

Public Value: A Stocktake of a Concept

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Paper presented at the Twelfth Annual Conference of the International Research Society for
Public Management

Track: Public Management Reform, Innovation and Change

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Abstract

It has been two decades since the ‘public value’ idea emerged. In this paper we ‘take stock’ of the concept itself and its development. We set out the basics of the public value approach as articulated by Moore (1995) and then we investigate the ways in which his ideas have been interpreted, extended, appropriated and critiqued. In reviewing these we seek both to clarify Moore’s approach and to engage with the current debate around the validity of his ideas. Based on this review we argue that there is an emerging excitement in public value and, using the life-cycle model set out by Hirsch and Levin (1999), we situate the developing critique of public value as part of a predictable battle in the development of new ideas in public sector management.

Introduction

It is now about 20 years since the idea of ‘public value’ first emerged, and thirteen since Mark Moore published *Creating Public Value: Strategic Management in Government* (1995). The book has now been through many printings, and the terminology of the public value framework is widely used in public policy and management discourse. This seems an appropriate juncture, therefore, to take stock of how the concept has been received.

In what follows, we survey and assess the various meanings and uses of the public value framework and its constituent elements, and consider the key arguments which have swirled around it. We find widely varying stances toward the concept. By and large, public managers who have been exposed to the idea¹ have embraced it enthusiastically. On the other hand, academics have been divided: some are intrigued by it (e.g. Stoker 2005; Talbot 2006), whereas others are quite hostile to it (see in particular Rhodes and Wanna 2007). Our survey indicates that at least part of the scholarly antipathy is founded in either misunderstanding or misrepresentation of the concept and its entailments, which we seek to clarify as we proceed. We also point to the inevitability of this emerging critique as part of the life-cycle of ideas in public administration and management.

We begin by spelling out the basics of the public value framework, which we then use as a backdrop for exploring the various ways in which it has been used or misused.

The strategic triangle

An interesting fact about most of the literature, and about almost all of the critical literature, is that it neglects the foundational construct which animates the public value framework: the strategic triangle. A failure to understand (or even consider) this construct underpins much of the misunderstanding which surrounds it.

¹ Usually in executive programs run by institutions such as the Kennedy School of Government at Harvard University, the Institute of Governance and Public Management at Warwick University, or ANZSOG.

The strategic triangle posits that a strategy for a public sector organization must meet three broad tests (see Figure 1). It must: (1) be aimed at creating something substantively valuable (i.e. constitute public value); (2) be legitimate and politically sustainable (i.e. attract sufficient ongoing support – and concomitant resources – from the authorizing environment, that is, from political and other stakeholders taken as a whole, with due recognition of their differential power); and (3) be operationally and administratively feasible (i.e. doable with the available organizational and external capabilities needed to produce it) (Moore 1995:71).

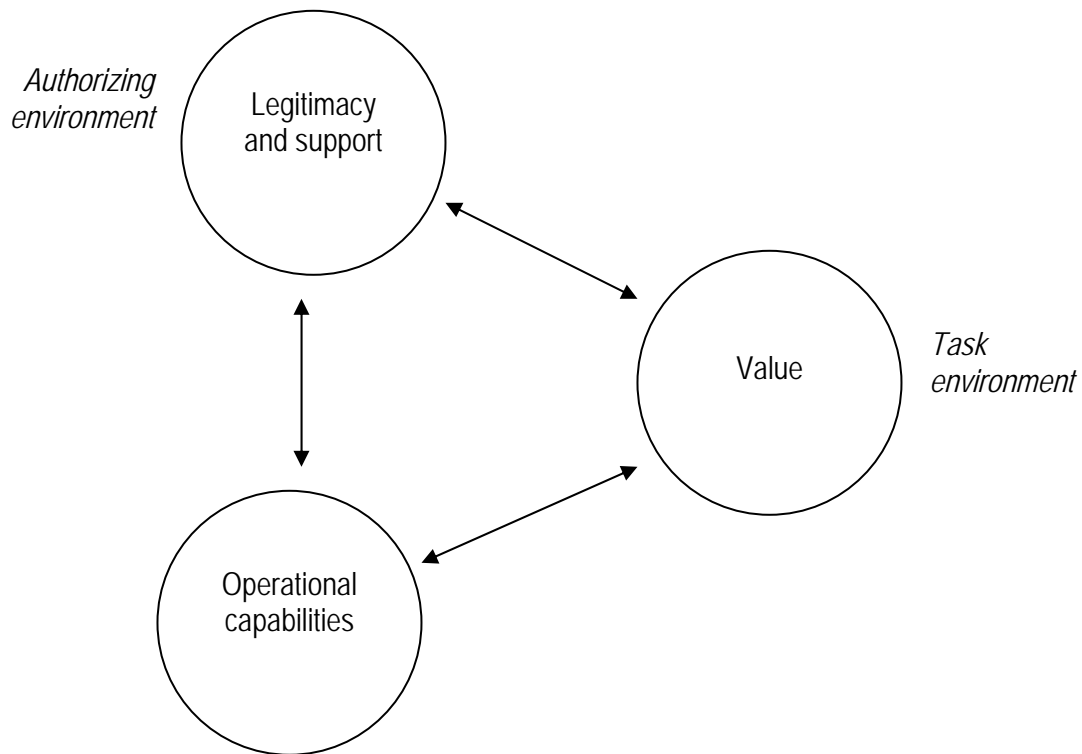


Figure 1: The 'strategic triangle' (Moore 1995)

