

**CRISIS OF THE PUBLIC SECTOR:  
A PHILOSOPHICAL ANALYSIS OF NEW PUBLIC  
MANAGEMENT THROUGH MACINTYRE AND FOUCAULT**

**By Mustafa Ogun**

**A thesis submitted in conformity with the requirements for the degree of Doctor of  
Philosophy**

**Faculty of Social Sciences & Humanities**

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## **Abstract**

This thesis is a philosophical study of New Public Management (NPM). NPM is a theme used within the mainstream public management literature to explain and critically evaluate the changes that occurred within the public sector since the 1990s. In this study, I aim to develop the argument that there is a crisis in the public sector that results from the NPM regime. To develop this argument, I draw upon the Aristotelian philosophy of Alasdair MacIntyre and identify two distinct spheres of the public sector: practices and institutions. I then argue that NPM generates a certain type of conflict between these two spheres of the public sector. This is a conflict that is related, first, to different and rival presuppositions of practices and institutions, regarding the good of human beings, and then, to the power relationships that are introduced to the public sector through new management methods of NPM. These new management methods assert power over the practices through redefining the meaning of quality and good performance in a way that is contrary to the meanings attached to them by the practitioners. Practitioners in turn resist to this process and conflict with the institutions. The conflict turns into a crisis because the conflict can only be resolved, if either the NPM is removed from the public sector or practices cease to exist in the way that MacIntyre understands them.

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## Introduction: outlining the crisis

This study argues that there has been a crisis in UK public sector since the early 1990s. This crisis emerged out of a management regime introduced in the late 1980s that is often referred to as New Public Management (NPM) within the mainstream public management literature<sup>1</sup>. Although I will mainly focus on the theme of NPM throughout the study, it must be noted from the outset that this study goes beyond the public management literature to offer a particular kind of philosophical analysis of NPM.

This analysis will be developed through the work of Alasdair MacIntyre and Michel Foucault. Since MacIntyre is a self-proclaimed Aristotelian, I begin this study with an exposition of two central concepts of the Aristotelian philosophy: “goods” and “*eudaimonia*”. Every human action and decision, according to the Aristotelian philosophy, aims at some good (Aristotle *NE* 1094a). That is, whatever we do, we do for the sake of a good or a number of goods. No human action and decision can adequately be understood without reference to the kind of good it aims at.

The other central concept of Aristotelian philosophy that I will elaborate on is the concept of *eudaimonia*. On an Aristotelian account, although there are varieties of goods we aim at, not all goods are of the same kind. Whereas many goods are pursued for the sake of other goods, there is a good that is not pursued for the sake of any other. This good is named as *eudaimonia*; it is the ultimate good for human beings. *Eudaimonia* is often translated into English as happiness, but for the reasons I will elaborate on in the first chapter, I will use another translation: wellbeing. We pursue goods like money, prestige, friendship and so on for the sake of our wellbeing, but we do not pursue wellbeing for the sake of money, friendship and so on. Wellbeing is pursued for the sake of itself.

It follows from these two central concepts of the Aristotelian philosophy that if we want to understand public sector, we need to begin from asking the kind of goods, the

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<sup>1</sup> Throughout the study I will use the theme of mainstream literature. By this I will mean the literature that uses the theme of New Public Management in order to explain, promote or critically evaluate the transformation of public sector since the late 1980s.

actions and decisions (that constitute the public sector) aim at. I approach this Aristotelian question in the light of MacIntyre's contribution to the Aristotelian philosophy. This approach helps to define two distinct aspects of the public sector that have not yet been adequately defined in the mainstream public management literature: "practices" and "institutions". As I will explain in the first chapter, practices are cooperative activities that include arts, sciences, crafts, games, TV/radio programme making and medicine. Institutions, on the other hand, are organizations such as the NHS, the BBC, state schools, universities, art galleries and so on. Services that are produced within the public sector such as health care, education, and broadcasting are all produced by the practices.

With MacIntyre, I argue that institutions and practices must coexist, but that they differ fundamentally in the kind of goods they pursue. As I will explain below and in the first chapter, whereas practices pursue goods internal to the practices, institutions pursue goods external to the practices. Despite their differences, there are various forms of possible relationships between them, explanation of which helps understand the changes in the public sector in a way that goes beyond the mainstream literature of public management.

Now, the crisis of the public sector emerges out of a conflict between practices and institutions of the public sector. I take the word crisis to mean: the turning point of a disease that can result either in the death or the recovery of a patient. This is what crisis meant for the ancient Greek physician Hippocrates. In this study, the 'disease' referred by Hippocrates will be used as a metaphor for the conflict between practices and institution. The 'patient' will be used as another metaphor for practices. Thus, the crisis of the public sector means that there is a conflict between practices and institution that reached a turning point, and will result either in the dissolution of practices understood as MacIntyre understand them or their survival and flourishing.

The conflict between practices and institutions stems from the management methods adopted by the institutions of the public sector and have been applied to the practices since the 1990s. Among these methods, auditing, "Total Quality Management" (TQM) and performance indicators are the most notable. Through analysing these management methods, and the policies which generate them, we will see how this conflict ultimately turns into the crisis the resolution of which requires either practice

to cease to be practices or institutions cease to be under the effect of NPM regime. This conclusion is developed through a number of sub-arguments.

Once I analyse practices and institutions through the work of MacIntyre, it becomes clear that practices and the management methods of institutions involve two different and rival *presuppositions* about *the* ultimate aim of human beings. One presupposes human beings as aiming at wellbeing the achievement of which requires cultivation of habits and intellectual abilities, the other, presupposing human beings as aiming at preference maximisation. These presuppositions, in turn, entail different and rival ethoi<sup>2</sup> regarding the relationship between what is produced within the public sector and the users of those produced goods or services. Once human beings are considered as preference maximisers by institutions, practices are required by their managers to aim at maximising preferences of users of their services. That is, preference maximisation is considered as the overriding aim of public services under NPM regimes.

I argue that in opposition to the institutions (and hence the management regimes) of the public sector, practices presuppose that there is such a thing as *the* human good the achievement of which requires cultivation of habits and intellectual abilities. As I illustrate in the first chapter, this good *does not* equate to preference maximisation. Indeed, it necessitates preferring certain goods over others through transforming preferences. Such transformation requires the cultivation of our habits and intellectual abilities. In order to achieve such progress and transformation, it is necessary to recognise the existence of objective goods and standards that extend beyond individual subjective preferences. Thus, whereas practices tend to be conceived by the practitioners as aiming at wellbeing, institutions envisage practices as productive activities aiming the preference maximisation of the consumers. It is these different and rival ethoi (that follow from the two rival presuppositions) that lead practices to conflict with institutions.

To make the argument just sketched more precise, I need to briefly refer again to Aristotle's notion of *eudaimonia* and MacIntyre's notions of goods and practices early on in the thesis. Aristotle claims that wellbeing is *the* good for human beings because all other goods we pursue in our activities are related to wellbeing in an instrumental

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<sup>2</sup> Ethoi is the plural for ethos.

way. Wellbeing is, therefore, presupposed in our activities as the ultimate aim, even if we are not always aware of it. Although I will explain this in the first chapter, I need to note now that regardless of what one understands from wellbeing, it is presupposed to be the *telos* of practices in two ways: first, in relation to the practitioners, and second, in relation to those who are engaged with the practice but are not considered as practitioner such as students, viewers and patients. Practices help practitioners to achieve their wellbeing by cultivating their habits and intellectual abilities in pursuit of what MacIntyre names as goods *internal* to practices. He defines practices as “cooperative forms of activity whose participants jointly pursue goods internal to those form of activity and jointly value excellence in achieving those goods” (MacIntyre 1998a:140). MacIntyre names these goods as *goods internal to practices* as they are goods which cannot be achieved other than through participation in the practice. Curing and diagnosing illnesses, for example, is a good internal to the practice of medicine because it is through participating in the practice of medicine that illnesses and diseases can be treated and diagnosed in a systematic way. If goods internal to practices are to be achieved, the preferences of both the practitioners of the practices and the users of these goods must adjust their subjective preferences to standards of excellence peculiar to the activities of practices.

Also important to note is that the standards of excellence are peculiar to the activities related to practices. Such standards are developed and extended over time and history of particular practices through experience and education (Beadle 2013; Knight 2007: 152-4). The quality of the goods and services produced within the practices should be judged on the bases of accumulated knowledge and experience rather than preferences of individuals, if goods internal to practices are to be achieved. Practitioners' performance needs also to be evaluated with reference to standards of excellence, which, develop over time through accumulation of knowledge and experience.

The second way in which wellbeing is presupposed by the practices is related to the relationship between practices and the users of their services. Although MacIntyre does not pay sufficient attention to the relationship between practices and those who use the products or services of the practices, I argue that the relationship presupposes wellbeing as the ultimate good. That is, achieving goods that are internal to a practice like medicine also contributes to the wellbeing of patients (i.e. serves their good). This connection, I argue, is presupposed by the practices such medicine, TV programme

making and practices situated within educational institutions. Even though a maths or a philosophy student might not become a practitioner of maths or philosophy after school, it is presupposed by those practices that teaching arts and maths to people contributed to the wellbeing of the students. This, in turn, indicates that those practices presuppose that human beings aim at wellbeing the achievement of which requires cultivation of habits and intellectual abilities.

Therefore, with reference to MacIntyre and NPM methods of management, I demonstrate that there are two different presuppositions, about the ways in which human beings are motivated in their activities, coexisting within the public sector. These rival presuppositions entail two very different ethoi regarding the relationship between practices and users of the services they produce: one is the ethos of aiming at preference maximisation, and the other aiming at wellbeing through striving for goods and standards of excellence internal to practices. The former ethos manifest itself in the management methods of NPM (and hence in the institutions of public sector) and the latter, in practices such as sciences, arts, TV programme making, medicine and practices that are situated within educational institutions. These ethoi, as mentioned above, also imply different apprehensions of the quality of services and performance of practitioners in areas such as health, education and broadcasting.

As mentioned above, I argue that the crisis of the public sector emerges out of a *conflict* between practices and institutions. Thus, mere differences between presuppositions and ethoi that follow from these presuppositions are not sufficient to demonstrate the existence of crisis in the public sector. There must be some other factors that lead to such conflict. I argue that public sector is in crisis because the rival ethoi that follow from different and rival presuppositions are not merely ethoi. Such ethoi are accompanied by *power relationships* between individuals or groups that hold them. That is, institutions, which have adopted the management methods of NPM, have tried to implement the ethos of preference maximisation through introducing new power relationships to the public sector.

More specifically, I will argue that NPM is a regime that controls quality of services and goods produced by practices and performance of practitioners through new power relationships. However, as I demonstrate in the second chapter with reference to Foucault's theory of power, NPM does not control in a conventional way. The

management regime of NPM, that is to say, is not a regime that uses power in an oppressive and violent way in order to introduce a new ethos to the relationship between practice and the users of their services. The management regime of the public sector uses methods and tools that are quite different to the conventional methods of power such as legal coercion and oppression. To elucidate this I focus on Foucault's understanding of power and particularly on his notions of *governmentality* and *disciplinary power*.

Foucault understands power beyond that of structures and methods such as violence, legal coercion, exploitation and oppression. Although Foucault uses various concepts to illustrate his understanding of power, governmentality and disciplinary power are the two main and most influential ones that I will draw upon in this study. With these concepts, he argues that power is often a productive network that creates norms and self-understandings through various techniques of management. In being creative in this way, power becomes effective without the need for exploitation, coercion and oppression.

Foucault developed his notion of governmentality with reference to the concepts of 'government' and 'mentality'. For Foucault, it means the kind of self-understanding and rationality that is required for political power to be exercised in an effective way and without the use of coercion and oppression. On his account there is always a certain form of governmentality that accompanies liberal political and institutional power. Without such governmentality political and institutional power of modern society cannot work. It follows from this that in order to understand political and institutional power one has to understand the governmentality of such forms of power.

Approached in this way, NPM and its management methods turn out to be part of a larger governmentality of our time. That is the neoliberal governmentality. Neoliberalism, Foucault contends, is the main form of governmentality that can be observed within modern liberal societies. However, it must be noted from the outset that neoliberalism is understood very differently from that of the mainstream critical accounts when analysed with the concept of governmentality (for these critical accounts see Gamble 2001; Harvey 2005; Aldo Gindin and Panitch 2010; Piketty 2014). Unlike these accounts, Foucault does not interpret neoliberalism only in terms of changes in the economic and political structures of the society. Instead, he considers

it as construction of norms and rationalities through certain “technologies of power” such as “surveillance”, “examination” and “normalization”.

As will be explained in the second chapter, there is a certain type of self-understanding promoted by neoliberalism. Foucault names this self-understanding as that of *homo economicus*. As I illustrate in the second chapter, *homo economicus* amounts to a human being who understand himself as essentially aiming at preference maximisation. Thus, neoliberal governmentality enforces a particular conception of what human beings are like, through certain techniques of power such as surveillance and normalization. Having said that NPM presupposes preference maximisation, it follows that the new management regime of the public sector is an instantiation of neoliberal governmentality whereby *homo economicus* is constructed as an ideal self. But through what kind of power is *homo economicus* enforced as an ideal form of self? Simply put, through disciplinary power. I argue that such management methods as auditing, TQM and performance indicators that are introduced to the public sector by NPM can be identified as forms of *disciplinary power*.

By disciplinary power, Foucault means exercise of a number of techniques and methods such as surveillance, examination and normalization within specific organizations. What differentiates disciplinary power from those other forms of power, according to Foucault, is the use of these methods instead of violence, oppression and exploitation. Although these methods have distinctive meanings that will be explained in the second chapter, I only note now that, NPM uses them extensively and in doing so enforces preference maximisation as an ethos for practices.

Therefore, through neoliberal governmentality and disciplinary power, NPM becomes a management regime that controls practices in a way that such services aim at preference maximisation rather than the human good understood as wellbeing. What needs also to be noted at this stage is that this approach to NPM allows us to understand what is problematic with the mainstream expositions of NPM and how the MacIntyrean and Foucauldian analysis goes beyond such approaches.

In particular, what is claimed to be new with respect to NPM within the mainstream literature is problematic. The reason for this is not that new policies, structures and methods are not well defined or outlined. They are indeed very well-articulated within the mainstream accounts. However, there is lack of emphasis (if not ignorance) given

to presuppositions of practices and institutions and to how power relationships that aim to realize the expectations that follow from those presuppositions. Due to this insufficiency, both critics and proponents of NPM understand the old-style public sector in terms of bureaucracy.

Once we approach public sector from an Aristotelian point of view in conjunction with Foucault's understanding of power, it will be clear that NPM is neither a radical departure from bureaucracy nor is it liberation from bureaucracy. Instead, it is a certain type of intensification of bureaucracy whereby practices and institution conflict. In fact, I argue that NPM is an intensification of bureaucracy and it is through this intensification that preference maximization is enforced as *the* motive for practical rationality. While institutions assert power over the practices on the basis of the ethos that follow from their presupposition, practices resist such mechanisms of control. This resistance is vital to the crisis of the public sector.

Many studies critically evaluate NPM and demonstrate that it generates conflict (for those critical accounts see Pollitt 1993: 9; Exworthy and Halford 1999; Lapsley 1999; Broadbent and Laughlin 2002: 99; Farrel and Morris 2003: 136; Dent and Barry 2004: 8; Ackroyd et al 2007; Lorenz 2012). However, these studies do not explain the conflict with reference to goods, practices, institutions, presuppositions and power relationships. As a result, they fail to conceptualize the conflict in terms of practices and institutions and their presuppositions. Conceptualizing conflict within the public sector in a MacIntyrean way, as this study aims to show, helps to develop a new and alternative understanding of NPM and its problematic nature.

Before I move on, one specific study that uses MacIntyre's work to develop a similar critical evaluation of NPM needs also to be mentioned. Overeem and Tholen (2011) propose MacIntyre's Aristotelianism as an alternative way to critically analyse public administration in general and NPM in particular. They also propose MacIntyre's Aristotelianism as an alternative source to be used in understanding and managing public organizations. They develop a critique of NPM (and its variants) on the basis of MacIntyre's critique of modernity and the role MacIntyre assigns to managerialism within modernity. They claim that NPM is an instantiation of managerialism whereby effective realization of given ends becomes the chief aim of public institutions (2011: 738).

Overeem and Tholen (2011) also claim, with MacIntyre that in modernity there is the dominant belief that objective moral values and standards do not exist. In fact, it is believed that moral values are feelings, and just like any other feeling they cannot be based on any objective standards and judgement. As I will explain in the third chapter of this thesis, MacIntyre interprets this dominant belief with reference to what he names as the emotivist culture of modernity (MacIntyre, 2007: 12-3). Overeem and Tholen (2011: 727) argue that NPM shares this aspect of modernity, and as a result it bears no fundamental consideration of ends. What turns out to be important is the effective achievement of given ends; that is, managerialism. In such a context, Overeem and Tholen argues, goods internal to practices becomes subordinate to the goods external to practices. NPM, in short, neglects goods internal to practices.

This study agrees with the above claims of Overeem and Tholen (2011) with some important contributions. First of all, this study extends the argument that NPM subordinates goods internal to practices to the external ones. It does this with a more detailed analysis of NPM than developed by Overeem and Tholen. In particular, the analysis I do with reference to presuppositions regarding the management methods of NPM such as internal markets, auditing, TQM and performance indicators, illustrates the subordination of internal goods to the external ones by the NPM in a more detailed and extensive way than the study by Overeem and Tholen (2011). Secondly, and more importantly, this study extends Overeem's and Tholen's argument that MacIntyre's Aristotelianism can be a viable alternative to the mainstream public administration studies. It makes this extension on the basis of the main argument of this study. As mentioned above, the argument regarding the crisis of the public sector is developed through focusing on the kind of tensions and conflicts evolved within the NPM with reference to the concepts of presupposition, goods, practices and institutions. That is, this study, unlike Overeem and Tholen (2011), focuses on the presuppositions of practices and institutions and the conflicts that emerge between them within new power relations and claims that there is a crisis that results from such conflict.

The study uses Foucault's theory of power too in understanding the conflict within the public sector, but Foucault's theory alone is not sufficient to fully understand the nature of the conflict within the public sector. This is because neither Foucault nor his main commentators have a theory of presuppositions and goods. It needs to be mentioned from the outset that Foucault refers to practice(s) in his various work, but in

a very different way than MacIntyre refers to them. Foucault's latter period (known as his genealogical period) is thought to be concerned with practices, whereas his early period focused on discourses. Indeed, practices in Foucault's work are interpreted as areas of social life that falls outside of discourse (Rabinow, 1984:10-11; Veyne, 2010). That is, in Foucault's famous *Discipline and Punish*, practices are considered in a more specific way, but in a very different way than MacIntyre understand them. That is, practices are thought as equivalent to techniques of power such as examination and surveillance (Foucault, 1977: 146-7). There, and elsewhere, practices are thought without any reference to goods and actors that take part in practices. They are considered to be techniques and mechanism of power, whereas for MacIntyre, power and its techniques is part of institutions rather than of practices. This entails that whereas they would not necessarily differ in their understanding of institutions, they differ fundamentally in their understanding of practices and how they are related to institutions.

Thus, Foucault's understanding of practices conflicts with MacIntyre's conceptualization of them. However, as I will explain in more detail in the following chapters of this study, MacIntyre's understanding of practices can extend our understanding of resistance, and hence, conflict within the public sector that goes beyond Foucault's theory – but does not necessary dismiss Foucault. As others also recognized, Foucault considered resistance as important, but never developed a satisfactory explanation of it (Taylor, 1984; Habermas, 1994; Fraser, 1981). In particular, Foucauldian approaches fail to help us understand the motivation of resistance towards certain techniques of power and how such motivation is related to other types of governmentalities, goods and presuppositions in the case of the public sector. MacIntyre's Aristotelianism, on the other hand, helps us to develop such an account of resistance. This, however, does not entail that Foucault's methodology regarding power cannot be used within a MacIntyrean framework.

What is state above entails that while developing the main argument of this thesis, a certain limitation of Foucault's work is also overcome. In particular, I do this through returning to MacIntyre's philosophy once again in the third chapter and focusing on MacIntyre's view of the conditions of flourishing practices. On this account practices either flourish or fail to flourish. Flourishing of practices means that the practitioners are able achieve goods internal to their practices. For example, flourishing of a

practice such as medicine depends upon the achievement of goods such as curing and diagnosing illnesses by the practitioners. On the Foucauldian accounts of practices there are no accounts of different goods of practices and hence, no account of flourishing and failure to flourish.

According to MacIntyre, there are a number of conditions necessary for practitioners to achieve goods internal to their practices and hence to enable their practices to flourish. One of these conditions is important to note from the outset: virtues. Without virtues one cannot achieve the goods internal to practices. Thus, by participating into the practices, practitioners need to be habituated in a way that they can become virtuous persons. Practices, in other words, need to be formed in a way that they can serve as what Knight calls 'schools of virtue' (2007: 152). In such schools, what is important for the practitioners (as well as for the ones who are using the services of practices) is that they transform their habits and intellectual abilities so that they can become just, generous and honest persons. That is, without justice, honesty and generosity practices cannot flourish. Practices need goods external to practices too as without such goods they cannot survive for long periods of time. As explained above external goods are not specific to a practice in the way that internal goods are. They are named as external to the practices because they can be achieved in variety of ways. These are goods such as money, power and status. One can achieve money, status and power without taking part in the practice of medicine, but diagnosing and curing illnesses in an accurate way cannot be achieved without taking part in the practice of medicine.

On MacIntyre's account, one of the main roles of the institutions is to achieve goods external to practices. However, it is important to note that unless these goods serve the achievement of internal goods, institutions will not help practices to flourish. This is to say that even if institutions aim to achieve external goods, they should be careful about not preventing practice from flourishing. That is, they should regulate the finances, power relations and statues in a way that they enable practice to flourish. Therefore, external and internal goods of practices need to be ordered in such a way that external goods are *instrumental* to the achievement of internal ones. Unless they are ordered in this way, practices will fail to flourish.

Now, whereas for practices to flourish it is necessary that practitioners are habituated in a way that they become virtuous persons, NPM does not require this. In fact, as mentioned above, NPM presupposes preference maximisation as the main aim both for practitioners and for what they produce. And presupposing preference maximization as the main motivation is not conducive to the flourishing of practices. This is because practices require a different type of presupposition about human being and a different type of ethos regarding the relationship between their services and users in order to flourish. They need to presuppose that practices are oriented towards the achievement of goods internal to practices rather than towards preference maximisation. They need to become schools in which practitioners can learn to become virtuous persons. Once they are enforced to abandon their presupposition, then flourishing of practices will be prevented. By only aiming at preference maximisation, no practice can become the school of virtues. This entails that institutions need to allow practices and practitioners to work on the bases of their own presuppositions, if practices are to flourish. That is, practitioners need to be free from institutional interference in taking wellbeing (understood as cultivation of habits and intellectual abilities) as their main motivation, and producing services in a way that they helps individuals achieve wellbeing.

I argue and illustrate throughout this thesis that the disciplinary power of NPM and of neoliberal governmentality do not allow the freedom to the practices to work on their own presupposition and ethos. Under the NPM regimes and its disciplinary power, the meaning and evaluation of quality of services and performance of practitioners changed significantly within the institutional constraints. Practices and practitioners, in turn, resist change. It is this resistance that leads practices and institutions of the public sector into an unresolvable conflict: a conflict between TV programme-making and the BBC management, between NHS management and medicine, and between university management and academy. This is a conflict regarding the enforcement of different understandings about the purpose of the practices, their relations with the users of services and institutions. Although this conflict can take different forms and be experienced in varying degrees relative to the context of different organizations, it has been an ongoing conflict since the 1980s. However, I conclude that this conflict itself is not the crisis of the public sector. This conflict turns into a crisis because, in the present condition of the public sector, neither practices can be successful in their

resistance nor institutions can fully control practices on the basis of their presuppositions. That is, neither neoliberal governmentality (and disciplinary power) nor the tradition of practitioners, who are concerned with the flourishing of their practices, can succeed.

