
The Intellectual Crisis in American Public Administration

Third Edition

Vincent Ostrom

With a Foreword by Barbara Allen

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For my Mother,
Alma Knudson Ostrom,
who taught me my first
lessons in democratic theory.

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Foreword

One may well ask if the word “crisis” really applies to the decades of institutional failure that signal humanity’s chronic return to bureaucratic administration. In the years since its first publication, *The Intellectual Crisis in American Public Administration* continues to offer a fresh perspective to discourses on governance, policy analysis, and public administration. When *The Intellectual Crisis in American Public Administration* first appeared in 1973, the immediate response told of an opening fissure in political science and public administration. The five essays comprising the first edition had initially been presented at The University of Alabama in lectures signaling a new scholarly and practical focus on the public choices of self-governing polities. “Democratic administration,” as Vincent Ostrom labeled the general idea of a highly engaged, entrepreneurial citizenry, challenged “bureaucratic administration”—and corresponding attitudes toward expertise, command, and control.

Although the idea of a command economy had never enjoyed a strong following in American political thought, the same cannot be said of an increasing reliance on technical experts, hierarchical organizational plans, and training for top-down management of a growing federal bureaucracy that took root alongside the vibrant associational activity of Progressive Era reformers. The belief in administrative centralization and comprehensive planning would ultimately be articulated on many fronts in mid-twentieth-century battles against the uncertainties of life. From the Cold War to the War on Poverty, an “imperial presidency” prospered; from a multi-decade environmental crisis to a host of chronic problems once understood as issues best addressed locally, consolidation movements sought central regulation of school curricula, street

The Crisis of Confidence

As we enter the third century of American nationhood, we are losing confidence that the twenty-first century in the Christian era will be an American century (Hacker, 1970). Instead, we have been seized by a maelstrom of crises. Some have even begun to wonder whether there will be a twenty-first century in the Christian era and whether the United States of America will survive as a nation.

Whatever fate or destiny the future may hold for human civilization, that future will be a product of human choice. Technical capabilities now exist for human beings to choose a fate marking the end of modern civilization as we know it. Today, the choice to destroy much of mankind can be made by a mere handful of men. If that choice is ever made, we can be reasonably confident that Americans acting in "the line of duty" will have participated in that fateful decision. Such a decision can, indeed, be taken with considerable "speed and dispatch" and with relatively small expenditures of "time and effort" in decision making.

The range of possibilities at the command of human choice today far exceeds those available to prior generations. But a wealth of possibilities always interposes proportionately higher decision costs. The more benign the future of this civilization, the more time and effort will be required in fashioning decision structures appropriate to human creativity and the less we can afford to rely upon preemptive strategies involving speed and dispatch. The course of destruction is simple; the course of constructive action is much more complex and difficult.

If the practice of public administration is based on a knowledge of the organizational terms and conditions that are necessary to advance human welfare, then those of us who teach public administration should be able to indicate what those terms and conditions are. In short, we should be able to specify the consequences that will follow from different organizational conditions. To assert that consequences follow from conditions is to say that effects have their causes. Knowledge depends upon the specification of relationships between conditions and consequences, between causes and effects. We should be able to indicate the conditions and consequences that derive from the choice of alternative organizational arrangements if theories of organization have scientific warrantability.

We must, however, distinguish between a determinate causal ordering and a quasi-causal ordering. In a determinate causal ordering a cause impinges directly upon and determines an effect. A quasi-causal ordering depends upon the intervention of human actors who are capable of thinking, considering alternatives, choosing, and then acting. The one is determined; the other is constituted. In such circumstances we are required to take account of how individuals view themselves, conceptualize their situation, and choose strategies in light of the opportunities available to them. Analysis in the social sciences requires recourse to strategic thinking in quasi-causal orders. The rule-ordered relationships that are constitutive of human organization function as soft constraints that are themselves subject to choice.