Crafting and implementing a strategy requires the manager to seek to maximize the degree of alignment among these three elements. Each of them is strategically important. Of course, they are rarely in alignment in their natural state, and public managers' work constantly to fashion workable trade-offs among them. Thus, if the most valuable thing to do is out of alignment with what the authorizing environment will find acceptable, the manager can either seek to persuade the key players to move their position, or revise the value-proposition so that it is more in line

with their wishes, or some combination of the two. Similarly, if a more valuable purpose is not achievable with the currently available operational capabilities, then the manager has to tailor the purpose accordingly. This entails more than just a resigned acceptance of political or operational constraints. The manager's task, Moore urges, is to seek to identify and press for the most valuable purposes, drawing on a 'value-seeking imagination'. The manager is both obliged and uniquely able to do so by the position s/he occupies, at the intersection of purposes, politics and operational means. S/he has knowledge and expertise about each of these three factors which s/he is duty-bound to place at the disposal of the citizenry and their elected representatives.

Despite its centrality, the strategic triangle barely rates a mention in critiques of the public value framework, and is not picked up much by other reviewers of Moore's work. Stoker's (2006) extensive exposition does not refer to it, nor does Rhodes and Wanna's impassioned critique (2007)² (but see O'Flynn 2007). Yet the triangle helps make sense of the issues, uses and abuses of public value concepts in the literature considering them.

Empirical theory or normative prescription?

One issue is whether Moore is advancing an empirical theory of what public managers actually do or a normative prescription of what they should do. Barzelay has described public value as 'normative theory' (2007:526), and Rhodes and Wanna in particular take public value advocates to task for being unclear about this. 'It matters', they say: 'The criteria for evaluating aspirations differ from those that seek to assess evidence' (2007:408). But this reflects a zero-sum logic that assumes it has to be one or the other. The strategic triangle can in fact be deployed in pursuit of both, and indeed also of a third possibility. Firstly, it can be utilized to diagnose the existing situation (e.g. the value currently being produced, where the authorizing environment stands, and the existing operational capabilities). Secondly, it can help structure thinking about what ought to be the case (e.g. what value do we want to produce, and how far will the authorizing environment and operational capabilities allow us to do that?). Thirdly, it offers a set of

² Thus Rhodes and Wanna accuse Moore of a lot of things he did not say, but neglect the most important feature of what he did say.

categories for analyzing how public managers behave (e.g. to what extent do they take account of these factors in their management practice?).

Moore has noted that one aim of the ‘Kennedy project’ was to make sense of what it was that managers *actually* did; not what academics *thought* they did. At the same time, he has acknowledged, he was driven by a desire to get managers to do a ‘better job’ and in doing so he has included in his writings propositions for being an effective public manager.³ O’Toole, Meir and Nicholson-Crotty explain that ‘He sketches an extended normative argument aimed at encouraging public managers to approach their managerial responsibilities with a particular perspective shaped by a fairly concrete notion of what the managerial task involves and how it is likely to have a positive impact on “creating public value”.’ (O’Toole et al 2005:46).

Public value itself

A second issue concerns the scope of the concept of public value. On the one hand, public value can be seen as just one of three constituent elements of a strategic framework. On the other, some writers have tended to use it to refer to something more than that. We shall deal with the first of these in this section, and the other in the sections that follow.

The term ‘public value’ begs the question of why it might be used instead of other terms such as ‘public goods’, ‘public interest’ or ‘public benefit’, or indeed how it differs from them. Public value includes but is not limited to public goods. Both entail goods which are jointly consumed, and which to a greater or lesser extent are non-excludable and indivisible (Goerl 1998).⁴ But they differ in three important respects. One is that public value entails a wider range of things than those encompassed by public goods. For a start, it includes remedies to market failures of various types besides public goods – that is, to situations where market mechanisms do not maximise citizens’ individual welfare, such as negative externalities, natural monopolies or imperfect information (Stokey and Zeckhauser 1974; Hughes 2003). Concomitantly with these

³ Interview with David Spencer, Principal and Chief Executive, National School of Government UK, 2006 available: http://www.nationalschool.gov.uk/news_events/stories/Mark_Moore_Interview.asp accessed 18/01/2008.

⁴ Most public goods are only partially so, because they exhibit a degree of excludability and/or divisibility.

solutions to forms of market failure, citizens also value the institutional arrangements which enable markets to operate and societal orderings to function, such as the rule of law, maintenance of order, and mechanisms for the protection of property rights and enforcement of contracts.