Practices cannot be successful in their resistance because of the absence of the necessary political structures for their flourishing. To elucidate this, I need to briefly outline the kind of politics that MacIntyre thinks is necessary for the flourishing of practices. For practices to flourish (or in the case of public sector, to become successful in their resistance to the disciplinary power of NPM), a politics of common good is necessary. As I explain in the third chapter, this kind of politics is a practice itself that goes beyond the particular practices such as medicine and TV programme making. Such politics is a practice the aim of which is “the achievement of a form of life which is the highest good” (MacIntyre 1998b:123). Such good, in turn, “provides a *telos* above and beyond those internal to practices” (MacIntyre 1998b:123). That is a *telos* appealing to which practices can also be governed. On MacIntyre’s account, this would be a politics of common good as it would aim at a good that is the highest good for all members of a community. It is, however, not a politics of centralized nation-state, but a politics of local communities. Not because local communities are good as such but because they are capable of establishing institutions of ‘shared rational deliberation’ whereby individuals can participate and agree on the highest and common good.

Without such politics, institutions (including the institutions of the public sector) will tend to make different presuppositions from that of the practices and as a result, they would tend to envisage different ethoi for practices. This is partly the reason why institutions enforce a certain type of ethos over the practices and conflict with practices. Thus, without a politics of local community, in which there are functioning institutions of shared rational deliberation, practices will fail to flourish. However, as stated above, institutions cannot be fully successful in their aim to control practices too, because practices are traditionally and naturally distinct from their institutions, and even if they are prevented from flourishing, they would still aim at goods internal to practices. This is because practice exists insofar as at least some practitioners achieve goods internal to their practices. The level of resistance would, of course, change depending on the context, but resistance will not cease to exist unless practices

themselves diminish. Thus, the conflict will be resolved only if practices or NPM cease to exist. And this is why the public sector is currently in a state of crisis.

### **Outline of the study**

How then does this study proceed? I develop the argument in four stages, each of which corresponds to a chapter. I begin the first chapter with an exposition of MacIntyre's philosophy and focus on his notions of goods, practices and institutions. This establishes the general philosophical outlook of the study through which NPM and public goods and services will be analysed. I will then move on to explain what I mean by the concept of 'presupposition'. As explained above, presuppositions have a central role in developing the argument of this thesis. At this stage of the study I refer to another philosopher than MacIntyre and Foucault: R. G. Collingwood.

Collingwood's view of metaphysics helps to elaborate the ways in which the concept of presupposition will be used throughout this study. With the help of Collingwood and MacIntyre, I will identify two types of presuppositions; one peculiar to practices, and the other, to institutions. As mentioned above, practices and practitioners presuppose that human beings aim at wellbeing. It will be explained in the first chapter that practices related to health and education are different and older than the modern institutions in which they are presently housed. Hence their presuppositions are different and older than the presuppositions of these institutions. I will then move on to explain the set of presuppositions peculiar to the NPM. I will illustrate the ways in which presupposing human being as preference maximisers is inherited from neoclassical (or as often referred to neoliberal) economics. Following this, I will analyse certain policies and enactments as well as the management methods that follow from such policies and enactments. Through such analysis, I will demonstrate that early NPM policies and enactments presuppose human beings as preference maximisers.

Once this is demonstrated, I will move on to exploring what those presuppositions indicate with respect to public services and goods. As briefly mentioned above, it will be illustrated that two rival expectations from the public services and goods follow from the two presuppositions. The first chapter ends with noting that expectations do not remain as mere expectations but turn into power relationships. This brings us to the next stage of the study whereby I develop an exposition of the kind of power

relationships introduced to the public sector through NPM and how these relationships lead practices and institutions into conflict.

The second chapter begins with a detailed exposition of Foucault's theory of power. First, his notions of governmentality and disciplinary power are explained. I will then move on to reconsider NPM policies and enactments through these concepts of Foucault. This kind of analysis will reveal the ways in which NPM is related to neoliberalism and to power beyond that of economic structures and policies. Such an analysis will not only reveal this, but also help extend our understanding of the conflict between practices and institutions and hence the crisis of the public sector.

In the following stage of the second chapter, I also elaborate on the ways in which the argument of the study – as it has been developed so far – adds to mainstream accounts of NPM. To do this, I point out the main aspect of the mainstream literature that I find to be problematic. It will be argued that the mainstream accounts fail to understand what is *new* about NPM. It will be illustrated in the second chapter that whereas proponents consider NPM as liberation from bureaucracy, critiques consider it as an unsuccessful attack on bureaucracy. It is argued in the second chapter that this is a mistaken view. With reference to Foucault's notion of disciplinary power, I demonstrate that NPM is an intensification of bureaucracy rather than an attack on or liberation from it. It is in fact through intensifying bureaucracy that NPM introduced the neoliberal governmentality to the public sector, which has then led practices and institution into conflict.

In the final stage of the second chapter, I elaborate on the difficulties of the Foucauldian account with regard to the purposes of the study. I end the second chapter by arguing that Foucault's philosophy falls short of explaining resistance to power. Although his philosophy is helpful in understanding power and NPM beyond that of political and economic structures, he is not that helpful particularly in explaining resistance of practices towards that of institutions. I argue at the last stage of the second chapter that this failure is due to Foucault's lack of a theory of practice and goods. As I demonstrate, Foucault does not consider the role of different goods and practices within our social affairs to be important in any way. For this reason, if we analyse the public sector through the work of Foucault alone, we will not be able to

fully understand the motivation(s) behind resistance. This difficulty in Foucault's philosophy brings me to the third chapter of the thesis.

In the third chapter, in order to overcome the insufficiencies of the Foucauldian account in general, I turn to MacIntyre's account of 'flourishing practices'. Such an account will not only help overcome the failures of the Foucauldian approach to NPM but also to conclude the account of the conflict between practices and institutions. The notion of 'flourishing practices' allows me to develop a normative account of practices and their relations to institutions. Such a normative account, I go on to argue, helps explain the resistance of practices towards disciplinary power and neoliberal governmentality in a way that neither Foucauldian nor the mainstream accounts of NPM can do. Once this is done, I will conclude the chapter with an account of the kind of politics that is considered to be necessary for the flourishing of practices by MacIntyre and some of his commentators. I begin elaborating on this with what I claim to be a different governmentality of the public sector than that of the neoliberalism: New Liberalism.

New Liberalism is formally defined as a political ideology that had emerged in the UK by the end of 19th century. New Liberalism initiated the modern welfare state whereby free and quality education, healthcare and social security believed to be the chief responsibility of the state. I argue New Liberalism to be also a form of governmentality just like neoliberalism. That is, it aims to enforce a certain form of subjectivity and rationality that renders individual conduct into governable conduct. This governmentality has been dominant in the pre-NPM era of the public sector and had been related to the institutions and practices of the public sector quite differently than that of neoliberal governmentality. I demonstrate in the third chapter that New Liberalism presupposes that human beings conform to objective moral standards that are shared by other members of the society. This governmentality and its presupposition regarding human beings had been more in concord with the presupposition of practices. Such a condition entails that the expectations of institutions and practices from public goods and services has been to some extent more similar, so that they did not conflict.

For the same reason, practices, in the old public management, had more autonomy in terms of defining quality, performance and the ways in which public goods and

services were going to be produced. This condition is changed through the neoliberal governmentality and disciplinary power of NPM and the result is resistance from practices. In the third chapter two dimensions of the crisis of the public sector becomes clear: One is the change from New Liberal to neoliberal governmentality and introduction of disciplinary power to the public sector, and the other is the resistance from practices towards such governmentality and power.

The source of this resistance is the presupposition of practices and the expectations from public goods and services that follow from such presupposition. However, to understand such resistance one has to turn back to MacIntyre. Unlike Foucault, his notions of practices, institutions and goods explain why practices tend to resist institutional power that works on the bases of different presuppositions and expectations regarding individuals and public services. At this stage of the study it becomes clear that the conflict between practices and institutions emerges out of practices resisting producing on the bases of a different apprehension of what is *good*, and resisting being subjected to the power relationships that enforce such apprehensions.

The chapter ends with noting that this conflict needs to be considered as a *crisis* because practices cannot become successful in their resistance, nor can institutions fully control practices, on the bases of their own presuppositions. This argument is again developed with reference to MacIntyre. In particular, at this last stage of the third chapter, I provide an exposition of MacIntyre's understanding of politics. On the basis of this understanding I claim that practices cannot be successful in their resistance because the kind of politics (or governmentality) that is necessary for this is not available in today's nation state politics. Likewise, the kind of politics that is available cannot fully control the practices on the basis of preference maximisation as they cannot possibly erode practices and their standards of excellence and internal goods. Thus, the third chapter ends with claiming that unless there is a new type of politics, practices and institutions are bound to conflict and hence the public sector is bound to remain in crisis too.

In the last chapter, apart from various other empirical studies, I will mainly refer to the two most authoritative ethnographic studies of the BBC, namely, *The BBC: Public Institution and Private World* (Burns 1977) and *Uncertain Vision: Birt, Dyke and the*

Reinvention of the BBC (Born 2004), in order to illustrate the main argument of this study with a particular case. I show in the last chapter that ethnographic studies of the BBC support my argument once they are rethought with reference to the theoretical framework I develop in this study. However, I should note from the outset that since the study itself is not an empirical study, this chapter only provides a more focussed approach to the main theoretical argument of the study by referring to empirical work. Nevertheless, the chapter is not a simple restatement of empirical data, but a reinterpretation from the theoretical approach developed in the first three chapters.

With reference to the early history of the BBC, I argue that whereas TV and radio programme making is a practice, the BBC is an institution in the way that MacIntyre understands practices and institutions. Following the arguments set out by Beadle (2008; 2013) about the ways in which cooperative activities can be ascribed the status of practice, I first show that programme making has goods internal to it. Second, I demonstrate that such goods constitute an important part of the life of programme makers. Once programme making is defined as a practice and the BBC as an institution, I will move on to develop the argument that programme making presupposes that human beings aim at wellbeing the achievement of which requires cultivation of habits and intellectual abilities. This presupposition is followed by the expectation that programme making should contribute to the wellbeing of both the practitioners and the viewers. In other words, programme making presupposes that viewers aim at wellbeing and programme making can help viewers achieve this aim.

The BBC, as it will be clear from the final chapter, shared this presupposition and expectation with that of the practice up to a certain point. It is shared the presupposition through what has been considered as the Reithian ethos. John Reith, as the founder of the organization and its first Director General, thought like New Liberals and considered the aim of the BBC to be that of informing, educating and entertaining the public. He thought that individuals aim at a moral good and achievement of this good is only possible through development on one's moral character (Seaton 1997: 151-2). Further, he shared with New Liberals the view that this good cannot be distinguished from the good of society. That is, Reith (together with early programme makers) thought that a good society is only possible through establishing public institutions that aim to help individuals cultivate their moral character, and hence achieve their good. This is why they developed the mission of the

BBC as the responsibility for informing, educating and entertaining the public. Although this mission has survived up until today, the BBC as an institution no longer consider the mission as the ethos of the relationship between the practice and the viewers of programmes.

I show in the final chapter that as a result of the neoliberal governmentality and the NPM, BBC began to understand viewers in terms of preference maximisers. That is, the institution began to make a different presupposition about practitioners and viewers. In so doing it also began to implement intensive Auditing, Quality Management and Performance Indicators methods over the practice. These management methods were not neutral acts of management but instead, a form of disciplinary power through which an understanding of viewers and practitioners as *homo economicus* is enforced over the practices. This enforcement reflected largely through the quantification of quality and performance in terms of ratings and audience expectation. As I will be clear from this final chapter, ratings and audience expectation became the main justification for the management of the organization to interfere with the content of the programmes that was almost impossible before NPM penetrated to the BBC. Since the enforcement of *homo economicus* as an ideal understanding of viewers is rival to the presupposition of the practice and their following expectation from the programmes, the result has been a conflict between practices and institutions. The result was a conflict because practice began also to resist this enforcement.

I conclude the chapter with noting that the conflict turns into a crisis in the BBC, because neither can the institution achieve its aim of controlling programme making nor can the practice succeed in flourishing within the institution. However, this does not mean that excellent programmes cannot be made within the BBC. Excellent programmes are produced, but only as a result of resistance towards the institutional power of NPM. Unless this context changes the BBC will remain in a state of crisis, which will at the same time be an instantiation of the crisis of the public sector.

# Chapter I: Goods, Practices and Institutions: two rival presuppositions and ethoi

*Every art and every inquiry, and similarly every action and choice, is thought to aim at some good*  
Aristotle NE, 1094a

As stated in the Introduction, the main argument of this thesis is that there is a crisis in the public sector that emerges out of a conflict between practices and institutions. I have pointed out in the Introduction that those institutions which adopt the new management methods of NPM instigate this conflict. First, then, I need to elaborate on what I mean by practices and institutions. As I take these concepts from MacIntyre's philosophy, let me begin with him.

MacIntyre is a self-proclaimed Aristotelian. For this reason, in order to understand his philosophy and how this philosophy can help us to evaluate the management regime of the public sector, it is reasonable to begin from Aristotle and particularly from Aristotle's ethics. Aristotle understands human action in a *teleological* way. That is, human action, practices and institutions need to be understood with reference to their *telos* according to Aristotle. The word *telos* means end or purpose. Ends and purposes of activities, practices and institutions, it follows, should have a crucial place within our explanations or accounts of social affairs. A craft like shoemaking, for instance, consists of various components. In order to fully understand such craft, one has to know its *telos*. To use the same example again, whether the end of such a craft is to make good shoes or to make money entails an important difference with regard to the nature of the shoemaking. The same applies to all other human activities for Aristotle.

Let me also note that Aristotle claims, in his *Nicomachean Ethics*, that: "Every art and every inquiry, and similarly every action and choice, is thought to aim at some good" (NE 1094a). It follows that practices and institutions (insofar as they consist of human action) aim to some good. It also follows from this that human actions, practices and institutions need to be understood with reference to *goods* on an Aristotelian account.

It should also be noted that ends or goods, for Aristotle, are not homogeneous. For him, there are varieties of ends we can pursue in our social affairs. Nevertheless, these ends can be categorized into two main categories and in understanding our social affairs one has to take these two categories of goods into account. Goods can be either instrumental or can be pursued for the sake of themselves (*NE* 1096b3). According to Aristotle, among those goods one stands as *the* ultimate good. *Eudemonia* is *the* good human beings pursue for the sake of itself. It is important to note from the outset that this argument of Aristotle will have an important place in the argument of this study. *Eudaimonia* will be considered as the most important aspect of the presupposition underlying practices. Although I will explain this in the following sections of the chapter in more details, I need to note now that regardless of what one understands from *eudaimonia*, it can be thought as the *telos* of all our activities. Human action and practices, that is to say, can be understood as ultimately aiming at a good that is pursued for the sake of itself rather than for the sake of some other goods. But what is *eudemonia*?

Although *eudemonia* has been translated into English as ‘happiness’, such translation is not satisfactory. This is mainly because whereas happiness implies a psychological state in our modern societies, for Aristotle, *eudemonia* is rather a permanent state of character achievement of which requires cultivation of habits and intellectual abilities (*NE* 1179b2-31). On the Aristotelian account, one can only achieve *eudemonia* through exercising *virtues* in the practical life. *Eudemonia*, therefore, is the life lived in accordance with virtues and for this reason it is a permanent state of character rather than a temporary psychological state. Wellbeing would be a better English word for *eudemonia*.<sup>3</sup> Wellbeing is *the* good for human beings because all other goods we pursue in our activities are related to wellbeing in an instrumental way. That is, we pursue goods like money, success, health and friendship for the sake of wellbeing, but do not pursue wellbeing for the sake of health, money and so on. This is why wellbeing the ultimate end.

It is important to note that Aristotle is not making only a descriptive claim here. That is, he is not describing how people always act. Instead, he is describing how certain

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<sup>3</sup> *Eudemonia* is also translated as flourishing. This is also an appropriate translation but I will use wellbeing instead. This is because the concept of flourishing will also be used with reference to practices and might cause some confusion if it is also used for *Eudemonia*.

people act, as well as how certain others should act. So, as a moral philosopher, he is also developing a normative account of human action and goods. From this point of view, *eudemonia* is a type of good that *can* or *cannot* be attained by an individual. Its achievement requires the achievement of many other goods too. Such goods vary from material goods such as health and money to moral goods such as a good character. If one fails to achieve those goods, he will also fail to achieve *eudemonia*. It is for this reason that Aristotle suggests and outlines a certain type of an education through which human beings can be habituated towards *eudemonia* (*NE* 1103a). Achieving wellbeing depends heavily on cultivation of desires, passions, intellectual abilities and preferences of individuals. Central to such cultivation, for Aristotle, is learning to order goods in one's practical life. An individual who cannot order goods in a certain way will fail to achieve wellbeing. In order not to experience such failure one has to be habituated into the life of virtues. That is, the virtues are just those character traits that help us to achieve *eudemonia*.

MacIntyre's philosophy developed in accordance with these elements of Aristotelian philosophy that I have very briefly outlined above (MacIntyre 2007: 148; 1988: 103-24). That is, MacIntyre considers teleology to be an important tool to understand human actions, practices and institutions (MacIntyre 1999)<sup>4</sup>. Goods, therefore, play a special role in MacIntyre's theory. It is in fact, this dimension of MacIntyre's philosophy that helps us to go beyond the mainstream accounts of NPM – as does the Foucauldian account I will develop in the following chapter.

Following Aristotle, MacIntyre too, suggests goods should be classified into two main categories: goods which are instrumental to the achievement of other goods, and goods which are pursued for the sake of themselves (*NE* 1096b3; MacIntyre 1999: 66). But MacIntyre's classification, unlike Aristotle's, relies largely on his notion of a "practice" (Knight 2008). He develops this notion in his cardinal work *After Virtue*.<sup>5</sup> Let us see how he defines it. By a practice he means:

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<sup>4</sup> As we will show in the following section, virtues, practices and institutions are also important to understand organizations, but since we will deal with each of them one by one, we are only mentioning goods here.

<sup>5</sup> This notion of a practice and his differentiation of goods within the practices have influenced many scholars interested in organization studies and politics (see Beadle and Moore 2011; Keat 2000; Knight 2008).

any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the goods and ends involved are systematically extended (MacIntyre 2007: 187).

This relatively long description becomes clearer in the light of various examples. Farming, architecture, philosophy, scientific inquiry, games, crafts, arts and medicine are all examples of practices. For instance, drawing a picture could be an activity related to the practice of painting, but it cannot be the practice itself. That is, painting is a practice though drawing a picture might be participating in a practice. This is mainly because practices develop historically and collectively. They develop through accumulation of knowledge and experience that is transferred from one generation of practitioners to another through education and cultivation of one's moral character and skills (MacIntyre 1998b: 121). Thus, practices require one to be part of them through education and experience. This is why drawing a picture in an art class is an activity related to the practice of art, but it is not the practice of painting itself.

To have a better understanding of MacIntyre's notion of a practice, one has to know how he relates practices to goods. MacIntyre contends that practices should be understood with reference to goods. There are two types of goods relevant to all activities involved in practices. He names one class of goods as goods *internal* to practices and the other as goods *external* to practices (2007: 188-190). Certain goods are named as 'internal' because they are goods achievable only through participating in the relevant practices and through aiming to achieve the standards of excellence peculiar to the activities of that practice (MacIntyre 2007: 188-9). For example making an excellent TV programme is a good that can only be achieved through the practice of programme making, but the money made from releasing the programme is an external good because it can be achieved in a number of alternative ways. To give another example, curing and diagnosing illness and injury in a systematic way is a good internal to medicine. One cannot achieve such good without being an educated and experienced doctor or a nurse in the practice of medicine.

We can now understand why MacIntyre names certain types of goods as *external* too. Goods external to a practice are goods such as money, status, power and prestige (MacIntyre 2007: 188). Goods external to practices are not specific to a practice in the way that internal goods are. For instance, making the land fruitful, in a sustainable way, is a good internal and specific to farming. Land can be made fruitful in a sustainable through the practice of farming. It requires knowledge, experience and virtues of a specific type for farmers to make land fruitful in a sustainable way. Money, power and status, on the other hand, can be achieved in variety of ways than farming. One does not have to be a farmer to earn money, power and status, but one has to be a farmer in order to make land fruitful in a sustainable way. As MacIntyre puts it “there are always alternative ways of achieving such [external] goods, and their achievement is never to be had only by engaging in some particular kind of practice” (2007: 188).

Another feature of external goods should also be noted here. Goods external to a practice are always some individual’s property and possession, and for this reason, they are objects of a specific type of competition (MacIntyre 2007: 190). Such competition is based on winning and scarcity rather than excelling in the activities of the practice. Since external goods are always possessions of some individual, the more external goods an individual wins through competition, the less there are left for other individuals. Internal goods, on the other hand, are quite different. Their achievement is not subjected to scarcity. On the contrary, their achievement enables the possibility of others achieving them too. As MacIntyre notes “internal goods are indeed the outcome of competition to excel, but it is characteristic of them that their achievement is a good for the whole community who participate in the practice” (MacIntyre 2007: 190-1). To be sure, this does not mean that every practitioner can become equally good in terms of excellence. There will always be differences, but there is no scarcity of excellence; it is a possibility – however idealistic it is – that all the practitioners of a practice becomes excellent in their activities. Despite the degree of variations in the achievement of the standards of excellence, they do not run out. The same cannot be said of the goods external to practices.

For instance, when Picasso developed Cubism, he achieved certain goods internal to the practice of painting through making certain changes to the standards of excellence. Once Picasso achieved such goods, they became available to other practitioners too.

That is, practitioners after Picasso can also be influenced by Cubism and aim to do Cubist paintings. Indeed, they can even do those paintings better than Picasso himself, and develop Cubism to a further stage. Picasso, however, did not only strive for the standards of excellences and goods internal to art, but he also gained prestige, status and money. That is, he also achieved goods external to the practice. In so doing, he reduced the chances of other painters' getting the same amount of money, status and prestige. But this is not the case with respect to the goods internal to painting.

It is also important to note that goods internal to practices are contextual and historical. Internal goods develop over time and through accumulation of knowledge and experience and transfer of such knowledge and experience from one generation of practitioners to others (for a detailed account of this see Beadle 2013; Beadle and Könyöt 2006). For this reason achievement of goods internal to practices requires practitioners to be educated and experienced into this accumulated knowledge and experience of the practice. Practices, therefore, have an educative dimension.

Within such education practitioners not only learn contextual and particular skills and knowledge related to their practices, but also virtues such as justice, generosity, and prudence. Without virtues, one cannot achieve goods internal to practices according to MacIntyre. To be able to express virtues practitioners has to go through a process of transformation of their preferences, desires and passions. Goods internal to practices provide grounds for such transformation as they are goods that can be strived for and understood apart from the satisfaction of subjective wants, preferences, desires, and pleasures (MacIntyre 2006a: 48; MacIntyre 1998b: 121). Without such goods, being virtuous is not possible. This is to say that, just like Aristotle, MacIntyre thinks that virtuous actions are based on objective reasons rather than subjective preferences. Goods internal to practices are ground for these types of reasons for action.

From this point of view, "practices are the shared activities within which individuals may find goods apart from and greater than those valued by their untutored desires and passions" (Knight 2007: 152). Striving to achieve standards of excellence provides practitioners with grounds that they can rely on in reasoning and transforming their preferences. By going through such kind of transformation, practitioners develop virtues that would enable them to achieve those goods internal to practices. As MacIntyre puts it, "a virtue is an acquired human quality the possession and exercise

of which tends to enable us to achieve those goods which are internal to practices” (MacIntyre 2007: 191).

Another important element of MacIntyre’s understandings of practices is, of course, *practitioners*. Within practices there are always practitioners who cooperatively work (or fail to work) towards the standards of excellence and the development of those standards. Practitioners need first to be part of the cooperative environment of the practice and second, they need to be educated and become experienced so that they come to possess the necessary knowledge, experience and virtues related to the practice. Unless this condition is met, one cannot be considered as a good practitioner.

Let us reconsider what has been stated above through a specific example. Medicine, for instance, is a practice, which has goods internal and external to it. Doctors and nurses can be considered as practitioners of the practice of medicine. They become practitioners by becoming part of the practice of medicine, which requires a certain type of education and experience. Through experience and education they learn the standards of excellence and the skills and knowledge necessary to strive for and develop those standards. Practitioners achieve goods internal to the practice of medicine – or fail to do so – through striving towards the standards of excellence. Diagnosing and treatment of diseases in an excellent way, for instance, is one of the main goods internal to the practice of medicine. It is only through becoming a doctor or a nurse that one can achieve this good internal to medicine. That is, it is only through becoming a doctor or a nurse that one can cure and diagnose diseases in an excellent way.

