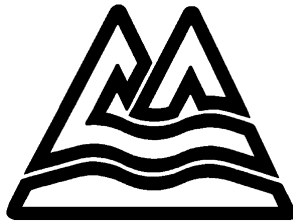


Quality and Government's Role in Changing Society: Reducing Crime and Poverty and Fostering Social Health

Good Government Benchmark Analysis
Multnomah County, Oregon



Department of Support Services

SEPTEMBER 1998

**Quality and Government's Role in Changing Society:
Reducing Crime and Poverty and Fostering Social Health**

Address by James Carlson to Conference on Quality and Corporate Transformation
Montevideo, Uruguay --September 24, 1998

What is government's role in transforming society--in reducing crime and poverty, and fostering social health? Does government have a role at all? Can we take the principles of quality management such as customer focus, efficient processes, employee development and participation, and managing by data and apply them to this question?

My thesis is that what we call "Quality" was developed in the business sector. To take quality principles and apply them without thought to all government functions may not work equally well in all cases. Business has the luxury of being able to focus on its immediate customers and on its shareholders. But what business can prosper without an educated, healthy, law-abiding workforce? What business can prosper and compete in a deteriorating social and physical environment? It is government, along with civic-minded organizations, which have traditionally tended our common environment. My thesis is that the principles of quality can apply to government but change in emphasis as we attend the commons--the shared environment in which we work and live.

The best fit of quality principles to government is when there is a clearly defined customer who receives a clearly defined product--and there is a minimum of competing interests. This applies to many government services. Clean water must flow; sewage and garbage must be collected and properly disposed of; citizens must be educated and have access to adequate health care. There must be an efficient transportation system and communications network. Without this common social infrastructure, we cannot prosper as individuals or as organizations.

There is considerable debate within the U.S. and throughout the world as to which of these basic services should be privatized. Whether or not government continues to provide these services, there is the realization that if it does provide a service it should do so at least as efficiently and with the same levels of customer satisfaction as the private sector. So the principles of quality and competition translate easily from the private to the government sector.

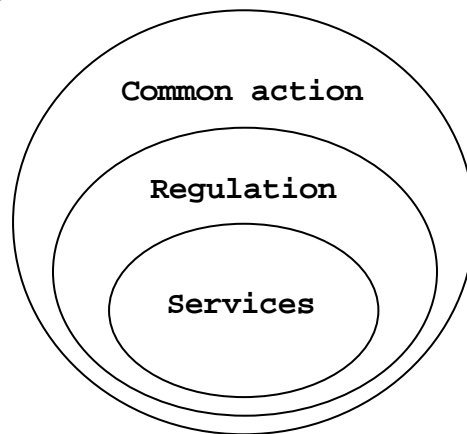
The situation is cloudier with the regulatory functions of government. Who is the "customer" when government's function is regulatory? I work in local government and have seen the quality movement in parts of our juvenile justice department almost paralyzed while they debated "who is their customer?" Is it the juvenile delinquent, his or her family, their school, the courts, the citizen who has been wronged, or all residents of the area? Of course, the answer is different whether we answer for an individual work unit or for the department as a whole. For the receptionist the customer is the person coming to the front desk or calling on the phone. For the juvenile justice department as a whole the customer is all citizens.

What is clear is that as government engages in regulation--issuing permits, regulating the environment, or policing--that the interests of all of us as stakeholders becomes as important or more important than the interests of the immediate "customer"--the person or organization being regulated. This is not to say that principles of quality do not apply but that other principles such

as how government balances competing interests of its citizens become more important. And since we are talking about how government defines, grants and withholds basic rights and permissions there is little call to privatize these functions, although in the United States there has been some privatization of running prisons.

We can draw these two functions of government as concentric circles with the basic services that society needs to function at the core. The regulatory system needed to maintain these core services, and our common social fabric, surround the central circle.

Figure 1: Functions of Government



When we talk about the role of government in reducing crime, reducing poverty, and fostering social health there may well be a third circle--that of promoting and guiding common action. This function is not government's alone but is common action by many key stakeholders in a society including individual businesses, business associations, professional associations, civic groups, churches, citizens groups, and citizens individually. The function of government at this level is either to lead common action, or to participate in common action led by others. Let us examine the concept that government functions can involve a third circle.

