Public Sector Reforms and the Notion of 'Public Value': Implications for eGovernment Deployment

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Public sector reforms and the notion of ‘public value’: implications for e-government deployment

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ABSTRACT
Governments are increasingly investing in information and communication technologies (ICT) as tool to foster the rationalization of public administration. This paper discusses e-government within the context of governmental reforms heavily influenced by the New Public Management (NPM), which suggests that the use of ICT within the public sector will enhance efficiency, effectiveness and accountability. Based on the concept of ‘public value’ developed by Moore (1995), we propose to question the overall impact e-government initiatives may have on governments’ ability to deliver social and economic outcomes that correspond to citizens’ expectations. Our central argument is presented as follows: while ICT can help to achieve the main NPM values, e-government initiatives do not guarantee to have a positive effect on broader public values. Even when this argument is not new, in this paper we aim to strengthen the need for a deeper discussion of the implications of e-government programs in the context of public values. To do so, we propose a framework that distinguishes between clusters of public values: those that are related to managerial practices and those related to democratic values. We draw on descriptive examples to illustrate our main arguments.

Keywords (Required)
E-government, new public management, public value, public sector, evaluation.

INTRODUCTION
E-government has increasingly attracted attention, not only as part of many governments’ agendas but also among scholars (R. Heeks & Bailur, 2007). Even though e-government has grown rapidly as a topic of research, there is no universally accepted definition of the concept (Yildiz, 2007), even if most of the research looks at the application of information and communication technologies (ICT) to improve the internal management of the government, and to offer flexible and convenient services to the public (Fountain, 2001a). Yet the outcomes of these policies have not always been as successful as initially expected (Irani, Love, & Montazemi, 2007). Even if the introduction of ICT has had positive impacts on the organisation of the public administration, it is not clear yet if the e-government policies have brought positive outcomes for the overall society.

Based on the concept of ‘public value’ developed by Moore (1995), in this paper we propose to question the overall impact e-government initiatives may have on government’s ability to deliver social and economic outcomes that correspond to citizens’ expectations. To do so, we propose to assess not only the benefits commonly associated with the new public management (NPM) drivers of public sector reform (efficiency, task performance and customer orientation), but also broader the political values associated with socially expected outcomes (traditionally referred as ‘good governance’). Within an initial framework that distinguished two main clusters of public values, we discuss how e-government policies may have a positive impact on certain groups of these values, and at the same time harm others. Our central argument is presented as follows: if e-government is conceived within the NPM prescriptions highly weighted towards efficiency, effectiveness and task performance, the broader impact of the digitalization of government services appears neglected. This broader impact often rests on the effects ICT can have on social and political values associated with public sector service delivery (Cordella, 2007). Works addressing other such social and political values are still the exception in the literature of e-government. In this paper, we aim to strengthen the need for a deeper discussion on the effects of e-government policies to deliver ‘public values’...
and ‘good governance’. Thus, we aim to supersede the limitations associated with the adoption of private sectors indicators of success in the public sector, as in the case of NPM (Moore, 1995).

To achieve the aim of the paper we start by reviewing the academic literature useful for understanding the phenomenon of e-government deployment in the context of public sector reforms. Thus, referring mainly to the literature on public administration and political science, a detailed review of the NPM fundamentals is conducted. On this ground, we provide the theoretical and practical implications that the NPM ideas have had on e-government deployment so far. We then propose a framework that distinguishes between two main clusters of public values: (i) those managerial values relating to efficiency, effectiveness and performance of tasks; (ii) the cluster of democratic values, relating to equity, honesty and fairness. We argue that the conception of e-government embedded in the NPM domain seems to concentrate mainly on managerial values (efficiency driven performance measures) neglecting the broader political and social implications. It is on this ground that we base our main discussion. Public administration scholars have considered the analysis and understanding of public values as the most important topic in the public administration and policy sphere (Beck Jorgensen & Bozeman, 2007). However, this debate has been largely absent in the e-government studies within the IS community. Thus, in discussing the implications of e-government programs in the context of public values, we aim to open the way for future debates in the IS field. Concluding remarks follow.

II. THE NEW PUBLIC MANAGEMENT FUNDAMENTALS

During the 70s, the global depletion of public resources and the reduced quality of public services, combined with a deep social dissatisfaction, led to the end to the fruitful age of the “Welfare State” and the beginning of a new stage in the production and provision of public services (Kettl, 2005). Even when the timing of the transformations was different between countries, extensive changes occurred in the political and social structures of the western world. Over the last two decades this had led to worldwide radical public sector reforms and the transformation of government agendas (Aucoin, 1995).