The second difference is that public goods are, strictly speaking, *outputs*; they are products and services produced by the public organisation. By contrast, public value encompasses not only outputs but also *outcomes*, that is, impacts upon those who enjoy the value/good in question or upon states of nature important to those people. This relates to the third difference: public value has meaning for those enjoying it. Value is ‘that property of a thing because of which it is esteemed, desirable or useful; worth, merit or importance’ (Macquarie Dictionary 1987). It can be *presumed* that public goods have value for those who receive or enjoy them, but that is an additional step not encompassed in the term. If something is valuable, it is because it is perceived to be valuable by people. Of course, here the people in question constitute a collectivity – the citizenry – rather than an aggregation of individuals, which poses challenges for the determination of what is valuable. This is dealt with further below.

The point can be made in a more finely grained way about the ‘public interest’ or ‘public benefit’. Both concepts share with public value that they encompass a wide range of outcomes, but they are not quite synonymous. The ‘public interest’, to which politicians, bureaucrats and lobby groups all appeal as justification for a particular policy they may advocate, is close to public value, but rather than being about the value itself, ‘interest’ is one of the reasons or reference points for which people value things. People may be said to value something because it is in their interest. Much the same can be said about the ‘public benefit’ (or ‘social benefit’): people value things because they benefit from them.

The issue here is not whether one or other term is the correct one, because each is valid in its context, but rather what the term employed directs our attention to. ‘Public value’ focuses on: (1) a wider range of value than public goods; (2) more than outputs; and (3) what has meaning for people, rather than what a public-sector decision-maker might presume is best for them.

More significantly, it connotes an active sense of adding value, rather than a passive sense of safeguarding interests.

This brings us to one of the extant misconstructions of the public value concept. Some public administration scholars, rooted in the political science tradition, level the charge that exponents of the public value framework regard it as an absolute standard. As Rhodes and Wanna put it: ‘Public value is not a given... it is impossible to define a priori the substantive content of public value’ (2007:416). But public value is not an absolute standard. Rather, as alluded to above, it is relative to circumstances, in the ‘task environment’.⁵ What is valuable tends to take shape in response to the material and social problems that arise in that environment. In this context, public managers may not be able to define what is valuable in an absolute sense, but they can seek to determine (or enable the determination of) whether a particular goal is more valuable than another in a given circumstance. In doing so, they can rely on public policy tools such as benefit-cost analysis or program evaluation, but these are aids to understanding, not dictators of policy.

On the other hand, some management enthusiasts, especially some consultants, construct and understand public value as a performance measurement framework. One approach here comes from Kelly, Mulgan and Muers (2002), who discuss public value as an analytic framework for public sector reform – something picked up and extended by others in the UK (e.g. The Work Foundation). As part of this approach, public value becomes ‘the value created by government through services, laws, regulations and other actions’ thereby creating a ‘rough yardstick against which to gauge the performance of policies and public institutions’ (2002:4). In a UK Cabinet Office seminar, two of the authors, Kelly and Muers, argued that,

‘The concept of public value is an attempt to measure the total benefits which flow from government action. Like private value, it incorporates the benefits derived from personal consumption of public services ... Public value is not reflected in a single ‘bottom line’ figure. It

⁵ Moore, M. (2008), Inaugural Annual IPAA Victoria Oration, Melbourne, 24 January.

could be considered a more complex tool for assessing the total value of government services.’
(2002:1)⁶

As Kelly et al (2002) argue,

‘Public value offers a broader way of measuring government performance and guiding policy decisions. Taking this holistic approach, looking at the totality of the impact of government, could help to improve policy decisions – and improve the relationship between government and citizens’
(Kelly et al 2002:35)

The Work Foundation’s research noted that they are focused on one of the most pressing and complex questions facing Western economies:

‘How can you tell with any accuracy whether the public is getting a good return on its taxes from public services? And how can managers in the public sector determine if they are hitting the right targets or not? Or if they are even on the right shooting range?’⁷

One problem with these readings of the concept is that they presume public value is only produced by public sector organisations, which is an implicitly output-oriented framing of the notion. But in fact public value can be produced by a variety of other entities – for example, by private firms, non-profit or voluntary organisations, service-users or various other entities. It is not who *produces* it that makes value public. Rather, as indicated above, it is a matter of who *consumes* it.

A more explicit performance approach has been taken up by Accenture consultants Cole and Parston (2006) in their book *Unlocking Public Value*. The ultimate goal of their Public Service Value Model (PSVM) is to ‘have a meaningful, relatively easy-to-use way of defining, measuring and increasing the value delivered by public service’ (Cole and Parston 2006:xiv). They do this, it is argued, by taking core concepts from approaches used to analyse private

⁶ Overview of the seminar where Kelly and Muers presented their version of the paper *Creating Public Value: An Analytical Framework for Public Service* as part of the Cabinet Office Strategic Thinkers Series on 24 September 2002 available: http://www.strategy.gov.uk/seminars/public_value/index.asp accessed: 14/01/2008.