MacIntyre makes it clear that his understanding of goods does not entail that external goods are irrelevant or unimportant to practices. External goods are essential for practices because without external goods practices cannot survive (MacIntyre 2007: 194). Goods such as money, status and power, that is to say, are necessary for practices to be sustained in long periods of time.

## **1.2. Practices and institutions**

In light of the understanding of goods external to practices, the institutional setting of practices and the differences between practices and institutions become clear.

According to MacIntyre, it is institutions which are necessarily concerned with external goods, not practices.

[Institutions] are involved in acquiring money and other material goods; they are structures in terms of power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers. For no practices can survive for any length of time unsustained by institutions. Indeed so intimate is the relationship of practices to institutions ... that institutions and practices characteristically form a single causal order in which ideals and the creativity of the practices are always vulnerable to the acquisitiveness of the institutions, in which the cooperative care for the common goods of the practice is always vulnerable to the competitiveness of the institution (MacIntyre 2007: 194).

As institutions are concerned with external goods, and as external goods are necessary for the survival of practices, MacIntyre's contention is that without institutional governance practices can hardly survive. Such a contention has implications with respect to effectiveness and efficiency. On MacIntyre's account, effectiveness and efficiency are institutional attributes. This is because effectiveness consists of qualities, which would enable the acquisition and distribution of external goods in an effective and efficient way (MacIntyre 1988: 32; see also Knight 2008a: 115; Knight 2009). Effectiveness and efficiency of institutions are, therefore, important for the survival of practices.

Although I will elaborate on this issue in detail in the third chapter let me note now that, just like Aristotle, MacIntyre is also developing a normative account here – but unlike Aristotle he is also developing a normative account of practices. MacIntyre is not only describing what is actually occurring in certain cases of social life, but also something that is a *potential* that should be *actualized* (Knight 2008: 40). Whether practitioners will achieve the goods internal to practices or not depends on the ways in which practitioners order the goods in their practices and how practices are related to the institutions. This is to say that practices do not only survive, but also flourish or

fail to do so, on MacIntyre's account. There is an important difference between survival and flourishing.

Flourishing of practices means the achievement of goods internal to practices.<sup>6</sup> Failure with respect to flourishing does not imply that the practice in question cannot survive. Architecture, sciences, medicine, games and various practices can be found within the history of almost every civilization. However their mere existence does not mean that they are flourishing. Survival of practices requires effective and efficient institutional settings, whereas flourishing of practices requires more than effectiveness and efficiency of institutions. Having said that flourishing means achievement of goods internal to practices which requires education, experience and, above all, possession and exercise of virtue, it follows that flourishing practices requires virtues, knowledge and experience relevant to the practices. Practitioners, MacIntyre argues, cannot realize internal goods without such virtues as justice, courage and honesty (MacIntyre 1998a: 226). Thus, for practices to flourish practitioners need be cultivated in a way that they express virtues in their practices.

To be sure much more could be written on MacIntyre's philosophy, but what has been stated so far is enough to clarify what I will mean by institutions and practices in the remaining parts of this study – I will refer to further aspects of MacIntyre's philosophy later on in the thesis.

Now, I can come back to the issue of the crisis of the public sector. As stated in the introduction, the crisis results from NPM and the conflict it generates between practices and institutions. I have also stated in the introduction that this crisis becomes apparent, when practices and institutions are analysed with reference to their presuppositions. Practices and institutions, that is to say, are not only structures of management and production (of services and goods), but they are also presuppositions that have important implications regarding the ethos of what is produced within the public sector. Thus, in this chapter, I also need elaborate on what I mean by presuppositions and how they are related to the practices and institutions of the public sector in order to develop my argument. I do this by considering the views of another philosopher, other than MacIntyre and Foucault: R. G. Collingwood. I begin from

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<sup>6</sup> This notion of flourishing practices (and the normative dimension of MacIntyre's account of practices) is important for the argument of the thesis. However, I will only mention it here and develop a more detailed explanation in the third chapter, when it will become necessary for developing the argument of the thesis.

Collingwood because, as will be clear from the below, his philosophy and particularly his notion of metaphysics helps to clarify what I mean by the concept of ‘presupposition’.

### 1.3. Presuppositions

Collingwood, of course, wrote in a completely different context and with vastly different intentions than this study. Nevertheless, his *An Essay on Metaphysics* and his philosophy of history can shed some light on how I am going to use the concept of presupposition in this study. Collingwood had a very different idea of metaphysics than many of his contemporaries and I argue this understanding to be quite useful in understanding what I mean by presuppositions. Unlike many, he thought that metaphysics does not and should not try to justify certain statements or claims related to issues like the existence of God, knowledge, nature of moral values and so on. Rather, metaphysics should aim to investigate “presuppositions”, made within a field of study, or by a certain group of people at a certain time in the history. He thought that metaphysics “is the attempt to find out what absolute presuppositions<sup>7</sup> have been made by this or that person or group of persons, in the course of this or that piece of thinking” (Collingwood 1940: 47). Understood in this way, metaphysics is a method of inquiry instead of an ontology. That is, contrary to the common view, metaphysics does not and should not try to understand the nature of being. It should not ask questions such “as how do we know that things exist?”, “does God exist or what is it for something to be an actual entity?”. Metaphysics, instead, should be an inquiry into the main presuppositions of a certain discipline, literature or a group of people.

This understanding of metaphysics would help us to approach the post-1970s transformation of the public sector not only in a different way than the mainstream literature does, but also in a more productive and novel way. A metaphysics of the public sector, would try to understand the absolute presuppositions and how they are related to the historical context. First of all, according to Collingwood, every statement is somehow connected to a presupposition. This is to say that, whenever we say or write something we are at the same time presupposing. This claim relies on another argument Collingwood makes in his influential work, *An Essay on Metaphysics*. His

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<sup>7</sup> I will explain what absolute presupposition means in the following paragraphs.

contention is that *every sound statement is an answer to a question*. When I say that “this is a computer” I am, at the same time, answering the question of “what is this?” Likewise, when I say “I like walking”, I am also answering the question of “do you like walking?”.

To be sure, he does not mean that we are answering these questions in a conscious way whenever we make a statement. What he is suggesting is that whenever we make a statement, that statement can be formulated as an answer to a question or a number of questions. Although at first this might not appear to entail anything with regard to presuppositions, when we consider this in relation with another claim of Collingwood, its relevance becomes more apparent: “every question involves a presupposition”. For instance, when we ask questions such as ‘what is the meaning of public sector?’, ‘what is the nature of human psychology?’ and so on, we are presupposing that public sector has a meaning and human psychology has a nature. Likewise, when I ask to someone ‘do you like walking?’ or ‘what are you reading nowadays?’ I am presupposing that the addressee knows what it means to walk or read. Hence, it is a central claim of Collingwood that without presuppositions questions do not arise.

However, on Collingwood’s account, not all presuppositions are of the same nature. He makes a distinction between relative and absolute presuppositions (Collingwood 1940). It is important to elaborate on this distinction to understand what Collingwood means by metaphysics and how his understanding can help illustrate what I mean by presuppositions. It is also crucial for our inquiry to explain the differences he points out about absolute and relative presuppositions. Relative presuppositions are those that are answers to further questions. For instance, when I ask someone whether he wants to have a beer, I am presupposing that he is at least occasionally drinking beer. This presupposition in turn, like other presuppositions, can be formulated as an answer to a question. That is, when I ask such questions, I am at the same time giving a positive answer to the question, “do you drink beer at all?”. Likewise, when I say that “there is a computer on the table”, I am presupposing that the addressee of this statement knows what a computer is and what it looks like. So, when I state to someone that “there is a computer on the table”, I am at the same time answering the question “do you know what a computer is and how it looks like?”.

Furthermore, relative presuppositions might turn out to be right or wrong. To follow the example above, the person might not like to drink beer for a number of reasons. He might be a religious Muslim or have some health problems and I might not be aware of these before asking the question. The addressee might reply by saying that he does not drink beer at all due to religious reasons and hence my presupposition would be refuted. Accordingly, the addressee of the second statement, I have mentioned above, might not have an idea about computers. This would again refute my presupposition that addressee knows what a computer is. Likewise, if the addressee drinks beers at least occasionally or knows what a computer is my presuppositions would be verified.

To give another example, I can ask someone whether he has a smartphone or not and in so asking I am presupposing that the addressee knows what a smartphone is. If the addressee provides a positive or a negative answer to such a question, then my presupposition is verified – unless the addressee does not just make up random answers to the question. That is, any positive or negative answer would verify that the addressee know what a smartphone is. The fact that such presuppositions are answers to further questions and they can be refuted or verified indicates that they are relative presuppositions.

There are, however, other types of presuppositions for Collingwood; namely, *absolute presuppositions*. These presuppositions cannot be verified or refuted; nor are they answers to further questions. They are just presuppositions. On this account, absolute presuppositions are the precondition, upon which a certain type of science, discipline or even a mode of thought can develop (Collingwood 1940: 44-5). Without absolute presuppositions, that is to say, a tradition in science such as that of Newtonian physics is not possible. For Collingwood, if we are to do science or research, or even careful thinking, we need to begin from certain absolute presuppositions. Collingwood's has a simple example here:

If you were talking to a pathologist about a certain disease and asked him 'What is the cause of the event E which you say sometimes happens in this disease?' he will reply 'The cause of E is C'; and if he were in communicative mood he might go on to say 'That was established by So-and-so, in a piece of research that is now graded as classical.' You might go

on to ask: 'I suppose before So-and-so found out what the cause of E was, he was quite sure it had a cause?' The answer would be 'Quite sure, of course'. If you now say 'Why?' he will probably answer 'Because everything that happens has a cause'. If you are importunate enough to ask 'But how do you know that everything that happens has a cause?' he will probably blow up right in your face, because you put your finger on one of his absolute presuppositions... But if he keeps his temper and gives you a civil and candid answer, it will be the following effect. 'That is a thing we take for granted in my job. We don't question it. We don't try to verify it' (Collingwood 1940:31).

Thus, for the pathologist in the example, presupposing that 'everything that happens has a cause' is the basis of his initial statement about the disease. This implies that for any pathologist to do his science it has to presuppose in an absolute way. Absolute presuppositions, however, often takes an unconscious form. That is, although we need to begin from absolute presuppositions in our thinking, we are often not aware of such presuppositions. It is often through questioning, like it is in the example I have given above, that absolute presuppositions become apparent. This is why Collingwood thinks that investigating and identifying absolute presuppositions is a distinctive task of its own. He assigns this task of investigating absolute presuppositions to philosophy or metaphysics. It is the business of the philosopher to find out what absolute presuppositions are employed within a piece of thinking.

This, however, is not to say that metaphysics is a deductive science detached from history and sociology (Collingwood 1940: 192-200; see also D'Oro 2002: 108-9). It is important to note that on Collingwood's account, metaphysics has to identify 'constellations' of absolute presuppositions and the 'strains' that exist between and within them (Collingwood 1940: 72-77). That is, for Collingwood, one absolute presupposition does not exist in isolation from other presuppositions. Absolute presuppositions are pragmatic presuppositions that are employed within social life together with other presuppositions that might or might not fall into conflict with each other. This is to say that presuppositions are used in everyday practices by human agents. Presuppositions thus have an important role to play in our social and historical settings and for this reason they are social and historical.

To understand why Collingwood argues for this, we need to briefly explore his understanding of history too. For Collingwood, “*history is the history of thoughts*”. This might appear to be a traditional idealist approach to history but he does not make this statement in a conventional way. He does not propose history to be a mere study of what has been done and thought in the past. What he means is that when historians study a certain period in the history, they do not study random or natural events. They study events or occurrences which results from rational actions and decisions. That is, historical change, for Collingwood, is the expression of intelligent behaviour or action (D’Oro 2002: 106). Indeed, the main difference between social and natural sciences, for Collingwood, relies on this idea of history. Natural events are not the results of actions based on human decisions, whereas historical events are. This is why historical events are studied, explained and understood through appealing to decisions, motivations and deeds. When Collingwood says that history is the history of thoughts, he means that when a certain deed taking place in a given period of history is analysed by historians, this analysis is at the same time a latent analysis of thought, because without thoughts there are no deeds. Therefore, in so far as history is about human action rather than natural processes, it is also about human thought, decisions, reasons and motivations.

Now, having said that every thought or statement is somehow related to a presupposition, and that history is the history of thought, it follows that presuppositions are strictly related to history. Thus, as constellations of absolute presuppositions change, historical processes also change and vice versa. Likewise, strains between constellations of presuppositions amounts to strains in history and society. This brings us to the point that metaphysics, contrary to the common view, is a historical study. That is, metaphysics, in studying absolute presuppositions, also studies the shifts and changes with respect to historical and social context. Historical change, then, can be understood with reference to absolute presuppositions. To put this in a somewhat different way, what makes a certain period of science or a set thoughts or phase in history different from another is the differences, changes and strains that occur with respect to constellations of absolute presuppositions. This is why Collingwood says that “different sets of absolute presuppositions correspond not only with differences in the structure of what is generally called scientific thought but with differences in the entire fabric of civilization” (1940: 72). That is, differences or

changes with respect to absolute presuppositions reflect social, historical and political changes.

It is essential to note again that Collingwood did not consider metaphysics as an analysis of whether presuppositions are true or false. This is a statement he partly shares with positivists of his time and specifically with that of Ayer's verification principle (Connelly 2003: 97). However, although he shares this with Ayer, he strongly disagrees with the inference positivists make about metaphysics. That is, Collingwood disagrees that metaphysics is a meaningless endeavour.

According to Ayer, there are two types of types of propositions. Firstly, there are propositions that are analytically true. Secondly, there are empirically verifiable propositions, such as those of propositions in Newtonian physics (Ayer 1936). Propositions that fall outside the scope of these two categories are meaningless for Ayer and positivist thought in general. More to the point, metaphysics consists of propositions that are not verifiable and for this reason it turns out to be meaningless on this account. Collingwood seems to agree with Ayer that metaphysics is not verifiable, as absolute presuppositions are neither true nor false. However, he disagrees with Ayer that this implies the meaninglessness of metaphysics. For Collingwood, metaphysics is meaningful even if it is not verifiable and not analytical. This is because metaphysics is not about propositions and Ayer (and positivism in general) fails to grasp this.

On Collingwood's account positivists fail to understand that there is an important difference between propositions and absolute presuppositions (see also Connelly 2003: 97-105). Whereas propositions are answers to questions either in a conscious or unconscious way, absolute presuppositions are not answers to questions. Within science for instance, scientists ask questions and answer them through propositions that are empirically verifiable. If they fail to do this, they, at the same time, fail to propose scientifically meaningful propositions. Collingwood shares this with Ayer. But he thinks that in order to be able to propose such meaningful propositions, scientists need to presuppose in an absolute way. That is, they need constellations of absolute presuppositions that are not answers to any further questions and that can neither be refuted nor verified empirically.

Ayer in particular and positivists in general ignore this dimension of scientific thought, and in so doing they not only fail to understand science, but also philosophy. They fail

to comprehend that without absolute presuppositions it is not possible to do science. As a result of this failure positivists also fail to understand the role of metaphysics. Collingwood advocates metaphysics in the sense of exploring and identifying constellations of absolute presuppositions. This is why metaphysics is meaningful, not because it is empirically verifiable or because it deductively true or false.

#### **1.4. Practices and their presuppositions**

To turn back to the main argument I would like to develop in this study, what I am going to mean by the concept of ‘presupposition’ now becomes clear. I will use the concept of presupposition in a very similar vein to Collingwood’s understanding of the concept. However, I still need to go beyond Collingwood in order to develop my argument. This is because although Collingwood states that presuppositions are social and historical, he does not investigate the ways in which presuppositions are employed in social affairs. He only provides us with limited examples from sciences such as ‘everything has a cause’ being an absolute presupposition of scientific enquiry (Collingwood 1940: 31-3). But even those are not directly related to the social side of science as a practice.

As is clear from the introduction, I aim to go beyond the mainstream literature of public management not only by defining practices and institution in a MacIntyrean way, but also by arguing that practices and institutions rely on absolute presuppositions. But Collingwood has no theory of practices and goods. For this reason, Collingwood’s notion of presupposition need to be used with MacIntyre’s notions of goods, practices and institutions and with Aristotle’s notion of *eudaimonia* in order to understand how they are related to the crisis of the public sector.

I argue that wellbeing can be reconsidered as an absolute presupposition in the way that Collingwood understood presuppositions. That is, even if we are not always aware of it, in our actions we presuppose wellbeing. This means that all questioning about human action will halt at a point when we encounter an answer in the following form: ‘for the sake of wellbeing’. Consider an action like John buying a new car and someone asking John, ‘why are you buying a new car?’. Some responses from John, among many, could be ‘because it will make life easier for me’ or ‘because I want my car to be new’. Then, we can also ask ‘why do you want to make life easier for yourself?’ or ‘why do want your car to be new’. Then, we will come across to an

answer like the following: ‘because an easier life would contribute to my wellbeing’ or ‘doing things that I like contributes to my wellbeing’. If we were also to ask ‘why would you like any contribution to your wellbeing?’ there is no answer to such question. This is because there is no aim to which wellbeing can be a means. This is to say that wellbeing is an absolute presupposition<sup>8</sup>. I argue that in practices too this is the case. That is, there is no answer to the question of why there is such a thing as *the* human good and why practices aim at this<sup>9</sup>. If we were to ask a practitioner why you aim at goods internal to practices instead of only at external goods, the answer would be because achievement of such goods contributes more to my good (wellbeing) than the external goods. Although (from an Aristotelian point of view) it would be a moral mistake, prioritizing goods external to practices over the internal ones, could be understood in terms of wellbeing. That is, one would prioritize external goods over the internal ones because he would (mistakenly) assume that such prioritization would contribute to his or her wellbeing. Therefore, even if not all practitioners are aware of this presupposition, I argue that their actions and decisions can be made intelligible with reference to wellbeing as an absolute presupposition.

To develop this argument, however, I also need to go beyond MacIntyre to some extent and focus on a certain aspect of practices that MacIntyre has not paid sufficient attention: the relation between practices and their beneficiaries. That is, the relationship between patients and medicine, between TV programmes and viewers and so on, need special attention. This is not to say that MacIntyre has not drawn upon this issue at all. He has provided some comments on the subject matter that needs further elaboration. It is helpful to begin this elaboration through one commentator, namely, David Miller (1994). Miller argues that MacIntyre ignores the ends, to which certain practices strive for, beyond that of internal goods. He claims that MacIntyre needs to make a distinction between two types of practices: ‘self-contained’ and ‘purposive’ practices. Purposive practices, he argues “exist to serve social ends beyond themselves”, whereas ‘self-contained’ practices, serve ends internal to them (1994: 250). Miller makes this distinction on the basis of the ways in which certain practices

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<sup>8</sup> Note that this is neither Aristotle’s nor MacIntyre’s argument. By using Collingwood’s concept I am making this additional claim to Aristotle’s notion of wellbeing. However, although it is not Aristotle’s own argument, it does not contradict his notion of wellbeing in any way.

<sup>9</sup> Note that this is not to say that practice only aim at this. Practices essentially aim at good internal to practices, but as I will demonstrate below in so doing they also aim at wellbeing of practitioners and users of the services or goods produced by practices.

are evaluated. 'Self-contained' practices, he claims, are evaluated merely by those standards which are internal to practices and developed historically by the practitioners of the same practice. Games are the prime examples according to Miller. Excellence of a football player is judged according to the standards of football developed historically and internally. 'Purposive practices', however, are judged on the basis of the ends they are supposed to serve with respect to the communities or societies in which they operate. Medicine, according to Miller, is one example. It is evaluated with reference to its external purpose, which is curing the sick (1994: 250). Miller criticises MacIntyre for not making such distinction between practices and considering all of them in terms of 'self-contained' practices. He claims that once practices are considered as such virtues, and especially the virtue of justice, lose their meaning. Justice, with respect to medicine, for instance, becomes meaningful only when it is understood with respect to the external purpose of medicine; that is, curing the ill.

MacIntyre, in his partial reply to Miller, argued that the purpose of the productive practices such as farming and fishing is not only to catch fish and produce food, but also to do all these in a way that practitioners, in producing excellent products, also perfect themselves (1994: 284). Thus, for MacIntyre, such practices cannot be evaluated solely through their external ends. It is important to note, however, that perfecting oneself as a practitioner includes, according to MacIntyre, not only achieving the standards of excellence with respect to the goods produced, but also the standards of excellence in playing one's role in the community of practitioners (1994: 285). MacIntyre portrays this as being concerned or caring for other practitioners. That is, being a good practitioner does not only require one to achieve standards of excellence peculiar to the practice, but also being concerned and caring for other practitioners. This concern in turn extends, for MacIntyre, to those others who might not be practitioners themselves but part of the community in which practice is taking place. However, in his reply to Miller, MacIntyre is still not elaborating on the relationship between goods internal to practices and possible beneficiaries of such goods other than the practitioners. He does rightly argue that in achieving goods internal to practices, practitioners begin to develop a virtuous and caring character for others within the community, but he does not say much about the ways in which the achievement of goods internal to practices contribute to the beneficiaries of the

practices such as patients, students and viewers. Nevertheless, it could still be argued, with reference to his other writings, that achievement of goods internal to practices serves the good of those who are engaged with the practice without being a practitioner (e.g. MacIntyre, 1977; 1999). And for this reason, Miller's distinction between different kinds of practices is not necessary.

In order to elaborate on this, I need to draw upon the notion of internal goods once again. As stated above, goods internal to practices can only be achieved through participating in the practices. However, this does not preclude the possibility of those, who are not practitioners, benefiting from such achievement. For instance, when goods internal to medicine are achieved this is also a contribution to the wellbeing of the patients too. Miller, without any illustration of goods internal to medicine considers curing the ill as an end external to medicine. However, as stated above this is not at all an external good, because it can be achieved in an accurate way only through the practice of medicine. That is, one cannot cure an illness properly without the practice of medicine and without being a practitioner such as a doctor or a nurse. Internal goods are not internal because they only contribute to the practitioners. They are internal because they can only be achieved through participating in the practice.

This equally applies to what Miller calls 'self-contained' practices such as games. Goods internal to football for instance are internal to the game because they can only be achieved through being a football player. Playing 90 minutes, in coordination with the team and with excellent tackles and passes are goods internal to football, as they can only be achieved through experience, skills and virtues peculiar to football players. But achieving such goods does not mean that there is no contribution to the fans. On the contrary, when goods internal to football are achieved, fans (who are not practitioners themselves) enjoy and became proud of their team. Thus, when doctors, teachers, football players achieve goods internal to their practices, they also contribute to those who are engaged with the practice.

The same applies to education too. When a maths teacher achieves a good internal to maths, such as finding a new way to teach a formula, this would also contribute to the wellbeing of students to a certain extent. This again indicates that internal goods are internal not because they are isolated from the wider society, but because they are achievable only through practices. One cannot find new ways of teaching

mathematical formulas, unless he or she accumulates knowledge and experience in the practice of mathematics first. And teaching formulas to students contributes also to the good of the students. This entails that unless one is a practitioner of mathematics; he cannot be a good teacher and contribute to the good of the students.

However, it needs to be pointed out that, on MacIntyre's account, practitioners traditionally have a certain type of authority within the practices. In the case of medicine, for instance, to become a patient involves inviting a doctor or a nurse to take responsibility of you (1977: 205). In the case of education too, students and their families, assume that teachers have responsibility for students' intellectual and moral wellbeing. This allows teachers (just like it allows doctors) to have authority over the patients and student; an authority based on the accumulated knowledge and experience of the relevant practice. It follows that (although MacIntyre does put this in the following words, it can easily be argued, from his point of view) in achieving the goods internal to practices; practitioners establish authority and contribute to the wellbeing of those who are engaged with the practices.

