

Blurring boundaries - Public values in private hands

Prof. dr. M.J.W. van Twist¹, Mag. phil. P.M. Karre², Drs. M. van der Steen³

Corresponding author:

Drs. M. van der Steen
Netherlands School for Public Administration
Lange Voorhout 46, 2514 EG Den Haag
Telephone: +31 70 – 302 49 10
E-mail: steen@nsob.nl

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The distinction between public and private can be seen as one of the “grand dichotomies” of Western thought (Weintraub, 1997: 1). It is also a dichotomy that dominates the field of public administration where it is mostly defined as a binary distinction between the realm of the state and the realm of the market (Weintraub, 1997: 8). Both sectors are understood to be driven by different sets of competing and incompatible values (Lane, 1994; Jacobs, 1994). That is why discussions about this version of the public/private dichotomy are preoccupied with questions of how to separate the two domains and the organisations operating within them. This clear-cut distinction between the public and the private sector which originated in economic and liberal thought is now often criticised in public administration for being an oversimplification of reality (Rainey, 1997: 57). Due to various political, social and economic transformation processes, there seems to be a blurring of sectors with the effect that a flotilla of mixed organisational forms has emerged that operate both in the public and the private sector (Rainey, 1997: 58f). They are seen as having various degrees of publicness (Bozeman, 1987). Not only are public organisations engaged in activities on the market place, there are also private organisations that engage in activities which used to be seen as exclusively public. And although performing of public tasks ‘used to be’ something done within the borders and boundaries of the nation-states, these ‘public tasks’ or in many ways now ‘internationalizing’ and in some ways even ‘globalizing’:

- There are private companies that build whole villages, either for specific groups, like senior citizens (Sun City in the US and *Seniorenstad* in The Netherlands) or for a broader public (like

¹ Dean of the Netherlands School for Public Administration (NSOB), professor at Radboud University (Public-Private Partnership), and member of the board of the Netherlands Court of Audit: twist@nsob.nl

² PhD-candidate at the NSOB, karre@nsob.nl

³ PhD-candidate at the NSOB, steen@nsob.nl

Celebration, built and run by Disney in the US). Project developers have even shown an interest in buying Dutch villages and towns for further private exploitation.

- In Europe several private companies build and run hospitals, like the German Rhön or the Swedish Capio-groups. There is just one fully private hospital in The Netherlands so far (the *Slotervaardziekenhuis*) but more are expected to follow.
- In the Netherlands, universities and higher education-institutes, engage in processes of mergers, expansions and/or are being taken over by private firms, or operate - at least partly – a private firms.
- Security in public spaces is increasingly privatised, as for example in the case of Rotterdam metro.
- Even in the area of social benefits, private initiative is on the rise again. An example from The Netherlands are the food banks (*Voedselbanken* in Dutch) that provide food to the needy, but are run as private companies, that, some more than others, make (small) profits.
- In the Netherlands, organizations previously working in ‘one’ domain, e.g. housing, education, health care, are now forming ‘alliances’, in which they join forces, start new services and/or create new concepts and products, challenging existing institutional structures (e.g. laws) and governmental frames.

Although such activities by private companies are nothing new (rich Industrial Age factory owners already built whole villages for their workers, and before the emergence of the welfare state, social aid relied solely on private initiative) they seem to be in the process of a revival. And not only a ‘revival’, these practices seem to be expanding both in ‘volume’ and in ‘intensity’: it is happening *more* and at *deeper* levels of the organizational structures. Public tasks are in an increasing number of case, in the Netherlands, being performed by alliances and networks of many organizations, from many different domains, and sometimes from various different countries. What ‘used to be’ rather fixed and firm ‘borders’ and ‘boundaries’, have now become ‘flexible’ and ‘fluid’: they do no longer separate worlds and categories, but are blurred by the alliances and networks that successfully manage to innovate and create new value ‘across’ these borders. In our paper we will address three main questions: What does this particular kind of ‘added value’ by alliances and networks means in terms of the ‘publicness’ of these domains? How are public values safeguarded and does that remain to be productive? Are there alternatives that enable alliances to do what they are ‘good at’, adding value, that also enables democratic legitimacy and the safeguarding of public values?

In our paper we will reconstruct the developments on the public/private frontier, and the national/international frontier of several public tasks (primarily health care, housing and education), which have led to the emergence of the mentioned examples. We will present various case studies, that describe preliminary effects on public values and the provision of public services. We will draw on

evidence from results of a project conducted by the Netherlands School for Public Administration and InAxis, a commission at the Dutch Ministry of the Interior charged with producing innovation in the public sector..

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