If we have a body of knowledge that enables us to estimate the probable consequences evoked by different organizational arrangements, we should then be able to pursue two forms of analysis. One form uses theory to draw inferences about consequences to be anticipated. These inferences can be used as hypotheses to guide empirical research and test the predictive value of theory. We can have some confidence in a theory that has predictive value for indicating consequences that can be expected to flow from specifiable structural conditions.

A second form of analysis derives from the first. When relationships between conditions and consequences can be specified and when any particular set of consequences is judged to be

detrimental to human welfare, we should then be able to specify the conditions that lead to that set of consequences. Consequences of organizational arrangements that are detrimental to human welfare can be viewed as social pathologies. If the conditions leading to those pathologies can be specified, then the basis exists for diagnosing the organizational conditions of social pathologies. If conditions can be altered so as to evoke a different set of consequences, then different forms of remedial action can be considered. By altering the appropriate conditions, one set of consequences judged to be pathological might be avoided and another set of consequences judged to be more benign might be realized.

The relationships that I have just specified indicate the connection between theory and practice in the use of any body of knowledge. The practice of any **profession** depends upon the knowledge its members **profess**. The worth of professional practice depends upon the difference that professional advice will make in the opportunities made available to those who rely upon that advice. If I seek professional advice and that advice either reduces the misery I would otherwise have suffered or improves the advantage I might realize, then such advice is of value to me. If, on the other hand, professional advice leaves me worse off, I would have to conclude that such advice is harmful.

Organizational arrangements can be thought of as nothing more or less than decision-making arrangements. Decision-making arrangements establish the terms and conditions for making choices. Consequently, we would expect that the practice of public administration will increase in importance as the domain of choice is extended to include an increasing range of opportunities. I doubt that there are many today who anticipate a decline in the relative importance of the practice of public administration as long as opportunities exist for continued advancement in human welfare.

We are, however, confronted with a substantial question of whether the bodies of knowledge used by those who practice public administration will lead toward an improvement in or an erosion of human welfare. If, perchance, the consequence of acting upon knowledge used in the practice of public adminis-

tration were a decline in human welfare, we would have to conclude that such knowledge contributes to social pathologies. Conventional wisdom in public administration indicates, for example, that efficiency will be enhanced by eliminating overlapping jurisdictions and fragmentation of authority. What, for example, would be the consequence of eliminating 80 percent of the units of local government in the United States (Committee for Economic Development, 1966)? Would the consequence of such action substantially enhance or diminish human welfare? We could hardly expect such action to be **without** consequences.

Dare we contemplate the possibility that the contemporary malaise in American society may have been derived, in part, from the teachings of public administration? The consolidation or merger of units of local government has, in some cases, attained substantial success. Have those successes been congruent with the consequences we expected? Is New York City a model of what we would like to achieve? Or is it a gargantuan system that has become virtually ungovernable? If our teachings have contributed to the contemporary malaise, we might further contemplate the possibility that continued reliance upon those teachings, as the basis for prescribing remedies to contemporary social pathologies, can lead to further deterioration in human welfare.

If such a circumstance prevails, we are confronted with a growing dilemma. On one hand, the practice of public administration will increase in relative significance. But as it grows in importance, those affected by public administration would be confronted with a progressively deteriorating situation. Actions taken to remedy conditions would exacerbate problems. In such a circumstance, we might expect to find that those educated in public administration were no more successful in its practice than those who were not educated to do so. They might be even less successful than others not so educated.

Perhaps this is an occasion on which we should entertain an outlandish hypothesis: that our teachings include much bad medicine. I have reached this conclusion after considerable agonizing about the problem. I once hoped that I could be proved wrong. I have since abandoned that hope; and I have attempted

to work my way through to alternative resolutions. I am now persuaded that the major task in the next generation will be to lay new foundations for the study of public administration. If these foundations are well laid, we should see a new political science join a new economics and a new sociology in establishing the basis for a major new advance upon the frontiers of public administration.

