Neoliberalism and Rule by Experts

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What is meant by “neoliberal expertise”? Are there neoliberal experts? Is neoliberalism a form of expertise? Do its claims to political authority rest on its knowledge about the economy? What implications might answers to these questions have for contemporary critique of neoliberalism, or, more broadly, for critical analyses of expertise and expert rule?

Many critical scholars have assumed that the authority of neoliberalism rests on technical knowledge that purports to demonstrate, on the one hand, the efficiency of markets and autonomous, rational action, and, on the other hand, the inefficiency and pathology of government intervention. For example, Timothy Mitchell (2008: 1119-20) has posited that the authority of neoliberalism rests on “neoliberal economics,” whose major tenets include the claims “that the right to private property is the fundamental requirement for economic development” and that poverty is the product of an “overbureaucratized...state.” Critical scholars have argued, furthermore, that these truth claims obscure the underlying reality of neoliberalism as an intellectual, political, or class project. Mitchell Dean (2014: 153) has thus written of neoliberalism as a “doctrine of double truths”, whose public face of economic knowledge functions to mask and legitimize the underlying aims of a “militant movement.” By drawing a strict distinction between facts and values, expert rule and politics, neoliberal expertise depoliticizes government policy and naturalizes technocratic government, thereby undermining democracy. As William Davies (2014) has put it, neoliberalism is “an attempt to replace political judgment with economic evaluation”; its defining feature is its “hostility to the ambiguity of political discourse, and a
commitment to the explicitness and transparency of quantitative, economic indicators, of which the market price system is the model.”

This chapter develops a different account of neoliberalism, truth, and politics. It explores the possibility that neoliberalism can be analyzed not just as a kind of expertise, or even as an anti-expertise, but as a form of critical technopolitical reflection. That is to say, it examines how neoliberalism—at certain moments—takes shape as a reflection on the proper relationship between expertise and government, and on the way that the authority of truth and the legitimate exercise of political power both ground and limit each other.

This dimension of neoliberalism will be examined by considering the role that a critique of expertise played for one exponent of American neoliberalism, the political scientist Vincent Ostrom, a major figure in American post-war political economy and public choice theory. In a series of lectures first published in 1973, Ostrom diagnosed a crisis in the science of American public administration, and specifically in the theory of bureaucratic administration that constituted the field’s “intellectual mainstream” during the Progressive Era and the New Deal. This theory of bureaucratic administration drew a sharp distinction between values and facts, and proposed that while questions of value were political matters subject to democratic decision, questions of fact could be addressed by perfecting the machinery of political administration through hierarchy, centralization, and expert rule. Ostrom counterposed this theory of bureaucratic administration—whose tenets he found normatively dubious and unsupported by evidence—to a theory of democratic administration that he traced to classic statements about American government, but that had, he argued, been revived and supplemented in contemporary (neoliberal) political economy. This revived liberalism criticized the practical outcomes produced by institutions modelled on the template of Progressive reform. It also took on the normative and political-philosophical grounds of the theory of bureaucratic administration, calling into question the distinction
between facts and values, criticizing the depoliticization of expert rule, and insisting on principles of self-government and the limitation of the “power of command” in political administration. Finally, the theory of democratic administration suggested alternative organizational principles—based on polycentric governance, overlapping jurisdictions, and direct citizen participation in administration—through which rational administration and expert rule could be embedded in “a complex structure of democratic decision-making.”

The conclusion to this chapter briefly reflects on the implications of Ostrom’s lectures for critical accounts of neoliberalism and technopolitics. Ostrom’s arguments strikingly anticipate positions developed by contemporary social theorists. One implication is that critical accounts of neoliberalism should be cautious in simply folding a critique of neoliberalism into a familiar critique of expert rule—in mobilizing against neoliberalism arguments that neoliberals themselves formulated in their critical analyses of Progressive and New Deal reform. More interestingly, it suggests that, rather than understanding the critique of expert rule as something that stands outside the development of governmental practice—and as the exclusive provenance of critical social theorists who unmask the truth behind neoliberal expertise—it should be investigated, following Michel Foucault (1978), as a “line of development” in the arts of government.

Since Foucault’s reflections on these topics provide conceptual and methodological orientations for the analysis that follows, it bears making a couple comments on them before turning to Ostrom’s Crisis in Public Administration.

Liberalism and the Age of Critical Governmental Reason

As Andreas Folkers has recently argued, Foucault identified the emergence of liberalism with a moment when “the exercise of power and the production of truth” started to “reinforce each other” in
new ways (Folkers 2015: 8). But in the course of his lectures on liberalism that spanned 1978 and 1979, we observe a subtle yet significant shift in the way that Foucault analyzed this relationship. Foucault initially argued that liberalism replaced the juridical-political object of previous political thought with the figure of population, a “technical political object of management” that had to be governed based on truthful knowledge of its reality. Following his work on knowledge/power, Foucault analyzed liberalism by tracing a “constant interplay between techniques of power and their object” that “gradually carves out in reality, as a field of reality, population and its specific phenomena” (STP 79). The implication would seem to be that liberal programming of government—both proposals for instrumentalities of government and, crucially, arguments about the limits of government—rests on its ability to know the truth about the objects of government.