A similar argument (with some differences) is developed by Russell Keat (2000). Keat reconsiders practices in terms of 'cultural practices' in order to specify his argument to practices such as arts, broadcasting and to those practices situated within educational institutions<sup>10</sup>. Keat argues that when goods internal to cultural practices are achieved, such achievement contributes to the wellbeing of those who are not practitioners but related to the practices (2000: 46). The reason for this is the assumed incapacity of those who engage in these kinds of practices. As MacIntyre notes, it is a certain incapacity that relates us to practices related to education and medicine (MacIntyre, 1977). In the case of medicine, it is incapacities related to health that directs us to a doctor for help. In the case of education, it is the incapacity related to knowledge, skills, intellectual and moral development that directs us to teachers for help. This assumed incapacity is also an assumed authority of the practitioners. Following what is stated above, it can be argued that for individuals to achieve wellbeing both the practitioners and those who use services of the practice need to cultivate their habit

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<sup>10</sup> As will be clear from the section 1.6, I am deliberately using the phrase 'practices in the educational institutions', because for MacIntyre education itself is not a practice, but instead it is an essential part of all practices. However, this does not entail that schools and universities cannot be evaluated in MacIntyrean terms. Schools and universities house various practices such as sciences, arts, philosophy, history and so on. For this reason, although education itself is not a practice, in the institutions where education takes place, there are always practices of various types.

and intellectual abilities in line with the standards of excellence and goods internal to practices (see also Keat 47-8). That is, the preferences of an individual need to be judged and changed with reference to objective standards of excellence and goods internal to practices (below I will illustrate this through examples from medicine and education).

What I add to the argument developed by Keat is that this is not only an argument Keat himself develops, but also a presupposition of practices. That is, Keat develops an argument that is already presupposed by the nature of the practices such as arts, sciences and TV programmes. I develop three main sub-arguments below in order to illustrate this relationship between practices, practitioners, their presuppositions, and users of what they produce. First, I argue that an important segment of public sector houses practices with standards of excellence and goods internal to them. That is, MacIntyre's notion of a practice, I argue, finds practical expression within public services related to health, education and broadcasting. In health we find the practice of medicine. In education we find various practices such as maths, arts, philosophy, history and so on. In the BBC, we find the practice of programme making.

My second argument is that within these practices the presupposition I have just mentioned is made and used, and this has implications regarding what is produced by those practices. One of the main implications is that practices, in the public sector, presuppose that they need to produce goods and services in order to help individuals achieve their wellbeing. Wellbeing that is to say is conveyed as the ethos of the relationship between the practices and the users of their services.

The final sub-argument I would like to develop in this chapter is that institutions of the public sector are based on a different presupposition due to NPM regime. They presuppose human beings as *preference maximisers* and in so doing they convey a different ethos regarding the relationship between practices and the users of their services than the ethos conveyed by the practices. Such a presupposition and ethos, manifests itself in the new management methods of NPM. As stated in the introduction, this is the initial point where we can begin understanding the crisis of the public sector.

## 1.5. Medicine as a practice

Certain commentators on MacIntyre suggest that whether an institution bears practices in it or not is an empirical question which requires direct academic empirical investigation (Beadle and Moore 2006; Beadle and Coe 2008; Beadle 2013). With reference to these studies too, I argue that certain areas of the public sector contain practices, in the sense that MacIntyre understands them, and one can recognize these practices on the basis of common empirical and historical observations. Medicine is a prime example here<sup>11</sup>.

In response to Moore's (2002) attribution of the status of 'practice' to business, Beadle (2008) sets out the ways in which we can attribute such status to a cooperative activity. He argues that to identify a practice bearing institution, one has to explore whether there are goods specific and internal to the forms of activities conducted in a cooperative way (Beadle 2008: 230-1). Further, Beadle also suggests that a specific type of life, to which such goods are essentially related, is also important to understand whether the status of practice can be ascribed to a cooperative activity. I argue below that both of these features can be found in health and education segments of the public sector.

Let me begin with the health segment. First of all, as already argued medicine throughout its history has been aiming at the diagnoses and treatment of disease and injuries. To do this in an excellent way is the main good internal to the practice as without being an educated nurse and doctor one cannot achieve such good. Beadle (2013; see also Beadle and Coe 2008; Beadle and Könyöt 2006; Beadle and Moore 2006) also suggests that the difference between the practice and the institution with reference to the types of goods they pursue need to be identified if we are to apply MacIntyre to a particular social entity. We can make this differentiation with reference to the history of medicine.

Medicine is one of the oldest practices and its social context is also far larger than that of the UK. Medicine has existed in the civilizations of ancient Egypt and Greek and it now exists in almost all societies. Hippocrates (the most famous physician of the ancient Greek) together with his colleagues and students established the initial standards of excellence regarding diagnoses and treatment of diseases and injuries.

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<sup>11</sup> As I will deal with broadcasting separately in the next chapter, I will not use it here as an example.

Hippocrates also developed the medical school of Kos where students of medicine can learn, enhance and develop those standards of excellence. These basic historical facts indicate that there exists something apart from the ways in which activities related to medicine are institutionalized within the recent public sector. That is, since medicine is historically much older and wider than the institutions in which it is conducted today, it can be considered as a social entity separate from institutions.

Can we then name medicine as a practice in a MacIntyrean way on the basis of this? Not just by appealing to this. We also need to show that there are standards of excellence peculiar to the activities of practitioners and while practitioners strive towards those standards also achieves goods internal to medicine. It also needs to be demonstrated that those standards of excellence are extended and transcended over time within the cooperative activity of the practitioners (Beadle 2013; Beadle and Könyöt 2006). It is obvious that certain agents throughout the history of civilizations have aimed at diagnosis and treatment of disease and injury. These agents are named as physicians and researchers and, in the course of history, they have developed certain standards of excellence related their activities. Medicine today is possible only through the totality of accumulated knowledge and experience that is transferred from one generation of practitioners to another through various forms of education, research and practice throughout history. It is through this accumulated knowledge and experience that the standards of excellence peculiar to activities relating to medicine changed, developed and known to the practitioners. Achievement of such standards would lead to the achievement of goods internal to medicine. That is, when physicians and nurses strive for the standards of excellence within medicine, they also achieve goods such as diagnosing and curing illnesses.<sup>12</sup>

I have also pointed out above that for MacIntyre achievement of goods internal to practices requires experienced and educated practitioners. In other words, from a MacIntyrean point of view, it is through education and experience that doctors and nurses become aware of the standards of excellence and develop the necessary skills and virtues to strive for them and hence achieve the goods internal to medicine. Yet again, medicine has been working in this way throughout its history. To become a

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<sup>12</sup> It is worth to note again that these are goods internal to the practice of medicine, because it is often (if not only) through the practice of medicine that diseases and injuries can be diagnosed and treated well. Especially in case of serious illnesses and injuries, diagnosis and treatment is not possible without medicine.

doctor or a nurse, one has to go through a certain kind of an education which requires both practical experience and theoretical knowledge. Likewise, one has to have enough experience in the practice in order to become a good practitioner. He has to have certain amount of experience and education to become so. This again resembles one of the fundamental elements MacIntyre attributes to practices: that experience and education are essential to participate in them.

Moreover, just as MacIntyre stresses that practices in general are cooperative activities, the same is true for medicine in particular. Doctors and nurses cannot diagnose and cure illnesses either in isolation from their patients, or from other doctors and nurses. There are of course cases where doctors work in isolation, but only because they have been trained within a cooperative practice. Medicine, therefore, is essentially a cooperative activity and this again reflects the extent to which it can be considered as a practice in a MacIntyrean way. This indicates that we can also define doctors and nurses as practitioners too. That is, there are practitioners in the public sector, who, to a varying degree, strive for those standards of excellence and goods internal to the practice of medicine. Therefore, a large portion of the public sector professionals (doctors and nurses) can be considered as practitioners.

From a MacIntyrean perspective, institutions such as NHS hospitals, clinics and the NHS as a whole, on the other hand, are not the same as medicine. This is an important distinction that needs to be made. The NHS is an institution within which the practice of medicine flourishes or fails to do so, but it is not the practice of medicine itself. NHS hospitals or management structures are mainly concerned with goods external to the practice of medicine. That is, their business is to regulate and distribute power, money and prestige among and within the GP clinics and hospitals. Thus, there is an apparent distinction between medicine as a practice and NHS as an institution.

This is not to say that institutions of medicine are not important. In order for medicine to sustain itself and to flourish there needs to be hospitals and GP clinics or some form of institutional setting. However, as mentioned previously, institutions (of medicine) and (medicine as a) practice need to be related to each other in a special way, if medicine is to flourish. That is, institutions need to allow practices and practitioners to express and share the necessary knowledge, skills and virtues within the practice. If

institutions fail to do this in their activities, they will *also* fail to help practices to flourish.

Following the argument of the study, if medicine is a practice, then the practice must be based on a presupposition: individuals aim at wellbeing the achievement of which requires cultivation of preferences, habits and intellectual abilities and the practice of medicine plays a certain role in this. This presupposition has a twofold implication; one about the practitioners' and another one about the patients' relation to the practice. Regarding the former, doctors and nurses need to become a good doctor or a nurse to achieve wellbeing through medicine – note that this is not to say this is the only and sufficient way in which doctors and nurses can achieve wellbeing. To become a good doctor or a nurse, however, necessitates cultivation of habits and intellectual abilities through experience and education in medicine. About the later implication, patients must also change their preferences and habits in light of the prescriptions of their doctors in order for medicine to contribute to their wellbeing. To be sure, this is of a different kind of cultivation than the doctors and nurses have to go through, but it too requires changing preferences rather than satisfying them. Almost in all treatments, doctors and nurses advise their patients to change their preferences regarding their diet, daily activities and decisions. It follows from this that, as noted earlier, for medicine to contribute to the wellbeing of the patients, practitioners' authority has to be assumed. This is because in education and health it is the practitioners who are responsible for the students and patients (and their development with regard to health, knowledge, skills and morality). If we take this responsibility, and the following authority of the practitioners out of the practices, they will dissolve as practices in a MacIntyrean way. And NPM, I argue, attempts to do this within the public sector.

### **1.6. Education and practices**

Since education is also an important part of public sector, in order to develop the argument of the thesis, it is important to illustrate that the cooperative activities within the education sector can be ascribed the status of practice. I argue that education like medicine can also be thought within MacIntyre's theory. Although MacIntyre does not consider education itself as a practice (see MacIntyre 2002), his contention is that educational institutions such as universities and school involve a variety of practices such as sciences, arts, literature and philosophy. Just like medicine, education too is a socially established cooperative human activity that exists in almost all societies and

civilizations. Teachers and lecturers as practitioners of various practices, require students and other teachers in order to strive for the standards of excellence as teaching is a necessarily collective activity.

Education, like medicine, also develops historically in relation to specific practices like maths, literature, arts and sciences (Smith 1999). An arts teacher, for instance, is an important part of the practice of arts. Likewise, a science teacher or a lecturer is an important part of the practice of science. Thus, teachers are also practitioners who strive for the standards of excellence and goods internal to practices they belong to. A maths teacher strives for the standards of excellence and in so doing he may achieve goods internal to the practice of maths. Likewise, a music teacher strives for the same goods and standards peculiar and internal to music. It follows that education, with its variety of practices, is another area of the public sector where a number of practices with goods internal to them and standards of excellences, exist.

More importantly, in education, wellbeing is also presupposed to be the good to which individuals aim. In education too, this presupposition has a twofold implication; one about the teachers' relation to the practices and the other about the students' relationship to those practices. Through being practitioners of a practice in education, teachers themselves are educated and experienced with regard to the standards of excellence peculiar to practices such as philosophy, arts and sciences. Teachers can achieve their *telos* by achieving goods internal to their practice within education. Such achievement requires the cultivation of habits and intellectual abilities of the teachers. As noted earlier, achievement of goods internal to practices is related to the standards of excellence in becoming a member of the community of practitioners (MacIntyre, 1994). This is to say that practitioners need to learn to care for other practitioners and for the students if they are to achieve the goods internal to the practices they are part of. That is, teachers need to take responsibility of the students' development with respect to their skills, moral character and intellectual capacities. Such a responsibility requires that practitioners have authority and the capacity to transform the preferences of students as well as their own preferences. That is, as Keat (2000: 41-5; 48) also illustrates, whether teachers will be successful, from this point of view, depends upon the realization of goods internal to the practices involved in the educational institutions, and, to do this, students need to cultivate their preferences on the basis of the authority of teachers rather than maximising their preferences.

My intention here is *not* to suggest that teachers and doctors *always* strive for standards of excellence and thus always achieve goods internal to practices. What I am claiming is that teaching and medicine are related to variety of practices, whereby it is *possible* to strive for standards of excellence and achieve goods internal to those practices. Practitioners may fail to do this either because they lack the necessary virtues, skills and experience or because of the institutional settings surrounding their practice, but what is important to underline here is that health and education services do involve practices in which standards of excellence are formed historically and known to those practitioners who are experienced and educated enough. What is also crucial to note is that such practices presuppose that human beings aim at wellbeing in their activities and public goods and services aim to help them achieve this aim. This, as demonstrated above, requires practitioners (and patients and students) to transform their preferences and desires in accordance with goods and standards of excellence peculiar to the activities of the practices. A teacher cannot be successful in achieving the goods internal to his or her practice, unless he or she is able to transform the students' preferences on the basis of the knowledge and experience she has. Therefore, practices within the educational institutions are expected to progress through cultivation of desires and preferences of the practitioners as well as the students.

In the case of medicine, however, progress can occur only when practitioners improve the incapacities of the patients again on the basis of their experience and knowledge (in other words, on the basis of their authority). This entails that while students and patients pursue their wellbeing in engaging with medicine and education, they, at the same time, need to assume the authority of the practitioners over what will contribute to their own wellbeing. This is why achievement of goods internal to practices is interminably linked to the wellbeing of the beneficiaries of the practices such as students and patients.

So far, I have explored MacIntyre's philosophy of practices, institutions and goods. I have also explained what I mean by presuppositions and argued that practices presuppose that there is such a thing as the human good and we are oriented towards such good in our activities. This good, I have argued, is wellbeing and its achievement requires achievement of goods internal to practices. Furthermore, I have also argued that cultivation of preferences, on the bases of goods internal to practices and standards of excellence, is essential for such achievement. I have illustrated that public

services and goods in areas of education and health are largely produced through presupposing that human beings aim at wellbeing the achievement of which requires cultivation of preferences on the basis of standards and goods peculiar to the practices. For those who are not related to the practices as practitioners but as patients and students, their achievement of wellbeing also depends upon the achievement of goods internal to practices. This is because they are engaged with the practices initially due to certain incapacities development of which requires help from practitioners such as doctors and teachers. Overcoming these varying types of incapacities helps students and patients achieve their wellbeing on the basis of the authority of practitioners.

### **1.7. Institutions and their presuppositions**

The account I have developed so far is only helpful for understanding one dimension of the public sector: the dimension related to practices. But as pointed out in the introduction, the crisis of the public sector emerges out of a conflict between practices *and* institutions. The crisis, I have stated in the introduction, is strictly related to the new management regime adopted by the institutions of the public sector (known as NPM). I have not yet drawn upon this aspect of the issue. Just as practices are not only structures, but also presuppositions relating to goods and human action, the new management regime of the public sector also has specific presuppositions. Thus, to develop the main argument of the thesis I need also to elaborate on the presuppositions of these institutions and how such presuppositions are related to the conflict between practices and institutions.

Practices are often embedded in various types of institutions, but they are not necessarily dependent on political power. Although practices are affected by politics, they can have more autonomy from politics of the state than institutions. Modern institutions of the public sector, on the other hand, depend largely on the kind of politics pursued at the level of state. For this reason, in order to understand institutions of the public sector, one needs to begin from politics and policies that are related to the public institutions such as the NHS, the BBC, state schools and universities.

Emergence of NPM coincides with what is often referred to as the era of New Right (Pollitt 1993; Gruening 2001; Deem and Brehony 2005). To be sure, there are plenty of studies that elaborate on the New Right in the UK and I do not intent to repeat them here. What needs to be added to these studies however is the kind of presuppositions

certain policies of New Right possess with respect to public services and goods and how these are transmitted to the management methods that are still widely used by the institutions of the public sector. To do this, I focus on particular policies regarding the public services and goods that emerged during the era of New Right. One of these policies is the Citizens' Charter (CC) developed in the late 1980s and put into effect in the early 1990s. The others are the enactments followed the CC such as the 1992 Local Government Act and Education (Schools) Act (1992). In the final chapter I will also refer to some other enactments and policies related to the BBC. As I demonstrate below, these policies presuppose that human beings are preference maximisers and more importantly, the management methods and tools that are introduced to the public sector through these policies also make the same presupposition.

What follows from this is that public sector institutions which adopt these policies and management methods expect public services and goods to be produced in such a way that they *aim* at preference maximisation. In other words, institutions started to expect practices and practitioners to aim at preference maximisation. In fact, as I will show, they not only expected but also aimed to control practices so that they meet their expectations. Understanding this aim with respect to practices, goods, institutions and presuppositions is crucial in developing an analysis of the crisis of the public sector.

### **1.7:1 Competition and The Citizen's Charter**

Margaret Thatcher, as the leader of the New Right in the early 1980s said that "there is no such thing as public money; there is only taxpayers' money... Protecting the taxpayer's purse, protecting the public services — these are our two great tasks, and their demands have to be reconciled" (Conservative Party Conference, 1983). Tax payers' money and public services are for her essentially linked. But they are not linked simply because public services need finances from citizens. They are linked because citizens are considered as consumers who pay for their services. Citizens, in the era of New Right, were understood as *consumers* of these services (see Clarke et al 2007: 27-9). Public services and goods, within this new framework, are about how to spend the money owned by the citizens. It is no longer about wellbeing, as understood by the practitioners such as science teachers, academics and doctors.

To be sure, there are some important and useful studies that clearly demonstrate this shift from citizens to consumers in the era of New Right and the New Labour (Clarke

et al 2007; Trentmann and Soper 2008). However, these studies do not draw upon what is presupposed about the consumer and what kind of expectations such presuppositions entail with respect to public goods and services. Likewise, such studies do not compare this presupposition with that of the presupposition of practices I have outlined above. They do not do this because they have no theory of practices and hence they do not distinguish practices from institutions.

I argue that once citizens are understood as consumers, they are at the same time presupposed to be preference maximisers. Further, such understanding and presupposition has been made by the institutions of the public sector not practices. Thatcher, and the New Right in general, inherits this presupposition from the neoclassical (or as sometimes referred to, neoliberal) economists such as F. A. Hayek, Milton Freeman and Gary Becker. For Hayek, it is essential to understand that individuals pursue different aims and objectives and it is neither realistic nor desirable for them to pursue common aims and objectives (Hayek 2007: 85-6). They essentially pursue different ends, this is the nature of human beings. In fact, for the neoliberal economists, this is also a good in itself. That is, there is no greater good or end than that of a preference of an individual. The only limit or judgement on a preference is the preference of other individuals (Hayek 1948: 15-6). Preference, therefore, is presupposed in an absolute way – absolute in the sense that Collingwood understand absolute presuppositions. That is, there is no further explanation as to why preference and preference maximisation are taken as the ultimate human good.

This is especially apparent in Hayek's understanding of moral rationality. Hayek's model for moral reasoning is based on the individuals' plans to achieve his personal aims and objectives – that is, preference maximisation. Reasoning within the limit of preference maximisation is sufficient for a good individual life on this account. The only limit to this motive is the motive of another person. That is, unless while pursuing our preference we do not coercively prevent others doing the same, our preferences cannot be subjected to scrutiny; preferences are good in themselves. Moreover, if we reason in the context of preference maximisation, this would benefit the market and, therefore, the common good of the society (Hayek 1948: 17). As long as we do not use coercion in pursuing our preferences, there can be no judgement on those preferences.

In the context of this study, what has been stated above implies that neither the practitioners nor the institutions need to reason beyond the boundaries of preference maximisation. Although I will come back to this issue in the latter stages of this chapter, let me note now that this indicates that the kind of practical rationality required for practices to flourish is not accepted by neoliberal economics. Since preferences cannot be judged on the basis of any goods other than the prevention of other preferences, goods internal to practices and standards of excellence cannot be the bases of rationality. The basis of rationality is thought of as preference maximisation both for institutions and practices.

A similar approach to rationality can be observed in another important scholar of the Chicago School, Gary Becker. According to Becker, “individuals maximize welfare as they conceive it, whether they be selfish, altruistic, loyal, spiteful, or masochistic” (1993: 385). Common to any form of practical reasoning, on this account, is a kind of cost and benefit analysis by the individual in maximising his preferences. Any form of human action can be analysed within this framework including actions relating to marriage, crime and education. On Becker’s account, actions such as committing a crime, getting married, or having a child each share an aim: they all aim at preference maximisation. What makes an act bad is that it infringes upon others’ preference maximisation efforts. That is, preference satisfaction is the only good upon which a decision or action can be judged. Other than this, any judgement or evaluation fails to be based on a good reason. Thus, preference maximisation as the main motive of human beings should be the basis of rationality. It should be the basis of rationality both for practices and institutions.

Assuming the effect of neoliberal economics on the New Right, it is not surprising that they too make this presupposition in considering citizens as consumers. However, in order to understand the ways in which they make this presupposition and how it is reflected in public sector institutions, I need to evaluate specific policies developed within New Right policy circles. One of the most important and far-reaching of these policies is the Citizen’s Charter and internal markets. As I illustrate below, Citizen’s Charter together with the establishment of internal markets helped introduce new management methods to the public sector: it increased auditing and introduced Total Quality Management and Performance Indicators to the public sector. These methods constitute a large part of NPM from the time they were introduced to the public sector

to now. When analysed, they also presuppose users of the services and practitioners as preference maximisers and more importantly expect public services and goods to aim at this.

I argue that it was The Citizen's Charter and internal markets that allowed the shift from citizens to consumers to occur and hence to introduced the presupposition of preference maximising to the public sector. Thus, let me continue developing my argument with an analysis of internal markets and the Citizen's Charter.

NPM policies aiming to establish internal markets to the public sector were largely based on the belief that competition assures wider choices and more satisfaction to the consumer (Osborne and Gaebler, 1992: 80-4; Grand, 2007: 45). So, if preference maximisation is going to be the chief aim of public organizations (and practices), as is claimed, competition needed to be another chief element of public sector along with consumer satisfaction. Advocates of NPM, that is to say, believe that unless competition is injected, there is no other way to satisfy the consumer and hence ensure preference maximisation as the chief aim of practices. This view has led to certain policies that are usually associated with NPM. Among these, introducing internal markets through which 'purchasers' and 'providers' distinction is also introduced to the public sector is of particular importance. With this specific policy, certain public institutions were no longer going to be responsible for both the policy-making and the provision of the services (Hood, 1991; Lane, 2000: 307-8; Harlow and Rawlings, 2009: 58-9; Lapsley, 2009). The state, together with certain public institutions, in the view of the protagonists of NPM, need to focus on making policies, for the implementation of which other public (and private) organizations need to compete. That is, internal markets allow hospitals and schools to compete with each other for getting better contracts from health and education authorities on the bases of their ability to maximise consumer preferences. In the internal markets, the criterion upon which organizations are judged is of essential importance to note for the purposes of this study (Le Grand and Bartlett, 1993: 17-8). Organizations compete for contracts on the basis of maximising consumer preferences. That is, the more consumers are satisfied in their preferences, the more the organizations in question become successful. Le Grand and Bartlett, as important proponents of NPM, summarize the internal markets in this way: When internal markets are established,

there are independent institutions (schools, universities, hospitals, residential homes, housing associations, private landlords) competing for customers. However, in contrast to conventional markets, all these organisations are not necessarily out to maximise their profits; nor are they necessarily privately owned... On the demand side, consumer purchasing power is not expressed in money terms in a quasi-market. Instead either it takes the form of an earmarked budget or 'voucher' confined to the purchase of a specific service allocated to users, or it is centralised in a single state purchasing agency (Le Grand and Bartlett, 1993: 10).

Thus, internal markets, in the view of the protagonists of NPM, established market relations to the public sector without altering the ownership status and the non-profit nature of public organisations. It established such relations by bringing about competition and preference maximisation as the main aim of organizations.

Not only organizations are to compete on the basis of preference maximization, but also employees. This is mainly because within the internal markets, relationship between employees and organizations are to be based on short term contracts (Harlow and Rawlings, 2009: 60). This would also bring competition into the employees' relationship with their organizations and between themselves – they would compete for jobs and positions. To be sure, this is not to say that competition does not exist in anywhere else than the market relations. MacIntyre, for instance, claims that it does exist in the practices too. Nevertheless, in practices, it is not based on preference maximization. Rather it is based on excellence or achievement of goods internal to practices. Market relations, however, are based on a particular type of competition between the employees and public organizations: a type of competition that presupposes human beings as preference maximisers (Hood, et al, 1998; Exworthy and Halford, 1999).