⁷ <http://www.theworkfoundation.com/publicvalue/index.aspx> accessed 04/09/2006.

sector shareholder value to ‘fill a critical need in the public sector for a rigorous way of defining, measuring and improving performance’ (p.xiv).

‘The Public Service Value methodology measures how well an organization, or series of organizations, achieves outcomes and cost-effectiveness year after year. The methodology gives public managers a way to evaluate an organization’s performance in relationship to the organization’s average performance over a series of years’ (Cole and Parston 2006:64).

Public value therefore becomes a performance measurement story. But although they propose that government spending should be measured and evaluated against its contribution to public value, their focus on outcomes offers nothing that has not already been adopted by many governments around the world (Pollitt and Bouckaert 2000; Carter et al 1992; Alford and Baird 1997; Baehler 2003).⁸ They appear to have attached the words ‘public’ and ‘value’ to a standard framework for measuring outcomes and cost-effectiveness.⁹

Despite simplistic borrowings such as this, the focus on performance measurement may be seen as an important part of the development of the public value approach.¹⁰ Moore (2003) himself has noted that the strategic triangle can, in addition to being used as a tool for making calculations about strategy, be used as a framework for measuring performance against that strategy.

Public value and politics

Perhaps the biggest controversy surrounding Moore’s work concerns the relationship between public value and politics – in effect, two of the three elements of the triangle. Critics accuse Moore of advocating an unduly political role for public managers, calling for their elevation to

⁸ Outcomes measurement was foreshadowed in efforts to measure municipal services in the 1930s (Williams 2003), was introduced on a large scale as part of the Program Priority Budgeting framework in the US government in the 1960s (Schick 2000), and was widely adopted under the wave of managerialism that passed through many governments from the early 1980s onwards (Kettl 1997; Pollitt and Bouckaert 2000).

⁹ Interestingly, they declare that the ‘Accenture Public Service Value Model is patent pending in the US and Europe’ (Cole and Parston 2006:169).

¹⁰ Several examples can be found of attempts to construct performance measures to gauge public value. See for example Moore and Braga (2004) on policing or the British Broadcasting Corporation (2004) on public broadcasting.

Platonic Guardians, who decide what is best for the public and in the process subvert the legitimate authority of elected politicians. As Rhodes and Wanna put it: ‘...if public managers adopt a public value approach they are being asked to rebel against standard politics and usurp the democratic will of governments’ (2007:413). But, they ask, ‘who gave these Platonic guardians the right to choose between these conceptions of the public good?’ (2007:415; see also: Roberts 1995).

But this accusation is based on a misrepresentation of his position. Moore explicitly acknowledges that in a democracy, elected politicians have the most authoritative claim to call the shots:

‘At the core of political management – the actors who are always present and must always be attended to – are those who appoint managers to their offices, establish the terms of their accountability, and supply them with resources. The single most important figures in this context are the managers’ immediate superiors – usually political executives’ (Moore 1995:118-9).

‘In the end none of the concepts of ‘politically neutral competence’, ‘policy analysis’ and ‘program evaluation’, or ‘customer service’ can finally banish politics from its pre-eminent place in defining what is valuable to produce in the public sector. Politics remains the final arbiter of public value just as private consumption decisions remain the final arbiter of private value’ (1995:38).

‘Political decision-making is vulnerable to many different kinds of corruption... These well-known difficulties can and do affect the moral claims of political decision-making on the conduct of government in the eyes of both citizens and managers. But imperfect political agreements entitle citizens and managers to do no more than to challenge their wisdom – not to disregard them or ignore their great moral weight’ (1995:54-5).

Consideration of the strategic triangle, which Rhodes and Wanna do not even mention, shows clearly that public managers’ authority is constrained by the political process. The significance of the authorising environment is precisely that it acts as a legitimate limit on the public manager’s autonomy to shape what is meant by public value. It is the arena within which public

managers' proposals (and indeed anyone else's) are tested and modified against the stances of elected politicians and those who influence them.

Furthermore, Moore is not privileging managers' definitions of what is valuable over those of others. Rather, he is calling for their voices to be heard in the policy process. In effect, he is arguing for public managers to put forward not so much authoritative definitions but rather what their private-sector counterparts might call 'value-propositions' – *proposals* about what is valuable.

While Moore does not see public managers as Platonic guardians, neither does he see them as passive by-standers. He argues at considerable length that public managers can play a role in managing policy development, negotiating purposes with politicians, and leading public deliberation and social learning – in other words, bringing their authority and expertise to bear to enhance the decision-making process (Moore 1995:162-184). This is precisely what Rhodes and Wanna themselves call for, but accuse Moore of neglecting (2007:416).

At the same time, Moore displays ambivalence towards a more activist approach to political management by public managers: entrepreneurial advocacy. He sees a role for this, but is cautious about taking it too far:

'[W]hile the techniques of entrepreneurial advocacy offer good advice about how to analyze and diagnose political settings, the tactics recommended lack the spirit one would like to see in policy-making in a democracy. It encourages individual officials to advance their own views without regard for the concerns of others; indeed, it encourages them to do so in a way that defeats the potential influence of those other views and their own opportunities for learning' (1995:162).