But in subsequent lectures, Foucault (1997, 2008) added a significant additional dimension to his analysis. He turned to an analysis of liberalism not only as a new regime of truth but also as a critical reflection on the relationship between truth and politics. As Folkers has argued, Foucault situated liberalism in a tradition of critique that included biblical criticism and the Kantian critique of reason. With the birth of liberalism—and this constitutes liberalism’s singular interest not only for the contemporary arts of government but also for the genealogy of critique—this tradition came to include critique of the relationship between truth and politics. It is in this sense that liberalism was, for Foucault (2008: 12), an exemplary figure in the present “age of critical governmental reason.” Folkers has delineated various moments of liberal critique, which include: epistemological critique of the limits of governmental knowledge (how much, and about what, it can know); critique of the perverse effects of governmental intervention; and a normative critique of government grounded in the irreducibility of individual interest, expressed through economic behaviors, political participation, or private preferences and interests.
There is not space here for a full exposition of these themes (but see Collier (2009, 2011) and Folkers (2015) for starting points of such an analysis). But I do want to indicate some elements of the methodological strategy that Foucault suggested—and employed if only in bits and pieces—for analyzing liberalism as a form of critical technopolitical reflection.

- **Crises of governmentality:** First, Foucault identified crises of governmentality as privileged moments for investigating truth and politics. These are moments when the instrumentalities of government break down and existing forms of reflection on government lose their self-evidence. Foucault explicitly defined his program for the 1979 lectures as a study of “the history of these crises of the general apparatus of governmentality” (Foucault 2008: 68-70).

- **Fields of adversity:** Second, Foucault (ibid.: 69) was interested in how liberal critique was articulated precisely at these moments of crisis as a kind of “consciousness of crisis.” Liberal thinkers constituted existing assumptions, patterns of government, and forms of governmental truth as a “field of adversity” (ibid.: 101-114) in order to diagnose contemporary problems—to constitute contemporary circumstances as problems that required critical reflection and remediation.

- **Critique-programming:** Third, this critical reflection was not only negative but also generative in the sense that it provided the grounds for formulating proposals for new types of programming of government. These involved practical tools (knowledge practices, organizational forms, techniques of intervention) as well as new propositions (or old propositions revived and modified) about what government is, about the objects of government, about the grounds of government, and about the relationship between politics and the production of truth (Foucault 2008: 106, 114).

In sum, Foucault proposed the elements of an analytical toolkit for investigating liberalism as a mobile and periodically modulated relationship among truth, politics, and critique. And he suggested an investigation of how liberal meta-critical reflection has sought to establish diverse relationships between
truth and politics, reshaping how each both grounds and limits the other. At times, liberal thought has
mobilized claims about the objective, external, or natural truth of the market to support arguments for
scaling back or dramatically reforming government. This, perhaps, is the formation of truth and politics
most frequently, though not unproblematically, associated with classical liberalism. At other times
liberalism has mobilized the authority of impartial expertise to argue for an expanded or modified form
of government intervention. At still other moments, liberalism appears as an argument against rule by
experts—against the existing scope of expert understanding and authority in the programming of
government. In these cases, liberal thought may advance an absolute injunction against certain kinds of
interventions. But it may also entail—and this point bears on the American neoliberal material to which
we now turn— a programming of government that makes it possible to govern without having to know
the truth, or makes it possible to govern through a different and more limited truth that can better, or at
least differently, reconcile the competing imperatives of expert government and democratic choice.

A Crisis of Governmental Reason: Vincent Ostrom and American Public Administration

The remainder of this paper examines the role that a critique of expertise played in American
neoliberalism by examining Vincent Ostrom’s Intellectual Crisis in American Public Administration (1973,
hereafter, IC), based on a series of lectures at the University of Alabama. Ostrom spent much of his
career at the University of Indiana, where, with Elinor Ostrom, he founded the Workshop in Political
Theory and Policy Analysis. Vincent Ostrom’s work was broadly concerned with moving beyond a
dichotomous conceptualization that pitted the minimal government of classical liberal laissez faire
against bureaucratic administration by government. Through investigations that ranged from water
resource management, to education, to urban governance, Ostrom explored diverse forms of collective
organization that had developed in the United States to govern different problems at different scales.
He developed an analysis of “polycentric” government, defined not by territorial-administrative hierarchy but by multi-scalar jurisdictions, differentiated competencies, and diffused sovereignty.