As I will explain in more details in the remaining parts of this study, performance and the quality of products or services attempted to be evaluated in close relation to preference maximisation within the internal markets. That is, good performance and

the ways in which performance is itself evaluated begun to be redefined with reference to preference maximisation. Performing well and the quality of performance begun to be judged with reference to preference maximisation. However, it was not possible to implement this solely by policies regarding internal markets. Citizen's Charter is the other dimension through which this was attempted to be achieved.

The Citizen's Charter was a political initiative designed and supported by Prime Minister John Major. Promotion of the charter began in 1991, and implementation began in 1992.. The Citizen's Charter is well known for being one of the main policies aiming to increase audit, competition and performance measures for schools, universities and many other public organizations. It is also known to be the main policy of NPM. Major (1991) himself states the aims of The Citizen's Charter as follows:

We will seek to extend the principle of performance-related pay. And, where necessary, look for ways of introducing financial sanctions, involving direct compensation to the public or direct loss to the budgets of those that fall down on the job. We will also look to public bodies to publish clear contracts of service -contracts that mean something - against which performance can be judged.

Here, Major renounced the coming of a new regime based on harsh evaluations and inspections of quality and performance. William Waldegrave, cabinet minister of the time (1992) also makes this clear:

The Citizen's Charter aims to provide better quality service, greater customer choice, published standards of service and accessible means of redress, to all users of public services. Published, measurable standards ensure the public know what quality of service they can expect to receive, compare this with other service providers, and measure performance in achieving the standards required (In Seely and Jenkins, 1995: 2).

This indicates that with the CC a new regime of quality and performance management was on the way. What we argue is that within this new regime and hence with the CC human beings are presupposed to be preference maximisers and public goods and services are expected to aim at that. Within and with the CC, that is to say, citizens are no longer considered as aiming at wellbeing, which requires cultivation of preferences.

To be sure, this is still an argument through inference, as even the most enthusiastic advocates of NPM do not directly suggest that they consider citizens as consumers in a literal way, although they use the terms ‘citizen’ and ‘consumer’ equivocally (see Osborne and Geabler 1992; Kettle 2005; Le Grand 2007). Hence one might find what has been argued above as an exaggerated inference. In order to demonstrate this inference in a more accurate way, I need to begin with a specific institution that was influential on the formulation of the CC as well as NPM as a whole: the *Adam Smith Institute*. This institute and in particular its president Madsen Pirie is of special importance. Pirie and the Adam Smith Institute are known to be one of the originators of the CC (Pearce 1993) and also a strong supporter of the view that the public sector fails because of lack of preference maximisation as the main motivation. Pirie claims that the CC’s main target is to implement this motivation in the public sector. As he puts it,

the problem with the remaining public services<sup>13</sup> is to make them consumer directed in the absence of a private market in which customers pay with their own cash, or an internal market in which customers pay with state monies. The answer in Britain has been the Citizen's Charter. It represents the attempt to make the public services required by statute to do what the private sector does for commercial reasons (Pirie 1992:60).

As Pirie thinks, CC aimed to introduce a consumer-oriented approach to the public sector. What is important to note here is the ways in which CC envisaged implementing this orientation within practices. Maximising the preferences of consumers with the lowest amount of costs is envisaged as the main aim for the public services and goods.

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<sup>13</sup> By the remaining public services, he means the ones that were not privatized.

Advocates of NPM as a whole and the CC specifically suggested that the public organizations needed to place the notion of *consumer sovereignty* at the centre of their activities (Osborne and Gaebler 1992: 80-4; Kettl 2005: 17; Le Grand 2007: 38-9). Consumer sovereignty basically means that the final authority in the evaluation of a service or a product is the consumer preferences. This entails that, within the NPM framework, the authority can no longer be standards of excellence known to practitioners through accumulated knowledge and experience (Pollitt 1993: 180; Osborne and Geabler 1992: 169-72; Pirie 1992; Kettl 2005: 61-7; Diefenbach 2009: 896; Lapsley 2009). That is, according to the proponents of NPM, if an organization satisfies its consumers with the least possible amount of costs, then the organization in question could be considered as successful. If the service users are not happy with the outcomes and the organization is not cost-effective, then such an organization should be downgraded.

This indicates that the products or services of the public sector need to be evaluated on the basis of consumer preferences. However, as I illustrate below, such evaluation amounts to lack of any objective criterion apart from the preferences themselves in evaluating the quality of public goods and services. That is, for the advocates of NPM and particularly for the CC, as long as the preferences of individuals do not prevent others pursuing their own preferences, they can be a reliable ground for evaluating public services and goods. However, this is not sufficient to demonstrate the role of presupposing individuals as preference maximisers in the conflict between institutions and practices. To do this I need to elaborate on another dimension of NPM too.

Proponents of NPM were aware that positioning preference maximisation as the main aim of the public services and goods could not be implemented only through CC type policies and structural changes. Many well-known management gurus of the time (that is, in the 1980s and 1990s), who were also influential on the proponents of NPM, were of the view that organizational change, which would lead to effectiveness and efficiency, requires cultural or normative changes within organizations as well as structural ones (see Peters and Waterman 1982; Drucker 1969; Handy 1989). According to these management gurus, the importance of organizational culture has long been neglected by the management and business scholars, whereas it one of the main factors leading to success or failure.

What is meant by organizational culture is the set of norms and values that are dominant within an organization. For the management thinkers such as Peters and Waterman (1982), there are unwritten rules and regulation that are based on certain values within organizations. Such rules, regulations and values are of prime important for the present and future success of an organization. This view has been quite influential in the organizational studies and following such rising importance of culture, proponents of NPM also through this as a fundamental part of public organization. They then claimed that preference maximisation needs to be part of the culture of the public sector (Exworthy and Halford 1999). Understanding how this cultural change was attempted sheds some light on the ways in which public goods and services are expected to aim at preference maximisation. As will be demonstrated below, this cultural change was attempted largely through Total Quality Management (hereafter, TQM) and Performance Indicator techniques. As mentioned in the introduction, analysing this aspect of NPM from a MacIntyrean point of view and with reference to the notion of presupposition, advances the argument of Overeem and Tholen (2011) that NPM neglects goods internal to practices through overemphasising effectiveness and external goods. TQM and performance indicator techniques as we will see below, reinforces preference maximisation as the basis of performance and quality within the public sector. In so doing, they neglect the importance of the presupposition of practices and goods internal to them.

### **1.7:2 Quality management**

In the tradition of practices, as understood by MacIntyre, quality has always been related to standards of excellence and goods internal to practices. That is, quality of a good or service depends upon the standards of excellence that is peculiar and specific to the relevant practice. Nevertheless, with the emergence of NPM and particularly with Total Quality Management (TQM), quality began to be redefined. This redefinition has been done once again on the basis of the presupposition that human beings are preference maximisers. Indeed, this redefinition had an impact on conflict between practices and institutions. For this reason I give special attention to the ways in which the concept of quality has been changed through TQM.

TQM gained considerable influence within the public sector during the 1990s (right after the CC was introduced) and it has promised a ‘new’ way of approaching *quality*.

In so doing, it aimed to establish preference maximisation as the aim for public goods and services. To see how TQM aimed to do this we need to begin from its origins. Although it gained influence in the public sector in the 1990s, TQM originally emerged within the arms manufacturing industry in the USA during the Second World War, and then spread to the whole manufacturing industry globally (Morgan and Murgatroyd 1994: 35). In its early periods, TQM was only applied to certain processes such as production and packaging. Later on, it has become a widespread theory of management, applicable to a wide range of processes and sectors.

The main idea of TQM is that quality can only be achieved through the elimination of extra costs and error, and through commitment to improvement and the satisfaction of consumer preferences in every process involved within an organization (Sallis 2002: 24-9; Bovair and Loffler 2003:143-6). Elimination of extra costs and commitment to improvement and so on were always part of management and business. What can be considered new in TQM is the idea that quality cannot be achieved only by changing the structure of an organization. Within the TQM literature it widely accepted that TQM requires a change in the organizational culture.

TQM is considered as a “culture of never ending improvement, [which] lead first to customer satisfaction and then to customer delight” (Morgan and Murgatroyd 1994: 6). So, TQM targets the practices of an organization rather than the structures (Sallis 2002: 30-33). It tries to implement a new type of approach or motivation for the practices. That is, it tries to get the practitioners to be motivated by improvement with respect to consumer satisfaction. But how is this culture going to be implemented within the public sector? According to the proponents of TQM, implementation of such culture requires a constant measurement of results with regard to *consumer satisfaction* (Powell 1995: 16). First, one needs to gather data on what customers want or prefer. Then, one needs to accumulate information on performance and manage it accordingly. Quality, from this point of view, depends on a link that needs to be established between performance and consumer preferences.

Most important is the process of gathering data on practitioners’ performance and consumers’ preferences. As Morgan and Murgatroyd (1994: 6) put it

[Quality improvements] must be based on hard data and not on impressions or an expressed opinion justified in terms of kudos of wide or long previous experience. In the new paradigm of TQM, all strategy and improvement decisions should be research-based: they must be supported by data which are collected scientifically on all aspects of the operation, even those internal processes which everyone in the old way of doing things believes they know so intimately.

Quality public service, from this point of view, require one to know, before anything else, consumer preferences, and how to satisfy them, in an “explicit” and “scientific” form (Hackman and Wageman 1995: 312; Osborne and Geabler 1992: 143; Lapsley 1999: 256-7). It is important, however, to be clear about the particular understanding of what data is and how it needs to be collected that is implied by the phrase “scientific data”. TQM, uses complex quantitative methods, like control charts, Pareto analysis, cost-of-quality analysis statistics, flow-charts, and diagrams to understand and measure quality (Hackman and Wageman 1995: 313). Without getting into the details of these methods, I can say that they are all quantitative methods of enquiry. Within the TQM framework, that is to say, quality can only be measured through data collected in statistical and mathematical forms. Therefore, TQM claims that consumer preferences and whether services do actually fulfil those preferences needs to be measured and acted upon *only* through the use of quantitative methods. Thus, if practitioners’ knowledge on quality and performance is not quantitative, it is going to be considered as secondary to quantitative data. Therefore, within the TQM, it is the practitioner, who needs to modify his understanding and practice by appealing to the preferences of consumers, because consumer preference is *sovereign*.

In the old public sector, the role of practitioners and their judgement was central (Foster and Wilding 2000: 146; Lorenz 2012). However, with the NPM, and particularly with TQM, it will no longer be practitioners who make the final judgement about the quality of services (Kirkpatrick et al 2005: 20). Rather, the final judgement needs to be made according to consumer preferences. If consumers are not satisfied with the service, then the quality within an organization will be evaluated as low. It follows from this that evaluating quality within the public sector would require knowledge of the preferences of consumers and costs of the services provided. As I

have illustrated, whereas practitioners traditionally have different criteria for evaluating the public services and goods, within the TQM they are also expected to possess knowledge of the costs of the services they would provide. Thus, under the TQM, it is explicit, measurable and shared knowledge of consumer preferences that leads to quality, not the goods internal to practices, as has traditionally been believed by practitioners.

What is crucial to note here is that such knowledge is believed to be possessed by managers rather than practitioners. Techniques through which one gets to know the consumer preferences and the necessary performance to satisfy them are of special kind. Such specialized techniques are taught in MBA's or management courses and not in disciplines like medicine, education, broadcasting and so on. A doctor, teacher or broadcaster would not have the necessary expertise to investigate cost-effectiveness and consumer preferences. Proponents of NPM believe that it is managers, graduated from business schools, who have such an expertise (Ackroyd et al 2007). Hence, managers are the main professionals who need to define quality along with the consumers. Therefore, after the techniques of TQM were introduced to the public sector, management and its special techniques of gathering information about performance and customer preferences became much more important than they were before.

There is another important aspect of TQM which needs to be mentioned here. TQM aims to extend the usual understanding of consumer from an outsider to an insider. That is, certain relationships between different departments teams, and individuals *within* an organization, also need to be considered in terms of supplier-consumer relationships (Morgan and Murgatroyd 1994: 20). For instance, if a team of people within an organization is responsible for supplying resources for another team, the former team would need to consider the latter as their consumer. Prior to NPM, the public sector had not encountered a consumer-supplier relationship within its organizational forms (Pollitt 1993: 180). TQM, therefore, changed the culture in which quality was defined. That is, quality of services after TQM has been defined by new experts, namely managers, who are believed to have the expertise on consumer preferences and how to maximise them. It is clear that TQM presupposes human beings and especially those who use public goods and services as preference

maximisers. Following this presupposition, it aims to redefine quality of services and goods in terms of preference maximisation.

### **1.7:3 Auditing**

During NPM and after the CC not only has TQM been introduced to the public sector, but also auditing has been increasing to a significant degree. Auditing consists of techniques employed to check or inspect the activities of a company in order to make sure that the shareholder's capital is used in accordance with the shareholder's intentions. Accounting technologies such as balance sheets and price determination are the main tools through which an organization can be audited. This is to say that auditing emerged originally as financial auditing in the private sector. However, although audit systems initially developed for this purpose, they began to be used for checking many other activities of an organization too - such as quality and performance (Power 1997: 15).

What is important to note is that the use of this technique significantly increased during the period of NPM. Power (1997) names this increase as the "audit explosion". Establishment of organisations whose sole purpose is to audit, such as the Audit Commission (1983) and the National Audit Office (1983), can be considered to be the initial stage of this explosion. What is interesting and worth elaborating on is not only the increase in the auditing itself, but also the effects of such increase on practices. Just like TQM, audit explosion can also be considered as an attempt to change the ways in which quality and performance is understood and evaluated. In particular, as I show below, audit explosion indicates understanding and redefining quality and performance in terms of preference maximisation. How, then, did auditing change the ways in which performance is understood and managed within the public sector? And how is this change related to the conflict between practices and institutions? In order to illustrate this, I need to elaborate more on the nature of the audit processes themselves.

As Power (2000: 114-5) puts it, "audit processes are not neutral acts of verification but actively shape the design and interpretation of auditable performance." This is an important aspect of auditing that is relevant to our argument. As a result of the audit explosion, performance, just like quality, is redefined in very explicit and even mathematical terms through auditing techniques (Broadbent and Laughlin 2002: 100;

Lapsley 1999). Auditing bodies have been demanding clear and measurable indicators of performance from their establishment onwards (see National Audit Office 2007). An important dimension of what auditors demand from public organizations, therefore, consists of clear, numeric and explicit answers to the question of what is it to be performing well within the public sector (Osborne and Geabler 1992: 144; Lapsley 1999). After such demand, schools, hospitals and universities began to be evaluated on the basis of quantitative and statistical terms (de Waal 2006; Hood et al 1999; Hyndman and McGeough 2008). This implies that the performance of practitioners, just like the quality of what they produce, began to be understood in isolation from goods internal to practices and standards of excellence peculiar to their activities.

Just like the proponents of TQM, proponents of auditing also claimed that practitioners lack the necessary neutrality and knowledge to understand and satisfy consumers (O'Reilly and Reed 2011: 1087; Lapsley 2009). Practitioners, it is believed, cannot understand the preferences of the consumers and for this reason they cannot aim at preference maximisation (Broadbent and Laughlin 2002). This is not a surprise considering the presupposition of practices. As I have demonstrated above, practices rely on a different presupposition than preference maximisation. Auditing authorities, however, considered practitioners and their ways of producing services and goods as "implicit" and "detached" from consumer preferences (Broadbent and Laughlin 2002). Once again, the capacity to turn such "implicit" and "detached" way of practices into "explicit" and "inclusive" approach, was declared to be possessed by the managers. As the institutions of the public sector agreed (or had to agree) to increased auditing, managers have been one of the main agents responsible for this increase in the public sector. Audit explosion, that is to say, opened up a space for managers to redefine performance, which has traditionally been the responsibility of practitioners.

Audit explosion, and the ways in which preference maximisation has aimed to be implemented to the public sector, can also be observed in the 1992 Local Government Act. This act can be considered as a historically important step towards the extension of auditing as well as TQM and performance indicators within the public sector (Bowerman 1995). The main purpose of the Local Government Act (1992) was to

make new provision, by giving effect to proposals in Cm. 1599 (The Citizen's Charter) relating to publicity and competition, for securing economy, efficiency and effectiveness in the manner in which local authorities carry on certain activities (Local Government Act 1992: 1).

As is clear from the above quote, the legislation aimed to materialize The Citizen's Charter. The enactment aims to set up quantitative and clear targets for practitioners and practices, against which performance and quality can be measured and compared. With this enactment, the role of developing performance indicators for local authorities and their employees was assigned to the Audit Commission (AC).

Indeed, not only the authority to develop performance indicators was given to AC, but the enactment also introduced the requirement for

every authority in England and Wales [...] to measure its performance against these indicators and publish details in a local newspaper. The [Audit] Commission will, then, compare the different levels of performance achieved by different authorities (Local Government Act 1992:2).

Once the comparisons are made by AC, the ineffective and inefficient organizations will be detected. Organizations which are able to meet the expectations of the indicators are going to be considered as complying with the "norms", whereas the ones who fail to do so would count as "abnormal". What is crucial to note is that these norms were established again on the basis of the presupposition that human beings are preference maximisers. That is, the norm of the performance indicators is to think and act in terms of cost effectiveness and preference maximisation. When we look into the details of the indicators developed by the AC, we realize that from provision of education and health services to refuse collection and housing, performance was expected to be indicated on the basis of numeric data (AC, 1992). Indicators, that is to say, appeal to numbers and percentages that are believed, by the proponent of NPM, to be more objective and universal than those of the "subjective" qualitative perceptions of the practitioners.

Furthermore, it is not a coincidence that TQM gained popularity within the public sector right after the Local Government Act (1992). As explained above, within the framework of TQM, quantitative information on performance and quality was conceived to be more reliable than the traditional understandings, after the Local Government Act (1992). This Act envisaged a type of management of quality and performance just like TQM. Hence, it was these types of enactments that allowed TQM to redefine and redesign quality and performance within the public sector.

Related to this, in the same year, the Education (Schools) Act (1992) took effect. It is worthwhile to note that this coincides once again with the period in which TQM and education began to be considered as strictly relevant to each other (see Sallis 2002; Deem and Brehony 2005). One of the main aims of the Education (Schools) Act (1992) is “to improve standards of achievement and quality of education through regular independent inspection, public reporting and informed advice” (DfEE 1997: 150, para. 17.8). In order to implement the Education (Schools) Act, OFSTED (Office for Standards in Education) was established in 1992.

OFSTED’s principal purpose was (and still is) to inspect the performance of schools and publish reports as recommendations to the central government and to the public. After the Education (Schools) Act and establishment of OFSTED, examination results and performance indicators had to be published in quantitative form. OFSTED style inspection and audit, in other words, required explicit written procedures based on statistical information. Teachers and headmasters, in turn, are expected to record and project examination results, set up quantitative targets to improve these results, and be available for inspection by OFSTED (Hood et al 1999:142). This is believed to be the only way towards achieving the aim of preference maximisation.

Thus, once the institutions of public sector begun to presuppose citizens as preference maximising consumers, they also began to redefine quality and performance along those lines. Managers, in turn, claimed to possess the knowledge and skills to connect ‘professional clans’ with consumers (Broadbent and Laughlin 2002: 98-9). As explained above, there are, however, practices in the public sector with a different presupposition about human beings that entails different understandings of quality and performance. When we compare the two presuppositions and what they entail with respect to the relationship between practices and service users, it becomes clear that

coexistence of the two presuppositions is problematic and contradictory. Whereas presupposing human beings as aiming at wellbeing entails that practices need to flourish through achievement of internal goods, presupposing human beings as aiming at preference maximisation does not entail anything related to goods internal to practices. Presupposing wellbeing as the aim of human beings, that is to say, entails that practitioners need to strive for standards of excellence and goods internal to practices to perform well and produce quality service. Presupposing preference maximisation, however, entails that practices need to develop the skills and knowledge that can effectively match their services with the preferences of consumers whatever those preferences are.

### **1.8. Power shifts and conflict**

As stated in the introduction, the crisis of the public sector emerges out of a conflict between practices and institutions and the mere coexistence of rival presuppositions and ethoi such presuppositions entail regarding the relationship between practices and the users of their services is not sufficient for there to be conflict. Rival presuppositions of practices and institutions are strictly related to power relationships. That is, institutions enforce the ethos they drive from their presuppositions over to the practices and it is this enforcement that generates conflict.

Within the mainstream literature, there are many studies that point out a certain type of conflict between managers and professionals since the NPM (Pollitt 1993: 9; Exworthy and Halford 1999; Broadbent and Laughlin 2002: 99; Born 2003; Farrel and Morris 2003: 136; Dent and Barry 2004: 8; Ackroyd et al 2007; Lapsley 2009; Lorenz 2012). Although these studies do indicate a conflict between professionals and managers, they do not understand this conflict as accruing between practices and institutions and between their rival presuppositions regarding human beings. Furthermore, studies that point out the problems of NPM with respect to the conflict it creates between professionals and managers often refer to changing policies and organizational structures. Although policies and structures are actually changing and generating conflict within the public sector, conflict needs also be analysed with reference to practices and institutions and their presuppositions. Only within such framework can we understand what is special about the conflict generated by the NPM regime and how this conflict yields to a crisis.

If we *only* appeal to the mainstream accounts of the conflict within the public sector, we are likely to conclude that ambiguity and conflict is part of all modern organizations and NPM generated just a different version of these conflicts. I argue that NPM not only generates a different version of conflict within the public sector but also a crisis that will result either in diminishing of practices or their survival and flourishing. I need to make it clear that my argument do not suggest that the public sector was devoid of conflict and that conflict has only emerged during the NPM. On the contrary, it should be noted that conflict is an inevitable aspect of modern organizations. My argument is that there is a special kind of conflict within the public sector. That is, a conflict that reached to a turning point which will result either in the disappearance or the survival and flourishing of practices as MacIntyre understands practices. However, in order to develop this argument, I need to elaborate on the ways in which the ethos of preference maximisation is imposed on the practices. To illustrate this and how it generates the conflict between practices and institutions, I draw upon Foucault's philosophy of power in the next chapter.

## **Chapter II: Enforcement of Preference Maximisation: neoliberal governmentality and disciplinary power**

This chapter focuses on Foucault's philosophy of power and reconsiders NPM from this point of view. In particular, I focus on Foucault's general view of power and his notions of governmentality and disciplinary power. In doing this, I will illustrate the ways in which public institutions attempt to control practices to ensure that they aim at preference maximisation in their production of services. This illustration will particularly clarify the ways in which the presupposition of public sector institutions and the subsequent ethos that follow this presupposition is enforced to the practices and generated the crisis in the public sector.

### **2.1. Foucault's understanding of power**

I begin with an exposition of Foucault's general understanding of power. I then explain his concepts of governmentality and disciplinary power. As I will illustrate below, the governmentality that surrounds the NPM enforces preference maximising as the main element of rationality. This enforcement, I argue, is done through what Foucault calls disciplinary power. I will illustrate how disciplinary power has tended to increase and expand its field of application towards that of practices, performances of practitioners and quality of services since NPM. Whereas during the old-style public sector disciplinary power was applied mostly to the users of the services such as students and patients, it is now applied also to practices that are responsible for the production of those services. As we will see, it was through this expansion that practices were compelled to understand and evaluate performance and quality with reference to preference maximisation.

As is well known, Foucault is a complex thinker who has been influential in many disciplines such as philosophy, sociology, anthropology, history and politics. However, although Foucault's wide range of influence is well known, the ways in which he is seen as influential varies to a large extent with various, and sometimes conflicting, commentaries. Some take Foucault as the main heir of Nietzsche whose main purpose is to show that there is no such thing as morality or normativity, but instead *only* a will to power that is masked by the appearance of norms and moral

values. Some consider him as a radical democrat aiming to rewrite history in new way. There is of course some truth to almost all differing interpretations of Foucault. However, my main task in this study is not to develop a Foucault commentary, but instead to use some of the existing commentaries with his original work to explain the changes that took place within the public sector and develop my argument regarding the crisis in the public sector.

