

*Council of International Fellowship Conference*  
*« Market economy and new public management in the social field*  
*– impact and alternatives »*

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*New Public Management*  
*Philosophical and Anthropological Foundations*

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## **PEKEA**

### **A Political and Ethical Knowledge in Economic Activities.**

There is a single relevant way to deal with economic activities – in fact with any human activities-. **It is to adopt a political and ethical point of view,** that is, a human and moral point of view and **not a technical perspective which is a machine's point of view.**

After a dozen of conferences we were convinced that we should contribute to the building of a more human world: we named it

**a “convivial world”**

**a world made of a variety of “convivial societies”.**

If you want total **liberty** for all, you need to adopt **liberalism**.

If we want **conviviality** for all, we need to define and to adopt **convivialism**.

**Convivialism** is based on 4 basic and **interdependent principles**, their interdependence compels self-limitation.

- 1) **common natural humanity** - *Ecological mind and no discrimination.*
- 2) **common sociality** - our relations between us are our prime value aiming at *solidarity* and cooperation as well
- 3) *Freedom* to allow *autonomous* **individuation** to all.
- 4) The necessity **to oppose** and to give to one another **without sacrificing** ourselves to one another. This is *democracy and equality*

More information or/and join the convivialists, go to: <http://www.lesconvivialistes.org>  
or./and ask <marc.humbert@univ-rennes1.fr>

## ***New Public Management - Philosophical and Anthropological Foundations***

- 1) Philosophical Foundations of something that may be termed “Public”
- 2) Practical Foundations of something that was termed “bureaucracy”,  
an Old Public Management
- 3) Practical Foundations for a New Public Management
- 4) The crucial Anthropological Challenge in a market-driven society

## 1) Philosophical Foundations of something that may be termed “Public”

**Enlightenment:** during the late 17<sup>th</sup> and 18<sup>th</sup> centuries in Europe, Thinkers tried to find a rationale to everything.

E.G. Why a few Governors and a mass of Governed people? Why a State?

This was the emergence of **Modern Political Philosophy**.

## Thomas Hobbes (1651, *Leviathan*)

He used the concept of **civil society** equivalent to **political community**.

He claimed that in the past, peoples were in a “**state of nature**” with a “war of all against all”. – following Plaute’s assertion “Homo homini lupus” (man is a wolf to man).

To escape that dangerous anarchy, people agreed to accept total submission to governors, to become the governed, within a civil society.

Doing so, **they lost their freedom, but they gained security**.

## John Locke (1689, *Second Treatise of Government*)

He considered the submission of the governed as conditional and reversible.

Government must be impartial in administering and enforcing law.

Government must guarantee individual rights: self-defence, self-preservation, **estate** (property)

If these rights based **on liberty of the individuals** are not protected, a majority of the people is allowed to change the Government.

**Jean-Jacques Rousseau (1762, *Du Contrat Social ou Principes du Droit Politique*)**

Jean-Jacques Rousseau added equality to liberty.

He poses and solves a paradox: in the proposed system of a social pact “each individual gives himself entirely” [alienate his liberty] to the Government, but this form of Government is democracy, that is a Government by the people, by the citizens.

Thus, “as it is the same for the others [– they all give themselves entirely–] no-one has any interest in making things tougher for everyone but himself”.

Therefore, each associate, as a citizen, by his vote within a democracy, will equally contribute to express what is “the “**general will**” or **general interest** that should prevail over their own individual one”.



**Adam Smith (1776, *An inquiry into the Nature and Causes of the Wealth of Nations*)**

“It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love.

generally, indeed, [he] neither intends to promote **the public interest**, nor knows how much he is promoting [...]he intends only his own gain, and he is in this, as in many other cases, led by **an invisible hand** to promote an end which was no part of his intention.

By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it.”

## The “historical” political ideology at the core of the NPM

Free individuals acting, competing in self-regulating markets, this is **the ideology of economic liberalism**

The public interest, the public good is to be reached thanks to the efficacy of the invisible hand of the market.

From that time on, the Public is supposed to expect not only security, but also prosperity, wealth.

**Smith did not want to suppress the Government, but to limit its scope** to national defence, administration of justice (law and order), delivery of some public goods like infrastructure and education (later Money and health).

## The “democratic” 19<sup>th</sup> century : Equality at bay

Nations organised themselves upon the principles of liberty and equality of individuals, setting up a **political regime termed democracy**.

