

Edited by
Richard L. Merritt
and
Anna J. Merritt

INNOVATION
IN THE
PUBLIC SECTOR

ADVANCES IN POLITICAL SCIENCE: An International Series Volume 4

Edited by
Richard L. Merritt
and
Anna J. Merritt

INNOVATION IN THE PUBLIC SECTOR

*Published in corporation with the International Political
Science Association and the International Institute for
Comparative Social Research, Science Center Berlin*



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University of Illinois

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3. WHY GOVERNMENTS GROW:
Measuring Public Sector Size (edited by Charles Lewis Taylor)
4. INNOVATION IN THE PUBLIC SECTOR
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FROM THE SERIES EDITOR

Advances in Political Science: An International Series reflects the aims and intellectual traditions of the International Political Science Association: the generation and dissemination of rigorous political inquiry free of any subdisciplinary or other orthodoxy. Along with its quarterly companion publication, the *International Political Science Review*, the series seeks to present the best work being done today (1) on the central and critical controversial themes of politics and/or (2) in new areas of inquiry where political scientists, alone or in conjunction with other scholars, are shaping innovative concepts and methodologies of political analysis.

Political science as an intellectual discipline has burgeoned in recent decades. With the enormous growth in the number of publications and papers, and their increasing sophistication, however, has also come a tendency toward parochialism along national, subdisciplinary, and other lines. It was to counteract these tendencies that political scientists from a handful of countries created IPSA in 1949. Through roundtables organized by its research committees and study groups, at its triennial world congresses (the next of which takes place in July 1985 in Paris), and through its organizational work, IPSA has sought to encourage the creation of both an international-minded science of politics and a body of scholars from many nations (now from more than 40 regional associations) who approach their research and interactions with other scholars from an international perspective.

Innovation in the Public Sector, edited by Richard L. and Anna J. Merritt, is the fourth volume in *Advances in Political Science: An International Series*. Like its predecessors, it comprises original papers which focus in an integrated manner on a single important topic—in this case, how research in various fields about creativity and innovativeness can contribute to our practical and theoretic knowledge of innovative strategies for public agencies.

The volume continues the collaboration between IPSA and the International Institute for Comparative Social Research, Science

Center Berlin (Wissenschaftszentrum Berlin). The conference at which the papers were originally presented was developed and financed by the IICSR. IPSA and the series editor are grateful to the Science Center Berlin and its president, Meinolf Dierkes, for their generous assistance; to Karl W. Deutsch, director of the IICSR, for encouraging the collaboration; and to Konstanze, Prinzessin zu Löwenstein, for facilitating both the conference and the publication.

—*Richard L. Merritt*

INNOVATION IN THE PUBLIC SECTOR

An Introduction

R I C H A R D L. M E R R I T T

Many observers feel that the modern Western state is in a crisis of unprecedented proportions. That perception is based on three major concerns. The first is that Western governments are facing a complex of issues at once crucial for their future existence and of a sort for which past solutions are no longer effective. A glance at the major daily newspapers in London, New York, Rome, or any other metropolitan center reveals a deep-seated concern with what is seen as the overweening importance of investors and financial institutions in determining rates of interest and investment, prices, and employment; the power of trade unions to upset industrial planning; massive changes in the clientele and expectations of public education; the rate of use of nonrenewable resources; and the secondary effects of uncontrolled growth, such as environmental pollution and a volatile labor market. The very complexity and gravity of these problems seem to ward off all but the hardest (or foolhardiest!) politicians from trying to guide a country's destiny.

Second, Western governments are concerned about how they can best respond to ongoing changes within their societies. They know that the failure to do so meaningfully will reduce their capacity for effective governance. Static policies could lead to disaster. Hence, although one or two are seeking to narrow the scope of governmental activity, most aim at improving or expanding the services they offer to their populations, regulating new and potentially harmful practices, and otherwise accepting marginal changes in the parameters within which they operate. Nor do governments cater to those who would overthrow existing values, norms, procedures, or institutions. Officials usually consider it less than helpful to be told that major transformations of the existing system (through, for example, ending private ownership of the means of production, or decentralizing government-

tal institutions to the point of dissociation) are an appropriate response to current crises. They see their task rather as preserving the main dimensions of the existing system.

Third, governments recognize that they have only a limited capacity to intervene in the social realm. This capacity rests on both the resources, physical and social, available to the government and the ability of governmental personnel to mobilize those resources effectively. A government not on a sound financial footing may find it difficult even to provide for public order. By the same token, a government that taxes the willingness of the politically relevant strata to accept new governmental intrusions into what they consider to be the private sphere may provoke widespread civil disobedience. When the loads on a government outweigh its capacity to deal with them, the overburdened government may break down. In the view of some observers, it is precisely this unwarranted expansion of governmental activity that is at the root of the current crisis of the modern industrialized state.

Whether or not this crisis is unprecedented is, to be sure, a moot point. Perhaps each generation of leaders has felt—or at least adopted the rhetoric expressing the view—that its own problems are unique in the history of mankind and of overriding importance for the world's future. This view is accurate to some extent. Today's West European governments face problems substantially different from those of the early 1930s, when economic depression gripped the world, or of the late 1930s, when Nazism threatened to engulf it. But who is to say which kind of crisis is more, and which less, significant? More to the point is the fact that crises do have something in common. The governments best able to use the experience gained in their own or others' responses to past crises may be those most likely to survive in our troubled times.

The ability of Western governments to surmount the current crisis depends on what might be called their "learning capacity." This is only in part an incremental process of adjusting to whatever new pressures arise or of instituting new procedures to enhance the efficiency of the government's behavior in seeking its goals. It requires in addition a set of more reflective procedures: A government must be able to recognize the existence of a new problem for which past solutions or incremental adjustments are inadequate, develop solutions that can solve the problem without unleashing a plethora of destructive secondary effects, enlist support from relevant groups, and work out a strategy for implementing the proposed solution. Critical to this process of innovation in the public sector is a sensitivity