Thus, without going into the debate of how one needs to interpret Foucault's work, I consider him as a social theorist. That is, I assume Foucault to be a social theorist, who managed to develop one of the best methodological insights into how power operates within the institutions of modern liberal societies. Instead of using Foucault's own histories of particular institutions such as his history of the hospital and the prison, I adopt Foucault's suggestion about how we should explore or unveil power relationships, and apply this to changes within the public sector. What I will say of Foucault below is therefore limited to a particular understanding of his work, and especially his late work (what is largely known as his genealogical period).

The best way of explaining Foucault's theory is to begin with what he thinks is missing from other types of approaches to power. According to Foucault, mainstream understandings of power can be classified under two broad traditions. One he defines as the juridical (or contractarian) understanding of power, and the other as economic understanding (Foucault 1980a: 87-8). Both traditions, for Foucault, fail to grasp how power operates within modern societies to an important extent. The problem with these understandings of power is that they only grasp one dimension of power, whereas for Foucault power in modern societies is multi-dimensional.

Let me begin with the juridical understanding of power. Within the juridical framework, power is understood only as a possession or a right. According to the juridical approach to power, Foucault notes,

power is taken to be a right, which one is able to possess like a commodity, and which one can in consequence transfer or alienate, either wholly or partially, through a legal act or through some act that establishes a right, such as takes place through cession or contract (Foucault 1980a: 88).

Another main element of the juridical understanding of power is that power is thought to be only exercised in a repressive and top down mode. In the juridical framework, there are always individuals who possess the power, and there are individuals who are subjected to it. Moreover, this subjection occurs only in a top down and repressive form.<sup>14</sup> In its top down repressive way of asserting power, however, juridical power becomes an ineffective type of power that is not often preferred to be used within the modern liberal societies. Foucault notes that the

[Juridical] power is poor in resources, sparing of its methods, monotonous in the tactics it utilizes, incapable of invention, and seemingly doomed always to repeat itself. Further, it is a power that only has the force of the negative on its side, a power to say no; in no condition to produce, capable only of posting limits... This is the paradox of its effectiveness: it is incapable of doing anything, expect to render what it dominates incapable of doing anything either, expect for what this power allows it to do... it is a power whose model is essentially juridical, centered on nothing more than the statement of the law and the operation of taboos (1976: 85).

Juridical power, that is to say, sets concrete limits to freedom of the individual. It sets these limits through the use of methods such as coercion, exploitation and oppression (Foucault 1976: 92). This implies that juridical power requires a sovereign, that is, a sovereign either in the form of a King or of a state, capable of imposing laws to its subjects through coercion.

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<sup>14</sup> It is important to stress here that Foucault does not incline to claim power to be devoid of violence (Foucault 1986: 234-5). Foucault thinks that juridical understanding of power is inherited from the times of the juridical monarchy and in so far as our societies resemble those monarchies, juridical framework is helpful in understanding power. Indeed, to a certain degree, our societies do still resemble monarchy and juridical approach to power does apprehend this dimension of our society. To be sure, Foucault is not claiming that there are political theorists or sociologists who believe in monarchs. He thinks that there are political and social theorists who conceive power as a possession that is exercised through top-down policies and legislations. And on Foucault's account it is this type of understanding is inherited from the time of monarchy. But if we limit our approach to power to a juridical understanding, this would be an insufficient method that inhibits us from understanding a certain dimensions of power within modern liberal societies.

Juridical power also requires obedient subject(s) in order to operate. And infringing the law or being disobedient, in the juridical framework of power, means doing wrong to the sovereign, who has the right to decide the life and death of its subjects (Foucault 2002: 49). Accordingly, punishing the disobedient within this form of power takes the form of revenge by the sovereign. Here, the sovereign does not have to be a king. It can be the state or any group of people who formally hold power. Therefore, the essential nature of juridical power is a law-giving sovereign where power is a possession and exercised in a top-down regressive way through limiting individual freedom.

However, power in the modern liberal societies does not only operate in a juridical way, for Foucault. Power has another dimension that is quite different from the juridical power, but before I explore this dimension of power, let me explain the second mainstream understanding of power that Foucault finds to be problematic. As mentioned above, Foucault names this dimension of power as the economic approach. Here Foucault has Marxism in mind, but his account is not restricted to this tradition only (Foucault 1980a: 88). Compared to juridical approach, this form of understanding, and in particular Marxism, has an innovative way of analysing power. The issue of class and economic structures would not be brought into the spectrum of power without this approach. As it is well known, on classical Marxist accounts, it is a particular class who possesses the power: namely the bourgeoisie class. The state, political parties, law and public institutions within capitalism are mere reflections of this class structure of the society.

Foucault accepts that this understanding of power is obviously different and new compared to the juridical understanding. However, Marxists too, he thinks, conceive of power in juridical terms (Foucault 1980a: 89). Although it shifts the emphasis from right and law to economy and class structure, this approach also conceives of power as a possession. Furthermore, just like the juridical understanding, Marxist understanding also conceives power in terms of repression and violence. As is again very well known, the bourgeois class, according to Marxist tradition, exploits, represses and uses the working class for its own advantage within capitalist societies.

Let me note that Foucault does not deny the fact that the juridical or economic framework directs us to particular truths about power. However, he still thinks that one

needs to go beyond these understandings of power in order to fully apprehend how power actually works in modern society. First of all, Foucault thinks that juridical conception of power (which is also inherited by the economic understanding of power) formed during the monarchical period, where power resembled more of a possession of the King than anything else. In modern society, however, there is no king and power operates in rather different ways than it used to do. This is why Foucault claims that “in political thought and analysis, we still have not cut off the head of the king” (Foucault 1976: 88-9). He thinks that we still conceptualize power in a way that would be more appropriate for how it existed in a traditional monarchy, even though such social orders no longer exist.

Foucault believes that one should not understand power only in terms of repression, coercion, violence and oppression of one or more individual or groups over others (Foucault 1977: 194, 1976: 84–6; 1982). One might understand pre-modern forms of power in these terms, but not the modern forms of power. Modern power relations, for Foucault, need not be understood only as a top-down process (Foucault, 1980a: 84). Instead, power must be thought of as an exercise: an exercise that flows horizontally. Power, in other words, operates through producing norms, values and knowledge and enforcing these to the individuals who are subjected to power. Once these produced norms, values and knowledge are accepted by those who are subjected to power, then, power becomes effective and efficient in its effects. This implies that within this horizontal activity individuals are not necessarily oppressed and passivized (Foucault 1982). Indeed, individuals are often active in the process of power relationships. They become active by accepting (or taking part in the production of) norms, values and knowledge that is enforced.

Foucault of course accepts that certain individuals often become the victim of power, but he also wants to emphasize that those very victims of power can also take active part in the formation of power without necessarily being aware of this. As he puts it:

[Power] is never localized here or there, never in anybody's hands, never appropriated as a commodity or a piece of wealth. Power is employed and exercised through a netlike organization. And not only individuals circulate between its threads; they are always also the elements of its articulation. In

other words, individuals are the vehicles of power, not its points of application (Foucault 1980a: 98).

What Foucault is trying to point out here is that individuals are not necessarily always victims of power. Individuals, who are the victims of power can at the same time also become (and often do become) vehicles of power in their decisions, judgements and actions. This is to say that for Foucault, when an individual makes a particular decision or acts in particular ways, he can at the same time actively take part in the operations of power. For instance, when an individual (say a manager) makes a decision on the basis of what he think to be scientific and objective he might at the same time be part of a larger network of power relationships. As I will explain below, in the case of NPM for example, a manager might decide to apply a certain method of management to the practices on the basis of what he thinks to be the ‘objective’ and ‘scientific’ way of bringing about effectiveness and efficiency to the organization (Foucault 1980b). However, from a Foucauldian point of view, this does not mean (as is often thought) the manager is acting in a power-free way. In applying a management method to the practices, the manager is at the same time taking part in the operation of power. Thus, claiming or thinking to be acting ‘objectively’ and ‘scientifically’ does not necessarily entail an act free from power relationships. It is this aspect of power that, for Foucault, cannot be apprehended from a juridical or economic perspective.

What he emphasizes here is that juridical and economic power is an obvious and direct form of power, as it uses easily observable means such as law, economy and force. However, other forms of power, which are more complex and discreet than juridical or economic power do exist in modern liberal societies – and as I claim below NPM is one of these forms of power. As Veyne argues, Foucault understands power as “the ability to control the behaviour of others without exerting physical pressure, to get people to walk without physically placing their feet and legs in the necessary positions” (Veyne 2010: 94). That is, there is a certain dimension of power whereby rather than repressing the individuals through force, power gets them to do certain things in an apparently voluntary way.

What is most interesting in these relatively new forms of power is that they are *productive*. That is, power, from Foucault’s point of view, can also produce or create

desires, norms, values, understandings, motivations and knowledge, through the use of various techniques and methods (Foucault 1977:194; 1988a). As will be explained below, methods of management used by the NPM such as auditing, TQM and performance indicators can all be considered as examples of this kind of power. They are all techniques of power that introduce new understandings, norms and values to the public sector, and in so doing get either practitioners or managers to be part of the power relationships in a voluntary way without use of coercion and violence (Foucault, 1980b). All these management methods introduce new understandings, values and norms regarding public services, their users, performance of practitioners and quality of products and services. Such new values, norms and understandings are not neutral acts of 'scientific' and 'objective' management but instead acts that renders power relationships possible within the public sector (Foucault, 1980b).

Also important to note that by being productive in this way, power makes its application much more economical and efficient – and more importantly, much less observable and understandable – than pre-modern forms of power. Liberal society, from this point of view, does not denote lack of power (or less power compared to pre-liberal period). Although juridical and economic power still exists in liberal society, Foucault argues that it is marked by this type of power.

He gives various names to such type of power such as 'liberal governmentality', 'disciplinary power' and 'bio power'. Foucault thinks that modern society is marked by these forms of power but it is seldom understood, due to our thinking only in juridical or economic terms (Foucault 1976: 86). How, then, do these other forms of power operate in modern society? And more importantly, how can this help us understanding the transformation of the public sector and the crisis I claim to exist in the public sector? Two ways in which Foucault thinks power operates in modern society are central to answering these questions. As stated above, one of them is governmentality and the other one is disciplinary power. As I will demonstrate below, neoliberalism is the governmentality and NPM is a form of disciplinary power through which power relationships are formed within the society.

## **2.2. Governmentality**

Analysing neoliberalism and NPM from a Foucauldian perspective will allow me to establish my argument regarding the crisis of the public sector in a more accurate and

substantive way than I have done so far. To demonstrate why this will be the case, however, I need begin from some reminding from the first chapter: I have demonstrated in the previous chapter that the crisis in the public sector is strictly related to the two rival set of presuppositions. One of these presuppositions, as I have shown, is held by the practices and the other is by the institutions of the public sector. I have also illustrated in the previous chapter that the presupposition of the institutions is related to the neoliberal politics. The concept of governmentality first of all helps to extent our understanding of the relationship between the presupposition of institutions and neoliberal politics. In particular, it helps to understand the productive side of power (mentioned above) in the case of neoliberal politics and how this productive side is connected to NPM and to the conflict between practices and institutions.

Foucault developed his concept of governmentality in a series of lectures between 1978 and 1979 and thus he has not published a complete work that deals with governmentality (Gordon, 1991). Partly because of this, and partly because of Foucault's style, this concept has been interpreted in various different ways (e.g. Dean, 1999; Gordon, 1991; Rose and Miller, 2008). Gordon (1991: 3) for instance, claims that it is a rationality of government that means "a way or system of thinking about the nature of the practice of government". Dean (1999) thinks that it is multidimensional sphere of the 'conduct of conduct'. That is, it is related to various ways of governing our conduct such as government of the self, of the population, of sexuality and so on. These different interpretations of the concept of governmentality emphasize different aspects of it. Here in this study, I will use the interpretation by Rose and Miller (2008) as well as Foucault own elaborations of the concept. Hence let me begin from Foucault's.

Foucault, in a rather sophisticated way, refers to various forms of governmentalities exercised during different periods of history, such as in Ancient Greece, Middle Ages and late modernity before he explains the concept in detail (he provides various explanation of the term in between his lectures (2007), but not in an analytic and systematic way. Here in this study I will begin with what he claims to be the dominant governmentality since 18<sup>th</sup> century and the governmentality that he thinks to presently dominant as these two governmentalities are the most relevant one to the purposes of this study. He begins exploring these types of governmentalities by pointing out a certain change in the objective of the government during the 18<sup>th</sup> century. Whereas

territory and sovereignty were the main concerns of government prior to the 18th century, since then the main concern has been the *population* and its so-called *natural processes* such as its birth rates, productivity, and wealth (Foucault 2007: 65-6). Foucault invites us to consider this new governmentality in comparison to Machiavelli's political thought.

Firstly, he suggests that Machiavelli's *The Prince* which dates back to 16<sup>th</sup> century well represents the old governmentality that existed before the 18<sup>th</sup> century. It is well known that Machiavelli's *The Prince* consists of set of pieces of advice directed to a prince or sovereign state, and how to maintain and strengthen this sovereign power. Foucault rightly points out that, for Machiavelli, the primary aim of the government is to secure the principality of the prince within a conquered or inhabited territory (Foucault 2007: 90-3). Even though Machiavelli had a new conception of politics, he still thought within the limits of what Foucault names as subject-sovereign-territory triangle. That is, within the Machiavellian framework, the main role of the sovereign is thought to be obtaining maximum sovereignty over its subjects and territory for the maximum amount of time.

The type of governmentality Machiavelli represents relies on a juridical form of power I have explained above. However, for Foucault, a new type of government that cannot easily be captured through a Machiavellian political theory or practice emerges in the 18th century. He names this form of power as *liberal* governmentality. At this point of the study, I will refer to the interpretation of Miller and Rose in order to elaborate on liberalism and neoliberalism. Note that, as mentioned above, this interpretation of governmentality in general and liberal governmentality in particular is just one of various interpretations and I have chosen this interpretation simply because it is helpful for the purposes of this study. Miller and Rose use Foucault's concept of governmentality in order to elaborate on liberalism and neoliberalism from a Foucauldian point of view and my purpose here is to do the same. Miller and Rose (2008: 60) claim that what is distinctive about liberal government is that it "identifies a domain outside 'politics', and seeks to manage it without destroying its existence and its autonomy". Within this form of government 'preferences', 'private life', 'economic life' and 'civil society' are all compartmentalized spheres of social life, which are to be conceived as non-political and be subjected to government at a distance, rather than a direct form of government.

How, then, does this indirect form of government become effective? As stated above, it becomes effective through enforcing<sup>15</sup> or idealizing certain forms of a self-understanding. Liberal governmentality presupposes that individuals within a population pursue a common goal: they pursue their own preferences before and beyond everything else (Miller and Rose, 2008: 20-6). As explained in the previous chapter, this presupposition is also made by the neoliberal politics and it corresponds to the presupposition of institutions of NPM too. But liberal governmentality does not only presuppose. It also aims to enforce that presupposition. It enforces this presupposition through promoting an understanding of self as *homo economicus* (Burchell 1991: 199). That is, self as a preference maximising individual, acting in a market either as a seller or a buyer. The idea of laissez-faire, initiated by Physiocrats and then developed by Adam Smith is an example of this liberal governmentality for Foucault. As is well known, from the point of the laissez-faire theorists, the primary aim of government is portrayed as the security of the link between preference maximising subjects and the wealth of populations (Gordon 1991: 127). The more subjects compete (in a fair way) for preference maximisation, the more wealth for the population is created. Such a link between preference maximisation and the wealth of the population can only be established, as laissez-faire theorists suggest, if the government does not dictate to individuals and population what to do and how to progress. The government only needs to enforce preference maximisation as a primary motive and secure fair competition between preference maximising subjects (Lemke, 2001). Thus, the governmentality of liberalism as a political power is to promote or idealize a self-understanding that aims at preference-maximisation and acts in a market as a buyer or a seller.

Now, to come back to neoliberalism, Foucault argues that neoliberal governmentality is also a form of liberal governmentality, as it too enforces *homo economicus* as an ideal form of subjectivity, but with an important difference. He deals with neoliberalism in his 1978-1979 lectures at the Collège de France. There, neoliberalism is considered as a political power in which *homo economicus* is extended to the *whole* of the social sphere. That is, whereas *homo economicus* of liberal governmentality mostly manifests itself in trade, accounting and business, in neoliberalism it is no

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<sup>15</sup> I have been using and will use the term enforcing throughout this chapter the following chapters but note that I do not mean a coercive enforcement here. I rather mean enforcement through norms and regulation.

longer restricted to these areas. Referring to Hayek and Backer, who are considered to be thorough neoliberals, Foucault suggests that the neoliberal *homo economicus*, unlike the classical one, expands to wider spheres of social life. Marriage, crime, immigration, education and many other aspects of social life are considered as areas in which *homo economicus* can and should expand (Foucault 2008: 270-1). On the neoliberal account, one gets married, educated and indeed commits a crime on the basis of cost-benefit analysis, just like buyers and sellers (or investors) do in markets in the same way that one buys, sells or invests.

This corresponds to an argument I have already made in the previous chapter, but with an additional element. I have already demonstrated that neoliberals like Hayek and Becker presuppose human beings as preference maximisers. The New Right formulation of early NPM policies, I have argued, inherited this presupposition from neoliberal economists. What needs to be added now is that this is not only a conceptual or theoretical heritage. As I will illustrate below, this heritage also opens up a number of ways in which new power relationships are exercised. Such relationships enforce practitioners to think of themselves and those who engage with the practices as *homo economicus* and hence to act and produce as preference maximisers in markets. It is this aspect of Foucault's analysis that has influenced some commentators of neoliberalism such as Wendy Brown and Thomas Lemke and it is this aspect of his account that is most relevant to our study too (see Brown 2003; Brown 2007; Lemke 2001; Miller and Rose 2008).

Let me elaborate on what these commentators propose and how such propositions are related to the argument of this study. Wendy Brown argues, from a Foucauldian point of view that neoliberal governmentality understands and enforces *homo economicus* as an ideal type of subjectivity in all aspects of social life (Brown 2003: 11). According to Brown and Lemke, neoliberalism requires all forms of social existence to be submitted to an economic rationality (Brown 2003:4-5; Lemke 2001). Human beings are no longer categorised as 'workers', 'managers', 'fathers', 'mothers'. They are all considered as owners of capital with an ability to make investments. Individuals' actions, judgements and thoughts resemble those of entrepreneurs, even if he is not doing trade, business or accounting. Indeed, the ways in which individuals are engaged with each other are envisaged as a relationship between investors and customers.

Now, what is crucial to note once again is that for Foucault, power within the modern society does not only operate through law and state. As explained above, only juridical power operates through these means but not power as such. If neoliberal governmentality operates through a different form of power, it follows from this that neoliberal governmentality must use other means than only the state and the law to enforce *homo economicus* as an ideal form of self. I argue that along with the state and the law, the management regime of NPM is the main means through which *homo economicus* (and hence preference maximising self) is enforced as an ideal form of self.

### **2.3. Neoliberal governmentality and NPM: liberation, radical change or intensification of bureaucracy?**

Although I have already remarked on the relations between NPM and neoliberalism in the previous chapter, I need to note also that the relations between them are not something unattended within the mainstream literature too. Many others have been pointing out certain relations between neoliberalism and NPM. In particular, at the critical side of the spectrum of mainstream literature, it has been argued that NPM is a reflection of neoliberalism – as the ideology of New Right (Walsh 1995; Diefenbach 2009; Lorenz 2012). However, the link I find between the two is not that NPM is a simple reflection of the New Right ideology. Once we consider NPM and neoliberalism with reference to their presuppositions and governmentality, the relation between them is not merely one of ideology, but also one of power that goes beyond ideology.

Neoliberal governmentality, I argue, has been implemented in the public sector through intensifying what Foucault calls ‘disciplinary power’. And as will become clear, disciplinary power does not depend on one ideology, but can function within different ideologies. In developing this argument, I will also point out some important problems with the mainstream accounts of NPM and how my account overcomes these problems. I begin the argument by pointing out what I find to be most problematic with the mainstream literature. Within the NPM literature, it is commonly agreed that NPM emerged during the 1980s in the Anglo-Saxon world, and became globally popular by the early 1990s. It is also widely accepted that the economic and political context of the 1970s and 1980s had significantly effect on the emergence of NPM. As is well known, from the 1970s onwards government revenues have been declining

both in the USA and the UK, whereas government spending and demand for public services and the number of employees working in the public sector have been increasing. Related to this, in the 1970s, there appeared to be a fiscal crisis in the UK. Such economic context brought about an intense dispute on cost-effectiveness, efficiency and accountability of public organizations.

It is not a surprise that one of the most popular books advocating NPM, *Reinventing Government: how the entrepreneurial spirit is transforming the public sector* (Osborne and Gaebler 1992), was a direct response to the problem of cost-effectiveness, efficiency and accountability within the public sector. Not surprisingly again, other influential advocates of NPM considered effectiveness and efficiency in the public sector as the main problem to tackle (e.g. Pirie 1992; Le Grand 2007). Thus, within the mainstream literature, NPM is considered as an attempt to solve the alleged problems of effectiveness, efficiency, and accountability.

How than is NPM considered to solve these alleged problems? Firstly, NPM proposed to shift the focus of the public sector from regulations, rules, and inputs to consumers, performance and output (Hood 1991; Osborne and Gaebler 1992; Gruening 2001: 519; Denhardt and Denhardt 2004: 550; Kettl 2005: 17-8; Grand 2007; Diefenbach 2009: 893). This was based on two claims: one descriptive and one normative. The descriptive claim is that public sector organizations are centralized bureaucracies with an inefficient hierarchical organizational structure (Lane 2000: 49-50). The normative claim suggests that this reality of public sector needs to be changed. Departing from this point of view, proponents of NPM have been arguing that NPM is an attempt to make the public sector more effective, efficient and accountable by liberating it from bureaucracy (Osborne and Gaebler 1992; Kettl 2005; Grand 2007). They consider the aforementioned new management regime consisting of TQM, performance indicators and auditing as the main tool for realizing such liberation.

Critical accounts do not consider NPM as a liberating force, but they too recognize it as a new management regime that results in a radical change in the nature of the bureaucratic form of public institutions (e.g. Hood 1991; Farrel and Morris 2003; Dent and Barry 2004; Ackroyd et al 2007). NPM, therefore, is considered to be an attempt to create a post-bureaucratic public sector both by its proponents and its critics. However, this shared belief does not rely on solid theoretical grounds because the

concept of bureaucracy has no clear meaning within the mainstream literature. The term is very often used without any comprehensive definition. On the one hand, proponents of NPM regularly use the term with a negative connotation (see Pirie 1992; Le Grand 2007). Certain critics of NPM, on the other hand, consider it as an ideology that tries to overcome bureaucracy in a rather unsuccessful and wrong-headed way (Diefenbach 2009; Walsh 1995). However, what they mean by bureaucracy is not clear. Indeed, the main aspects of bureaucracy (in Weber's original definition) do not seem to be very different from the actual NPM methods and policies. Both the critical and proponent sides of NPM literature fails to understand this due to their lack of a theory of power and a theory of goods, practices and institutions. I argue that the right way of understanding NPM is to consider it as an intensification of bureaucracy rather than a liberation or departure from it. Once we analyse the original definition of bureaucracy developed by Weber from a Foucauldian point of view, it becomes clear that NPM has not changed the main elements of bureaucracy within the public sector. In particular, management methods of NPM such as auditing, performance indicators and TQM, are no less bureaucratic procedures than the so-called old public sector. What has been changed instead is the presupposition underlying the bureaucracy. NPM no longer shared the same presupposition with that of the practices. In the absence of a shared presupposition institutions began to intensify disciplinary power so that their presupposition is enforced upon practices.

It is well-known, for Weber, bureaucracies are based on impersonal standards, rules and regulations introduced by centralized institutional governance (Weber 1946: 196). This is not at all denied by NPM (and its proponents). As is clear from the first chapter, auditing, performance indicators and TQM all introduce centralized and impersonal rules and regulations to the public services. Another important aspect of bureaucracy Weber rightly notes is the employee recruitment process. That is, contrary to the feudal type of organizations, in modern bureaucracies employees are recruited on the basis of their education, training, examination results and specialization (Weber 1978:958). This is an indispensable feature of bureaucracy for Weber. One can hardly deny that both private and public organizations, from the beginning of bureaucracy until now, recruit individuals with a certain type of education, training and speciality. NPM does not aim to change this aspect of public organizations and neither the critical nor the proponent accounts of it argue for such change.