Ostrom is not among the figures critical scholars generally associate with neoliberalism. But there are good reasons to consider him as a significant exponent of American neoliberalism. One is sociological and institutional: Ostrom was associated with many loci of American neoliberalism, including the University of California, Los Angeles (where he received his PhD and held a faculty position); the Public Choice Society (he served as President); and the think tank Resources for the Future, a site for the invention of a new liberal environmental economics. But the more important criteria for considering Ostrom an exponent of American neoliberalism relate to the nature of his intellectual project. Ostrom’s thought was neo-liberal because he was concerned with how classic tenets of American liberalism might be revived and reformulated in the second half of the 20th century, when the problem was not one of designing “government by the people” but, as he saw it, one of addressing the problems that had been produced by an already massive governmental edifice. From this perspective, Ostrom’s Intellectual Crisis is a particularly indicative text, both summarizing broad strains of neoliberal thought and advancing a distinctive political philosophical synthesis.”

In his Alabama lectures Ostrom explicitly framed the occasion for such revival and reformulation as one of those “crises of governmental reason” that Foucault saw as characteristic and generative for the present. In following Ostrom’s argument, we can find the elements that Foucault identified in his analysis of such crises. First, it defines a set of contemporary circumstances in which the relationship between truth and politics is called into question and, thereby, opened up for critical scrutiny. Second, it constitutes as its “field of adversity” an existing set of propositions about the proper relationship between truth and government, against which his critique was defined. Third, it defines an alternative programming of government that aims to make possible new relationships between truth and politics.
Ostrom began his first lecture, “The Crisis of Confidence,” by dramatically focusing on the contemporary dangers of expertise and administrative rationality in government. “Technical capabilities now exist,” Ostrom told his audience, “for human beings to choose a fate marking the end of modern civilization as we know it.” If the decision to use nuclear weapons was ever taken, it would almost certainly be made by Americans (among others), and it would be carried out with “considerable ‘speed and dispatch’ and ... relatively small expenditures of ‘time and effort’ in decision making”—all hallmarks of rational administration. The contemporary predicament was not the result of too little technical knowledge, too little expertise, or inefficient and irrational bureaucracy. Instead, it was the product of technical government itself—a triumphant rationality in modern science and administration.

Having summoned this specter of efficiently administered self-destruction Ostrom turned to his main theme: a crisis in the science of public administration. Public administration was not merely one among the many technical fields that had become essential to the aims of modern government. It was a field that claimed to be able to offer expert advice on the proper organization of administration to meet politically-defined aims—an expertise, that is, in the proper ordering of truth and politics. Ostrom recounted that when he entered the field of public administration he was impressed by its self-confident presumption that “technical solutions were available to public problems.” Once political decisions were reached about policy objectives, it was assumed, “the translation of these objectives into social realities was a technical problem within the competence of professional administration.” But a different mood pervaded in the 1970s. Turning from the specter of nuclear war to urban and metropolitan administration in New York City—a one-time model of reform that by the early 1970s had become a potent symbol of government breakdown—Ostrom posited that it was no longer clear whether governmental designs based on the precepts of public administration provided a model to be emulated, or whether they had produced “a gargantuan system which is virtually ungovernable.” It was
no longer possible to confidently assert “whether the bodies of knowledge used by those who practice
public administration will lead toward an improvement in or an erosion of human welfare” (IC: 4).

In sum, Ostrom identified his present as a moment of crisis in which many observers had come
to doubt the “scientific warrantability” of public administration (IC: 2). It is into this open space—in
which experts were uncertain about their knowledge and about their right to claim authority in the
organization and conduct of government—that Ostrom proposed to venture.

Ostrom’s “Field of Adversity”: The Theory of Bureaucratic Administration

The first step in Ostrom’s argument was to define the past paradigm of public administration—
once so supremely self-confident but now beset by failure and uncertainty. This paradigm was based on
the theory of bureaucratic administration associated with the Progressive Era and the New Deal. My aim
is not to assess whether Ostrom accurately portrayed the prior generations of public administration.
Rather, it is to show how this theory of bureaucratic administration functioned as the field of adversity
that Ostrom defined in order to open up the question of truth and politics. For Ostrom, as for many
other American neoliberals, Progressive and New Deal reformist thought stood in part for a set of
governmental structures and mechanisms: new centers of administrative authority, new kinds of expert
power and discretion (see below). But Ostrom was more immediately concerned with the assumptions
on which these structures and mechanisms were grounded, assumptions that were simultaneously
political-philosophical, normative, epistemological, and technico-practical: about what government is,
about the grounds of its legitimacy, and about the proper role for experts in the conduct of government.

Ostrom took up the theory of bureaucratic administration by examining Woodrow Wilson’s
administrative theories, which constituted the “intellectual mainstream” of the field. Wilson’s approach,
Ostrom observed, was rooted in his assessment of the American political system as laid out by the
founders of the American republic. Wilson was suspicious of the US Constitution’s complicated system of checks and balances, which dispersed sovereign power among legislative, executive, and judicial branches of government, and among the federalized states. For Wilson, this divided and diffused sovereignty “created impediments to a smooth and harmonious relationship among the various decision structures within the American system of government” (IC: 25). At the same time, Wilson was convinced that the diffusion of sovereign power was illusory—it was the “literary theory” or “paper picture” of the American political system (Wilson quoted in IC: 21). In fact, there was always a single “center of power.”