Civil and political rights, for a civil society of equality and **property rights for all, but monopolised by capitalists**.

Capitalism brought prosperity to the Nation but **prosperity rapidly collided with the question of equality**

Failure of the Market: the invisible hand does not to deliver prosperity to all.

## **2) Practical Foundations of something that was termed “bureaucracy”, an Old Public Management**

**Adolph Wagner (1872, *Lehrbuch der politischen Ökonomie*)**

“as the economy develops over time, the activities and functions of the government increase” and government spends more and more.

Among progressive peoples (societies), central and local governments are concerned to an increasing extent by the satisfaction of the economic needs of the people

Chart 1: Government spending/ National GDP- 1880-2011- 5 countries.

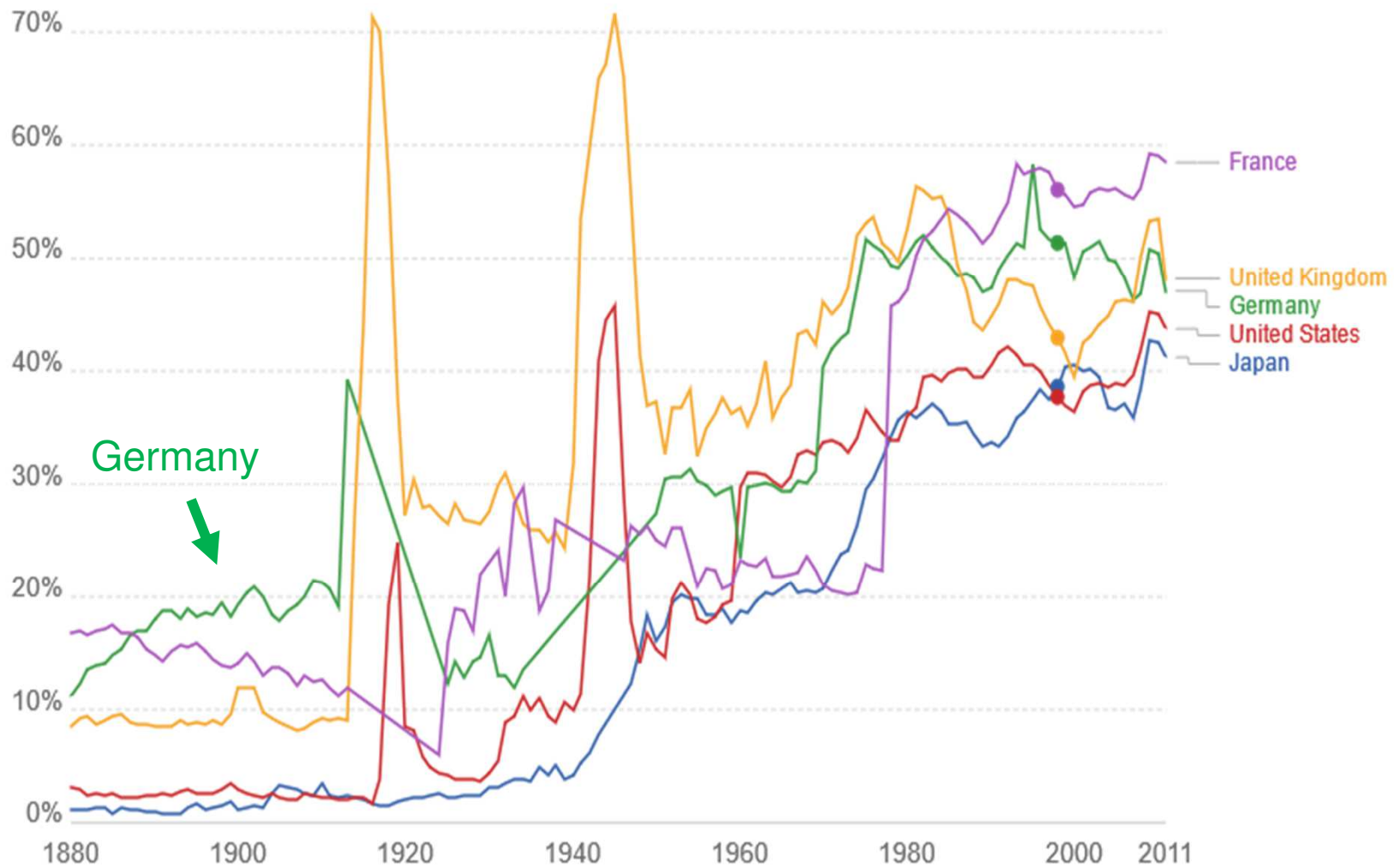
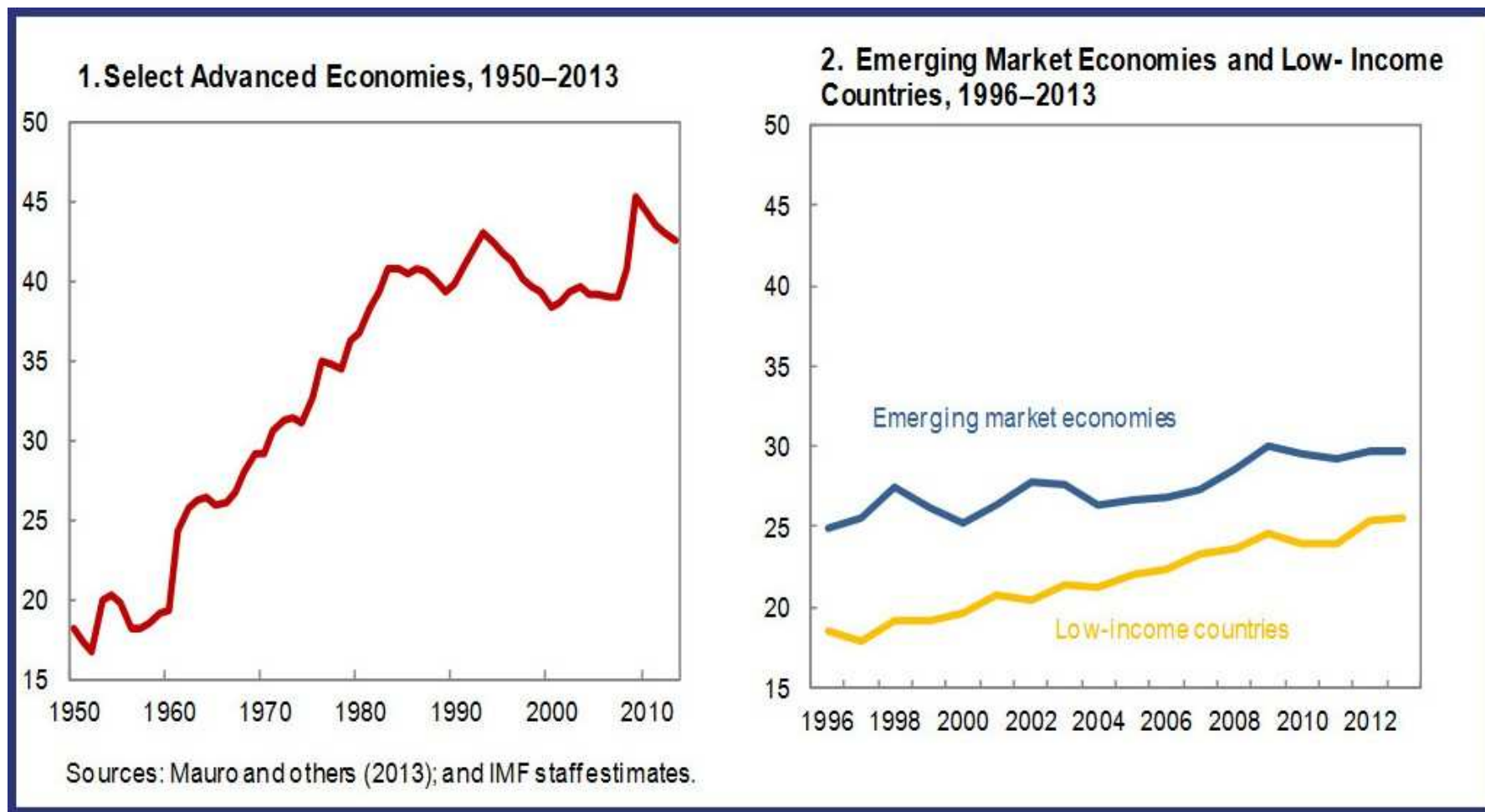


Chart 2: Government spending/National DGP – selected countries recent years



**When more than 40% of the wealth of a Nation is filtered by its Government**

it is quite amazing to listen to everyone saying;  
**“this Nation is a market economy”.**

**Such a half-truth is a whole lie, a manipulated assertion.**

Anyway, the growing amount of Government spending at least since the beginning of the 20<sup>th</sup> century has implied more and more **Administration**

**Max Weber (1922, *Wirtschaft und Gesellschaft. Grundriß der verstehenden Soziologie* – where we may read his essay: *bürokratie* )**

His thesis is the following:

It is beyond the capacity of the **Politicians** to manage the state structure.

