

EXTENSION OF PUBLIC CHOICE IDEAS
-- A RE-EXAMINATION OF PROFESSIONAL LORE

By

Edward A. Lutz

August 1975

No. 75-15

EXTENSION OF PUBLIC CHOICE IDEAS --
A RE-EXAMINATION OF PROFESSIONAL LORE

Edward A. Lutz*

Professional Agricultural Extension

In discussing extension of public choice ideas, it is helpful to reflect upon experience in extending ideas to the traditional farm clientele. Effective agricultural extension education has required two things of those conducting it. First they must have command of the subject matter that will interest their clientele. Second, they must know their clientele well enough to understand what subject matter will elicit interest and concern. Knowledge by the teacher of both the subject and those being taught is probably a necessity for effective formal education generally, but I focus here upon particular kinds of education on which I have been asked to discourse.

How important and inseparable these two requirements are - knowledge of subject matter and of constituency - became much clearer than theretofore in the years after the last World War when we first tried on a large scale to export agricultural technology to poor nations seeking economic development. Extension workers from the USA found great gaps in available knowledge applicable to problems and concerns of the intended farm clientele. They also knew too little of their foreign constituency.

* Edward A. Lutz is a professor of public administration in the Department of Agricultural Economics at Cornell University. This paper was presented at the meetings of the American Agricultural Economics Association at Ohio State University, Columbus, Ohio, August 11, 1975. Suggestions from Gordon Cummings, Lee Day, Herbert O. Mason and Henry Wadsworth are gratefully acknowledged.

They discovered further that development required more complex changes in the economy than giving advice to farmers on how to increase yields and income. The changes were reminders of those that had occurred in the United States beyond the farm, and were by and large regarded in the United States as beyond the realm of extension, such as in improving farm credit, building roads and transportation, improving communications technology, opening marketing channels, developing electric power, providing elementary education, raising rural health standards, and so on. The mere mention of these examples may suggest the current land grant college research and extension difficulties in making a meaningful impact upon "rural community services". The examples also infer the importance of public sector policies, institutions, and processes in rural development, including agricultural development.

Rural Development Extension Clientele

Thus in relation to rural development extension, the necessity of knowing subject matter and constituency reaches widely into the public sector. It seems sensible therefore to include among clientele the decision-makers in the public sector.

Much printers' ink has been committed to the question of who really makes public decisions, with common allusion to smoke-filled rooms, power structures and the low state of intelligence, morality and incorruptibility among public officials. Extension work in farming probably never would have begun if there had been comparable concern over whether capable, upright, independent individuals really run the farms. One way of identifying public decision-makers may seem overly naive to the more sophisticated, but it is simply to consult the laws and customs in these matters. Such study reveals that in addition to occupants of the White House Oval Room, there are

literally tens of thousands of public decision-makers in the United States in federal, state and local governments, and their legislatures, executive agencies and judiciary.

Many agricultural economists and others find it difficult to recognize this fragmented army of individuals as public pathfinders. They are, nevertheless, a legitimate potential clientele, publicly responsible for many a critical decision of rural development in localities of the nation.

Economists As Reformers of Public Administration

The persistent image of the American government ideal as a neatly ordered pyramid of power and authority, or a series of dovetailed pyramids, results in a curious blind spot. Many would readily agree that duplication, overlap, and competition among food stores, farms, and other private sector activities commonly found in a community is economically desirable in the name of efficiency, least cost and responsiveness to consumer demand. At the same time in the public sector, duplication, fragmentation, overlap and so on is regarded as undesirable for the same ends. For example, the recent Task Force Report to the Northeastern Regional Agricultural Research Committee, in discussing rural development research and in recommending attention to local government and finance, includes the usual inferences about antiquated local governments, too small to render efficient services (Task Force, p. 15).

This implicit assumption about the desirability of abolishing and combining many local governments into one for efficient service to consumers is by no means unique to agricultural economists, as the Ostroms and many others have pointed out. The Committee for Economic Development, for example, a few years ago proposed a reduction of 80 percent in their number (CED, p.17).

The prevalence of this idea, however, blinds many interested in extension in rural development to the desirability of knowing and understanding a considerable portion of the potential decision-making clientele, the local public officials. The idea also of course affects conceptions of subject matter that concerns clientele. The situation resembles a little what it might have been earlier in this century if extension workers in farm management had concluded that 80 percent of the farms should be abolished or consolidated in the name of efficient food service to consumers, and that therefore they should concentrate their professional efforts upon consumer leaders to bring about this result.

In extension work where clientele is defined as including local officials with their problems and concerns, the standard professional prescription of elimination of antique local governments is not only not what is usually wanted; it is a normative remedy often buttressed by the shakiest of empirical observation, and is therefore academically questionable.