The Persistent Crisis in the Study of Public Administration

When I was first introduced to the study of public administration on the eve of World War II, the confidence reflected in the theory and practice of public administration impressed me. The theory of administration presumed that technical solutions were available to solve public problems. Once decisions specifying policy objectives were reached, we assumed that the translation of these objectives into social realities was a technical problem within the competence of professional administrative expertise. The social problems associated with the Great Depression were transformed into new programs by enlightened political leadership and the technical proficiency of those who staffed the public service. Students in the late 1930s displayed as much enthusiasm for the public service as many of their counterparts in the 1970s had for the movement.

Perhaps the high point of that era was reflected in the publication of the *Report with Special Studies* of the U.S. President's Committee on Administrative Management (1937) and the companion volume edited by Luther Gulick and Lyndall Urwick as *Papers on the Science of Administration* (1937). The *Papers* stated the theoretical foundations for the science of administration. The *Report* proposed a bold new reorganization plan based on that science of administration to rationalize the host of New Deal agencies into a coherent administrative structure.

The war years provoked a challenge from which the study of public administration has never recovered. Wartime control

measures were plagued by persistent failures.¹ Public administration sometimes appeared to involve greater measures of unprincipled expediency than of principled action. The principles of administrative organization were honored more in their breach than by their observance. The gap between theory and practice became increasingly difficult to bridge.

The wartime experiences with civil and military administration were more congruent with the work of Elton Mayo and his colleagues (Mayo, 1933) in the Western Electric experiment than with the work of Gulick and Urwick. The human relations aspect of organization appeared to have a greater effect on productivity than did formal tables of organization. The gulf between theory and practice was, indeed, formalized by distinguishing between a theory of formal organization and a theory of informal organization.

Perhaps the most devastating blow came in the carefully reasoned analysis sustained by Herbert Simon in his study *Administrative Behavior*. Simon explicitly rejected the principles of public administration as little more than proverbs (Simon, 1946; 1965a: 20–44). Simon concluded upon analysis that the traditional principles of public administration, like proverbs, could be arrayed into logically contradictory sets. One or another principle could always be invoked to justify contradictory positions.

The central thrust of Simon's challenge has never been effectively faulted. Considerable debate was engendered by his fact-value distinction. His call for an administrative science was widely supported. His organization theory was different but not unfamiliar.

Many of us who lived through the era following Simon's challenge found ourselves in basic agreement with a number of his contentions. At other points we sustained serious reservations. For example, many of us have been concerned with Simon's use of the fact-value distinction to dichotomize policy and administration (Simon, 1965a: 52–59). In addition, some have had a sense that Simon did not go far enough, that his theoretical thrust implied much more than he developed.

Leonard White, in the third edition of his *Introduction to the*

Study of Public Administration (1948), for example, reviewed Simon's contention that the rule implied by unity of command was logically incompatible with the rule implied by specialization in technical competencies. White, however, was able to demonstrate that "Simon eventually grants priority to the rule of unity of command but reformulates the proposition in these words: 'In case two authoritative commands conflict, there should be a single determinate person whom the subordinate is expected to obey; and the sanctions of authority should be applied against the subordinate only to enforce his obedience to that one person'" (38). Somehow, the thrust of Simon's theoretical criticisms should have generated a far less conventional conclusion. Perhaps this observation applies to all of us: that the extent of our theoretical doubts should lead to far less conventional inquiries than we are willing to pursue.

By a curious coincidence, the translated works of Max Weber were published in America at the same time that Herbert Simon's *Administrative Behavior* first made its appearance (Gerth and Mills, 1946). Weber's *Economy and Society* (1978) was a powerful effort to fashion a general sociological theory based on what he presumed to be a value-free approach to the study of social phenomena. In formulating his general sociology, Weber established certain ideal types to define social structures that functioned as elements in the organization of societies. Weber conceived a hierarchically ordered system of public administration, which he identified as "bureaucracy," to be one of the necessary organizational requisites for a modern society. Bureaucracy provided a rational basis for social organization. Weber's theory of bureaucracy became an important influence on work both in the sociology of large-scale organizations and in public administration during the post-World War II era.