Inside this wave of changes, new modes and forms of management in public administration were gaining predominance in the public sector scenario across many liberal democratic governments. These reforms were found to have a series of common characteristics, grouped and labelled under the notion of New Public Management (Dunsire, 1995; Gruening, 2001; Hood, 1991; Pollitt & Bouckaert, 2000). Articulated as a policy framework, the reforms under the NPM agenda sought to solve the problems of a public administration that was too big, too inefficient and too expensive and therefore unable to serve public services as it was supposed to d. In line with what Osborne and Gaebler (1992) named as “Reinventing Government” – marketization and entrepreneurial administration of the public sector - the reforms initiated in the United States in 1993 were pursued to create “a government that works better and costs less”. Thus, “Reinventing American government” meant to make a more efficient, cheaper and effective government (Kamarck, 2007).

As a model, the NPM has dominated the arena of public administration debates and become a prevalent term in the field. The NPM literature as a whole, however, is rooted in different research fields with diverse directions (Barzelay, 2001). Thus, there are different conceptualizations about what the core elements of the NPM reforms are. For instance, Kettl (2005, pp. 1-2) summarises that the reforms were built under six components: productivity, marketization, service orientation, decentralization, policy and accountability. Dunleavy et al (2006) categorize the early stages of NPM components under three main themes: disaggregation, competition and incentivization, each of which are strongly influenced by business practices and public choice theory. Accordingly, Pollitt and Bouckaert (2003) state that the NPM reforms were pursuing three main objectives: to reduce public spending (efficiency), to improve population’s perception about public sector performance (transparency), and to seek for accountability mechanisms (accountability).

In addition, positions from scholars differ when identifying NPM as a new paradigm in public administration (see for instance Barzelay, 2001; Gruening, 2001; Lynn Jr, 1997), or as a specific governance strategy (Lane, 2000; Sørensen & Löfgren, 2007). Despite the open debate regarding NPM main attributes, and the different names (e.g. Reinventing Government, public management revolution, public management reforms), scholars have observed the NPM’s common features are: downsizing, accountability, focus on performance, concern for results, decentralization and organizational disaggregation, the “importation” of several private sector practices (such as contracting out, privatization, customer orientation, competition and personnel management), and the separation of politics and administration (Batley & Larbi, 2004; Gruening, 2001). In addition, a broader and more intense use of information and communication technologies has also been identified as one undisputable characteristic of the NPM (Borins, 1997; Gruening, 2001; Hood, 1991; Kettl, 2005).
The use of ICT is thus a transversal and crucial element in many of the key components identified in the NPM governmental reforms. Indeed, e-government initiatives became embedded as part of NPM political and managerial reforms in many countries around the world (Cordella, 2007). Yet, even when we might be facing the end of NPM as a public sector reform driver (Dunleavy, Margetts, Bastow, & Tinkler, 2006), there are still important implications for the use of ICT and the definition of E-government policies; “NPM practices are extensively institutionalized and will continue” (2006, p.2). This makes mandatory to explore how NPM ideas have shaped e-government polices and to study what are their consequences in terms of the political agendas that are deeply committed to e-government initiatives.

The NPM and its theoretical and practical implications for e-government

NPM provides a major set of ideas on which so much of current e-government initiatives are based (A. Chadwick & May, 2003; Hammer, 1990). Since the diffusion of Internet-based technologies, ICT were perceived as a tool to introduce a process of rationalisation of public offices and customisation of public services (Cordella, 2007). The Organisation For Economic Co-Operation and Development (OECD) claims:

Reform of the public administration has been on the agendas of most OECD governments well before the advent of the term “e-government”. But e-government is an important component of today’s reform agendas because it: 1) serves as a tool for reform; 2) renews interest in public management reform; 3) highlights internal inconsistencies; 4) underscores commitment to good governance objectives. (OECD, 2003, p.41)

E-government can help administrations do their job better by reinforcing good governance objectives and administrative reforms are necessary if e-government is to be successful. E-government and reform are therefore mutually reinforcing. (OECD, 2003, p.25)

The interconnection between NPM core ideas and e-government is thus explained by the potential benefits that ICT can bring to the re-organisation of internal strategies in the public sector. Building on the experiences of the private sector, ICT are perceived as a powerful tool to rationalise, streamline and re-engineer organisation procedures (Cordella, 2007). Both scholars and practitioners have recognized that e-government can be an enhancer to achieve a more efficient, effective and democratic public sector (Gil-Garcia & Pardo, 2005; Richard Heeks, 1999). (Gronlund & Horan, 2004; Kamarck, 2007).