New York Allusions With Apologies

It may help to understand why extension education in the public choice model promises to be productive if I trace a few developments in New York State that seem influenced by the traditional reform model of public administration.

We in New York have gone a long way, but not the whole distance, in adopting the latter model by degrees over a long period. The ideas arose in early decades of this century in a sense from "out of the times". Political scientist Elazar attributes the movement partly to reformers, influenced by big business organization of an earlier generation (Elazar, p. 474). Vincent Ostrom traces intellectual origins to Woodrow Wilson's writings of

the late 19th century (V. Ostrom, 1973, pp. 23-47). In either case, New York City was a principal center of the reformer ferment, and the influence extended to the state capitol and beyond.

Successive political leaders sought to conform the State's executive branch more closely with the reform standard of the hierarchical pyramid of authority, the early figures including Governors Charles Evans Hughes and Al Smith. Currently, the State's executive bureaucracy is eclipsed in size by none, possibly excepting California. The State is probably not exceeded in volume and detail of legislative output or laws, and in state administrative oversight over both public and private concerns.

Among metropolitan consolidations, by far the largest in the nation has been that of the Greater City of New York in 1898. City boundaries surrounded an area where 8 million people now live, more than double the population of the next largest American city (Chicago), and where there were at the time all or parts of 5 counties, 3 cities, 9 villages and 13 towns. By successive charter revisions and other moves, the City organization has been made to conform more closely to the reform model until recent years when there have been second thoughts about more neighborhood control, but also sentiment for additional metropolitan expansion.

Notwithstanding these developments in the State and Great City, almost all local governments in "upstate", or the rest of the State, have survived, with the outstanding exception of school districts where wholesale consolidation has occurred over a half century. Everywhere in rural New York is a minimum of three "layers" of local government - county, town or city, and school district plus possibly, depending on location, village or fire district and other units. Even in this populous State, almost a third of the counties have fewer than 50,000 residents, about a fifth of the towns

(townships) and a third of the villages have fewer than 1,000, and at the lower extreme is a town of 58 people and a village of 24 according to the last Census.

By the reform standard, one might say that New York has a fairly modernized state government, an ultra-modern New York City, and elsewhere local governments of varying degrees of antiquity except for school districts and a few modernized county organizations generally in the more populous areas. For decades local governments beyond the Great City in so-called "upstate" have been subject to brow-beating with the reform prescription. The gulf separating the City and upstate in matters governmental stems partly from differences in the seriousness with which the doctrine has been taken. A denizen of Brooklyn cannot understand the chaotic, fragmented, overlapping upstate local government. The upstater in his turn points to the monolithic city organization, made lethargic if not impotent with its layers of bureaucracy.

The public choice paradigm offers opportunity to students and decision-makers, both upstate and down, to break out of an intellectual mould that has come to freeze flexibility and creativity in providing and financing public services for the citizen-consumer-taxpayer. The widespread and often unthoughtful acceptance of the traditional reform model has driven the State, the City and other local governments into a kind of mental dead end. Having already erected huge bureaucratic pyramids of authority, and continuing to encounter seemingly insuperable public service problems, the remedy indicated is still larger and more encompassing pyramids. The ultimate is one pyramid which internalizes all the externalities as perhaps it did in the reigns of the Egyptian pyramid builders, and as the marbled halls in Albany now seem to promise as they loom like the towers of Xanadu. This hint of Coleridge

gains force from his observation, "Every reform, however necessary, will by weak minds be carried to an excess, which will itself need reforming" (Coleridge).

The Public Choice School

The public choice school, with origins perhaps 15 years old, questions the traditional reform model. It seeks to replace the prescriptive principles of public administration with predictive propositions that can be, and are being, researched to test their validity (V. Ostrom, 1974). The school starts with the individual as the basic unit of analysis, not with the society or nation or community - the individual as consumer of public services and goods, as taxpayer, as public official, bureaucrat, citizen. It makes assumptions about individuals that are familiar to economists - scarcity of goods and services, self-interest and individual rationality in using scarce resources (Bish, 1973, p. 3). It considers supply of public services and demand for them as separable both in theory and practice.

Thus a government to and through which citizen demand is expressed may, and often does, procure the services demanded without necessarily producing them itself, acting as a kind of purchasing agent for its constituency. A small government may, and often does, contract with a larger one or with a private concern for a service it cannot perform economically itself. Likewise, larger governments contract with smaller ones to get things done.