They need the support of **Bureaucrats**

**Bureaucracy is the most rational, efficient, powerful and hierarchical apparatus of state administration.**

Everyone is treated equal and the division of labour is clearly described with formally written rules and procedures which are neutral and impersonal, and operated by each **employee**.



**Acceleration of the complexification of any activities within the society driven by the motto of progress and efficacy**

For the “Business”? Beyond the Political economy set up by Smith:

**(i) Frederik Winslow Taylor (1909, The Principles of Scientific Management)**

Executives and Operators – change on the shopfloor.

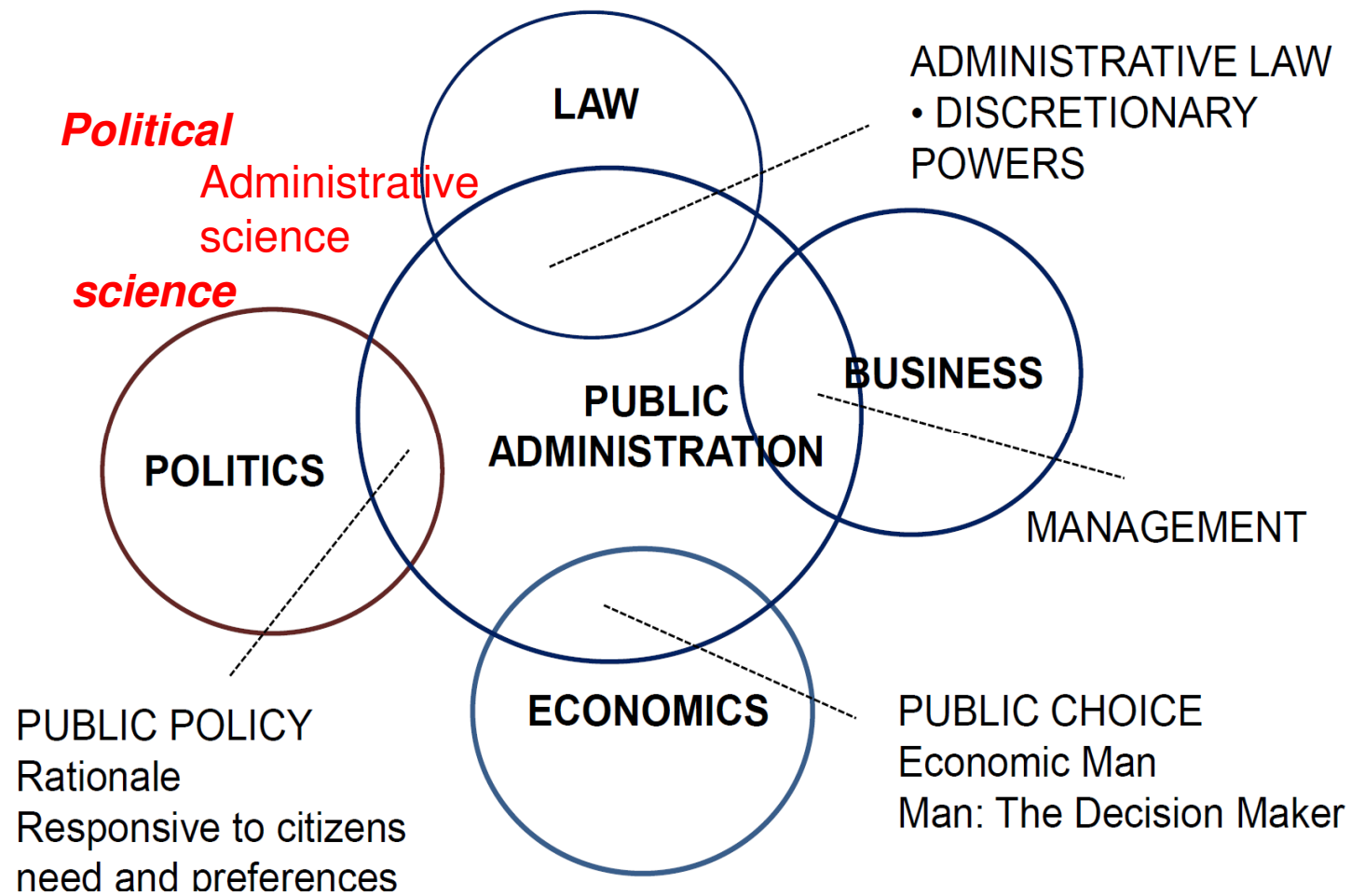
**(ii) Creation of the Harvard Business Review in 1922: experts and professors**

