

CONSUMER, CLIENT, CUSTOMER OR CITIZEN – CAN THE STATE BE A GOOD COMPANY?

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Introduction

My contention is that more is demanded of the state than is demanded of the good company. I present this argument using the current public service modernisation process in Ireland as a case study. The paper comes in four parts.

Part 1 gives an overview of what has come to be known in public administration literature as ‘new public management’ (NPM), and outlines how this phenomenon is playing out in Ireland, identifying what I believe to be a profound change of discourse. In effect I am suggesting that in the public service there is a move from a citizenship-based model of society to a consumer-based model.

Part 2 looks at the implications of this change, from a citizenship-based model of society to a consumer-based one.

Part 3 suggests presents a version of the ‘common good’ model which I believe allows for a holistic conception of citizenship – where each person is ascribed civil, political, economic and social rights. I argue this latter point using the concept of ‘solidarity’ as espoused by David Hollenbach.

Part 4 draws conclusions.

Part 1 – NPM in Ireland

The Irish civil service is a legacy of British rule in Ireland¹. The British civil service in its modern format is a late nineteenth century² creation. It is commonly referred to as the Westminster model, where the civil service is accountable to ministers, they to parliament and it to the people. The role of the civil service in such a system is

... to impart expert policy advice to the minister; to play an independent disinterested role; to take a longer-term strategic view; to ensure efficient delivery of services; and to be the guardian of the public interest. (Mc Namara, 1995, p.7)

¹ Since 1800 Ireland had been ruled from Westminster. The Act of Union of 1800 abolished the Irish Parliament.

² Most commentators agree that the Westminster model emerged following the Northcote-Trevelyan report of 1854 into the British civil service. At the centre of this ideal are the notions of a merit based, politically neutral, professional career service.

The model was revised at the turn of the nineteenth and twentieth centuries to prevent corruption and fraud, by making it difficult for any one individual to make financial or policy decisions in isolation (Mc Namara, 1995, p.8). Furthermore, the Great War of 1914-18 had ‘... ruthlessly exposed the weaknesses of the British civil service ... it had revealed, above all, the need for a more homogenous, centralised and efficient civil service’ (Fanning, 1978, p.7). The intention was to create a strong sense of accountability, in the sense of honest stewardship of the public’s money and resources. It fostered values of impartiality, integrity, collegiality and concern for the public interest. A uniform civil service was established under the control of the Treasury. One author has described this kind of system as

...based on the ideal of the abstract, autonomous and monolithic state which is situated above special interests so that it can defend an objectively defined general interest. The civil servant is the incarnation of this opinion, he carries the continuity of authority. He has to take care that the common interest comes first, preceding private or other interests in society (Hondeghem, 1985, quoted in Mc Namara, 1986, p.10)

Another source suggests that this kind of system

... may lead to a strong sense of accountability, in the sense of honest stewardship of the public’s money and resources but perhaps weakens the sense of personal responsibility for the consequences of one’s actions. (Mc Namara, 1995, p.9)

The civil servants, then, who inherited the structure of government at the foundation of the Irish Free State in 1922 inherited a model that was new, quite centralised and strong on accountability and integrity.

This tradition was inculcated into the Irish civil service. However, as the new state’s civil service developed, it did differ from its precursor in that it inevitably began to reflect the social class of Irish society. It became a rather homogeneous class, of a high intellectual calibre in its senior levels. Further, it had a high level of acceptance for bureaucratic organisation and rationality in policy making.

In the early 1980s, a view gained prominence which saw a need for reform of the Irish public service. That view claimed that public services had become fat, slow and unresponsive to public needs. Indeed, the very strengths of rationality and centralised bureaucracy were identified as problematic. Reform came to be heavily reliant on what has come to be known as New Public Management (NPM).

What is NPM?

NPM is a phenomenon that has taken root across OECD countries. However it would not be accurate to speak of NPM as if it were the same phenomenon that appears in each administration where reform is put in train: ‘...critics have questioned the extent to which there is a single model of the NPM which can be deployed as a tool for comparative analysis let alone global reform prescriptions’ (Osborne and McLaughlin, 2002, p.11). It has been described as a recognisable term rather than a fully established concept (Barzelay, 2002, p.15). Dawson and Dargie (2002) put the position as follows

So for example, NPM might be characterized as reinventing government or entrepreneurship in the United States; as citizenship, decentralization and deregulation

in a European, predominantly Nordic model; as contracting in New Zealand and as cost control measures in the UK. (p.39)

The term NPM does however now enjoy international recognition. It is variously used to describe: a ‘... pattern of reform of public management per se, as well as the associated growth of the pluralist state’ (Osborne and McLaughlin, 2002, p.10); a specific policy prescription; a set of ideas (closely related to liberalism); or an empirical reality (Carroll and Steane, 2002, p.197).