In practice, this means that e-government can enhance public administration reforms by achieving some of the core values of the NPM agenda (Bellamy & Taylor, 1998; Richard Heeks, 1999). From a practical and policy oriented perspective, the OECD provides an illustration of this point. The Organisation defines e-government as “the use of information and communication technologies, and particularly the Internet, as a tool to achieve better government” (OECD, 2003, p.23), where ‘better government’ refers to meeting the challenge of enabling a more responsive, efficient, effective and participatory government (OECD, 2003, 2005a). Overall, the vision of NPM and Reinventing Government reforms has in fact informed many e-government initiatives around the world. Looking at policy documents from the Netherlands, the United Kingdom, Denmark, Australia and Canada, Bekkers and Homburg (2007) found there is a strong (and mythical) belief that ICT will enable or even cause a whole transformation of public sector agencies, reaffirming the presence of the NPM core values.

Whether the introduction and implementation of e-government initiatives can effectively lead to a ‘better government’ remains unresolved. To do so, in the next section we propose a framework to open the ground for a further discussion on e-government and the creation of public values.

III. A FRAMEWORK FOR THE STUDY OF E-GOVERNMENT AND PUBLIC VALUE

Overall, we suggest that the effects of e-government policies, either positive or negative, have to look at the broader impact on the public values. The study of public values is by all means complex as scholars from the public administration field have already been addressed (see for instance Alford & Hughes, 2008; Beck Jorgensen & Bozeman, 2007). Many of the concepts embedded on the public values are ambiguous and unbounded. As a practical matter, public value cannot be defined universally or in absolute terms (Alford & Hughes, 2008). Indeed, it is not clear or univocal what exactly ‘public’ means in public values (Beck Jorgensen & Bozeman, 2007).

Although highly important, there is no space here to deal the issue. Thus, to discuss the implications of the e-government deployment in the context of this study, we will focus on a particular set of narrow values: those that relate to conventional ideas about ‘good administration’ (Hood, 1991, p.9). To do so, we propose a framework that distinguishes between clusters...
of public values: those that are related to managerial practices and those related to democratic values. Within the managerial group of values, we have those parameters usually referred to efficiency, effectiveness, and a purposeful government. The democratic values, on the other hand, relate to equity, honesty and fairness of government outcomes. In sum, we attempt to provide a richer framework to analyze the impact of e-government policies than the one proposed by NPM, which mainly focus on evaluation frameworks developed to assess ICT impacts in the private sector.

Efficiency, effectiveness and performance of tasks: the ‘managerial’ public values

The types of values in this cluster are associated to a more efficient, lean and purposeful government. Efficiency, frugality, economy and parsimony are found here, as well as a focus on customer orientation, and effectiveness of task performance. As it has been notice by public administration scholars, the main NPM prescriptions can be found in this cluster of values (Beck Jorgensen & Bozeman, 2007; Hood, 1991).

Many e-government initiatives have been actually designed following these drivers. Efficiency gains by cost savings in the public sector and streamlining of services delivery are common goals in many e-government programs carried out around the world (Fountain, 2001a; Hackney, Jones, & Losch, 2007; Richard Heeks, 1999; IDABC, 2005). The use of ICT and its impacts on efficiency is mainly related to improving internal operating systems; examples here are the use of managerial tools such as financial systems, data collection and transmission, payment processes, internal communications and human resources management to generate savings. In addition, the online availability of information and delivery of services were the most featured elements when promoting e-government policies to streamline information delivery and citizen-government interactions (OECD, 2005a). In accordance to the approach of stages of development (Layne & Lee, 2001; UN & APSA, 2002), many countries have carried out efforts going from the web presence to fully executable, online service delivery (UN, 2003, 2008; West, 2002, 2005, 2007). Similarly, the focus on customer orientation and user satisfaction, strongly promoted by the NPM, has driven many e-government initiatives aiming at rationalising government services delivery and public sector organisation streamlining (Schedler, Summermatter, & Schmidt, 2004, pp. 7-22).

Equity, fairness and honesty: the ‘democratic’ public values

In this group of values, fairness, equity and honesty are central. Public values in this group are thus more related to broader democratic values, in which the prevention of distortion, the pursue for 'rectitude', legitimacy and political entitlements are the currency of success (Hood, 1991).