Weber's commitment to a value-free social science was congruent with Simon's fact-value position. His concept of bureaucracy was offered as an ideal type to be used as a measure analogous to a well-calibrated yardstick. Weber's conception of bureaucracy would, thus, serve as a model which scholars could use in arraying imperfect cases of human organization. Weber's

theory of bureaucracy was fully congruent with the traditional theory of public administration in both form and method.

In this circumstance, the postwar challenge to the traditional approach to public administration was accompanied by a new intellectual thrust that tended to reinforce traditional commitments of American scholarship in public administration. Woodrow Wilson and his contemporaries, such as Frank J. Goodnow, drew their inspiration for the study of public administration from French and German scholarship concerned with highly centralized bureaucratic structures. Weber, whose lifework was largely contemporary with Wilson's, provided a powerful restatement of that theory of administrative organization. The very theory that was being challenged by Simon was at the same time being reinforced and sustained by Weber, one of the twentieth century's most powerful social theorists. A theory challenged in one context reappeared in the cloak of different words and phrases to realize a new era of splendor.

The ambiguities of the shifting theoretical scene were accompanied by shifting styles of work in scholarly research. Early research in public administration had been management-oriented. Typically, such research included reference to organization, planning, budgeting, personnel, and selected aspects of program operation. The empirical thrust was diagnostic in character. Conclusions were usually accompanied by policy recommendations congruent with the prevailing theory of public administration.

The wartime experiences of many of the students of public administration led to a new style of research reflected in case studies designed to provide a narrative about the "realities" of administrative decision making (Stein, 1952). Case studies dramatized issues and pointed to the pervasiveness of conflict within the administrative setting. They were used extensively as teaching materials to give students a sense of reality about administration. In the absence of a reformulation of administrative theory, these accounts of reality become increasingly incongruent with theory.

Still another research tradition was stimulated by students of

administration who came to adopt the behavioral approach and its commitment to building theory by generating and testing hypotheses. Theory, the behavioralists hoped, might gradually evolve from the accumulation of tested hypotheses. The work of the behavioral scientists made important contributions to the challenge to traditional theory. Emphasis on goal displacement and bureaucratic dysfunctions appeared in much of the behavioral research and reinforced the prevailing doubts about bureaucratic rationality (Merton et al., 1952; Blau, 1956; March and Simon, 1958; Crozier, 1964). The strategy of the bureaucratic personality who followed the rule of thumb "when in doubt, don't," stood in sharp contrast to the presumptions of efficiency, speed, and dispatch which Weber had attributed to bureaucratic organization (Merton et al., 1952: 378). The new research strategies that developed in light of the wartime and postwar challenge to the theory of public administration merely served to deepen and reinforce the challenge.

By late 1967, Dwight Waldo was able to characterize the crisis of confidence in public administration as a crisis of identity: "*Both the nature and boundaries of the subject matter and the methods of studying and teaching this subject matter became problematical. Now, two decades after the critical attacks, the crisis of identity has not been resolved satisfactorily. Most of the important theoretical problems of public administration relate to this continuing crisis, to ways in which it can be resolved and to the implications and results of possible resolutions*" (Waldo, 1968: 5; Waldo's emphasis).

Waldo is pessimistic about the resolution of this identity crisis—this failure to know what we are (subject matter) or how we should proceed (methods). Indeed, he concludes that there is no solution to the problem at the level at which it was originally posed. The crisis, he contends, cannot be resolved by choice between the alternatives presented in the traditional theory and in Simon's challenge. Both have proved wanting; neither is viable. The search for a solution must occur outside the frame of reference provided by either the traditional theory of public administration or Simon's theory of organization.

Waldo's proposal for a short-term solution pending a longer-

term resolution of the identity crisis is as follows: "What I propose is that we try to act as a profession without actually being one and perhaps even without the hope or intention of becoming one in any strict sense" (Waldo, 1968: 10; Waldo's emphasis). Waldo then goes on to observe, "Frankly, it took some courage to say that, as it is patently open to ridicule." Waldo's advice is indeed open to ridicule. It is the advice of a friend who at a time of overwhelming tragedy counsels that one should concentrate on keeping a stiff upper lip.