Many social policy goals can be met by merely providing services, especially to those who are so disadvantaged that they cannot afford them on their own. These services can include free public education, job training, medical services, and services for the aged or disabled. Other social policy goals can be achieved at least partly by regulation, for example, policing and the courts; environmental regulation; or public health regulations.

The local government where I work, Multnomah County, Oregon provides many social services and public safety functions, as do most local governments in the U.S. However, we have come to the conclusion that we cannot hope to solve these complex social problems by ourselves. We believe that government alone cannot deliver children who complete school, who do not abuse drugs and alcohol, and who do not have children before they are capable of caring for them. We do not believe that it makes sense for a society to spend increasing amounts of money for prisons if we can work with families to help them avoid these problems later.

We see our role in addressing these problems not only as a provider of services, or as a regulator, but also as a partner. We are working closely with local businesses and business associations, with community associations, and with individual citizens to develop and to carry out a common approach. We are actively involving citizens at the neighborhood level because we believe that is where many of the solutions must be found. And so we have a "community building" initiative to help build the capacity in neighborhoods to address problems close to home. We hope to link more of our budget to this community capacity to define, manage and prevent social problems.

We measure our progress with Benchmarks—which are indicators of community functioning such as the crime rate, the number of children living in poverty, and the high school completion rate. These three indicators are our key focus. We are determining who are all the different players that have a role in solving these problems. We then map our various roles and approaches to determine where collaboration can further our common interests.

We are studying how our programs are inter-related. For instance, programs for parenting skills, for mental health care or alcohol and drug abuse, or for preventing teen pregnancy can affect not only the high school completion rate, but can ultimately reduce both crime and poverty. We are studying the national and international literature to see what has worked best elsewhere in addressing these problems.

In this way we hope to rise above individual department and program interests. It is not unusual for us to have the police wanting to build more jails, the alcohol and drug professionals to want more money and health programs to want more money as well. So what is an enlightened social policy? Where is the next best place to spend limited public dollars? Where can we get the best "return on our investment?" And how can we engage our partners in collectively coming to a decision? These are all difficult questions with which we struggle. I can only say we try hard and struggle. We have some successes but in the area of public policy it is hard to ascribe success to any one program.

Multnomah County, Oregon is not alone in working with these broader social issues. Other communities across the U.S. are working to build collaborative approaches among partners to improve our society. However, there is also great deal of debate in the U.S. about whether government should play an active role in trying to transform society. There are those who would privatize many services at the center of our three circles, including schools, and leave the government to provide minimal regulation and national security. The market will handle the rest.

On the other hand, there are others who fear that the market does not adequately tend the commons. There is concern that our modern mass society needs something besides the market to replace our missing sense of community and common direction. There is justifiable concern that without this sense of community and common direction we cannot raise the citizens we need to survive as a society. Quality, competition, and regulation cannot fully meet these needs.

Since parts of our government system are locked in a debate as to whether government has a role in this area, many private foundations are stepping in to provide leadership in promoting common action. For example, The Deming Institute has a Community Partnership Project. The Rockefeller Foundation is funding the Democracy Roundtables project. There is a community quality

movement where businesses and other institutions partner to bring the principles of quality to community management. All these are interesting experiments in how to govern ourselves. The Public Sector Network, which is sponsoring my visit here, is engaged in a 21st Century Governance project to investigate these emerging practices on how to better engage citizens and their government.

What does this third circle have to do with quality? As we shift our concept of citizen to "citizen as customer of government services" we should beware. "Citizen as customer" may be appropriate in the first two circles of government, but lead to unintended consequences in the third circle. There is an interesting article in a publication by a group associated with organized labor in the U.S.¹. They theorize that early labor unions were more successful because they were vehicles for cooperative action. Membership was strong and committed. Now the unions have become more like a businesses and the role of the union employees is to deliver services--better wages and working conditions--to the members. During this change union members have grown more distant from the union. They are no longer active participants but passive recipients of a product. Hence commitment to the unions, participation, and union membership is dropping.