From the perspective of e-government deployment, putting these values at the centre refers to embracing the information revolution as a means for improving governance and enhancing democratic values (Brewer, Neubauer, & Geiselhart, 2006). Within this arena, many countries have made efforts to enable a more trustful and responsive government. Making key, relevant and reliable information to citizens has been recognized as one of the core elements in many e-government strategies (Eppler, 2007). Also, ICT has been implemented to enhance participation and democracy by opening new and innovative channels of participation (Jaeger, 2005), as it is the case of emailing, public deliberation on the Internet and e-voting systems. In sum, in this cluster of values the implementation of ICT in the public sector should be conceived as a tool to build public trust, to enhance confidence and to promote a more participatory citizen-government relationship as well as a means for equitable ICT policies. In this category, however, the outcomes of the e-government policies are much more intangible and as such, more complex to evaluate.

Implications and compatibility of values

In terms of compatibility and implications, some of the public values in each category may overlap. Indeed, some of them are difficult to categorize in a neat dichotomy. For example, accountability is very much a rubber value (Beck Jorgensen & Bozeman, 2007). From the managerial perspective (and in line with the NPM prescriptions), the pressure for accountability can be better related to performance-driven indicators. In that case, the emphasis would be put on the first group of values,

1 These clusters are based in the typology of administrative values identified by Hood (1991). The authors identified three ‘families’ of administrative values: the sigma values, which assign priority to economy and parsimony; the theta values, which relates to honesty and fairness; and the lambda values, which relates to security and flexibility. We draw on the first two clusters as examples to illustrate the core values embedded in the NPM domain.

2 We do not intend to place the values into dichotomy and mutually exclusive groups. Indeed, as it will be discussed afterwards, some (rival) values may overlap.
related to a 'purposeful government'. On the other hand, in traditional terms accountability is more related to political loyalty and the public interest, and as such, it refers to the later set of public values.

IV. DISCUSSION: E-GOVERNMENT AND ITS IMPLICATIONS FOR PUBLIC VALUE

As noted before, the managerial values, as inspired by NPM, have been the major initiators of ICT use in government (A. Chadwick & May, 2003). Yet, the second type of values (those associated with democratic values, such as citizen participation and fairness) has been marginalized as a result of e-government policies. ICT intervention in the public sector is not neutral but political, social and controversial (Bekkers & Homburg, 2007; Fountain, 2001a). It has therefore to be considered within the public political context within which it is deployed. In addition, we would argue that ICT intervention in the public sector is a matter of balancing competing public values, both managerial and democratic.

Let us reinforce the point that the dominant approaches to estimating the impact of e-government policies are mainly based on evaluation frameworks developed to assess ICT impacts in the private sector. These approaches mainly look at efficiency driven performance measures, such as cost reduction and return on investment, and managerial goal achievements, such as transparency and accountability, once again closely related to private sector economic standards (Moore, 1995). These approaches, however, neglect the fact that public sector strategies differ from private sector strategies because the former are driven by the overriding goal of creating public value while the latter should aim at creating private value (Moore, 1995). Private value can be estimated through financial measurements of profits, while public value is much more difficult to define, despite the all too many government-inspired documents already issued on Value For Money. Public value is related to the achievements of objectives set by government programs and the delivery of public service to the citizenry. Public value is thus not related only to the efficiency of the action of the public administration, but also to the effectiveness in the achievements of government programs within certain democratic outcomes.

Moore (1995) points out that political power determines the action of public administration to so represent collective aspiration: "The collective aspiration, in turn, establishes a presumption of public value as strong as the presumption of private value created by market mechanisms - at least if they can be achieved within the term of the mandate" (p.31). In democratic States, above all, the fundamental values of collective aspiration are the values of fairness, equity and equality that cannot be evaluated in terms of: "the economic market place of individual consumers, but (only) in the political market place of citizens and the collective decisions of representative democratic institutions" (p.35).

Moore (1995) argues for techniques of program evaluation and cost-effectiveness, distinguishing these from cost-benefit analysis on the basis that they presuppose the "compelling collective purpose" of the outcome rather than optimizing individual benefit across a range of competing alternative outcomes. Kelly et al. (2002) observe that the 'new public management' of the 1980s and 1990s was "premised on the applicability of management techniques across both public and private sectors", and that government value would be created "by mimicking organizational and financial systems used by business" (p.9). The result, they assert, was an emphasis on narrow concepts of cost-efficiency and a downplaying of non-functional objectives that were difficult to measure. We would suggest that this tendency has become ingrained into how many e-government initiatives were designed in the last years.