If the methods of studying, teaching, and practicing the subject matter of public administration have become problematical, then that profession **cannot** have much confidence in what it professes. The practice of a profession rests upon the validity of the knowledge it professes.² When the confidence of a profession in the essential validity of its knowledge has been shattered, that profession should be extraordinarily modest about the professional advice it renders while keeping up its appearances.

Waldo's proposal has a fatal flaw if practitioners in the profession of public administration render professional advice when they do not know the grounds upon which their advice is predicated. In an era of political turmoil, when everyone is being challenged to demonstrate the relevance of his or her knowledge to the solution of pressing social problems, it is difficult, if not impossible, I fear, to profess modesty and doubt.

The nature of the flaw is emphasized by an announcement that the American Society for Public Administration (ASPA) had established a Task Force on Society Goals. The announcement was somewhat ambiguous as to whether the term "society" in "Society Goals" referred to ASPA, the United States of America, or even more broadly to human society in general. Let me read a few sentences from the announcement to indicate the problem: "Today's crisis exceeds all historical crises in public administration. . . . Public executives, taken as a group, have not yet awakened to the fact that they are in charge. They are responsible for the operation of our society; they cannot wait around for someone to tell them what to do. If they don't know, we're lost."³ From such a statement one might observe that exuberance for action need not be limited because people know not what they

do. Times are critical. We rush to meet crises with calls for urgency and fears of impending disaster.

In these circumstances the first order of priority in the study of public administration is to come to grips with the crisis of confidence—the identity crisis—that has clouded work in the field for the last generation. I am persuaded that we can begin to take important steps toward clarifying conceptual problems that are the source of this crisis of identity.

The Crisis as a Paradigm Problem

A first step in proceeding toward an understanding of our problem is to diagnose our crisis of identity as a recurrent problem in the history of scientific inquiry. Thomas S. Kuhn in his study *The Structure of Scientific Revolutions* (1964) provides us with a useful perspective. Kuhn, as a historian of science, distinguishes between the practice of normal science and of the extraordinary science associated with scientific revolutions.

The essential characteristic of normal science is general agreement upon a basic theoretical paradigm or framework in which a community of scholars shares common theoretical assumptions and a common language defining essential terms and relationships. The "agreement" upon an underlying paradigm is usually implicit. Each scholar takes it for granted in the organization and conduct of his or her work. Methods of work, conceptions of what is problematical, and criteria for what is to be included or excluded from the field of inquiry follow from a theoretical paradigm. The basic concepts and assumptions in a theory establish the defining sets and determine what is to be included and what is to be excluded from a scholar's frame of analysis. They tell the scholar what to "take hold of" in the conduct of an inquiry.

The basic concepts establish the essential elements of analysis; and relational postulates and axioms specify the essential computational rules. These computational rules enable members of an intellectual community to pursue a structure of inferential reasoning in which the work of one can be added to the work

of others. Frontiers of knowledge can be extended with reference to the understanding shared by all members of the community.

When general agreement on a paradigm prevails, scholars work within the confines of that framework pursuing inquiry into a range of problems inferred or suggested by the paradigm. As long as work proceeds with a reasonably good fit between expectations and occurrences, scholarship is advanced in a step-by-step fashion. Normal science proceeds in a cumulative way in which bits and pieces are added to the frontier of knowledge by those who work within a prevailing community of scholarship.

Kuhn contends, however, that probing into new problems, inherent in the method of normal science, can evoke anomalous consequences which deviate radically from expectations. Such anomalies cannot be satisfactorily explained within the traditional framework. As those anomalies persist, the theoretical paradigm will itself come into question. When that happens, a crisis occurs for the community of scholars. The common understanding that provided the bond of community is beclouded with doubt. Scientific work shifts from the application of the prevailing paradigm to new problems and turns back to questioning the sufficiency of the theoretical framework itself.