Public value as 'paradigm'

Underlying both the enthusiasm for public value and the fact that it has attracted critics is that it constitutes what can be seen as a 'Big Idea'. One claim in this vein is that public value represents a new *paradigm* of public administration and management. Another is that it might

be best thought of as a *meta-framework*. These ideas overlap considerably, but will be dealt with separately here.

The notion of public value as paradigm has surfaced within the current debate about what comes after NPM, itself seen as a paradigm. The most notable case has been made by Stoker (2006) who argues that a public value management (PVM) paradigm is emerging as a means of solving the ‘puzzle’ of balancing democracy and efficiency. But he is not alone here: Christensen and Laegreid (2007:122) claim that public value has taken hold in Britain and NZ as a post-NPM paradigm, and O’Flynn (2007) has considered the managerial implications of a public value paradigm.

Stoker’s argument is that in an era of networked governance, neither the traditional or NPM paradigms can explain change or provide a legitimate model of management; instead a PVM paradigm provides us with a means of both comprehending and responding to challenges.¹¹ His central idea is that ‘the governance of the public realm involves networks of deliberation and delivery in pursuit of public value’ (2006:47). He states:

‘[PVM] does offer a new paradigm and a different narrative of reform. Its strength lies in its redefinition of how to meet the challenges of efficiency, accountability, and equity and in its ability to point to a motivational force that does not rely on rules or incentives to drive public sector reform. It rests on a fuller and rounder vision of humanity that does either public administration or new public management. People are, it suggests, motivated by their involvement in networks and partnerships, that is, their relationships with others formed in the context of mutual respect and shared learning’ (Stoker 2006:56).¹²

The paradigm claim has spread outside the academy to practitioners and think tanks. The Work Foundation, a UK think tank, has put forward public value as a new post-NPM way of thinking which offers ‘an overarching framework in which questions of legitimacy, resources allocation

¹¹ It is interesting to note that Stoker argues PVM blends aspects of previous paradigms (something which would seem out of step with the idea that new paradigms are based on irreconcilable differences with the old). However he does claim there are several distinctive developments: ‘it goes beyond either of the previous paradigms into territory that marks a clear break with past understandings of the way that governmental actors, both official and elected, should behave’ (Stoker 2006:43).

¹² See Table 2 (p.50) in Stoker for a summary of how each management paradigm addresses these questions.

and measurement can be made' (Horner and Hazel 2005:34; see also Blaug, Horner and Lekhi 2006). They have also played a key role in positioning public value in post-NPM New Zealand. A key catalyst for this was the report *Reviving the Public: A New Governance and Management Model for Public Services* prepared for the Public Service Association (the largest public sector union in NZ) by David Coats from The Work Foundation in which he sets out a 'new paradigm for public management, based on the public value framework' (2006:6). Key ideas from the report flowed through to government organisations such as the Department of Labour who identified a public value paradigm as 'a breakthrough both in defining public sector productivity and developing understanding about how to increase it through partnership' (Department of Labour 2006:40)¹³. A recent public service employer-union agreement *Fairness and Public Value: Partnership for Quality Agreement 2007* adopts a similar line.¹⁴

Public value as 'meta-framework'

Another way in which public value is being understood is as a meta-framework.¹⁵ Whilst related to the paradigm argument, it moves our thinking to another level of abstraction where public value essentially becomes a 'framework for frameworks'. The Work Foundation, for instance, observed that public value 'has gained considerable currency over the last few years as an overarching framework ...' (Horner and Hazel 2005:5).

One way to think of this is in terms of the strategic triangle, which offers a set of categories for comparing and contrasting management in different sectors, cultures or institutional settings. Its key elements concern: (1) the type of value that the organisation is responsible for creating; (2) the environment in which the organisation operates; and (3) the capabilities on which it draws to do its work. For example, the public, private and non-profit/voluntary community sector each differ in these respects, as Table 1 shows.

¹³ Available at http://www.dol.govt.nz/services/PartnershipResourceCentre/partnership-and-productivity/partnership-and-productivity_06.asp accessed 14/01/2008.

¹⁴ Available at http://www.psa.org.nz/partnership_for_quality_2007.asp accessed 15/01/2008.

¹⁵ A meta-framework is a means of making sense of different approaches in a field providing another conceptual layer on tops of models, or competing paradigms (Ray 1999). For example Baum and Rowley develop a meta-framework in organisation science to 'facilitate the interconnection and evaluation of theories required for an effective multiscience' (2002:24), and Coleman (2004) develops a meta-framework to capture alternate paradigms in peace and conflict studies.