**Peter Drucker (1946, *Concept of the Corporation*)**

**(iii) Administration as a science?**

**Herbert Simon (1946, The Proverbs of Administration)**

Chart 3: Competing Social sciences around Public Administration



## Lionel Robbins (1932, Essays in the Nature and Significance of Economic Science)

*Economics is:*

***“the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses”.***

With such a definition the running of any organisation, small or large, private or not, a family, an enterprise, an administration or a Nation, whatever it is, falls in the field of economic science.

Scarce means are things, how to use things in the best way, efficiently, to get the better outcome, the better efficacy, is just a technical question, a question of management. Neither political nor ethical consideration.

This paved the way to **technocracy** or **ecocracy**.  
And to be sure to the **New Public Management**.

### **3) Practical Foundations for a New Public Management**

Why this universal shift towards a New Public Management?

- 1) A political crisis**
- 2) A social crisis**
- 3) A Government budget crisis**
- 4) An Institutional crisis**

## A paradoxical Alliance

Prime Minister Margaret **Thatcher (1979)**, a **conservative** in the UK,  
**privatisation and deregulation**

President Bill **Clinton (1992)**, a **democrat** in the USA,  
reinventing government, a government that **works better and costs less.**

## **Christopher Hood (1991, *A New Public Management for all seasons*)**

Christopher Hood termed NPM the “quite similar administrative” evolving practices in Australia, Canada, New Zealand, the United Kingdom, the United States.

*And according to him*

NPM referred to “a simulacrum of the allocation of resources by competitive markets that suited neoconservative times”

**As a matter of fact, France, which is said to be lagging in this matter far behind New Zealand, has continuously tried to “reform” its administration, for more efficiency and more efficacy. A sort of French variety of NPM.**

Table 1: Successive reforms in French Administration

1917 Léon Blum (socialist) wrote letters about his concern for a reform of the government

1959 “SCOM” Methods and Organisation Central Service (suppressed in 1985)

1968 RCB “Rationalization of Budget Choices” (suppressed 1984)- it was an adaptation of the US “PPBS” Planning Programming Budgeting System

1989 “Renewal of the Public Service” under Prime Minister Michel Rocard (Mitterrand as President) – Socialist

2001, LOLF (loi organique relative aux lois de finances = basic law to rule a more flexible the use of budget in public administrations) in operation in 2006, a complete reform of the previous basic law (1959)\*-(Jospin Prime minister – Socialist, to deflate the mammoth)

2003 First programmes to reduce the number of people working in the public services (Chirac as President)

2007 “RGPP” “General Review of Public Policies” President Sarkozy (Right) 2012 “MAP” Modernisation of the Public Action - President Hollande – Socialist

2017 “Public Action 2022” President Macron (neither Right nor Left).

\* LOLF identifies 34 large missions for the State which are divided into 133 programmes. There are about 80 programmes managers, 630 objectives and 1 300 measurable indicators in order to assess the outcomes.

## **Old Public Management was in crisis.**

In advanced industrialised countries, the Old Public Management was unable to deliver welfare to the people but States felt they could not spend more money according to the existing capacity to generate more wealth in the country.

Among less advanced countries, the international organisations pointed out that their existing administrative system, very often, lacked of neutrality and was corrupt.