During a period of paradigmatic crisis, a proliferation of competing articulations of the prevailing paradigm will occur. As the common bond of understanding is relaxed by contentions over the prevailing paradigm, members of a scholarly community will be more random in their choice of research strategies. Methodological experimentation will also be accompanied by debates over basic philosophical and epistemological issues. The doubts, methodological experiments, and philosophical debates lead to explicit expressions of discontent and unhappiness. When these characteristics prevail, a community of scholars is experiencing an intellectual crisis. The theoretical framework that provided the common bond of understanding has itself become problematical.

The process of normal science ends in crisis. The stage for scientific revolutions occurs within this background of crisis. When the proliferation of alternative versions of the traditional

theory has failed to resolve the prevailing crisis, a radically different formulation is needed. But the more radical the reformulation, the less will be the common basis for making a choice between a traditional paradigm, its numerous variations, and a new, more revolutionary paradigm.

A new paradigm implies that a different form of basic ABC's is required for thinking about a subject matter. New concepts, different terms, and different postulates will give rise to a different pattern in inferential reasoning among the community of scholars and professional practitioners associated with that field of study. Scholarship that qualified and modified the old ABC's will be insufficient because the basic structure of thought was unsatisfactory. A new ABC's needs to be considered as a possible substitute for the old.

Sophisticated scholars in the old tradition will view efforts to reconstruct the logic inherent in the old ABC's as resurrecting a "dead horse." Those old ideas have been critically scrutinized over and over again. But it is the old ABC's that need replacing. A new qualification or a new extension in their use will not resolve the intellectual crisis.

The setting for fundamental change occurs when none of the alternative versions of the traditional theory has succeeded in resolving the issues created by the anomalies generated in the course of prior work. The process of scientific revolution can begin only after an alternative paradigm has been articulated to a point at which it is perceived to be an alternative. The alternative may not be appropriately stated in its early forms. Thus the process of scientific revolution may be prolonged. The Copernican revolution in astronomy, for example, covered a period of more than a century.

The articulation of an alternative paradigm is, however, a necessary condition before a scientific revolution can occur. Scientific revolutions require a choice among alternative paradigms. If Kuhn's theory of scientific revolutions is valid, we can anticipate a resolution of the intellectual crisis in public administration only if an alternative paradigm is available. If a new paradigm is to succeed, it must offer a formulation that is able to resolve some of the persisting anomalies and to provide an

explanation that takes account of more extended intellectual horizons. A new paradigm, thus, might also be expected to open new frontiers of research. The new formulation may allow for the conception of relationships such that problems previously excluded from inquiry are now perceived to have an ordered relevance to the previously defined field of inquiry. In addition, a new paradigm may permit a greater precision in explanation and in measurement. These considerations involve potential gains that might be realized from the development of a new paradigm.

These potential gains need, however, to be viewed in light of potential losses. A change in paradigm is likely to require the abandonment of previously held beliefs, specialized language, and methodological tools and skills acquired in the practice associated with those beliefs. Retooling is a costly process. As long as prevailing tools appear to work in solving problems, we would expect scholars to take advantage of those opportunities which remain available to them. We would not expect scholars to abandon lightly their prior investment in skills and tools without anticipating a payoff that would justify the added expenditure of time and effort to acquire a new way for approaching one's field of study and developing new methods of work.

The more fundamental the revolution, the fewer the commensurabilities that will exist between the old and the new. The degree of incommensurability which we might expect to find can be estimated by reference to the constitutive effect of a paradigm. If there is a shift in basic organizing concepts, we would want to know whether the new will take account of the old and simultaneously at least some of the prior anomalies. If there is a change in the basic unit of analysis, scholars may be required to "take hold of" their subject in quite a different way. The basic assumptions may imply different boundary conditions for estimating the essential relevance or irrelevance of the larger universe of events. The relational postulates and axioms may imply a different structure of reasoning about the subject. Finally, the horizon viewed from a new perspective may include many unfamiliar features as well as some familiar landmarks, which now appear in a new context. It is even faintly possible that the beau-

ties of a yesteryear may be revealed as ugly illusions; and some of those obscure figures in the background may shine with a new brilliance.