Table 1: Some strategic differences between sectors

<i>Sector</i> →			
<i>Element</i> ↓	Public sector	Private sector	Nonprofit/voluntary/ community sector
Value/purposes	Public value	Private value	Community/group value
Environment	Political (authorising) environment	Market environment	Community (authorising and market) environment
Operational capabilities	Internal and external	Mainly internal	Mainly external

Public value as rhetoric

Some critics of the public value framework argue (somewhat rhetorically) that it is a rhetorical strategy, designed to protect the sectional interests of bureaucrats and their organisations. The first claim comes from within the public administration scholarly community: that public value is designed to defend increasing bureaucratic power. Roberts (1995) describes Moore's approach as 'managerial *realpolitik*' (1995:293), which sought to find a defence for allowing public managers to stray into the political domain, increasing their bureaucratic power in pursuit of their mandate, and in the name of what he calls civic discovery:

' ... it relies on the proposition that managers should be permitted to take action where that action advances some goal that has been agreed upon through a fair process of deliberation. It also attempts to allay public fears of political manipulation by characterizing interaction as discussion, rather than manipulation, and in particular by characterizing the public official as a moderator of discussion rather than a player in the political game' (Roberts 1995:298).

Roberts noted that the power of the rhetoric was its ability to resonate with the audience to whom it was directed – public managers who were engaged on a daily basis in 'rationalizing the exercise of bureaucratic power' (Roberts 1995:304).

This claim concerns the previously discussed issue of the relationship between managers and politics, and in part the same argument applies here: namely, that Moore is not calling for managers to usurp the role of politicians as ultimate decision-makers. However, Roberts' argument has an additional dimension, in that he effectively accuses managers, and by implication advocates of public value, of bad faith, by 'characterizing interaction as discussion, rather than manipulation': they *say* they don't want to dominate, but really we know that they do. This assumption about the real motives of public managers and public value advocates is confuted by a large body of research into public service motivations (see for example the extensive work of James L. Perry on public service motivation beginning with Perry and Wise 1990). Even it were true, the point about the authorising environment is such that it would be difficult for public managers to hoodwink other key political actors into acquiescence with policies not in their interests. As Rhodes and Wanna point out: 'Leadership in disciplined party systems is well placed to impose its choices' (2007:414).

The second claim comes from private sector free-market advocates: that public value is a rationale for existence or a public relations exercise for public organisations. Much of this has been directed at the BBC's manifesto *Building Public Value* (developed with help from The Work Foundation) which includes statements such as: 'Public value should be the goal for everything the BBC does' (2004:10) and 'We intend to use public value as a hard-edged tool for decision-making about what the BBC should do – and, as importantly, what it should not do' (2004:46). Private consultants Oakley, Naylor and Lee (2006) mount a scathing review of *Building Public Value* and argue that public value is used as a means of obscuring the real debate about the BBC – a smokescreen in effect: They ask:

'So what is going on here? Why does the BBC feel the need to drape itself in the clothes of public value? Given the inconsistency with which it is deployed, it seems clear that the BBC's use of public value is primarily opportunistic' (Oakley et al 2006:6).

They conclude:

[Public value is a] 'rhetorical device and a rationale for increasing the status of consumer research within the Corporation's decision-making processes. As rhetoric, public value functions as an

overarching narrative that the organisation tells back to itself and to its external (political) stakeholders – during a period of particular stress – rather than as a genuinely new way of re-casting the BBC’s operations and its relationship to its audiences’ (Oakley et al 2006:7).

Elstein (2004), from the Institute of Economic Affairs, a conservative think-tank, is similarly affronted:

‘... somehow the BBC’s output has a social value whose measure is not captured by cost and price mechanisms ... And here lies the greatest paradox. It is precisely because the so called public value – over and above the commodity value – of broadcasting cannot be quantified in monetary terms that it is virtually impossible for anyone – the BBC, Ofcom, Parliament, Davies – to judge how much needs to be spent on public subsidy’ (Elstein 2004:13).

He concludes that the real reason for the adoption of the public value approach is to ensure an ongoing public subsidy – the environment had changed so the BBC needed a new and powerful rhetorical strategy: ‘...its original rationale and its funding mechanism are relics from a bygone age. So the BBC casts around for a new rationale, and clings to its funding mechanism like a drowning man to a leaking life-vest, just as it clung to the virtues of monopoly ...’ (Elstein 2004:14).

At another level it has been suggested that public value can be a useful rhetorical strategy for governments, not just public managers. Writing in the *New Statesman*, Crabtree (2004) argued,

‘... [public value] popped up, quite by accident, when Labour was casting around for ideas about public services. The regime of targets and inspections had left the Prime Minister with scars on his back and most other people with a bad taste in their mouths. Billions of pounds were pouring into health and education. Yet results were patchy, and the public thought them patchier still. The government needed a new theory that could be sold to the public, one that justified existing public services, and that helped plan for future modernisation. The “public value” framework fitted all three requirements’ (Crabtree 2004).

He claimed that public value allowed government to ‘put a good spin’ on state activity, provided a rationale for future investments, and could be used to sell reform to the public. He wasn’t far off the mark in some cases – documents from a strategic thinkers workshop run by the Cabinet Office Strategy Unit in the UK identify one of the important uses of public value as providing a new language with which to talk about reform.¹⁶ Public value was a term, Crabtree (2004) argued, that was hard to argue against: ‘Public value: who could possibly be against it? As an objective for public service modernisation, it gives motherhood and apple pie a good run for their money’ (Crabtree 2004).