The task of a political scientist was to reveal its “real depositories” and “essential machinery.” In whose hands did the “self-sufficient authority” of sovereign power rest? And “through what agencies” did that authority act? Here, Wilson discerned a double tendency: first, centralization of sovereign power toward the federal government at the expense of states and localities; second, concentration of power in the legislative branch at the expense of the executive and the judiciary.

Having identified the true center of sovereign power, Wilson turned to the central task for a science of politics or public administration. Wilson’s crucial premise was that a “sharp line of distinction” should be drawn between politics and administration (Wilson quoted in IC: 26). Politics involved the delegation of authority from the people to elected representatives and the passage of laws that defined the overall direction of public policy—all prerogatives of sovereign authority. Administration, meanwhile, was concerned with the “detailed and systematic execution of public law” (IC: 26), the task, in his view, for the executive branch of government. Where politics addressed values and interests, administration addressed technical problems, matters of fact, the proper disposition of means to pursue politically defined ends.

In this light, the object of public administration was to reform and perfect bureaucratic machinery to rationally implement the decisions made by sovereign authorities. Drawing on the
examples of Prussian and Napoleonic bureaucracy, Wilson argued that the principles of good administration were hierarchy, centralization, technical efficiency, and expert rule. The key norm pursued in administration was efficiency, in the restrictive Weberian sense of *technical* rationality: once goals had been legislatively defined, the aim of administration was to achieve them with the “least possible cost of either money or energy” (IC: 28). This norm of efficiency suggested a central role for a purportedly neutral technical expertise in government, guided not by the particularistic concerns of constituents but by the (techno-administrative) truth.

Progressive reformers did not consider this model of hierarchy, centralization, and expert rule in administration to be anti-democratic. Rather, the strict distinctions between administration and politics, fact and value, expert decision and democratic choice, suggested a programming of truth and politics that reformers thought would make it possible for democracy to survive in an age of technical government. Political sovereignty would remain in the hands of the people. But it would be twice delegated. First, the power to define public policy would be delegated to elected representatives in Congress. Second, responsibility for implementing these policies would be assigned to trained administrators and technical experts who could respond to constantly changing social and economic problems that demanded rapid technical-administrative intervention. Democracy would be preserved but a large gap would separate democratic choice from administrative acts and expert decisions.

These principles guided reforms that created a massive new edifice of administration and governmental procedure over the first half of the 20th century. Progressive and New Deal reformers created innumerable new administrative bodies that were, to varying degrees, protected from interference by legislators and from direct input by citizens. At the state and local level they established unelected regional authorities to address problems that crossed local jurisdictions, such as transportation, recreation, and the provision of public utilities such as water and electricity. At the
federal level, reformers created new regulatory bodies and planning boards that proliferated throughout the Federal Government in the 1930s, and created new statutory mandates that required the Federal Government to take expert assessments into account in administrative decisions. This expansion of expert authority corresponded to a proliferation of technical experts in government. If American government employed very few technical specialists at the beginning of the 20th century then increasingly they were employed by government within newly created administrative apparatuses. Finally, new rational-technical objects of government of knowledge and intervention—the national economy, social problems, natural resources—were “carved out in reality” and managed not through political processes but through expert administration.

In sum, in the American context, the emergence of expert rule was closely tied to Progressive and New Deal reforms and to the theory of bureaucratic administration. American neoliberals like Ostrom, in turn, constituted this rule of experts—both the governmental institutions and the arguments that inspired and justified their creation—as a field of adversity, against which, and in relationship to which they formulated an alternative programming of government.

**Polycentricity: The Theory of Democratic Administration**

In his lectures, Ostrom documented the extensive criticism that had been directed at the theory of bureaucratic administration since World War II. For example, its emphasis on perfecting organizational arrangements was undermined by studies that demonstrated that “human relations” had “more impact than organization” on the functioning of bureaucracy. Its models of rational decision-making—the source of prior confidence in the possibility of solving technical problems once they had been purified of political considerations—were called into question, most radically by Herbert Simon’s theory of bounded rationality. But despite these criticisms and the “crisis of confidence” they
precipitated, Ostrom claimed, the field of public administration had left its underlying assumptions undisturbed. The most prominent efforts at reform proposed renewed effort to solve previously formulated problems. As illustration, Ostrom cited a report of the American Society for Public Administration’s Task Force for Society Goals, which declared that “Today’s crisis exceeds all historical crises in public administration.” Public executives, the Task Force lamented, had “not yet awakened to the fact that they are in charge,” that they were “responsible for the operation of our society” (Quoted in IC: 12). Crisis, in short, was taken as an occasion for renewed effort to make good on an old promise: the rationalization of centralized administration and expert rule to implement policies in the interest of (and in the name of) society. From such statements, Ostrom wryly observed, one might conclude that “exuberance for action need not be limited by the fact that men know not what they do….We rush to meet crises with calls for urgency and fears of impending disaster.” Ostrom proposed to proceed in a different direction.

