

The

Ottawa Consensus on Public Management

Why it is Flawed and How U of T can Help

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Canadian Politics Seminar Series

University of Toronto

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FOCUS OF TODAY'S TALK

...a perpetual challenge in public management

good efficiently

Getting things done in government

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FOCUS OF TODAY'S TALK

...a perpetual challenge in public management

Getting things done

Observation/Assertion

In Ottawa, relative to 1972-1994 (the good old days):

It is harder to get things done

It is less rewarding to try

FOCUS OF TODAY'S TALK

...a perpetual challenge in public management

Getting things done

“Our management team estimated at one point that we were spending more than 35% of our time coping with understanding and responding to frameworks and other change management initiatives. Adding to that the implementation of new rules and paperwork on ‘accountability,’ and we found we were spending less than 45% of our time on actually delivering the various programs for which we were responsible.”

Recently retired federal program manager, cited in *Distinguishing the Real from the Surreal in Management Reform* (2005)

“From a survey of selected departments, the panel estimates that federal personnel costs of administering \$26.9 billion of grant and contribution programming amounts to at least 5 per cent of the total or \$1.5 billion. We have no estimate of the costs to recipient organizations, but have heard during our consultations that their percentage is in many cases between 15 per cent and 30 per cent. Most grants or contributions are for amounts below \$100,000.

Report of the Independent Blue Ribbon Panel on Grant and Contribution Programs (2006)

“We need a better balance between risk taking and accountability. This requires reducing the current web of rules that saps initiative and stifles innovation. Effective organizations have robust and effective risk management systems. This means creating an environment that encourages the reasonable use of discretion by managers and employees within a framework of risk management and accountability for the results.”

Kevin Lynch, *Report to the Prime Minister on the Public Service* (2008)

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Getting things done

MESSAGE

*From the Duke of Wellington to the
British Foreign Office in London
(written from Central Spain in August 1812)*

Gentlemen:

Whilst marching from Portugal to a position which commands the approach to Madrid and the French forces, my officers have been diligently complying with your requests which have been sent by H.M. ship from London to Lisbon and thence by dispatch rider to our headquarters.

We have enumerated our saddles, bridles, tents and tent poles, and all manner of sundry items for which His Majesty's Government holds me accountable. I have dispatched reports on the character, wit and spleen of every officer. Each item and every farthing have been accounted for, with two regrettable exceptions for which I beg your indulgence.

Unfortunately the sum of one shilling and ninepence remains unaccounted for in one of the infantry battalion's petty cash and there has been a hideous confusion as to the number of jars of raspberry jam issued to one cavalry regiment during a sandstorm in western Spain. This reprehensible carelessness may be related to the pressure of circumstances since we are at war with France, a fact which may come as a bit of a surprise to you gentlemen in Whitehall.

This brings me to my present purpose, which is to request elucidation of my instructions from His Majesty's Government, so that I may better understand why I am dragging an army over these barren plains. I construe that perforce it must be one of two alternative duties, as given below. I shall pursue either one with the best of my ability but I cannot do both:

- 1) To train an army of uniformed British clerks in Spain for the benefit of the copyboys in London or, perchance*
- 2) To see to it that the forces of Napoleon are driven out of Spain.*

Your most obedient servant,

WELLINGTON

...thank goodness this is never an issue at U of T

HOW MUCH IS AT PLAY?

Some numbers on federal spending

Program expenses: \$229 billion (2009-10)

Operating and capital: \$55 billion (2007-08)

Personnel: \$36 billion (2007-08)

We will focus on public management theory

Obviously, there are other factors as well

Democratization of society and its institutions

Media dynamics

The “Court Government” phenomenon

Minority government

And yet, there is a real failure in the theory.

Some of the problem is produced by central agency direction where officials think they are acting on sound theory

Faulty theory could be a “billion dollar problem”

This is a plausible estimate of how much could be saved annually through less paper burden and more output from changes in rules over which officials are the principal instigators

OUTLINE

Where I'm coming from

The Ottawa Consensus

How U of T can help:

1. research and scholarship to construct a new theoretical model
2. better teaching-learning resources for:
students
faculty
practitioners
public
3. better interaction between:
scholars
practitioners

PROPOSED TOOLS

SSHRC Multidisciplinary Research Grant

behavioural economics

social psychology

philosophical ethics

administrative law

neurosciences

political science

administrative & management science

organizational theory

Public Policy and Governance Portal

for collaborative research

for teaching and learning resources

for interaction

WHERE I CAME FROM

Kennedy School of Government

Doug Hartle's Planning Branch

Pitfield-Osbaldeston PCO

Mulroney-era Treasury Board

International Monetary Fund

Public Management Consulting

Auditor General Advisory Committees

Prichard's Council of Ontario Universities

Blue Ribbon Panel on Grants

School of Public Policy and Governance

School of Public Policy & Governance
UNIVERSITY OF TORONTO

PUBLIC MANAGEMENT TOPICS

Why McNamara failed

Why Value for Money and Access to Information will undermine good government

Recent changes in the cabinet decision-making system in Ottawa (1985)