Carroll and Steane (2002, pp. 195-6) suggest that five criteria can be used to measure the extent of the acceptance of NPM in an administration

- the use of private sector management models and techniques
- commitment to a plurality of modes of service provision (business, NGOs, the public sector itself – with emphasis on cost, choice and quality in the mix of providers)
- a revised role for government, ‘steering’ not ‘rowing’
- a strong belief in market or quasi-market mechanisms
- attempts to separate political decision-making processes from the management of public services.

NPM is grounded in a number of theoretical constructs. It accepts public choice theory, the assumption that the behaviour of people, individually and collectively, is driven by self-interest. This means that government departments and agencies will act to ensure their own continued viability and survival. Consequently, in the reform process, policy advising functions and policy implementation (service delivery) functions are to be separated, often with service delivery functions being removed from state agencies. NPM is also influenced by principal/agent or agency theory, the assumption that political life can best be represented as a series of contracts between parties.

Finally, NPM is grounded in the concept of contestability. Traditionally, public service agencies have been the sole supplier of goods and services and advice to the government. The removal of barriers to private sector competition and the promotion of ‘competitive neutrality’ promote contestability.

Re-inventing government

No review of the provenance of NPM would be complete without reference to the 1993 work by Osborne and Gaebler, *Reinventing Government. How the Entrepreneurial Spirit is Transforming the Public Sector* (RG). It was a seminal work and perhaps more than any other popularised and promulgated some of the main approaches of NPM. It was particularly relevant to the USA, but its influence spread also to other OECD countries. RG was written in the context of severe criticism of government in the USA in the 1980s – criticism in academic circles and in popular opinion. The authors set out to look at changes that were happening in different parts of the American administration, and thereby arrived at the ‘Reinventing Government’ brand of NPM. The authors’ view of the prevailing administrative system was that it was designed to overcome corruption at the beginning of the twentieth century in American government. They conclude

In making it difficult to steal the public’s money, we make it virtually impossible to manage the public’s money. (p.14)

This is their view of how the ideal Weberian bureaucracy was transformed into a poor performing one.

RG suggests that there are three ways to tackle the poor performing bureaucracy that is the public sector. The first two are traditional – cut spending or increase taxes. RG presents a third way. In this mode government is envisaged not as providing services, but rather ensuring that services are provided – by whoever is best placed to do that (pp.24-30). Government facilitates the energies of smaller groups – communities, schools, families, neighbourhoods, voluntary organisations³. In other words – to use a phrase that has become a slogan in NPM circles since it was put forward by RG – government ‘steers’ rather than ‘rows’ (p.30). A steering organisation can choose the best rowers, the most competitive rowers. They argue for the role of a third sector, neither public nor private. Not necessarily non-profit. Not necessarily voluntary. The third sector would see the rise of privately owned organisations set up to meet public or social needs. Privatisation however is one, but not the only, answer. And, steering must always stay with government.

The SMI

The official programme to modernise the process of government in Ireland is encapsulated in the following phrase from the dedicated website dealing with this process

The purpose of the modernisation programme is to achieve an excellent service for the Government and for the public as customers and clients at all levels, building on the good service that is provided at present. (Bettergov.ie, 2006)

This objective, with its emphasis on ‘the public as clients and customers’, has taken shape over the period since 1994 when the Irish public service modernisation programme took a giant step forward. A movement began which was to take root in the public service over the following decade. In February of that year the Taoiseach (prime minister), Albert Reynolds, invited ministers of government and heads of civil service departments to a meeting where he outlined a strategic management initiative (SMI) for the civil service. All civil service departments, he announced, would henceforward be obliged to produce strategy statements. He identified three areas that would be addressed by the production of strategy statements: the contribution public bodies can make to national development; the provision of excellent service to the public; and the effective use of resources.