Another central element of bureaucracy, for Weber, is related to the type of loyalty employees develop within bureaucratic organizations. In bureaucracies, loyalty is expressed in different forms to organizations with a feudal structure. According to Weber, loyalty to the functional purposes of the organizations rather than to a person or a figure of authority is central to bureaucracy (Weber 1978: 959). It is quite clear that this is also pursued in today's organizations. Employees and managers of all kinds are expected to strive for organizational goals and objectives rather than the private purposes of an authority figure. No proponents or critiques of NPM deny this aspect of the public sector organizations under the NPM. Thus, neither this aspect of bureaucracy is changed by the NPM. This again entails that NPM is neither a departure nor liberation from bureaucracy as proponents and critics think.

There is another important aspect of bureaucracy that I also need to point out. Bureaucracy "is the means of transforming social action into rationally organized action" says Weber (1978: 987). Bureaucracy, that is to say, is a rationalization process. Central to this rationalization<sup>16</sup> process is 'calculation'. By calculation, Weber denotes an ability to calculate the best means to achieve given ends. He notes that in modern societies "one can, in principle, master all things by calculation" and modern bureaucratic organizations are marked by this type of mastery (Weber 1946: 139). Rather than the mere power of a person, it is the power of calculating reason that is in operation within bureaucracies. Calculation of expenses, profit, efficiency and performance is of fundamental importance to bureaucratic organizations.

This indicates another important element of bureaucratic organizations, which happens to exist within almost all types of organizations of our capitalist societies and which has never been denied or rejected by the NPM: *instrumental reason*. Instrumental reason can be defined as a process in which human rationality develops and utilizes ways of determining the most effective and efficient means to achieve a pre-given end. Instrumental rationality, from Weber's point of view, calculates, divides and regulates the procedures of production or service provision for the sake of efficiency. Modern society and particularly capitalist societies develop as a result of the development and dominance of instrumental reason through the bureaucratic organization (Weber 1978:

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<sup>16</sup> Here and elsewhere I use the concept of 'rationalization' in terms of its use in classical sociology and particularly in Weber's sociology. Which means domination of rationally calculated behaviour over the traditionally, culturally motivated action.

975-6). Therefore, bureaucratic organizations can be understood as organizations where instrumental rationality develops and becomes dominant. NPM cannot consistently target this aspect of bureaucratic organizations either. This is because NPM is highly in favour of instrumental reason and the rationalization process (see Osborne and Gaebler 1992; Le Grand 2007: 20-5). This is because, as explained above, the main target of NPM is in fact efficiency and effectiveness. NPM essentially promises effectiveness and efficiency. Neither the proponent accounts nor the critical ones disagree on this. What they disagree is whether NPM is a successful attempt to bring about effectiveness and efficiency to the public sector. It is, therefore, obvious that NPM aims to enhance the operation of instrumental reason within the public sector rather than replacing it with another type of rationality. Mainstream accounts of NPM, therefore, cannot accurately understand what is new about NPM. They claim that it is an attempt to diminish bureaucracy, but as it clear from the above, there is not such an attempt.

Within the mainstream literature, NPM is also considered as an application of “business-like” management methods to the public sector. On the one hand, this application is believed by the proponents of NPM to be the main tool to free public sector from bureaucracy (Le Grand, 2007; Pirie 1992; Osborne and Geabler 1992). Critics, on the other hand, also considered NPM as an application of "business-like" management methods that challenges the bureaucratic nature of public organizations (Du Gay 2005). However, this too does not rest on solid grounds. It is highly disputable whether private business organizations are exempt from bureaucracy. Many contemporary business organizations are bureaucratic too.

One important work which illustrates this is Ritzer’s *The McDonaldization of Society*. Ritzer convincingly shows that organizations in various industries such as fast food restaurants, retail, leisure and many other private businesses use the bureaucratic processes that I have just mentioned above. McDonald’s restaurants use calculation, quantification and efficiency just like the old bureaucracies of capitalism and the public sector (Ritzer 1993; 1997). Ritzer names the spread of these techniques of calculation, quantification and efficiency to the other industries, and to other spheres of society, as the process of “McDonaldization”. He claims that the idea of McDonaldization relies on Weber’s notion of rationalization and thus on bureaucracy. McDonaldized business organizations, for Ritzer, are based on routinized, regulated

and rule-based procedures, which in turn reveal their bureaucratic content. Although bureaucratic organizations have changed throughout time, their nature – and especially the rationalization processes – have remained the same, and indeed spread to various other areas of social life. Therefore, if business organizations are not necessarily devoid of bureaucracy, the application of “business-like” methods to the public sector would not necessarily imply relief (or a radical departure) from bureaucracy.

It follows from what has been stated in this section that mainstream literature fails to understand the nature of NPM. As I argue below, from a Foucauldian point of view, instead of being an attack or liberation from bureaucracy, NPM is an intensification of bureaucracy that enforces *homo economicus* as an ideal type of self within the public sector. In so doing, NPM becomes part of neoliberal governmentality. As will also be clear from below, failing to recognize this nature of NPM prevents the mainstream literature of public management from understanding the nature of the conflict in the public sector. This is not to say that mainstream literature fails absolutely. What have been described within the literature are often right descriptions of the formal management methods and structures brought about by NPM. But they fail to understand that such methods also enforce certain expectations and understandings of the self, which are rival to the expectation and understandings of practices. Not only that they fail to recognize these rival expectations and understandings, but also the ways in which this rivalry turns into a conflict and then into a crisis. I argue that this can be done with reference to Foucault’s concepts of governmentality (in the sense that it is interpreted above) and disciplinary.

#### **2.4. Bureaucracy as a form of disciplinary power**

At first sight, Weber and Foucault are of course very different types of scholars. However, although Weber’s general sociology differs from Foucault to an important extent, his analysis of bureaucracy precedes and resembles Foucault’s notion of disciplinary power. It can be argued that, as some others also do (see O’Neil 1986), Foucault’s concept of disciplinary power can be interpreted as a certain kind of modification and extension of Weber’s illustration of bureaucracy. Let me thus move on by elaborating on Foucault’s notion of disciplinary power.

To begin with, disciplinary power is a form of power that uses the methods of surveillance, normalization and examination. It requires modern institutions like

prisons, workshops, hospitals and schools in order to function. It is neither juridical nor economic power. It is not a form of power that is only applied through the usual means such as the state, law, police, political ideology (or party) and wealth. It is not a form of power that uses violence, coercion and oppression. As mentioned above it is a form of power that is productive. That is, it produced norms and values through which power is exercised more effectively and efficiently.

It is crucial to note that effectiveness and efficiency are the main goals that underlie disciplinary power, rather than exploitation and oppression (Foucault 1977: 171). That is, disciplinary power is a form of control that is considered to lead to more effectiveness and efficiency within particular institutions. In fact, for Foucault, it is a successful form of power with respect to effectiveness and efficiency. This success of disciplinary power is again related to the methods it uses. That is, “the use of simple instruments; hierarchical observation, normalization, and their combination in a procedure that is specific to it, the examination” (Foucault 1977: 170). Foucault names these instruments as ‘technologies of power’.

Although I will explain this below, let me note now that when we think of NPM from this perspective, such technologies directly correspond to management methods like TQM, performance indicators and auditing. Furthermore, as stated above, proponents of NPM proposed certain management methods as scientific and objective tools to render public organizations into effective, efficient and accountable organizations. From a Foucauldian point of view, however, NPM is not only about efficiency and effectiveness, but also about power relationships.

My argument is that no matter how good or bad the intentions of the New Right, The Citizens’ Charter and the aforementioned enactments were, and no matter whether they lead to effectiveness and efficiency, the result is a change in the ways in which disciplinary power is exercised within the public sector. That is, from a Foucauldian point of view, there is a dimension of NPM that goes beyond that of say ideology-power and the so-called scientific objectivity of organizational management. This is mainly because of technologies of power that are widely used, such as surveillance, normalization and examination are not neutral scientific tools but also tools of power. These methods can be applied within different “sciences” of organizations as well as within different ideologies, but in any case, they enforce certain norms for rationality

and self-understanding that allows power to operate without the need for repression and oppression.

Through information on attendance, hours of work, output, quality, performance, profit, timing and so on, a certain form of self-understanding and rationality can be exerted over the practices (Foucault 1977: 175; Foucault 1980c:117).

[Disciplinary power] aims to establish presences and absences, to know where and how to locate individuals, to set up useful communications, to interrupt others, to be able to at each movement to supervise the conduct of each individual, to assess it, to judge it, to calculate its qualities or merits. [Disciplinary power is] a procedure, therefore, aimed at knowing, mastering and using (Foucault 1977:143).

Disciplinary power is capable of doing these things largely through the use of surveillance. Foucault notes that in modern institutions there are individuals who are responsible for the surveillance of others. In the case of public sector organisations, this is the responsibility of managers, who either belong to the institutions in which practices are based or institutions which are directly responsible for surveillance such as AC and OFED. With the use of information that is gained out of surveillance, eliminating the ineffective and detecting the useful behaviour or individuals becomes much easier.

Note that this does not entail that power in disciplinary institutions is possessed by those who are responsible for surveillance.

The power in hierarchical surveillance of the discipline is not possessed as a thing, or transferred as a property; it functions like a piece of machinery. And, although it is true that pyramidal organizations gives it a 'head', it is the apparatuses as a whole that produces 'power' and distributes individuals in this permanent and continuous field (Foucault, 1977: 177).

In fact, it is this unique formation of power that makes disciplinary power ‘discreet’, because it allows a kind of supervision that is everywhere and always alert and that “functions permanently and largely in silence” (1977: 177). On Foucault’s account, surveillance happens to be one of the fundamental techniques and methods of modern power relationships that goes beyond that of juridical and economic power. The reason for surveillance being at the centre of power is its ability to contribute to the making of “useful” individuals (Foucault 1977: 211). To understand what Foucault means by this claim, we need to explore another technology of power, namely, *normalization*.

The main purpose of normalization is the correction of deviant or unwanted behaviour. That is, it aims to standardize human behaviour in such a way that behaviour becomes efficient or productive. Foucault unfolds this aspect of disciplinary power through demonstrating the ways in which punishment is used within different power frameworks. He notes that premodern implementation of power used punishment as a form of revenge taken by the King or by whoever possesses the power (Foucault 1994: 43). In institutions, where disciplinary power is used, on the other hand, power is implemented in order to correct, with a view to what is efficient and inefficient (Foucault 1977: 189). In such institutions, there appears to be a social body with its norms of efficiency and normality; and a whole system of ranking and fixing individuals in terms of these norms. Punishment, within such system of ranking and fixing takes the form of confinement and training in order to transform inefficient individuals into efficient ones. “Disciplinary punishment has the function of reducing gaps” says Foucault (Foucault 1977: 180). That is, reducing the gaps between the poor and good performers. Through disciplined training or habituation, individuals within the disciplinary institutions of liberal society are controlled on the basis of what are good and bad in terms of performance.

There is another technique of disciplinary power that allows power to operate without the use of violence and oppression. This technique is *examination*. Both of the techniques I have mentioned above are combined in examination. “The examination that places the individuals in a field of surveillance also situates them in a network of writing; it engages them in whole mass of documents that capture and fix them” (Foucault 1977: 189). That is, in an institution where disciplinary power is widely

used, there is documentation related to each individual. And such documentation would involve information on whether that individual is present, absent, successful, effective, docile and so on. In other words, there appears to be an accumulation of documentation, which makes it possible to classify, to form categories, to determine averages and fix norms. “Examination is the technique by which, power, instead of emitting the signs of its potency, instead of imposing its mark on its subjects, holds them in a mechanism of objectification” (Foucault 1977: 187). Examination and surveillance turns individuals and their performance into knowable entities.

What is knowable in the framework of disciplinary power is quantified information. One can know by examination and surveillance how far a worker, student, doctor, a teacher or a programme-maker departs from being normal. Once this is known, then the necessary training or corrective action can be taken. That is, normalization can take place. Examination is the main tool through which gaps between bad and good performance is aimed to be reduced. It is through examination that individuals are measured “in quantitative terms and hierarchize[d] in terms of value the abilities, the level, the ‘nature’ of individuals” (Foucault 1977: 183). Examination, with surveillance, therefore, helps to effectively put the norms of effectiveness and efficiency into motion.<sup>17</sup>

Commentators like O’Neil (1986: 45) and Szakolczai (1998) are therefore right to think that Foucault’s account of disciplinary power complements Weber’s concept of bureaucracy with a physiology of power. This is mainly because just like Weber’s exposition of bureaucracy, Foucault’s account of the disciplinary power too unfolds the ways in which instrumental rationality operates within our modern institutions. But on Foucault’s account, unlike Weber’s, the explanation is provided with reference to various micro mechanisms of power such as surveillance, normalization and examination. From a Foucauldian point of view, one can understand bureaucratic

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<sup>17</sup> This is not to say, however, that these techniques are put into the service of identical ends. There are various pre-given ends of different organizations. If the organization in question is a prison, the end is correction of deviant behaviour of the prisoners. If it is a school, then the end is educating individuals so that they can become useful for the society, and if the organization in question is a factory, the aim is productivity. But as a matter of fact, in all these institutions, techniques of disciplinary power are put in the service of achieving such pre-given ends in an effective and efficient way. This entails that disciplinary power does not have the purpose of changing the ends of an organization. It rather uses certain techniques to achieve ends of various kinds.

organizations as social spheres in which disciplinary power is institutionalized and applied<sup>18</sup>.

Before I move on, it is important to note (on the basis of the interpretation of governmentality I have developed above) that the ends to which disciplinary power is going to serve, depends on the type of governmentality. That is, the pre-given ends, to which disciplinary power helps to achieve in an effective and efficient way, are often designed by governmentality. Having said that the governmentality we have in today's society is neoliberal governmentality, it follows that disciplinary power aims to enforce individuals to think of themselves and act in terms of *homo economicus*. That is, disciplinary power under neoliberal governmentality would enforce those, upon which the power is applied, to aim at preference maximisation of buyers or sellers in a market. I have already argued without referring to *homo economicus* that this is the kind of self-understanding that is initiated by CC and internal markets. As explained in the previous chapter, internal markets introduce a new type of competition to the public sector. It introduces a competition based on the criterion of preference maximisation. As again explained in the previous chapter, internal markets are designed in a way that within such markets organizations and practitioners are expected to compete for more consumer and maximisation of their preferences (Le Grand and Bartlett, 1993; Ferlie, 1992). That is, the more consumers are satisfied the more successful the organization and the practice is. Now, I can add to this that this is also enforced as part of neoliberal governmentality through internal markets, CC and a number of management methods that has followed these polices.

As explained in the previous chapter, internal markets require one to think of himself (does not matter whether one is a practitioner or user of the services) as a self, acting within a market as either a buyer or a seller. This is indicated by the purchasers and providers distinction required by internal market. Schools, universities, GP clinics and hospitals need to compete with each other as providers of services for getting funds (or being purchased) by the state or relevant authorities. They need to compete for more customer satisfaction (Le Grand and Bartlett, 1993; Ferlie, 1992). To do this they need

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<sup>18</sup> There is, of course, an important difference between Foucault and Weber here. Although it is disputable, a certain reading of Weber suggests that the domination of instrumental rationality is a negative development in human history. Thus, certain commentators believe that Weber evaluated instrumental rationality in normative terms, with reference to his notion of 'iron cage' posited in *Protestant Ethics and the Spirit of Capitalism*. Foucault, on the other hand, has no normative position regarding the domination of instrumental rationality, although he somehow accepts such domination.

to use methods such as marketing strategies and management methods that place preference maximisation at the hearth of public sector organizations such auditing and TQM. That is, internal markets enforce and require citizens and practitioners to understand themselves and others as *homo economicus* through using methods such as auditing, TQM and performance indicators.

As I will explain below, internal markets and the understanding of human beings particular to it (human beings as *homo economicus*) has established the criterion for one of the main methods of disciplinary power used by NPM; namely, normalization. That is, through introduction of internal markets considering oneself as a buyer or a seller acting in a market has become the normal self, whereas considering oneself as a human being the principle of which is wellbeing the achievement of which requires cultivation of the virtues has become marginalized.

### **2.5. Disciplinary power and NPM**

Now, in order to developed the argument sketched above I am going to focus on specific management methods of auditing, TQM and performance indicators. I argue that practitioners, who were at once the main vehicles of disciplinary power (Larson, 2005), are now subjected to this form of power since NPM. It is through this subjection that internal markets are established and preference maximisation has been enforced to the practitioners as one of the ultimate aims. I have already explained in the first chapter that since the NPM auditing methods of management, TQM and performance indicators have been proliferating. Power (1997) names this proliferation as the “audit explosion”, which means that auditing has become much more of a common and widespread method of management than it was before NPM. This can be recognized from an apparent development within the public sector since the NPM. There has been a huge increase in the number of recruited employees and finances devoted to activities that relate to auditing. New employees were recruited to report, check and analyse whether practices are doing well with respect to efficiency, effectiveness and consumer satisfaction (Hood et al 1999: 23-24). Management consultants were hired; organizational structures were developed or redesigned for this purpose. This auditing cycle illustrates how effective the disciplinary power was becoming over the practices during the NPM.

However, in order to develop this argument one has to look into the ways in which auditing can be associated with disciplinary power and neoliberal governmentality. As explained in the previous chapter, auditing basically means a system of checking. It checks whether an organization and its practices are performing the role they “should” be performing. From an audit (or auditor) point of view, what kind of role employees and organizations claim to play is supposed not to be important. Instead, what is considered to be important is to conduct a checking on whether the means match with the predetermined ends of the organization in a lawful, efficient and effective way. It is, therefore, clear that “audit explosion” amount to highly increased level of surveillance and examination on the performance and quality of services of the practitioners in the public sector. Without these technologies of power, it is impossible to conduct a reasonable audit.

Furthermore, from a Foucauldian point of view, auditing not only includes intense use of surveillance and examination. Auditing involves techniques of normalization that transforms the meaning of quality and performance on the basis of a certain presupposition about human beings (that is, human being as preference maximisers or as *homo economicus*). As explained in the previous chapter, auditing or surveillance and examination aim to quantify performance and quality on the basis of quantified information on costs and consumer satisfaction. Such quantification requires practitioners to understand both themselves and the users of services in terms of individuals who are acting as preference maximising individuals as buyers of services in a market. Thus, internal markets do not only require purchasers and providers distinction within the public sector, but also a particular form of disciplinary power that enforces *homo economicus* as an ideal understanding of self.

If we reconsider the aforementioned policies, enactments and the authority given to the AC and OFSTED to inspect public organizations from this point of view, it again becomes clear that disciplinary power and bureaucracy has been intensifying in the public sector since NPM with the effect of normalizing self-understanding in terms of *homo economicus*. Let me elaborate on this with reference to one of the main roles assigned to the AC. Since the emergence of NPM, AC had been responsible for either developing performance indicator or enforcing organizations to do so. When we analyse what kind of performance indicators AC attempted to develop, we confront

with the method of normalization and examination on the basis of preference maximisation.

AC's purpose in developing performance indicators is to

facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness) between the standard of performance achieved by different authorities and the standard of performance achieved in different years (Local Government Act 1992, p. 1).

As is clear from the above quote, performance indicators were developed to facilitate “appropriate comparisons” between organizations. However, to make comparisons on the basis of effectiveness and efficiency requires a certain form of data collection. That is, quantitative data collection.

Without quantitative data it is almost impossible to make comparisons (in terms of effectiveness and efficiency) between different organizations. This is not because no comparisons can be made between organizations on the basis of other forms of data (such as qualitative data), but because without quantitative data, it would cost more time and finance to make comparisons – which would contradict with the main aim of NPM to render organizations effective and efficient. It is, in other words, much more efficient and effective to make comparisons on the bases of quantitative information, and this is in fact what NPM preferred to do in making its comparisons. It compared schools on the bases of exam results; universities on the basis of the number of student and student satisfaction, TV-programmes on the bases of ratings, and research on the bases of the number of publications in journals.

It is important to note that from a Foucauldian point of view this not a simple process of quantification but also a way of asserting the power to the practices. As I have illustrated above, in order to gather quantitative data on performance, doctors, teachers and academics need to be closely inspected and examined. They need not only to report their performance in numeric terms but they also need to report how they will do better in future - i.e. their projections on future exam results, number of students,

the number of surgeries, publication and so on. Thus, they are inspected and expected to inspect themselves, and then to develop information out of such inspection to make it available for the examination by the managers and certain bodies such as AC and OFSTED. How good or bad the schools, universities and, therefore, the teachers and academics are performing begun to be evaluated against the league tables where statistical and quantitative information on performance were accumulated and published.

As mentioned above, there are also normalization processes that are applied to the practices through this quantification process. To understand further aspects of these normalization processes, one needs to seek what is understood by effectiveness and efficiency. As stated above performance indicators are developed on the basis of effectiveness and efficiency for "appropriate comparisons". But what is meant by effectiveness and efficiency? Effectiveness and efficiency are understood here in a twofold way. One is in terms of costs and the other is in terms of the maximisation of consumer preferences.

What is important regarding the purposes of this study is this latter side of effectiveness and efficiency. Although I have explained what consumer sovereignty means and how it has been used within the public sector, let me briefly explain it again as it will help us to see how normalization of performance and quality took place through NPM. Consumer sovereignty means that the final judgement on the performance of practitioners and quality of public goods and services should be made by the consumers of those goods and services. As shown in the previous chapter, this has been widely applied since the NPM. What is important to add now is that it is particularly used in the quantification process of performance and quality as effectiveness and efficiency largely understood in terms of satisfaction of consumer preferences. That is, quality and performance normalized through the idea that the users of the services are preference maximising consumers in a market and this needs to be taken as the main target of practices. What happened to be normal or the norm and valuable is the satisfaction of preference maximising consumer in the market.

Whereas audit, and hence examination and surveillance were mostly about the finances of an institution before the NPM, it now expanded from finance to performance. This amounts to a significant change: auditing is no longer just about how

much and how for instance doctors spend public money in certain hospitals, but also about how they diagnose and cure their patients (Leavey et al 1989). As for education and research, the same point can be made. Auditing is not only about how schools and universities use their finances, but also about how teachers and their schools educate their students and how academics conduct research (Shore and Wright 2000; Hood et al 1999: 141). From a Foucauldian point of view this is a clear indication of how *homo economicus*, as the ideal self, expanded throughout the sphere of practice by the intensification of disciplinary power.

Now, like auditing, TQM turned out to be another main tool for the quantification of quality on the same basis. Hence, TQM is another management method through which disciplinary power is intensified within the public sector under the neoliberal governmentality. As explained in details again in the previous chapter, TQM consists of processes whereby performance and consumer preferences are observed, documented and objectified in terms of hard data. This has been done once again on the basis of preference maximisation. That is, hard data were collected on the amounts of costs spent, on uniform results such as the number of patients served, the number of viewers of a programme and eventually the number of consumers satisfied with such services.