These critiques are aimed at targets (the BBC and the Cabinet Office) who themselves may have misconstrued the notion of public value, casting it in particular as a performance measurement framework. To that extent, they do not necessarily undermine the notion of public value. More importantly, based as they are in private sector nostrums, the criticisms assume away without any discussion a central underpinning of the public value framework: the recognition that value is measured in much more than monetary terms – as Elstein puts it in the quotation above, ‘a social value whose measure is not captured by cost and price mechanisms’. It is an objective fact that much of the value emanating from government activity is difficult to measure, because it is intangible, or because it is consumed jointly, or because it is difficult to attribute effect to cause in its production. In this context, it is the critics rather than their targets who are employing the rhetoric.

In fact there is a third form of public value as rhetoric which is more useful. This is in affirming the worth of what public managers do, in a world in which that worth is often denigrated. As Moore puts it:

‘Daily experience tells them that it is government, acting through public managers, that shields their country from foreign enemies, keeps the streets safe and clean, educates the children, and insulates citizens from many man-made and natural disasters ... To them, it seems obvious that governmental activities create value. That is the whole point of their work.’ (Moore 1994:298)

¹⁶ Overview of the seminar where Kelly and Muers presented their version of the paper *Creating Public Value: An Analytical Framework for Public Service* as part of the Cabinet Office Strategic Thinkers Series on 24 September 2002 available: http://www.strategy.gov.uk/seminars/public_value/index.asp accessed: 14/01/2008.

In an environment where there has been sustained challenging and indeed demeaning of what the public sector does – pressed forward by a push to marketise and privatise a raft of governmental functions, and exemplified by Ronald Reagan’s aphorism that ‘Government is the problem, not the solution’ – this has significant validative power for public managers.

Public value as narrative

One emerging meaning of public value is as a narrative; as a story of the world of public managers. In the broadest sense narratives are ‘the stories people tell’ and they inform us about how people make sense of the world and how they interpret their experiences within it (Patterson and Monroe 1998:300), resting on the idea that people are essentially story-tellers and the world is a collection of stories (Fisher 1999). We can also understand narratives as ‘the form theories take in human sciences’ as they bring together elements such as language, maps, questions and stories (Bevir, Rhodes and Wellar 2003:12). Narratives, therefore, are not ‘scientific truth’, rather, what matters is that ‘the story and its beliefs ... continue to inform the actions of the [critical actors]’ (Bevir, Rhodes and Wellar 2003:12-13). Importantly, we should recognise the scope for narrative clash, or for competing narratives to emerge. As Fisher has argued,

‘Some stories are better than others, more coherent, more “true” to the way people and the world are – in fact and in value ... some stories are better at satisfying the criteria of the logic of good reasons, which is attentive to reasons and value’ (1999:274).

Public value has been interpreted as narrative in several cases, and in different forms. Stoker pointed to the potential for PVM to offer a new and different narrative (in his case related to networked governance), as did Smith (2004:68) who argued public value could meet the need for ‘new stories’ in public administration:

‘Telling a story in terms of public value enables one to sketch patterns from the contested results of several decades of discontinuous change. Such patterns may assist assessment of often-diffuse agendas for future directions. A focus on public value enables one to bring together debates about

values, institutions, systems, processes and people. It also enables one to link insights from different analytical perspectives, including public policy, policy analysis, management, economics, political science and governance' (Smith 2004: 68-69).

As Moore has explained, the public value approach has developed from the real life stories and experiences of public managers:

'Thinking on Public Value emerged from the Kennedy School around 20 years ago, when we started teaching public sector managers. We decided that we would prepare to teach by constructing a theory of public sector leadership and management that started with practice and worked up, rather than starting with theory and working down. Consequently, we invited practitioners to become part of the faculty, young faculty members went to serve in government, we wrote up cases of managers operating in various situations and, perhaps most importantly, we met large numbers of public sector executives through our Executive Program classrooms. As head of the Executive Program I spent a long time listening, and wrote up what I had learned in ... *Creating Public Value* ... At the core of the idea was the notion that we had to talk about the purposes of the public sector manager, and the instruments available to them.'¹⁷

There is also a more instrumental rationale for the adoption of a narrative approach in public managers' daily lives:

'Managers need an account of the value their organizations produce. Each day, their organizations' operations consume public resources. Each day, these operations produce real consequences for society – intended or not. If the managers cannot account for the value of these efforts with both a story and demonstrated accomplishments then the legitimacy of their enterprise is undermined and, with that, their capacity to lead' (Moore 1995: 57).

'For an enterprise to succeed in producing value, the leaders of the enterprise have to have a story, or an account, of what value or purposes that the organization is pursuing' (Moore 2000:197).

¹⁷ Interview with David Spencer, Principal and Chief Executive, National School of Government UK, 2006 available: http://www.nationalschool.gov.uk/news_events/stories/Mark_Moore_Interview.asp accessed 18/01/2008.