In 1995 the then head of the public service section of the Department of Finance, John Hurley (1995, pp.25-26), presented a paper early in the SMI process which pointed to the types of modernisation that the Department of Finance envisaged. He said that the SMI had emerged in Ireland because of the influence of the cost of public services on the economy, the ever-increasing demands for new services, public expectation of improved standards and

³ This sentiment echoes the subsidiarity principle. However, caution is warranted when assessing the similarities. The subsidiarity principle is grounded in a view of society and the way responsibility, power and accountability should be dispersed, in a view of humanity and the dignity of the human person. RG is not rooted in any such theory. Rather, it is mesmerised by individual instances where government processes were imaginatively altered leading to success. The stories recounted in the book – and this is the preferred methodology of the book, to recount stories – are invariably of popular heroes and mould breakers. It is difficult if not impossible to take issue with any individual one of them. However, it is more difficult to see them as other than a collection of stories, selectively chosen and used as foundations for principles, but in the final analysis lacking any over-arching approach other than sloganeering for the re-invention of government.

accountability and the pace of change in society generally. Interestingly, Hurley also adverts to internal pressures that were evident at the time. He reflects the concerns of sections of the senior civil service and of management in the Department of Finance for modernisation. His 1995 paper pointed to: a perceived need for better focus in direction; a need to prioritise; awareness of deficits in feedback, analysis and performance information; short-termism; barriers to good personnel and financial systems and the need to advance information technology in the civil service.

The SMI was to be introduced on a phased basis, Hurley announced. Phase 1 would involve all civil service departments in preparing strategy statements. Phase 2 would move to the translation of those strategy statements into specific strategies and associated measures of performance. Hurley envisaged the measuring of performance in the SMI thus

Performance measurement is crucial to any dedicated process of strategic management ...The SMI is designed ... to place more emphasis on measuring results and assessing outcomes, and thus to make it easier to frame future actions, policy etc, on the basis of experience rather than conjecture. (p.30)

He emphasised that increased responsibility and accountability would lead to an increased emphasis on performance and its measurement, with many implications for existing personnel management practices and policies. Besides performance measurement, Hurley (p.38) also describes another concept that would be central to the Irish modernisation programme in the following years.

Ultimately, however, reform will be largely meaningless unless it focuses firmly on the needs of the customer of public services, and the demand from taxpayers for improved quality within existing costs. (p.38)

The changes in approach and in language referred to above have also been brought into a more public domain. Since 1987, the government and the major partners have agreed national partnership agreements periodically, to the extent that these agreements have had a major impact on Irish life for nineteen years.

There are a number of key words in the lexicon of this new approach to describing the public service and public services. Market, privatisation, competition, outcome (as opposed to output), performance indicator, evaluation, value-for-money, customer charters – these are some of the key words.

At this juncture it should be noted that the introduction of change to the civil service is not a problem. Indeed, the civil service that was designed at the turn of the twentieth century would not be adequate to deal with the changed society of today. The size and complexity of the service itself, and of the services it oversees, has moved on. Change is necessary, and there is ample evidence that the NPM approach has much to offer in bringing about desired change. However, what is worth examining is the possibility that there are unplanned for, unwittingly imported, changes, with profound implications.

A brief review of some published documents reveals how pervasive the use of a new language has become.

Customer charters and consumer rights

The 1995 *Charter of Rights for Farmers* described a series of specific targets for improvements in the speed and efficiency of the services provided to farmer clients (sic). In December 1995 the Social Welfare (Charter of Rights) Bill, was published, and presented as a forward development in ‘client service provision’ (sic). The Department of Health and Children in a 1998 document announced that it would: ‘develop initiatives to ensure consumer awareness of the benefits that flow from measures to control the cost of drugs’. There is no doubt that we are consumers of health services. Yet, the mind-set that thinks in terms of ‘consumers’ rather than ‘patients’ does seem to have value-change implications.

Market

The market as a regulator of business is a prominent motif in NPM. But, there is an assumption that the market is the best, or perhaps only, way to organise society’s affairs. And this is patently not the case. No great arguments are needed to defend the need for a welfare element to state services.

Competition and privatisation

Competition does lead to improved performance. Evidence of this abounds. However, there is also a need for co-operation. Other motivators are needed. Take the case of childcare services in Ireland. This is what is referred to as a ‘cross-cutting’ issue. It calls for concerted and co-ordinated action from a number of state agencies.

Output and value-for-money

The Irish Public Service Management Act (1997) required each department and office to publish a strategy statement every three years or within six months of the appointment of a new minister. The statement must set out the key objectives, outputs and strategies to be achieved.

The programmes for government negotiated between the government and the social partners also display the use of this language. Two examples are given here from the 2002 programme for government. The 2002 programme states: ‘We will build a greater culture of review of public spending by publishing regular evaluations of key spending programmes. As part of this, each Department will publish key indicators for each major programme against which progress will be assessed. The National Development Finance Agency will ensure that public projects are developed to maximise value for money’.