Citing Thomas Kuhn’s work on the natural sciences, Ostrom argued that the crisis in public administration should be traced to an “insufficiency of the paradigm inherent in the traditional theory of public administration” (IC 17). What was required was a “radically different formulation,” a “different form of Basic ABCs,” “new concepts, different terms, and different postulates.” Ostrom found such an alternative by returning to, updating, and critically reinterpreting a theory of administration that he found in the Federalist Papers written by Alexander Hamilton and James Madison, and in Alexis de Tocqueville’s commentaries on American democracy in the 19th century. In contrast to Wilsonian thinking about public administration Ostrom found in Hamilton and Madison’s writing the proposition that “democratic administration cannot be separated from the processes of popular control inherent in democratic politics” (IC 97). Hamilton and Madison’s vision of administration rested on basic postulates of self-government: all citizens are qualified to participate in public affairs, and the scope of the “power of command” ought to be minimized (IC 78). These normative orientations were embodied in a “system
of administration” that had acquired “a stable form which provided an alternative structure for the organization of public administration.”

The critical feature of this system of democratic administration was its emphasis on the diversity of political scales and decision-making arrangements—what Ostrom referred to as polycentricity. In some cases, and in relationship to certain governmental problems, the Federalist Papers proposed a model of administration like that outlined in the theory of bureaucratic administration. But as Madison argued it was “only in certain spheres that federal power can, in the nature of things, be advantageously administered” (quoted in IC 86). In other domains, government could be organized through multiple centers of political authority that coexisted in the American federal and sub-federal systems, with governmental units at the level of the township, county, and state. All of these units of government held some sovereign authority derived from principles of self-government, whether through delegations of authority to distant representatives of very large collectivities or through direct participation in local administration. As a consequence, Hamilton and Madison’s system did not involve a single relationship between citizen and government. Rather, individuals were simultaneously members of multiple political communities. Nor did this system entail a fixed and permanent assignment of particular functions and competencies to governmental units that could then be handed over to experts and unelected officials. Rather, the relationships among governmental units were dynamic, leading to the possibility of cooperation or competition that might include struggles over domains of competency, to be resolved by legal adjudication or through the choices of individuals to participate in one political unit rather than another. Through this diffusion of sovereign authority, Ostrom argued, quoting Tocqueville’s observations of Madison and Hamilton’s governmental design, power was diffused in a “‘multitude of hands.’” “Popular political control,” Ostrom added, “pervades both the government and its administration.”
For the Wilsonian theory of public administration this diffusion of authority—with its ambiguous distribution of responsibilities, its intermingling of politics and administration, and its elaborate checks—was irrational and inefficient, entailing “costs in delay, open controversy, and complex relationships” (IC 105). But from for a theory of democratic administration such delay, controversy, and complexity might prove to be an advantage. This was partly due to familiar arguments that a system of checks would limit abuses of government. In a federal system with institutions of self-government at many levels, Ostrom argued, people could to act as “masters of their own fate by using one system of government to check the usurpations of the other.” More fundamentally, such organization better fulfilled the aspirations of a self-constituting and self-governing polity, in which power was not always and everywhere delegated to distant political or expert authorities, but could be exercised directly. Indeed, the exercise of self-government was itself taken to be one of the important aims of this system. Ostrom again turned to Tocqueville, whose observations had focused on the “American republics” (the states with their counties and townships). “Uniformity or permanence of design, the minute arrangement of details, and the perfection of administrative system,” Tocqueville wrote, “must not be sought for in the United States.” Instead, in America Tocqueville found “the presence of a power which, if it is somewhat wild, is at least robust, and an existence checkered with accidents, indeed, but full of animation and effort’” (quoted in IC 94-5).

Neoliberal Political Economy

Although Ostrom emphatically embraced this model of democratic administration that he derived from founding documents of American democracy, it is important that his neoliberalism did not amount to a simple return to original documents and first principles. The American government imagined by the founders was, of course, dramatically different from the one that confronted a science
of public administration in the 1970s. During the 20th century the US government had become engaged in a vast range of new policy areas: urban policies relating to housing, crime, and zoning measures; the provision of water, electricity, and gas to people and industry; the regulation of land, water, and natural resources; etc. Mechanisms of centralized administration and expert control had proliferated, and new targets of technical-administrative management had been defined: social problems, the national economy, and the “resources” of the biophysical environment. What makes Ostrom’s work distinctively neoliberal, then, is his attempt to update classic tenets of (Madisonian and Hamiltonian) liberalism (as he understood them) in light of these contemporary realities of American government.