Ethics in human resource management: basic bargains and basic values (1991)

Restraint, renewal and the Treasury Board Secretariat (1994)

Inside the IMF: comparisons with government policy-making organizations in Canada (1996)

Distinguishing the real from the surreal in management reform: suggestions for beleaguered administrators in the government of Canada (2005)

Advising for impact: lessons from the Rae review on the use of special-purpose advisory commissions (2006)

From Red Tape to Clear Results: The Report of the Independent Blue Ribbon Panel on Grant and Contributions Programs (2007)

Professionalizing policy analysis in Canada (2008)

EVOLVING THEMES

Why management improvement is harder than the untutored think

How we manage in government

How they are getting it wrong

How we can help them

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THE OTTAWA CONSENSUS

(late 1990s to present)

Public policies should be directed at improving societal wellbeing measured in terms of purchasable goods and services or other monetizable indicators

Public policies and administrative regimes should focus on rational and secular elements of human behaviour, treating emotional and spiritual elements as personal matters beyond the role of the state

Public trust and confidence is best secured by clear rules, strong oversight, and independent verification

Public administration should be governed by rules that assure public transparency, equality of treatment and limited administrative discretion

Accountability for administrative process and measurable results should be a preeminent goal and administrators should be expected to operate within a narrow range of behavioural norms

Equality in conditions and performance among groups defined by gender, age or ethnicity should be pursued through removal of systemic barriers and provision of compensatory measures

The Washington Consensus

(early 1980s to late 2008)

independent monetary policy

balanced fiscal policy

economic framework policy
(as opposed to “industrial policy”)

free trade

government transparency

The six principles appear commendable, but unfortunately they are based on a number of ...

HYPER-RATIONALIST ASSUMPTIONS

Monetizable well being – human happiness is strongly associated with purchasing power and that human motivation is based largely on the opportunity for material gain

Rational choice – individual decisions and responses to stimuli are based on conscious reflection

Independent scrutiny – confidence in institutions can be enhanced by expanding the scope of independent oversight bodies

Manageable innovation – human creativity and productivity can be effectively managed through rules-based, financially motivated institutional structures

Conforming tendency – the normal behaviour of individuals falls within a narrow range and that normal social interaction will moderate exceptional behaviour

Inherent equality – if systemic factors could be equalized there would be no significant gender, age or ethnic differences in policy preferences, career choices or professional aptitudes

What's missing in these assumptions? ... human reality

Non-pecuniary motivation – the role of non-monetary factors in wellbeing and decision making

Emotional responses – the role of emotions in behaviour and performance

Trust and confidence – the sources of individual and institutional credibility and their implications for leadership

Unconscious reasoning – the role of unconscious thinking, creativity and judgement

Extreme behaviour – the role of individuals behaving outside institutional norms

Inherent differences – the implications of differences in personal traits, talents and temperaments, including those correlated with group identity

SAMPLE LITERATURE

Alexander Pacek and Benjamin Radcliff, “Assessing the Welfare State: The Politics of Happiness,” *Perspectives on Politics*, June 2008 Vol. 6/No. 2 p. 272

Richard Layard *Happiness and Public Policy: A Challenge to the Profession*, *The Economic Journal*, 116 (March) C24–C33, 2006.

Jonathon Haidt, *The Happiness Hypothesis: Finding Modern Truth in Ancient Wisdom*, Basic Books, 2006

Peri K. Blind, *Building Trust in Government in the Twenty-first Century: Review of Literature and Emerging Issues*, November 2006, for the 7th Global Forum on Reinventing Government, Building Trust in Government, 26-29 June 2007, Vienna, Austria

Malcolm Gladwell, “Blink: The Power of Thinking without Thinking,” Little, Brown and Company, 2005

Susan Pinker in “The Sexual Paradox, Men, Women, and the Real Gender Gap,” Scribner, New York, 2008

Helena Cronin, *More dumbbells but more Nobels: Why men are at the top*, The Edge, 2007

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Should we do a multi-disciplinary project centred at U of T?

First draft at a project definition

HUMAN REALITY IN PUBLIC MANAGEMENT

Using recent work in psychology, behavioural economics and ethics to reframe principles of public policy and public administration

Examine the key “human realities” that effect behaviour (starting with the six phenomena on the right) to incorporate them into public management theory

Key disciplines: political science, public administration, ethics, economics (particularly behavioural economics), psychology (particularly social psychology), law (particularly public law), organizational behaviour and management (particularly leadership theory)

Collaborate using the social networking features of the PPG Portal

Spring 2010
2010-11

Kick-off Seminar
Workshops, including
practitioners

Fall 2011

Symposium and Book

Application for SSHRC grant in August 2009

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Note the key role of ethical theory in dealing with conflicting principles

CONCLUSIONS

The Ottawa framework for public management is seriously flawed

There is a demand for new thinking

We have the scholars

We have the technology

We could help

We should help

Thank you