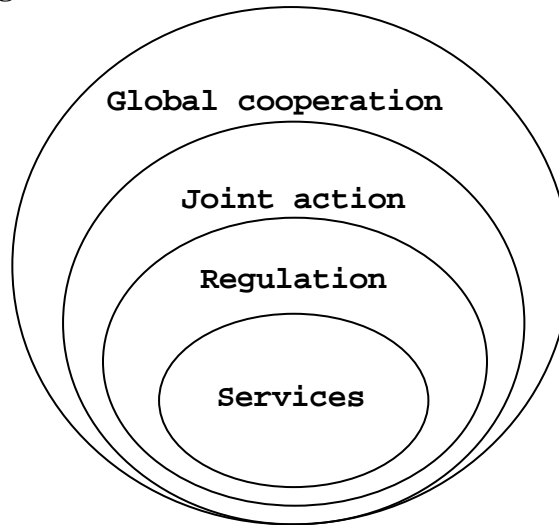
No one cause can effectively explain the phenomenon of dropping membership and participation in unions, nor explain the dropping participation of citizens in our U.S. government. However, it is interesting to speculate that there may be a parallel. As citizens--and in this I include businesses and business organizations--increasingly adopt the "customer" role they lose their ownership of our common problems. The citizen as customer philosophy emphasizes passivity. Citizens only need to pay their taxes and to vote. They have permission to withdraw from participation and commitment and to blame the government for its failures in solving complex social problems.

Yet there is two thousand years of social thought, which suggests that for a democracy to survive citizens--and I include businesses and business organizations as citizens--have responsibilities as well as rights. We should take care in adopting the quality model of citizen as a passive customer of all government functions. Can the "Quality" philosophy produce the civic minded individuals and organizations which democracy needs to survive? In the U.S. the standards of most quality awards do emphasize corporate citizenship, but this is a relatively minor emphasis. We must ask, is it enough?

What this means is that as we move out from the center of our circles of government's functions that principles other than "Quality" need to provide more guidance. We cannot determine government's role in transforming society by consulting the latest quality guru. Quality only tells us that organizations need to be guided by a vision and goals. Quality does not tell us what our collective goals should be. Nor can they tell us the role of our citizens in meeting those collective goals. Instead we must consult the best of human thought on this subject and integrate the best of the old with what must be new.

¹ *Participating in Management: Union Organizing on a New Terrain*, "Participating as Organizing", Andy Banks and Jack Metzgar, Midwest Center for Labor Research, Chicago, Illinois, Fall 1989.

Figure 2: A Fourth Circle of Government



I would be remiss not to mention a fourth circle in which governments must function, that of global cooperation. Increasingly, our global economy and environment is interdependent. The type of society the human species maintains on this planet may in large part depend on how we manage this outer sphere. And here the answers provided by quality become even more distant. I noted with interest a plea from the leaders of the Rio Group at a recent meeting in Panama that "the countries, which have generated the international financial crisis, adopt the necessary measures to correct their imbalances." They also called upon international lending agencies to play a greater role. How curious that we find ourselves increasingly tied together in global systems that many of us have no role in managing. I expect the frustration that these leaders experience in being unable to impact events that affect them so deeply is similar to the frustration that citizens feel when they confront their government.

I did not come here with answers to these difficult issues. I do not believe there are simple answers. Solutions seem easier in smaller more homogenous social and political units. Perhaps part of the answer lies in decentralizing those social policy initiatives that we can to the local level and for government, business, and civic partnerships to cooperate in helping local and regional communities develop the capacity to better govern themselves. This is what we are trying with the "community building", also known as "community quality" movement, in the U.S.

At the same time, our growing interdependence demands that some of our solutions transcend communities and even national borders. Our technology--our ability to efficiently deliver services and products to customers--has vastly outpaced our ability to collectively manage the larger systems of which we are a part. We can, and should deliver simple services and perform regulatory functions efficiently. We should apply the principles of quality to these areas. However, there is a bigger problem. We must speed our development of a joint political philosophy to better manage our growing efficiency. We must apply concepts developed in business, such as "Quality", as well as our best political, social, and religious thought, as we

move forward. We must apply these concepts to an increasingly complex and interdependent world, because more and more it is our tending of the commons that will shape our collective future.