And the New Public Management came as a saviour for the elites in power



The new gurus of Public Management:

**Osborne and Gaebler (1992, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector. From Schoolhouse to Statehouse*).**

1. Government must "steer" the delivery of public services, and must avoid to go beyond.
2. Government ought to be "community-owned", empowering citizens and communities so that they decide the services they want, and they exercise self-governance.
3. Competition into service delivery is crucial for the better service.
4. Government must be mission-driven instead of being a rule-driven organization.
5. Public agencies judged and funded on results not on inputs.
6. Citizens and consumers are customers of public goods, agencies must meet their needs and not those of the bureaucracy.
7. Public agencies as enterprises, allocate resources to deliver a public value and are not spending centres.
8. Public agencies must prevent rather than cure public problems
9. Decentralization to move from hierarchy to participation and teamwork
10. Market based strategies to deliver public goods through a variety of mechanisms

**Christopher Pollitt and Sorin Dan (2011, *The impacts of the New Public Management in Europe: a meta-analysis*)**

Christopher Pollitt and Sorin Dan directed a comprehensive report prepared for the EU commission under the seventh framework programme with a team of European public administration scholars from 11 universities in 10 countries. They have scanned more than 500 relevant studies in Europe dealing with NPM cases.

The last sentence of the conclusion of their report reads:

**“why such a huge amount of reform -organizational change and upheaval in almost every European state – has taken place *if* the evidence for its positive effects on citizens is so slender?”**

*qed.*

#### 4) The crucial Anthropological Challenge in a market-driven society

Finally, NPM was one of the last blows to transform our societies into economies. And to confirm the blunt assertion by Mrs Thatcher: **“there is no such thing as Society”**.

There are Only individuals, competing in markets, to make money.

**Should we reject markets to restore societies?**

**Karl Polanyi (1944, *The Great Transformation- The Political and Economic Origins of our Time*).**

“Though the institution of the market was fairly common since the later Stone Age, its role was no more than incidental to economic life”

But a Great Transformation occurred in the 19<sup>th</sup> century and from that time on:

**“Instead of economy being embedded in social relations, social relations are embedded in the economic system”.**

**Karl Polanyi (1944, *The Great Transformation- The Political and Economic Origins of our Time*).**

“a self-adjusting market implied a stark Utopia.

Such an institution could not exist for any length of time without annihilating the human and natural substance of society;

it would have physically destroyed man and transformed his surroundings into a wilderness.”

***That looks like an anthropological suicide.***

**Louis Dumont (1977, *From Mandeville to Marx-The Genesis and Triumph of Economic Ideology*).**

1) Dumont underlines the move pushed by Locke:

“we preferred to be individuals, owners of a property and we turned our back on the social totality with the subordination that it implied, and on our neighbour, at least to the extent that he should be superior or inferior to us”

**Louis Dumont (1977, *From Mandeville to Marx-The Genesis and Triumph of Economic Ideology*).**

2) There was a package deal: packed with civil rights and free property, there were free competition in markets and a dis-embbeded economy

“As a matter of fact, the birth of economics implies a shift in primacy [...] from relations between men to relations between men and nature or rather between *Man* (singular) *and things*”

“The market is a moment of this process of dissolution of the ancient categories of subordination and dependence that Tocqueville revealed, ending up in 'the independent, autonomous, and thus (essentially) non social moral being ... found primarily in our modern ideology of man and society”

**Usually named *Homo economicus*, the economic Man.**

**Louis Dumont (1986, *Essays on Individualism: Modern Ideology in Anthropological Perspective*).**

3) Dumont tries to bring some light on the new kind of relationships between individuals: what is the nature of these relations of exchanges ?

In general, in markets commodities, “things” are exchanged against money. As Polanyi pointed that for the sake of economy “**human labor had to be made a commodity**” in order to be tradeable in a market as any object, against its price in money.

But, referring to **Mauss’s Essay on Gift**, Louis Dumont thinks that in any market “**men do not exchange things as we would think but, inextricably and fluctuatingly mixed up with those “things” something of themselves**”



**Louis Dumont (1986, *Essays on Individualism: Modern Ideology in Anthropological Perspective*).**

4) Dumont illuminates what relations between people in markets, especially when delivering services, have become.

“economists speak of “goods and services” as an overarching category comprising, on the one hand commodities, and, on the other, something quite different from commodities but assembled to them, namely services. This is incidentally an example of relations between men (services) being subordinated to relations to things (goods)”

Thus, to him, **the surge of the market is a general “devaluation of relation between men**, relations which generally commanded the relation to things “ [...] thus from this “emphasis on relations to men and things as against relation between men” [...] leads to a **“world without man, a world from which man has deliberately removed himself”**.