Ostrom found a toolkit of concepts, analytical techniques, and empirical findings for such reformulation in post-war (neoliberal) political economy. Among the major contributors to this tradition Ostrom cited James Buchanan, Ronald Coase, Michael Crozier, Garret Harden, William Niskanen, Mancur Olsen, Elinor Ostrom, George Stigler, and Gordon Tullock. Ostrom was particularly interested in a new economics of public goods that had developed out of this political economy. It began from particular public goods—whether national defense, the provision of water, electricity, or gas, the control of natural resources, or the provision of housing, welfare, or urban services—and considered alternate decision-making arrangements for their production. As we see in a moment, for Ostrom this starting point was of singular importance. In contrast to the theory of bureaucratic administration, it entailed no distinction between politics and administration, or democracy and expert decision—at least not at the outset. Nor did it entail any assumptions, a priori, about the size or composition of the political collectivities by which, and for which, particular public goods were produced. Instead it suggested principles for ongoing reformation and reconstruction of a polycentric system of government around “public goods” understood as matters of common interest or concern.
The new economics of public goods began with individualistic assumptions, both descriptively (even “collective” decisions could be analyzed in terms of choices made by individuals), and normatively (individuals are the best judge of their own preferences, and these preferences are the proper measure of value in a system of self-government). These individualistic assumptions provided a framework for defining public goods. In situations in which the costs or benefits of individual choices or actions are born by others—as with the “negative externalities” of pollution or the “positive externalities” of education—individualistic choice must give way to some form of collective choice in order to “internalize the externalities.” This internalization of externalities or “spillovers” is itself the production of public goods (Meaning, p. 140). The analytical repertoire of the new economics of public goods (with its concepts of externalities, free rider problems, tragedies of the commons, and so on) has become entirely familiar and commonsensical. Here, it just bears noting the general steps of Ostrom’s account of this economics of public goods in order to understand how he imagined its convergence with Madison and Hamilton’s theory of democratic administration.

The economics of public goods recognized the familiar institutional strengths of markets or what Ostrom called “individualistic choice” in which the only requirement was “the willing consent of those individuals who freely agree or contract with one another to exchange some good or undertake some action.” Among these were competition and the price system as a mechanism for conveying information about individual preferences (which had both economic and political meaning in a system of self-government). But in the case of common-property resources or public goods, this literature found, the model of individualistic choice would result in series of problems. Among these were under-supply (“most public goods would not be provided if funds were collected strictly on a voluntary basis” (IC 56)), the depletion of common-pool resources (“individualistic decision making applied to common-property resources will lead inexorably to tragedy”), an escalation of unaccounted-for social costs, and the
exclusion of vulnerable groups ("individuals in weak economic positions will be forced out" of consumption (IC 57)). In short, individualistic choice had many sources of institutional weakness.

The new economics of public goods employed the same analytical-critical procedure to assess the strengths and weaknesses of bureaucracy. It recognized that some problems of individual choice could be addressed through bureaucracy, such as the reduction of transaction costs and the use of sanctions to prevent free rider problems (IC 58-9). But bureaucracy also had significant sources of institutional weakness: its insensitivity to diseconomies of scale; its tendency (analyzed by Gordon Tullock) to distort information and to multiply expenditures on management rather than “outputs”; its inability to adjust to mistakes (“a bureaucratic organization,” wrote Michael Crozier, “is an organization that cannot correct its behavior by learning from its errors”); and its tendency to shift costs, whether in the form of poor services or time delays, onto users who had little or no input into the quality and character of goods delivered, a tendency that would be felt most acutely by those who were “stuck” with public consumption (“the most impoverished members of a community,” Ostrom contended, “are the most exposed to deprivations under these conditions” (IC 54)).

In part these arguments struck at the purported advantages previously claimed for bureaucracy in technical efficiency. But they struck equally—and for our purposes, more importantly—at the very definition of efficiency that underpinned the theory of democratic administration. At stake was not merely the delivery of given goods using the least possible resources but the very mechanism for choosing ends, the problem Max Weber referred to as economic rather than technical rationalization. Here, the normative individualism of post-war neoliberal political economy upended rationality assumptions advanced in the theory of bureaucratic administration. For the new economics of public goods, the value of the goods and services that bureaucracies produced could only be found in the value assigned to those goods by individuals who either bore the cost or realized the benefits of these
goods—that is to say, by certain categories of citizens (on which more in a moment). Efficiency in the absence of some way to take such values into account, Ostrom argued, is “without economic meaning” (IC 62). More fundamentally, it was without political meaning in a system of self-government. “If public agencies are organized in a way that does not allow for the expression of a diversity of preferences among different communities of people,” Ostrom concluded, “then producers of public goods and services will be taking action without information as to the changing preferences of the persons they serve.” The very process of delegation—from citizens to elected representatives, and from elected representatives to officials and experts—called into question the value of those goods that were being delivered, efficiently or not, by bureaucratic administration.

It bears underscoring, given what everyone “knows” about neoliberalism, that the implication neoliberal political economists drew from this evidence of bureaucratic failure was not that public goods should be provided by markets. Rather, the response, on Ostrom’s account, was to find a way out of a paradigm in which the only alternatives were individualistic choice or bureaucracy. “If we want to avoid the tragedy of the commons [in market organization] and the pitfalls of bureaucracy,” he concluded, “we are compelled to address other organizational arrangements” (IC 56).