And again: ‘We will keep the public finances in a healthy condition and we will keep down personal and business taxes in order to strengthen and maintain the competitive position of the Irish economy’.

Of course, evaluation and measurement are necessary. The difficulty will be if counting becomes the end game. The old cliché ‘knowing the cost of everything and the value of nothing’ comes to mind.

From citizens to consumers – implications of the paradigm shift

There is a strong view to the effect that, historically, Ireland has not had a strong citizenship-based polity. It has rather been a clientelist-based one (Chubb, 1963). Politicians have been used by their constituents to ‘persecute civil servants’, to quote an oft-cited phrase from Chubb. Indeed the traditional self-concept of the civil service was of a watch dog, the ‘permanent government’; ensuring rectitude in the face of special pleading for clients.

But the shift now is to consumers, clients and customers. To my view, agreeing with O’Halloran’s analysis (2003) and using his language, this is a change from one asymmetrical model (the clientelist one) to another asymmetrical model (the consumer/customer one). O’Halloran suggests that there is a pressing need to resist this move and to press for the cultivation of a citizenship-based model promoted through relevant discourse in the public sphere.

However, before pursuing that issue, it is worth briefly visiting the concept of citizenship itself. It is not a static concept – and indeed it can have both inclusive and exclusive facets, as is demonstrated in Ireland by the influx of immigrants.

O’Riordan (2003a), using the work of Schudson, uses the US experience to demonstrate the evolution of the notion of citizen in a polity. In the foundation stage, US citizens were all white, male, adult, property owners. In the latter part of the nineteenth century citizenship was mainly exercised through the party political system. Parties presented their voters in public. In the early twentieth century the move was to secret voting and therefore to informed citizens. In the latter part of the twentieth century we have the more explicit notion of a rights-based citizenship.

A similar path could be traced in other polities. Add to this evolving situation the complexities of early twenty-first century political life and ‘citizen’ becomes even more difficult to tie down. I have rights (and responsibilities) which are not based on the Irish constitution, or statutes. International treaties and legislation (EU) are the provenance of some of my citizen rights. Further, as is widely acknowledged, some of the principal citizen activities – voting, serving on juries, for instance – are seen to be in peril by commentators.

If then we are to critique the emergence of a consumerist-based polity and suggest a more appropriate citizenship-based one, we need to spell out a little more what we mean by citizenship. We need a holistic concept of citizenship (O’Halloran, 2003). In modern democracies citizens are generally conferred with political, civil (constitutionally based), economic and social (statutory based) rights (p.20). Civil and political rights owe their origins to the liberal and democratic traditions respectively (p.21). Economic and social rights are generally credited as coming from the social democratic labour movement. The understanding is that civil and political rights are meaningless without economic and social rights. (p.21). If I have political and democratic rights but am the victim of social exclusion by virtue of my social and economic status in society, it is unlikely that I will either be capable of or wish to exercise the constitutional and democratic rights. Furthermore, if my concept of my place in society is solely of an individual with rights that I am entitled to from the state, equally it is unlikely that I will exercise my constitutional or democratic rights in any full way. My focus will be on what is due to me, not on my rights and responsibilities. In contrast: ‘Citizenship in this holistic sense provides individuals with the opportunity to become full and pro-active members of their respective polities, economies and societies’ (p.21).

Part 3 – Solidarity and the common good

I have argued in Part 1 that the changes being implemented in the Irish public service modernisation programme are replacing the citizen as the focus of government services with the consumer as that central focus. In Part 2, I have suggested that citizenship is an evolving concept, encompassing constitutional, democratic, social and economic rights. Here I want to attempt to construct a warrant for a holistic concept of citizenship. I use the work of O’Riordan (2003a and 2003b) and Hollenbach (2002) to do this.

O’Riordan⁴ (2003b) sees a need for some kind of glue that will bind the community. Following Dagger⁵, he refuses to go with any communitarian rejection of rights; rather he tries to combine the emphasis on autonomy with aspects of duty, community and the common good. He agrees with Dagger: ‘Drawing on civil republican thought he [Dagger] argues for a conception of rights as rooted in an autonomy that can be realised only within a community bonded by reciprocal rights and duties’ (p.53). This is a republican view of citizenship according to which the citizen acts with the common good in mind (Riordan, 2003b, p.54). Dagger contrasts this view of the citizen with that of the citizen as customer, satisfying individual preferences – where the purpose of politics is to coordinate or aggregate the preferences of individuals, just as the market filters preferences (Riordan, 2003b, p. 55).