Overall, we suggest that the effects of e-government policies have to look not only at efficiency, but also at the broader impact on public values. In other words, efficiency may play a key role as enabler of 'good and better government' within the wave of public sector reforms, but it is not the only driver to look at. However, we do not suggest that ICT can only serve to achieve one cluster of values at a time. As noted above, these sets of 'values' may overlap between categories with cross-groups implications. For instance, inefficiency harms citizen satisfaction on a customer oriented culture, and may decrease government legitimacy. On the other hand, an e-government project with a focus on efficiency may lead to an effective program and thus, to an increase in public trust. Having acknowledged this, what we suggest here is that putting efficiency at the centre of the development of e-government programs may challenge the achievement of other competing public values (e.g. equity, fairness). In other words, ICT intervention within the public sector is unlike to satisfy both groups of values at the same time.

We suggest that ICT intervention in the public sector faces the challenge of balancing competing public values. In this arena, works addressing the notion of public value within the e-government research field (Bannister, 2003; Cresswell, Burke, & Pardo, 2006; Grimsley & Meehan, 2007) are the exception. We argue here that the conception of e-government embedded in the NPM domain has strongly minimized the political implications of e-government.

Let us bring examples to illustrate our main argument. A high level automation of decision-making processes can reduce public servant discretion in the name of honesty and fairness. But in doing so, it may lead to accountability displacements; because the code is highly complex, any error in the outcome of the decision could be simply attributed to the machine. The
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electronic ID cards scheme in the UK represents another example. The push for efficiency has prevailed over other public values, such as personal integrity and privacy (Smith, Noorman, & Martin, 2008). These dichotomies or ‘rival’ perspectives have been largely absent from the e-government debate, with very few exceptions (Brewer, Neubauer, & Geiselhart, 2006; Andrew Chadwick, 2003).

Let us show another example. The focus on customer orientation, and the transformation of the citizen into a customer, could harm the government legitimacy. Fountain (2001b) explains this referring to the so-called legitimacy paradox of public services: she suggests that customer service techniques and private sector tools applied to government may lead to increased political inequality, even when some aspects of service are improved (Fountain, 2001b, p. p.55). In the same line Cordella (2007) points out a similar concern: when governments implement reforms driven by a market logic and considering citizens as customers, they risk discriminating between citizens and failing to enforce the democratic values of impartiality and equality.

The provision of e-services that have followed a customer-oriented culture can help to illustrate this situation. E-government initiatives such as online one-stop shops can be claimed to reduce equity since people without access to the Internet are left behind. We believe that the implications of the digital divide are not trivial in this matter. If those that are actually ‘connected’ to the Internet can obtain better services via e-government, there is a risk of increasing political inequalities. We are not suggesting here that governments should not proceed to create one-stop shops, but to highlight that ICT intervention may not necessarily be well balanced. The challenge would be then to increase efficiency and responsiveness of government in ways that strengthen democracy, rather than weakening it (Fountain, 2001b).

V. CONCLUDING REMARKS

New public management and the efficiency paradigm have been the main drivers for the development of government ICT policies and their evaluation, including its e-government initiatives. As Lane (2000) pointed out, “NPM is basically about focusing upon efficiency” (p.14); he suggests NPM does not describe what changes are happening inside public sector reform, but it recommends a new approach if government seeks to increase efficiency in service delivery (2000 p.8). This transformation in the logic underpinning the design and evaluation of public sector organizations has considerable implications for the nature of the services delivered by public administration, and also, we would suggest, serious consequences for the public value associated with the services delivered.

We do not intend to repeat here what other studies have said on this matter (e.g. A. Chadwick & May, 2003). As discussed above, our aim is to show that the attempted transformation of the public administration along the line of NPM, and private sector evaluation techniques based on efficiency, has largely ignored the more complex political and social dimensions associated to the adoption of e-government policies. While there has been efforts to develop more integral evaluative frameworks addressing the notion of public value in e-government projects (Bannister, 2003; Cresswell, Burke, & Pardo, 2006; Grimsley & Meehan, 2007), there is still very few said on this matter. As discussed previously, the study of public values is by all means complex. We have proposed here an initial attempt to address the need for a deeper discussion on the effects of e-government policies on creating public value. Thus, approaching the evaluation of e-government initiatives from a framework that distinguishes different (and rival) set of values contributes an initial attempt to further development on the topic.

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