control over the means of administration. But reforms in the administration of the state that strengthen the entitlement and management claims of democratic citizenship put forward by popular movements will raise further demands for democratization within both the private and public sectors. The task at hand, therefore, is to identify existing weak points in the state that can lead to democratic advance, and to develop a clear strategy for redistribution of political and material resources to citizen and labour movements.

A return of social democratic parties to power, relieving the new right of political control over public-sector restructuring, will do little, if anything, to advance this process. Indeed, the drift of social democratic politics towards neo-liberal policies compounds the difficulties by ceding further ground to marketization and adding to the public's disillusionment with political life. The new collective project, slowly emerging out of the struggles for 'democratization' by the labour and citizen movements, has yet to gather these diverse strands into a collective identity and political force capable of challenging the new right. But this will come. And if the democratic potential of the popular movements is to be realized, the administrative question will have to be addressed.

### Notes

<sup>1</sup>Raymond Williams, 'Mining the Meaning: Key Words in the Miners' Strike', *Resources of Hope* (London: Verso, 1989), 122.

<sup>2</sup>Harold Chorney, 'Deficits—Fact or Fiction? Ontario's Public Finances and the Challenge of Full Employment', in Daniel Drache, ed., *Getting on Track: Social Democratic Strategies for Ontario* (Montreal: McGill-Queen's University Press, 1992), 195.

<sup>3</sup>For a defence of control from above in the Westminster model see Sharon Sutherland and Bruce Doern, *Bureaucracy in Canada: Control and Reform* (Toronto: University of Toronto Press, 1985).

<sup>4</sup>J.E. Hodgetts, *The Canadian Public Service* (Toronto: University of Toronto Press, 1973), 7.

<sup>5</sup>Woodrow Wilson, 'The Study of Administration', *Political Science Quarterly* 2 (1887). The same principle holds in parliamentary institutions where neutral public officials simply 'advise' the government of the day. Elected ministers are formally the administrative heads of line departments—one person against a whole department.

<sup>6</sup>'Bureaucracy', in Hans Gerth and C. Wright Mills, eds, *From Max Weber* (New York: Oxford University Press, 1946), 229.

<sup>7</sup>Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1942), 293-5.

<sup>8</sup>Frederick Taylor, 'Shop Management', *Scientific Management* (New York: Harper and Row, 1947), 98-9.

<sup>9</sup>William Niskanen, *Bureaucracy and Representative Government* (Chicago: Aldine-Atherton, 1971), 51. See also Gordon Tullock, *The Politics of Bureaucracy* (Washington: Public Affairs Press, 1965).

<sup>10</sup>See Robert Reich, ed., *The Power of Public Ideas* (Cambridge: Ballinger, 1988); and Dennis Thompson, 'Bureaucracy and Democracy', in Graeme Duncan, ed., *Democratic Theory and Practice* (Cambridge: Cambridge University Press, 1983), 241-4.

<sup>11</sup>See Raymond Williams, *Towards 2000* (Middlesex: Penguin Books, 1983); Michael Lipsky, *Street-Level Bureaucracy* (New York: Sage, 1980); and Robin Murray, 'The State After Henry', *Marxism Today* (May 1991).