The end ?

**No, I do think that there are some Grains of hope**

## Grains of Hope

1) Millions, perhaps **billion of people do resist to Ecocracy**, to the dictatorship of the market, dictatorship of economics, individually, in their family, in associations, at work, here ....

2) Unless the forces of evil replace human beings by machines we will keep to our anthropologic nature, as political, social animals (Aristotle).

*Our life is to relate to one another no to trade things.*

## Watsuji Tetsurô (1935 *Fudô. Ningengakuteki kôsatsu* 風土人間学の考察)

Let's take a Japanese confirmation thanks to WATSUJI Tetsurô, a Japanese philosopher who pointed the way Japanese are saying and writing human being.

In Japanese we say “human being” *ningen* 人間

it is written with two Chinese characters      人 red *hito* (man)  
and 間 red *aida* (between)

To Watsuji, this is the demonstration that we, as human being, we are not only an individual “*hito*” but we are essentially related to the others : “*aida*” is the relational part of any human being.

## A crucial issue

**“Why is “having more and moving faster” attractive for most modern subjects?”**

To want always more. This is *pleonexia* “a mad desire to get” (Aristotle) leading to *hubris* and outrageousness.

Is there any answer, any remedies to that ?  
To show that true happiness is elsewhere?

## Hartmut Rosa (2016, *Resonanz , Eine Soziologie der Weltbeziehung*)

Hartmut Rosa, a German Anthropologist and Sociologist proposes an answer to this crucial issue in order to found a kind of sociology of the good life, with **the concept of “resonance”**.

“we have good reasons to assume that the good life in its essence is not a matter of scope (in money, wealth, options or capabilities), but **a particular way of relating to the world** – to places and people, to ideas and bodies, to time and to nature, to self and others. **Increasing the scope is only a means** and a strategy to enable or facilitate the latter – it becomes detrimental if it is structurally turned into an end in itself and thus culturally leads to alienation from the world (and to the destruction of nature on top of it)”.

## **Hartmut Rosa (2016, *Resonanz , Eine Soziologie der Weltbeziehung*)**

How resonance may be set up into operation?

“The pervasive logic of competition in particular undermines the possibility to get into a mode of resonance: if we have to outpace someone, we cannot resonate with him or her at the same time. We cannot compete and resonate simultaneously”

“Finally, the pervasive [...technocratic] attempts to completely control processes and outcomes in order to ensure their efficiency and transparency, which define late-modern workplace conditions, are equally problematic for relationships of resonance, because they are incompatible with the latter's elusiveness and transformative potential”



## **From the individual level to the macro-level**

***There at least two re-orientations to take to redesign Public Management***

(i) Stop deregulation and restart regulation.

**James Galbraith (2018, The need for a new public administration)**

“*all* biological, mechanical and social systems must regulate their use of resources” self-regulating markets is no-sense when sensitive ends are at stake as it is in the case of Public Administration’s matters.

## **From the individual level to the macro-level**

***There at least two re-orientations to take to redesign Public Management***

(ii) Rethink the role of Politics to-day.

**Marcel Gauchet (2014?, Interview on the radio about the NPM)**

a) There is a definitive impossibility to insert Public Administration in a Framework of Private organisation aimed at making profit

b) Public Administration is Politically driven, it implies that it is citizen-oriented and efficacy must be related to that: what is Public efficacy?

Thus, to find any solution we need first to rethink the role of Politics to-day.

***That is not to focus on tools, on blind tools, but on ends, and to agree on these ends, in a democratic manner.***

## Any perspective ?

**Janine O' Flynn (2007, *From New Public Management to Public Value: Paradigmatic Change and Managerial Implications*)**

Up to a certain point Janine O'Flynn makes a tentative answer to Gauchet, in the line with the concept of resonance of Rosa, but it needs to be completed by re-regulation. The first part of one of her tables shows the direction she proposes to follow with the concept of Public Value :

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	New Public Management	Public Value Management
<i>Characterisation</i>	Post-Bureaucratic, Competitive Government	Post-Competitive
<i>Dominant focus</i>	Results	Relationships

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**How to go ahead ?**

**I would say that it is up to you to go further...**



Sunday 30 june 2019, 10.30 Rochebonne, St Malo-  
*A photography by Marc Humbert*