The Paradigm Problem in Public Administration

In the course of these lectures, I shall advance the thesis that the sense of crisis that has pervaded the field of public administration over the last generation has been evoked by the insufficiency of the paradigm inherent in the traditional theory of public administration. Simon's challenge will be viewed as a challenge to the traditional theory of public administration based on a number of anomalies inherent in that tradition. The study of public administration during the postwar period has all the characteristics that Kuhn associates with a paradigmatic crisis.

Kuhn's own work was concerned with the physical sciences of astronomy, physics, and chemistry. Yet the study of public administration during this period of crisis has been characterized by the proliferation of numerous versions of the prevailing theory, by the willingness of scholars to engage in methodological experimentation, by the expression of explicit discontent, by recourse to philosophical speculation, and by debate over fundamental epistemological issues. These are Kuhn's symptoms of crisis.

I agree with Waldo's conclusion that the resolution of the crisis cannot be attained by a choice between the traditional theory of administration and Simon's theory of organization. Simon's theory was essentially cast within the same mold as the traditional theory of administration. It was an alternative articulation of the old theoretical paradigm. Neither is a viable alternative.

Simon's effort to reconstruct organization theory made a number of critical breaks with tradition. His reconstruction gave a new emphasis to the psychology of decision making and to considerations bearing upon a model of organization man. His formulation of the criterion of efficiency proposed the application of a cost calculus that would allow for an independent test of efficiency other than presuming the efficiency of bureaucratic

structures. Before his publication of *Administrative Behavior*, Simon did pioneering work on measuring the output of public service agencies (Ridley and Simon, 1938; Simon et al., 1941). He conceived a solution to the problem of identifying and measuring the output of public agencies as necessary to a rational theory of public administration (Simon, 1965a: 189). His subsequent work, however, has been preoccupied with a different range of problems (Simon, 1965b; 1969).

The principal efforts to conceptualize and define social production functions have instead been pursued by political economists in work on externalities, common properties, and the theory of public goods. Based on a theory of public goods, these political economists are developing a theory of collective action, which assumes that the principles of organization required for the efficient conduct of public enterprises will be different from the principles of organization for private enterprises. Competition among private enterprises in a market structure will tend to regulate activities among firms without regard for the structural characteristics of any particular firm. In the absence of a product market in which a consumer is not free to choose among alternatives, public enterprises must provide complex political decision-making arrangements for translating individual preferences into collective choices regarding the provision of public goods and services. The constitution of public enterprises will thus create significant differences in the way consumers' preferences are translated into the provision of public goods and services.⁴ These differences emphasize what would be traditionally identified as the political aspects of public administration.

The theory of public goods is the central organizing concept used by these political economists in conceptualizing the problem of collective action and of public administration. By contrast, the theory of bureaucracy is the central concept in the traditional theory of public administration. When the central problem in public administration is viewed as the provision of public goods and services, alternative forms of organization may be available for the performance of those functions apart from an extension and perfection of bureaucratic structures. Bureaucratic structures

are necessary but not sufficient for a productive and responsive public service economy. Particular public goods and services may be jointly provided by the coordinated actions of a multiplicity of enterprises transcending the limits of particular governmental jurisdictions. Some of these multiorganizational arrangements may take on characteristics analogous to industries composed of many different governmental agencies. Can we best understand the structure, conduct, and performance of the American system of higher education, for example, by reference to a bureaucratic chain of command accountable to a central chief executive or by reference to a relatively open but constrained rivalry among a diversity of collective enterprises?

In these lectures I shall be primarily concerned with revealing the underlying logic inherent in each theoretical paradigm. Logic is an important tool which enables us to draw plausible inferences from an expected choice of strategy in postulated conditions. When postulated conditions approximate the conditions of the empirical world, we can test inferences derived from theory by whether those inferences enable us to anticipate or predict the consequences that flow from action in specified conditions.