The trajectory of public value

In the preceding sections we have undertaken a ‘stocktake’ of the public value concept. We have identified both an emerging excitement around the public value approach, albeit some two decades after its debut, and a developing critique. The basis for the critique is wide-ranging: showing us that many academics dislike the public value approach – its unashamed focus on public managers, its assertion that these managers have a role in realising value through their actions, and the proposition that managers should engage with politics. The fact that this story grew from the real world experiences of public managers is often forgotten. The emerging critiques also make it difficult to discern whether critics expect public value to be everything or nothing.

In some ways it would be easy to dismiss these criticisms as a particular misreading or misinterpretation of Moore’s work or as a basic disdain for the concept of ‘management’ and its penetration of the public sector. However the swings between excitement and backlash fit within a fairly conventional pattern. Hirsch and Levin (1999) point to the predictability of the struggle between those who attempt to develop broad encompassing ‘umbrella’ concepts (i.e. public value) and those who challenge them, the ‘validity police’. Umbrella concepts attempt to tie together different research elements or phenomena, connecting the messiness of the ‘real world’ to concepts, and they appear to be more prevalent in fields lacking a unifying theory. Hirsch and Levin propose a model which allows us to map these umbrella concepts through an evolutionary process to determine whether they will have enduring value (see figure 2).

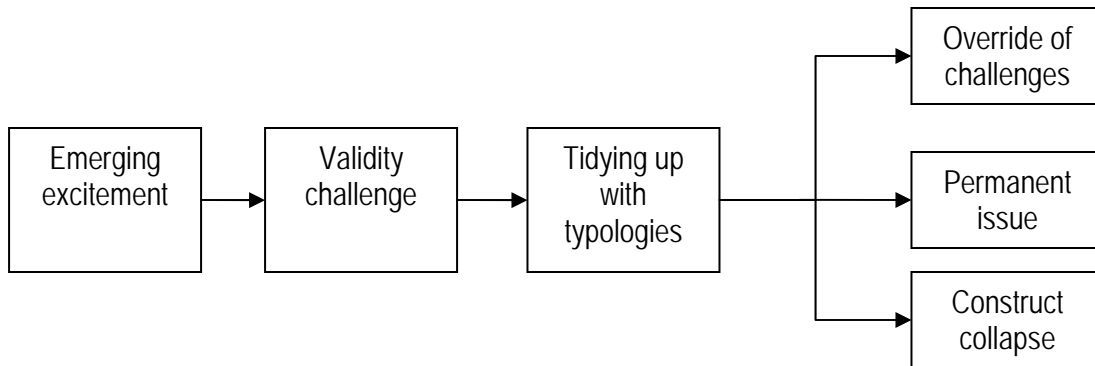


Figure 2: The life-cycle model (Hirsch and Levin, 1999)

From our discussion it is clear that there is an emerging excitement about public value in both academic and practitioner circles (stage 1). A range of gaps, holes, tensions and weaknesses have been posited as part of the challenge by validity police, both within and outside academia (stage 2). In response to these challenges, Hirsch and Levin argue, umbrella advocates attempt to ‘tidy up’ by developing typologies which address critiques and, in doing so, they seek to create ideal types (stage 3). Whilst we can identify some public value typologising it is important to note that this has largely been focused on differentiating public value from other approaches rather than in response to challenges from validity police (Stoker 2006; O’Flynn 2007).

We would argue that the debate has not yet entered stage 4 where we can make a clear determination about whether (1) the validity challenges are overridden and public value gains uniform credibility; (2) we see public value develop into a permanent issue which sparks ongoing debate between different camps; or (3) the validity police prevail and public value collapses as a meaningful umbrella construct. Predictions are, at this stage, premature: ‘it is clearly too early to tell if Public Value [will] take-off ... It is however not too early to see that Public Value potentially offers a very different theoretical and practical approach to the understanding and practice of public management’ (Talbot 2006:19). As we work through stage

3 and, eventually in to stage 4, it is interesting to note that where umbrella constructs develop a strong non-academic constituency they are less vulnerable to validity challenges: practitioner engagement can, in effect, provide a buffer against validity police (Hirsch and Levin 1999). We expect then to see some typologising emerging in the debate around public value in response to critics.

Conclusion

In has been two decades since the concept of public value emerged, and in recent years it has attracted a lot of attention: ‘public value is up and running’ (Rhodes and Wanna 2007:407). In this paper we have attempted to take stock of how it has been adopted, adapted, and critiqued. In doing so we set out the now varied and various understanding of public value from the academic and practitioner worlds, and illustrate its popularity. We find that public value has been embraced wholeheartedly by some constituencies but quite violently rejected by others. We explain this partially as a product of a misreading of some of Moore’s work – both by advocates and critics - but also as a central part of the process of conceptual developments in public sector management. There is clearly an emerging excitement around the public value approach; there is also a clear challenge from so-called validity police. As part of the next stage of this conceptual life-cycle we predict that there will emerge attempts at typologising about public value to both defend, and refine the idea. Only following this will we be in the position to predict its potential for enduring relevance.

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