Ostrom discussed two alternative decision-making arrangements that had been explored in the economics of public goods. The first involved a community of people who organized a “collective enterprise to develop a common-property resource or provide a public good.” Such a collective enterprise might be organized by a unit of the sub-federal system (a township, county, or state) that, due to its scale, was inherently closer and more accountable to democratic decisions. It might also be organized by one of the innumerable self-constituting, special-purpose entities (water cooperatives and school boards, for example) that had been formed in the US around the production of public goods. In contrast to the administrative entities created by Progressive and New Deal reform, Ostrom argued,
these self-constituting collective enterprises were not strictly *administrative* in the narrow sense of being concerned with the “merely” technical problem of implementing policies established by political decisions. Rather, they “depend[ed]…upon the development of political mechanisms such as voting, representation, legislation, and adjudication for people to express their interest by signaling agreements or disagreements as the basis for ordering their relationships with each other.” They were forms of administration that were “thoroughly imbedded in a complex structure of democratic decision-making” (*IC* 90). The second alternative derived from the first: multi-organizational arrangements among various local government entities or other self-constituting enterprises. Such multi-organizational arrangements—based on cooperation, exchange, competition, contestation, and adjudication—were “a means of providing for a heterogeneous mix of diverse public goods and services” through systems of a larger scale that did not entail creating encompassing administrative entities that decomposed the smaller and more democratically accountable units that made them up.

It was crucial for Ostrom that this new economics of public goods implied no “*a priori* judgment” about which of these four kinds of organization—individualistic choice, bureaucracy, self-constituting enterprises, and multi-organizational arrangements—should be favored (*Meanings* 151). For a particular public good, the strengths and weaknesses of different decision-making structures had to be assessed, both for their technical efficiency, for their ability to reflect the preferences of those affected (whether positively or negatively) by the production of a particular public good, and for the degree to which they achieved the aims of a self-constituting and self-governing polity.

*“The Art of Associating Together”*

In Ostrom’s analysis of alternative decision-making arrangements for the production of public goods we can begin to glimpse the convergence that he saw between the economics of public goods and the theory of democratic administration. Ostrom assigned a directly political meaning to the
concepts of spillovers and externalities—and to the correlate problem of “internalization”. These concepts marked problematic situations in which individual actions overflowed a calculus of individual cost and benefit and defined a collectivity linked by matters of common concern. “An inchoate community is formed,” he argued, “by the individuals who use or enjoy a common-property resource, or a public good” (IC 64-5). Ostrom found the rough outlines of this idea in John Dewey’s definition of a public as something that comes “into being in an effort to control indirect consequences of action which impinge upon persons not directly involved.” Building on Dewey’s formulation, Ostrom proposed to refer to “events” rather than actions to indicate that not only social behavior but also “physical events, such as floods” might also bring new collectives into being. Events, Ostrom wrote, “occur as sets under conditions such that their boundaries can be defined with more or less precision. Rivers flow in watershed basins, for example. Patterns of social interaction are also differentially distributed in space, and boundaries can generally be defined for them too.” These “specifiable boundary conditions” made it possible to “conceptualiz[e] the community of interests which need to be taken into account in designing alternative institutional arrangements.”

From this account Ostrom derived a new “ABCs” for public administration, which he laid out in the final lecture of Intellectual Crisis. Wilsonian public administration was built on a model of politics that assumed a pre-determined form of political collectivity, created by an original “Hobbesian” constitutional act—a political compact among people. Matters of fact entered in only subsequently, once the distribution of political power had been resolved. In Ostrom’s alternative formulation political collectivities of different sizes and composition continually took shape around problematic situations that were not purely “political”—in the sense that they involve only human choices, values, and interests—but that were also shaped by matters of fact previously assigned to administration and expert decision. To Madison’s comment that it was “only in certain spheres that federal power can, in the nature of things, be advantageously administered” Ostrom added the intriguing comment that “the
nature of things” presumably referred to “events of diverse sizes and shapes”: the spatial boundaries of a watershed, the “smogosphere” created by a pollution-shed, the structure of resource flows and productive relationships, the reach of a hurricane’s devastation. Both the “nature of things” and the decisions of people were therefore present at the creation and definition of political collectivities. At the same time, administration could not be understood to occupy a purified space of merely technical decision into which one entered once disputes over values and the interplay of interests had been resolved and democratic choices had been made. In Ostrom’s reconstruction, political administration was not a machine for producing efficient outcomes that had been defined through a fixed procedure for the delegation of sovereign authority from people to representatives, and of administrative power from legislators to officials and experts. Rather, it was an open-ended mechanism of search, experimentation, and discovery, through which not only the ends but also the very organizational principles of government could be revisited, reconfigured, and renewed.

This new starting point for public administration brings us full circle to questions posed at the outset of this chapter: What did this alternative conception of government imply for a science of public administration? What kind of truth could it deliver? And what relationship between truth and politics did it suggest? Government would still require engineers, economists, and hydrologists. But the problem for public administration would no longer be to establish a domain of pure facts, pure instrumentality, in which these experts could operate. On the one hand, technical experts would be present at founding moments of political collectivity, as they would necessarily be involved in understanding the size and composition of matters of common concern. On the other hand, they would not be alone in administration, but rather accompanied by others whose interests, values, preferences, and very participation in the process of self-government were among the ends that administration strove to achieve. Public administration, for its part, would be concerned with the choice among a diversity of governmental designs in which technical efficiency would take its place alongside questions relating to
the size and composition of collective arrangements: What scale of collective action corresponds to a given event? What political agents should be “included within its decision-making arrangements” (Meanings 147)? This new “paradigm” of public administration would be, following Tocqueville, an “art of associating together”; a “science of association,” Ostrom concluded, “a knowledge of form and reform” (93).