A danger always exists that theories may proliferate to such an extent that reasoning through logical inferences is abandoned and replaced by a process of naming different theories and writing narratives about theory. The study of theory then can become little more than interesting stories about the lives, loves, and miscellaneous thoughts of political philosophers or the quaintness of different sets of ideas. We spend a great deal of time talking about theory and surprisingly little effort in the use of political theory. Scholars should know how to use theory and to do theory, not just talk about theory.

The next two lectures will be devoted to a clarification of each of the alternative approaches. In the second lecture of this series, I shall examine the traditional theory of public administration, using Woodrow Wilson's work to state the basic argument. I shall then review Max Weber's theory of bureaucracy as an independent formulation similar to the classical theory, turning in particular to Luther Gulick's "Notes on the Theory of Organi-

zation" (Gulick and Urwick, 1937). Surprisingly, Gulick's analysis destroys the integrity of the traditional theory, although he patched over the wreckage with an incantation of appropriate words and phrases as though he were reaffirming the faith. The task of explicitly challenging the faith was reserved for Simon. The alternative paradigm inherent in the work of the contemporary political economists will be examined in the third lecture.

These two approaches can provide alternative constructs for viewing the experiential world of public administration. An intellectual construct is like a pair of spectacles. We see and order events in the world by looking through our spectacles and by using intellectual constructs to form pictures in our mind's "eye"—an intellectual vision. We are apt to neglect a critical examination of the spectacles or the constructs themselves. As Stephen Toulmin has observed, "We shall understand the merits of our ideas, instead of taking them for granted, only if we are prepared to look at these alternatives on their own terms" (Toulmin, 1961: 102).

In the fourth lecture, on democratic administration, I shall use the spectacles of the political economists to reflect upon the paradigmatic choice made by Wilson when he rejected the "literary theories" and "paper pictures" used by Alexander Hamilton and James Madison in *The Federalist*. The theoretical paradigm of the contemporary political economists enables us to find a theory of administration in Hamilton's essays on taxation and defense which is more general than his theory of the national executive contained in *Federalist* 70 and 72. Alexis de Tocqueville drew upon a comparable political theory when he compared the patterns of democratic administration in America with the patterns of bureaucratic administration in France. Tocqueville's theory and empirical findings are congruent with the work of the contemporary political economists.

Finally, in what in earlier editions was the concluding lecture, I focus on the implications that these two different theoretical approaches have for the study and practice of public administration. If different ways for conceptualizing administrative arrangements are available, then different concepts may serve as a basis for the design of different organizational arrangements.

New designs may, in turn, provide new remedies for some of our contemporary problems in public affairs. Perhaps we can begin to contemplate how these new remedies might affect the future. If we believe that the new remedies will be an improvement over the old, we may be confronted with a task of reformulating the study and practice of public administration. Perhaps there are alternatives to some of our contemporary crises.

In Chapter 6, I explore the continuing constitutional crisis in American government, which derives from the acceptance of the Wilsonian thesis that the more power is unified, the more responsible it becomes. In doing so, I focus on the Watergate affair as a crisis in constitutional government, which flows from the strengthening of the presidency as a consequence of reform efforts advanced by the President's Committee on Administrative Management (and other similar efforts), and the subsequent Administrative Reorganization Acts. The Watergate affair has been replaced by the Iran-Contra affair. Constitutional crises continue. The problem is not confined to executive instrumentalities. The conduct of legislative and judicial processes is also in disarray.

Finally, in Chapter 7, I return to the intellectual challenge that presents us with one intellectual crisis heaped upon others. To sort these out it is necessary to extend the frontiers of inquiry, recognize different levels of analysis, and move to deeper issues pertaining to the nature and constitution of order in human societies and view American experience in that context. I press onward to challenge ways of thinking about the constitutive nature of order in human societies. When administrators act, they constitute as well as manage. But what is being constituted—Leviathans or self-governing communities of relationships in compound republics (V. Ostrom, 1987)?