This school finds purpose and utility in the diversity of kinds of governments and public organizations in the United States. The central consideration is not wholesale local consolidation and striving for economies of scale through large operations under centralized direction. It is how to reconcile a diversity of individual preferences for a diversity of public

services and goods through a diversity of organizational or decision-making arrangements (Shibboleths - Introduction, p. 4). The proposition that bigger is better is not a self-evident truth chiseled in granite, but is researchable when identified with a specific public service, with measurement of consumer demand or satisfaction, and with productivity of supply. Elinor Ostrom and her associates have done notable research, for example, on the relation of scale of organization to police patrol services (Ostrom and Smith).

Extension and Public Choice

An important purpose of including an introduction to the public choice school thinking in extension work in New York has been to help free the minds of community public decision-makers from the mental confinement of regarding the reform model of public administration as the only basis for considering how to perform efficiently essential public services. The aim has been, not to defend the status quo, but to refresh and excite imaginations in tackling public concerns, with a viewpoint of American government that has coherence and a rationale.

The extension of public choice ideas is only now being tried. It consists of a highly condensed summary of recent writings in one of a series of five leaflets published under the common caption of Shibboleths - True or False? (Bish and Ostrom). The leaflets are intended as a basis for a series of informal discussions by small groups of legislators serving on local governing boards - town, village, city, county, school district. Interest in joining a group is being solicited by county extension agents from among local legislators and other community leaders. It is too early to know how widespread interest may be over the State, but plans anticipate

that several thousand individuals will be engaged in the groups within the next year, including an interested minority among an estimated ten to thirteen thousand local legislators. The leaflet on public choice ideas is entitled, "Restructuring Local Government: Is Bigger Better?". Other leaflets are intended to stimulate discussion of community control over local finance, economic growth, and information for local decision-making (Shibboleths).

This effort stems from a wider background of association among several individuals at Cornell with public decision-makers and administrators. Extension explicitly for local officials goes back upwards of 35 years. In-service training of this kind took a more intensive turn in the late 1960s with federal and state financial support, and more recently blossomed into a Local Government Program.

The recent expansion has been directed to two groups of local public officials and employees. One consists of supervisory and managerial personnel in the "executive branch". The other, local legislators who are typically part-time representatives on governing boards with substantial powers over policy and finance.

We started the recent expansion with a survey of training needs sent to a large sample of the two groups. The survey is part of the perennial task of defining and understanding clientele and subject matter. Several hundred local legislators responded. They indicated interest in (1) perhaps not surprisingly, their legal powers and duties, (2) matters of budget and finance, (3) local government problems and trends, and (4) other items in lesser degree. We have prepared publications and conducted local training sessions on powers and duties, budget matters and other things (Cornell Local Government Program). The Shibboleths discussion series is a major

part of a beginning in education in local public problems in response to the survey findings.

The possibilities of extension education and research in public choice have been barely touched in relation to practical questions of rural development.

References

- Bish, Robert L. The Public Economy of Metropolitan Areas. Chicago: Rand McNally College Publishing Co., 1973.
- _____. "Commentary". Journal of the American Institute of Planners. (Mar. 1975): 67-82.
- _____, and Vincent Ostrom. Understanding Urban Government. Washington: American Enterprise Institute for Public Policy Research, 1973.
- Coleridge, Samuel Taylor. Biographia Literaria. Chapter 1. London: R. Fenner, 1817.
- Committee for Economic Development. Modernizing Local Government. New York: Committee for Economic Development, 1966.
- Cornell University, Cooperative Extension. Shibboleths - True or False? Edward Lutz, "An Introduction - Fresh Perspectives on Local Government." Alan J. Hahn, "Restructuring Local Government - Is Bigger Better?" Harry P. Mapp, "Community Government Programs and Their Financing - Is Local Control a Fantasy?" Richard N. Boisvert, "Growth - What Is It and Can It Be Managed?" James C. Preston, "Information for Local Action - Is It Beyond a Layman's Grasp?" Boisvert, Mapp and Lois M. Plimpton, eds., "Community Data Book - New York", 1974-75.
- _____, Cornell Local Government Program. Cornell Local Government Program. (A flyer) 1974.
- Elazar, Daniel J. "Authentic Federalism for America." National Civic Review. 62 (1973): 474-478. New York: National Municipal League.
- Ostrom, Elinor, and Dennis C. Smith. Are the Lilliputs in Metropolitan Policing Failures? Paper presented at the American Society for Public Administration meetings, Chicago, April 1975.
- Ostrom, Vincent. The Intellectual Crisis in American Public Administration. University, Ala.: The University of Alabama Press, 1973.
- _____. "The Study of Federalism at Work." Publius (Fall 1974): 1-17. Philadelphia: Center for the Study of Federalism, Temple Univ.

Task Force of the Northeastern Regional Agricultural Research Planning
Committee. Rural Development Research in the Northeast for the
Next Five Years - A Framework. Econ. Res. Service, USDA, 1973.