One might reasonably ask: Is this not a matter of simply substituting one kind of expertise for another? Is this just a matter of replacing an expertise in the organization of bureaucracy with an expertise in the design of alternate decision-making arrangements? Perhaps. But there are some differences that are of at least some consequence. If there is an expertise here, it is not an expertise that insists on operating in a space of pure fact and immovable nature, an expertise that works only after political processes have played their role and, as it were, receded into the background. Nor is it an expertise that has license to speak in the name of the members of a political collectivity. Rather, it is a reflection on the forms that would allow members of a political collectivity to be heard. As such, it is necessarily an expertise that itself entails a permanent and vigilant reflection on the relationship between expert rule and democratic decision, between truth and politics—a critical technopolitical reflection.

Conclusion: Neoliberalism and the Politics of Expertise

In considering Ostrom’s Intellectual Crisis in Public Administration—and the streams of liberal reflection that Ostrom drew upon and synthesized—it is striking to note its resonance with arguments that have preoccupied social theorists in recent years. For example, we find echoes of Ostrom’s work in Ulrich Beck’s (1992) theses on risk society: in the present age of second modernity, technology and expertise are not so much the solution to problems as the root of our problems; although rational
administration and expert participation in government and self-government are inescapable, the present demand is for greater and differently conceived democracy rather than more perfect technical government. Ostrom’s work prefigured the arguments of Michel Callon, Pierre Lascoumes, and Yannick Barthe (2009) concerning the “double delegation” of sovereign power from the public to legislators and from legislators to experts, who make decisions on the public’s behalf, thereby neutralizing democratic decisions. Perhaps most strikingly, we find in Ostrom a precise anticipation of arguments recently developed by Bruno Latour: against a “purification” of expert truth that renders “ordinary political life impotent” (Latour 2004: 10); for reconstituting the political collective without taking for granted how large it is, who is a member, or how it is composed; and for a “science of associations,” the term that that Ostrom (apparently unbeknownst to Latour) borrowed from Tocqueville decades before Latour used that term to describe his own approach.

What are we to make of this surprising resonance between neoliberalism and recent social theory? One obvious point is that the neoliberal reflection on expertise would seem to confound the political coordinate system assumed by much contemporary critique of truth and politics. At least some critical scholars imagine that in their call for a reanimation of politics that has been stymied by the depoliticizing effects of expertise they occupy a position on the left. But in the United States, rule by experts was prominently championed by Progressive and New Deal reformers, who are generally associated with the political Left. Meanwhile, at least one potent strand in the critique of expertise is found in an American neoliberalism that is usually associated with the political Right. In pointing this out, I certainly do not mean to hurl the charge of “neoliberalism” at recent social theory as a kind of accusation. Nor, relatedly, do I mean to suggest that our assumptions about the politics of expertise should simply be reversed: if scholars have generally sought to criticize expertise in the name of democracy, participation, community governance, and decentralization of various sorts, my point is not that the critical project ought to be the defense of expertise and the dismissal of participation,
community governance, and decentralization because, through some loose analogies and hand-waving about hegemony and “fixes” for contradictions in contemporary capitalism they can be construed as instruments of neoliberal government. Nor, finally, to take things from the other side, do I mean to suggest that where neoliberalism has been uniformly denounced by critical scholars it should now be celebrated for its support of democracy, participation, community governance, and decentralization. Indeed, it seems to me singularly unproductive to locate arguments about the relationship between truth and politics on a static spectrum of right and left. One of the most interesting functions of critique, indeed, is to remap that spectrum.

Rather, the point I want to emphasize is that Ostrom’s work points to a significant blind spot in much critical thinking about truth and politics as well as to a promising horizon of inquiry. Much recent social theory (or post-social theory) constitutes as its own field of adversity a set of assumptions about, and practical arrangements of, truth and politics that came under withering critique fifty years ago. And in at least a substantial number of cases it simply folds a critique of neoliberalism into a critique of that theory of truth and politics, as though nothing had changed in fifty years, as though the critique of that theory was not a constitutive moment for neoliberalism, and as though this critique had not been taken into account in the arts of government over the past half-century. At a minimum, this suggests that the critical social scientific discourse on truth and politics is badly out of date. It is not acceptable to continue to treat a particular configuration of truth and politics—which arose at a certain moment, bolstered by certain arguments, and actualized in certain institutions—to embody the unchanging terms of the modern settlement that repeats itself in place after place and case after case. Nor is it acceptable to proceed as though critique is the exclusive and privileged practice of social theorists, rather than a “line of development” in the arts of government that must itself be made the object of inquiry.
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