Riordan draws on another author to give a further nuance to his thought – Honohan⁶ (2002). She attempts to provide an integrated account such that the rights attributed to individuals are grounded intellectually on the same basis as their unity in a shared polity. (p.56). She argues that there is a need for social capital in the form of willingness in the citizens to play an active role and to restrain their personal demands. She argues that there is a need to act for the common good, not a pre-set or ‘single overarching purpose in society’ but ‘what is politically worked out by people who, recognising their interdependence, acknowledge that they must construct public life in which they can realise their autonomy’ (Riordan, 2003b, p.57). A core element of this approach is its demand on the active participation of citizens in civic life. It is an idealistic/optimistic approach given the reality of reported actual participation of individuals in civic life.

In summary, O’Riordan’s position is that a defensive perspective on citizenship – with the emphasis on the liberal constraints on what can be done to citizens without their consent – must be replaced by a more embracing republican perception. ‘It is for the sake of their exercise of their autonomy that citizens’ rights are protected’ (2003b, p.58).

David Hollenbach outlines a warrant for such a holistic approach to citizenship. He does so on two levels – the political/philosophical and the theological.

On the political /philosophical level he sees ‘intellectual solidarity’, the pursuit of a shared vision of the good life, as calling on the virtue of civility; it can only occur in active dialogue of mutual listening and speaking across the boundaries of religion and culture (2002, p.137)⁷.

⁴ Patrick Riordan is an Irish Jesuit philosopher teaching at Heythrop College

⁵ Professor Richard Dagger teaches political theory at the Arizona State University

⁶ Jesult Honohan is a senior lecturer in political theory at the School of Politics and International Relations, University College Dublin

⁷ In this context, Hollenbach refers to the views of Robert Putnam who describes the falling level of participation in civil society in the US (2000, *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster). Hollenbach sees Putnam’s position as ‘... a whimsical symbol of

The mutuality in this scenario is defining. It is a deliberative process based on respect for equality. This demands the virtue of ‘civility’, which is much richer than mere *politesse*. It is grounded in the belief that all are equal and free. Thus one making a proposal should be able to argue that it would be at least reasonable for others to accept it⁸ (2002, p. 145). The participants’ respect for each other see them in a politics of deliberation, not a politics of bargaining. Those who come to the table to bargain bring their commitments with them for implementation, not for transformation or evaluation (2002, p.143).

At the theological level he finds his warrant for this approach to the common good of society in the belief that one God has created the whole of humanity and that all human beings share a common origin and destiny⁹ (2002, p.149). He insists however that it would be naïve to think that this classical theological argument can simply be repeated in the face of contemporary challenges. Elsewhere he says

It is important to realize, however, that Christian principles of political ethics are not timeless, transcendental ideas that can be discerned apart from the active employment of political reason and political argument. It is surely true to say that some norms of Christian morality are timeless and non-political. But these norms are all of a *prima facie* variety. The Ten Commandments list strictures that are applicable in every society and in every historical situation. When we try to discern what these commandments call for in concrete decision, however, prudential judgment is always involved. (1983, p.87)

Part 4 – Conclusion

My argument has been threefold.

First, a change of discourse is taking place in that public forum which is the Irish public administration system. This has the power to permeate the public service and the political system. It has the capacity to replace a citizenship-based model of society with a consumer-based one.

Second, in a consumer-based model of citizenship the purpose of politics is to coordinate or aggregate the preferences of individuals, just as the market filters preferences. This is to lose a rich holistic concept of citizenship which has the capacity to provide the framework for the appropriate development of all.

Third, there are political/philosophical and theological warrants for a holistic notion of citizenship. It is one that envisages citizens in a deliberative solidarity creating relationships with each other.

a serious reality: the decline of the associational life needed to undergird and support democratic politics’ (2002, p.102).

⁸ Here we see shades of John Rawls emerging in Hollenbach. He finds much to agree with in the later Rawls, particularly the 1997 piece ‘The Idea of Public Reason Re-visited’, in the *University of Chicago Law Review*, 64, pp.765-807.

⁹ He sees analogues to this Catholic approach in Lutheran (‘orders of creation’) and Calvinist ‘common grace’) approaches.

Finally, I would caution that this is an idealistic perception of how society might best operate. It is a 'sought after' rather than an achieved situation. It will always be a 'sought after' situation. And, it can only be pursued where the state provides a receptive framework.

Hence my opening statement. More is demanded of the state than is of the good company. It must provide the supportive framework for civic society wherein 'intellectual solidarity' can be pursued in deliberative mode.

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