To demonstrate this through an example let me refer to the illustrative case (of the fourth chapter). Practitioners of TV and radio programmes are subjected to heavy normalization, surveillance and examination from management since the NPM (Born 2003). Although I will explain the BBC case in much more details, in chapter four, let me note now that auditing attempted to change the ways in which performance and quality had been understood and evaluated within the BBC (Born 2004: 99-100; 214-5). Ratings – the number of people who watch a programme – for instance, come to play a much more decisive role in the evaluation of quality and performance after the NPM. This illustrates how auditing is not a mere objective technical tool for improving the efficiency, effectiveness and accountability of public sector organizations, but also a vehicle for the disciplinary power to change the nature of performance and quality on the basis of preference maximisation.<sup>19</sup>

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<sup>19</sup> As I have explained in the previous chapter, within practices like medicine, sciences and arts there are internal goods the achievement of which requires standards of excellence peculiar to the activities of the individuals participating to those practices. Such standards, as I have demonstrated, developed through

To illustrate the ways in which this has been done within the BBC further, it would be sufficient for now to note that while the BBC was going through efficiency cuts during the 1990s, the spending on the managerial activities such as inspection, management consultancy, reporting, and accounting were dramatically increasing (see Born 2004: 215). Furthermore, a whole range of procedures were introduced to the BBC with the intention of accumulating information, increasing inspection and setting up new norms concerning the performance of professionals and the quality of the services. In particular, the ways in which quality has been evaluated and judged were subjected to serious changes. Whereas the quality of programmes was evaluated largely by the practitioners of programme-makers before the NPM, this has attempted to be changed. Quality had begun to be judged by managers, against the standards of cost-effectiveness and the number of potential and actual viewers (Born 2003; Burns 1977). This is to say that quality and performance began to be judged on the basis of preference maximisation.<sup>20</sup>

Before I move on, let me note that this is not to say that public sector and disciplinary power had no relations before the NPM. In fact, in Foucault's original analysis, disciplinary power captures patients, prisoners, students and workers through a network of power relations in the main institutions of modern society, including public institutions such as hospitals, schools and prisons from the beginning of the 18th century. Indeed, for Foucault, disciplinary power had been largely exercised through experts or professionals that are employed within the public organizations (Foucault 1977; 2003; see also Larson 2005; Rose 1999). A teacher, a doctor or a guardian and their relevant disciplines are the main vehicles through which disciplinary power has been traditionally exercised within prisons, hospitals and schools on Foucault's account.

What needs to be added to Foucault's account is that after and during the NPM, disciplinary power expanded to the performance of academics, teachers, broadcasters and doctors and to the quality of public services and goods (see also Power 1997; Shore and Wright 2000: 59-61; Born 2003; Leavey et al 1989). An interesting joint publication by the National Audit Office (NAO), HM Treasury, Cabinet Office, Audit

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the accumulation of knowledge and experience. However, auditing, as a form of disciplinary power, aimed to transform this aspect of practice with respect to preference maximisation.

<sup>20</sup> Not only the ways in which quality is evaluated and judged was changed, the number of reporting and inspection also increased in order to bring this new type of evaluation and judgment into actuality.

Commission and the Office for National Statistics (ONS) (2001) unfolds this aspect of NPM in a very apparent way. The principal aim of this document is to outline:

The general principles behind producing high quality performance information – that is information used to measure an organisation's progress towards its objectives. It looks at what sort of information is worth collecting as performance information, and the principles behind pulling together a set of performance measures (NAO, HM Treasury, ONS, 2001:3).

This document provides a detailed set of advice on the best ways of gathering information on performance. Without getting into the details of the document, I should note that it manifests a desire to accumulate quantified information on the performance of practitioners, which once again indicates the intensification of disciplinary power and hence bureaucracy within the public sector. More to the point, consumer satisfaction once again is taken as one of the main criteria for data collection. It is important to note that although I am referring to a particular document here it is representative of a proliferation publications and recommendations about how to measure and evaluate quality and performance in the public sector, which indicates an intense process of normalization and examination of performance and quality. That is, through various bodies such as AC, National Audit Office and so on, preference maximisation is recommended to be enforced as a norm and surveillance and examination are recommended as the main method to accomplish this enforcement.

One year later to this document, for example, AC published another report on performance management named as *Performance Breakthroughs* with the intention of improving performance management in the public sector (AC 2002). This report was produced for the attention of high-level managers in the public sector. It is again a very detailed document outlining the best techniques and methods to gather information, evaluate and manage the performance of practitioners such as doctors, academics and teachers. It suggests the use of techniques and methods that are similar to that of auditing and TQM. And it eventually advises reformulation or

reconceptualization of what has been traditionally understood by quality and performance on the basis of preference maximisation of consumers.

Now, what has been illustrated above implies that these policy recommendations, just like the enactments I have mentioned in the first chapter, assume that practitioners' knowledge on quality and performance are not very useful for managers. This is because knowledge of practitioners on quality and performance is thought to be 'tacit' and what is tacit cannot be subjected to disciplinary power. Such recommendation-documents, therefore, advise managers to change practitioners' understanding of performance and quality in a way that they become explicit. What is understood from being explicit, however, is again based on preference maximisation (and costs). That is to say, once again we can see how through the methods of disciplinary power, practitioners and the users of the services come to be understood as, and enforced to think and act like, *homo economicus*.

One of the most recent areas, in which we can observe this, is the idea or policy of Social Impact Bonds<sup>21</sup>. Also known as Pay for Success Bond, Social Impact Bond (SIB) is one of the most recent manifestations of NPM in the management of public services - though it has not yet been considered under such theme within the mainstream literature. Although only applied to limited areas and not very widespread for now, it has an increasing influence on public services such as health, education and criminal justice (Mchugh et al, 2013). One of the main aims of SIBs is to get investors, public organizations, NGOs and government to work together for the solution of social problems.

There are a number of novel aspects to SIB that needs to be mentioned. First, a bond needs to be created, but compared to the traditional bonds, such bond needs to be based on a social problem. Also, certain NGOs (together with public organizations) need to be assigned for the solution of the problem(s) that the bond is based on. Private investors, who are interested in the solution of such problems, would then buy those bonds. If the organizations in question succeed in solving the relevant social problem, then, the investors win out of their investment. If the organization(s) fail, then, investors will lose their investment.

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<sup>21</sup> What I am going to argue here about the SIBs are inferred from Social Finance UK website (<http://www.socialfinance.org.uk/>). This is because there are only couple of academic publications on this policy and even those are mainly on whether the policy can be effective or not.

We do not need to go into the details of SIBs here, but there is a crucial element that needs to be noted: SIBs need to be specific, quantifiable and achievable. These would allow outcomes to be measurable. This is essential because without measurement SIBs would not be possible. In other words, activities within a specific SIB, needs to be auditable. An independent body needs to audit the organization to see whether it has achieved the aims and objectives of the project that aims to solve a social problem. For this reason, it is not surprising that performance indicators and management of quality is at the core of the idea of SIB. We can clearly observe this in a recent announcement from the Worcestershire Country Council where SIBs are used: “There will be a robust evaluation process which will focus on the effectiveness and cost benefits of the programme, with the Council and Clinical Commissioning Groups only paying for results.” (Quoted in, Worcestershire Country Council 2015). As is clear, once again, there is the implication that disciplinary power is implemented to the services whereby SIBs are present. That is, in order to evaluate the success of the SIB services, performance and quality need to be quantified and inspected through examination and normalized through the norms of effectiveness and efficiency. Practitioners, who are responsible for the delivery of the services, are expected to work on the basis of cost-benefit analysis and conceive quality and performance in measurable and observable terms under SIBs.

The traditional understanding of quality and performance within these practices are, once again, not counted as valid as they are considered unmeasurable. As stated above, without measurability disciplinary power cannot work effectively. And what are, in fact, measurable in quantitative ways are the costs and the ways in which preferences are maximised through the services and goods produced within the practices. Thus, SIBs once again enforces practitioners to act and think like *homo economicus* through technologies of power such as surveillance, normalization, and examination.

## **2.6. NPM, disciplinary power and the crisis of the public sector**

Now, as a result of the attempt to change the meaning of quality and good performance, a new type of occupation becomes quite an important aspect of power within the public sector, namely, management. This is because auditing, TQM, performance indicators and, hence, the techniques of examination, surveillance and normalization of performance and quality has been exercised through management.

Regardless of whether management and managers are representing the objective ways of turning public sector organizations into effective and efficient organizations, as claimed by the proponents of NPM, it is apparent that they exert disciplinary power over practices through which preference maximisation is enforced as one of *the* main motivations for action. Therefore, NPM does not only amount to a certain ethos regarding the relationship between practices and users of their services (that are followed by a certain presupposition) but also to a change in the ways in which power is exercised by the institutions and managers. More to the point, NPM does neither imply a radical departure nor liberation from bureaucracy. Since bureaucracy and disciplinary power resemble each other, NPM is an intensification of disciplinary power through which neoliberal governmentality becomes effective within the public sector. This, I argue, subordinates goods internal to practices to the goods external to them and lead to a conflict between practices and institutions. However, as mentioned in the introduction too, to develop this argument one needs to go beyond Foucault and appeal to MacIntyre's Aristotelianism.

Foucault argues and illustrates in a successful way that “the characteristic feature of power is that some men can more or less entirely determine other men's conduct – but never exhaustively or coercively” (Foucault 1988: 83). As I have demonstrated throughout this chapter, NPM attempts to do this in the public sector. However, some important questions remain to be answered with regard to Foucault's theory of power that affects my account of NPM and the crisis of the public sector too: even if practices within the public sector are surrounded with disciplinary power and neoliberal governmentality, are they condemned to such power? More importantly, if there is resistance, what exactly motivates this resistance? What kind of alternative forms of governmentality and power would regulate institutions and practices without conflict and crisis? These questions are of special importance for the purposes of this study and a Foucauldian approach alone does not provide sufficient answers to them. It is important to ask and answer these questions because, there is resistance to neoliberal governmentality and disciplinary power within the public sector and such resistance plays a key role in the conflict within the public sector and hence, in the crisis of the public sector. But why Foucauldian account alone cannot do this?

This is for at least two reasons. First, Foucault does not have an account of practices as separate from institutions and second, Foucault lacks a normative critical account of

power. To be sure, it is not within the scope of this study to develop a comprehensive criticism of Foucault, but it is worth mentioning that the similar insufficiencies are pointed out by other important scholars too (especially criticisms related to the second problem I have just mentioned). Before I elaborate on this let me note also that these insufficiencies, as I will explain below, are at the same time points of conflict between Foucault's and MacIntyre's philosophy. To point out some of them, Habermas thinks that "the problem of justifying criticism excluded in favour of value-free historical explanations" in Foucault's project (Habermas 1994: 87). In other words, within Foucault's analyses of power, there is no normative criticism of power through which reasons for opposition to or adoption of say disciplinary power is explained. Another similar critical point is made by Taylor (1984). Taylor also suggests that Foucault's project is quite ambiguous, as it lacks any coherent critique of the power. Foucault's work cannot explain why certain groups resist or why they should or should not resist power. Likewise, he cannot develop any alternative view of power. He does assume that we cannot escape from power as there is no social organization without it. He also assumes that where is the power, there is also resistance, but does not develop a theoretical framework in which resistance can be explained, justified or rejected.

I share these criticisms of Foucault with these scholars, but add to these criticisms that from a MacIntyrean point of view another aspect of Foucault's philosophy becomes problematic. In Foucault's theory of power practices are considered as techniques of management. This understanding of practices, as is clear, differs fundamentally from that of MacIntyre's understanding of practices. From a MacIntyrean point of view, techniques of power belong to the institutions rather than to the practices. Foucault, however, does not recognize an area outside of the techniques of power. Hence, he would not consider architecture, medicine and so on as cooperative activities in which individuals can find goods greater than their untutored desires. Simply put, for Foucault, practices are not schools whereby individuals can achieve goods internal to them. They are indeed techniques of power that has no normative nature. From a MacIntyrean point of view, such a view dismisses an important aspect of social life that is essentially normative. To be sure, MacIntyre agrees with Foucault that practices do not exist outside power relationships. Techniques of power can affect practices (as this study aims to show), but they are not the practices. This difference is of course related to the fact that Foucault has no understanding of goods, but MacIntyre has.

As explained in the previous chapter, MacIntyre thinks, together with the Aristotelian tradition, that there are varieties of goods that human beings and practices can pursue and these goods need to be put into a hierarchical order if individuals and practices are to flourish. As explained, it is on the basis of this understanding of goods that MacIntyre distinguishes practices from institutions. Since Foucault does not have such an understanding, institutions in Foucault's account are thought as structures and practices are thought as techniques of power. That is, on the one hand, organizational structures and decision making process are considered as institutional settings and, on the other, practices are thought as the techniques of power such as surveillance and examination. Within such an understanding of practices and institutions there is no normativity attached to their relationship too. For instance, medicine is seen only as a set of techniques through which power is exercised and hospital is portrayed as organizational structures within which the techniques of power are exercised. This view of institutions and their relation to practices obviously conflicts with the MacIntyrean understanding of practices-institutions relationship.

As I will explain in the following chapter, for MacIntyre, practices can either flourish or fail to flourish. Whether they will flourish or not depends upon the kind of presuppositions practitioners make, goods they strive for and the kind of relations practices have with that of institutions. Foucault, however, does not have an account of flourishing. He is simply not interested in the flourishing of practice and for this reason his theory diverges fundamentally from MacIntyre's theory. As I illustrate in the following chapter, if one wants not only to explain NPM, but also to critically evaluate its effects on the practices such as medicine, education and programme making, one has to choose the MacIntyrean path. Otherwise, we would only be able to describe how power operates through NPM but cannot critically evaluate such power. Nevertheless, this does not entail they one need to dismiss Foucault. Many critiques of Foucault seem to underestimate the power of his methodology. Agreeing with Foucault's account of disciplinary power, as critiques often do, entails that his methodology is at least partially useful for understanding power relationships within the modern society. Critiques seem not to make any use of this aspect of Foucault's philosophy of power. However, as I have demonstrated throughout this chapter Foucault's methodology can be quite useful when used for particular purposes such as to understand a particular period of the public sector.

Foucault commentators might rightly protest at this point that the issues I have raised above are irrelevant to Foucault's project, as he never claim to be a normative moral philosopher. This might be true, but he did propose his whole project as a critical approach to our present condition (Foucault 1984: 47) and stated that resistance to power is possible and common (Foucault 1986: 242). Thus, although he seems to assume that normative critique and resistance is possible, he does not seem to provide us any account of them. And related to the purposes of this study, without such an account one cannot fully understand the conflict between practices and institutions and hence, the crisis in the public sector.

Let me refer to a case in order to elucidate this problematic aspect of the Foucauldian account with respect to the purposes of this study in further detail. When I analyse the BBC from a Foucauldian point of view, in the fourth chapter, it will become apparent that the case of the BBC is a good example of an organization where disciplinary power is intensified and neoliberal governmentality is implemented since the NPM. From the late 1970s onwards, there is an increased level of surveillance, normalization and examination of the TV and radio programme making within the BBC (Burns 1977; Seaton 1997: 223; Born 2004). As I will illustrate in the fourth chapter, such intensification in the use of disciplinary power was not a result of neutral acts of managers. Intensification of disciplinary power over programme makers enforced them to consider themselves, viewers, and their colleagues in terms of *homo economicus*. That is, they are expected to reason and produce programmes on the basis preference maximization. However, within the BBC we can also observe a tradition of programme makers who take the intensification of disciplinary power as a threat to their understandings and motivations regarding performance, quality and viewers.

This leads to a condition in which managers and practitioners conflict. I do not need to go into the details of this now, but I would like to underscore that Foucauldian approach, in this case, fails to answer the question of why there appears to be resistance to disciplinary power and neoliberal governmentality within the BBC. Foucauldian approaches to power only state that power creates resistance, and articulates how power operates (in a successful way), but they lack a comprehensive account of what motivates such resistance towards power. To relate this to the purposes of this study, failing to explain this is also a failure to sufficiently explain the crisis in the public sector. As pointed out many times throughout this study, the crisis

in the public sector results from the condition in which conflict between institutions and practices reached to a point that the practice will either cease to exist in the way that MacIntyre understands practices or they will survive and flourish. The resistance of practices towards that of disciplinary power and neoliberal governmentality has a key role in this conflict. However, one cannot develop any satisfactory explanation of this resistance within the limits of the Foucauldian approach.

I argue that one needs a normative critical account to do this and MacIntyre's Aristotelian theory is a good alternative. There is, in other words, another alternative approach that does not necessarily ignore Foucault's methodology concerning power and at the same time does not retreat from normative and critical evaluation of institutional power and resistance. As explained in the previous chapter, MacIntyrean account distinguishes practices from institutions, unlike the Foucauldian accounts. As is shown in the previous chapter, this would first of all, allow an understanding of the role different and rival presuppositions play within the public sector. Since Foucault does not distinguish practices from institutions in a very different way than MacIntyre, his account is enclosed to an understanding of the expectations or intentions of institutional power and the possible rival expectation and intentions of practices within the public sector. It is within a MacIntyrean framework that I claim that practices and institutions of the public sector have rival presuppositions concerning human beings and public goods and services.

As is demonstrated throughout this chapter, Foucault's account of power is helpful in understanding how presupposition of the institutions have been realized through power, but his account fails to explain the reaction of practices and practitioners towards such power due to lack of a distinction between practices and institutions with reference to goods, and lack of a normative account of the relationship between practices and institutions. And without such an explanation one cannot develop a sufficient account of the conflict between practices and institutions and hence the crisis in the public sector. I argue in the next chapter that MacIntyrean notion of 'flourishing practices' helps us to understand the motivation behind the reaction of practices towards that of disciplinary power and neoliberal governmentality. Since such an account would be the final stage in which I develop the argument of the crisis of the public sector, I turn to move on to elaborate on this in the following chapter.

### **Chapter III: Flourishing Practices, NPM and Resistance: the crisis of the public sector**

In order to overcome the insufficiencies of the Foucauldian account in general (and the Foucauldian account I have developed in the previous chapter in particular), I now turn to MacIntyre's philosophy. In this chapter, I focus on MacIntyre's account of the conditions in which practices can flourish in a more detailed way than I did in the first chapter. As will be clear from the below, this chapter will not only help overcome the failures of the Foucauldian approach to NPM but also to develop the account of the conflict between practices and institutions and hence the crisis of the public sector.

The notion of flourishing practices entails a normative approach to practices, and to the relationship between practices and institutions. Such a normative approach, I go on to argue, helps explain the conflict between practices and institutions in a way that neither Foucauldian nor the mainstream accounts of NPM can do. Once this explanation is given, I will move on to discuss the political context in which old-style public management was conducted. This discussion will be developed with reference to New Liberalism and it will demonstrate that New Liberalism had a presupposition about human beings that is to some extent similar to the presupposition of practices. I argue that because of this similarity, practices and institutions had a different relationship than they have now. In particular the ethos regarding the relationship between practices and users of their services conveyed by institutions and practices had been, to some extent, similar. Related to this, I will also argue that practices, in the old public management, had more autonomy in terms of defining quality, performance and the ways in services were going to be produced. However, as I illustrate in the relevant section of this chapter, this does not entail that the context of New Liberalism was fully supportive of the flourishing of practices. There were some important problems with regard to New Liberal context that not only had negative effects on practices, but also some effects on the emergence of neoliberal governmentality and NPM.

I will conclude this chapter with an account of the kind of politics that is considered to be necessary for the flourishing of practices by MacIntyre and some of his commentators. Such an account will reveal that practices within the public sector

cannot be successful in their resistance towards institutions, and hence will not be able to flourish with their full capacity due to lack of a kind of a politics necessary for flourishing of practices. In the concluding section of this chapter, I will argue that NPM too, cannot be successful in its attempt to control the practices on the basis of its own presuppositions insofar as practices (understood in a MacIntyrean way) exist within the public sector. This will reveal the reasons why public sector is in a state of crisis. Simply put, it is in a state of crisis because the conflict between the practices and institutions, within the neoliberal governmentality and the NPM regime, is at a turning point where either practices (again understood in a MacIntyrean way) or the NPM regime of public sector cease to exist.

### **3.1. Flourishing practices, virtues and practical rationality**

To say a practice is ‘flourishing’ means that the majority of its practitioners are able to achieve the goods internal to the practice. However, the flourishing of practices requires certain conditions to be met, both within the practices themselves and the institutions that sustain them. These are the conditions regarding the exercise of virtue and practical rationality and the ways in which practices should be related to the institutions. Among these conditions, the one related to the virtues is of prime importance, because, as mentioned previously, without virtues, practitioners cannot achieve goods internal to practices. However, whether virtues will be exercised or not depends upon the ways in which practitioners are educated on reasoning about goods and the good within practices and institutions. As I will illustrate below, certain type of an education and rationality is necessary for virtue to be exercised by practitioners and to some extent by managers. I will argue below that NPM cannot provide (and indeed, prevent) these conditions. In order to act virtuously, a certain kind of self-understanding is also necessary. As I will explain, to become virtuous, we need to understand the self as unfolding in narrative form, whereby integrity and constancy are essential virtues. Such a self-understanding, I argue, is contrary to the self-understanding enforced by the neoliberal governmentality. That is, *homo economicus* is not a kind of self-understanding that is conducive to virtues.

Another condition of the flourishing of practices is a certain type of relationship between practices and institutions. Institutions need to be *instrumental* to the practices, if practices are to flourish. That is, they need to be governed in a way that they do not

subordinate internal goods to external ones but instead, enable practitioners to achieve goods internal to their practices. Subordination of goods internal to practices to the external ones depends on two main factors. One is the lack of virtue among both the managers and practitioners, and the other is the kind of politics that is pursued by those bodies who influence the institutional setting of the practices. However, rather than an enabling effect, NPM considers institutional survival as more important than the flourishing of practices. And for this reason it fails to provide another important condition of the flourishing of practices within the public sector.

Neoliberal governmentality and NPM, I will conclude, cannot and do not provide the conditions necessary for flourishing practices. Resistance to NPM is generated by and because of this situation. But as will become clear below, this cannot be recognized through the notions of disciplinary power and governmentality alone. We need to understand governmentality and disciplinary power together with the notion of ‘flourishing practices’ to recognize the motivation behind resistance and hence the nature of the conflict between practices and institutions.

Let me begin with virtues and practical rationality. As mentioned in the first chapter, the possession and exercise of virtue is central to the achievement of goods internal to practices. Practitioners, MacIntyre argues, cannot realize internal goods without the virtues (MacIntyre, 2007: 191). Thus, to understand the ways in which practices flourish, one has to know the nature of virtue and conditions in which it can be exercised. To be sure, virtue is a subject of its own, a full account of which goes beyond the scope of this study. However, what MacIntyre and other Aristotelians consider to be a very important element of virtue is crucial to underline: practical rationality is a key attribute which is essential to the proper exercise of the virtues.

Virtue requires the ability to execute practical syllogisms either right before a decision for action is made or at some point much earlier than the decision for action is made<sup>22</sup>. In any of these cases one can, and should be able to, make his own or others’ actions intelligible in terms of practical syllogism. That is, virtuous actions must either be based on, or be understandable in terms of premises that lead to a conclusion in terms of an action. The first premise of such reasoning is, for the Aristotelians, *eudaimonia*.

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<sup>22</sup> As I will explain below, I am making this distinction between syllogism executed right before an action takes place and long before the action, because in many cases virtuous acts result from habit which does not require practical syllogism. Nevertheless, for such habit to develop one has to cultivate his or her practical rationality in a way that I will explain in order to act virtuously.

As explained in the first chapter this premise can be (and indeed often is) a presupposition that we are not aware of. Even if different individuals understand different things from *eudaimonia*, it the first premise of practical syllogism (MacIntyre 2006b: 32). As mentioned in the first chapter, all our actions and decisions presuppose an ultimate good, namely, wellbeing. All other goods we aim at, that is to say, can be conceptualized as a means to wellbeing.

What takes an explicit form in the practical syllogism, however, are particular goods, which is followed by another premise that states the context in which the action is going to take place and if necessary, the means through which the good can be achieved. The conclusion that results from these premises needs to be the action itself (see also MacIntyre 1988: 129). Consider the reasoning below that result in an action:

1. Moral goods contribute to one's wellbeing. (Can be implicit)
2. Helping friends when they are in need of care is a moral good.
3. John is a friend and he is in need of care.

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The person helps John.

This is an example of the kind of practical rationality required for virtuous actions. However, the reasoning does not have to take place every time a friend is in need of care. A person might help his friends whenever they are in need of care, without executing this kind of syllogism. Indeed, friends often help each other without executing such syllogism. But for a person to act in this way, he must have been educated to reason so and sufficiently executed practical syllogism at some point of his life so that he can now act without going through such syllogism. To do this, however, what Aristotelians in general, and MacIntyre in particular, name as habituation is also necessary (MacIntyre 2006c: 15). That is, by having the relevant education and experience in executing practical syllogism, acting virtuously becomes a habit of character so that the virtuous person does not always need to execute practical syllogism. What is important to note, however, is that a virtuous action that leads to the achievement of goods internal to practices can be formulated in terms of such syllogism, whereby wellbeing is the first implicit (or explicit) premise.

At this point, it is crucial to note that although practical syllogism of this kind and being habituated is a necessary condition for virtue, it is not sufficient with regard to the flourishing of practices. This is because one may also act in a bad way on the basis of such a practical syllogism. Consider an apparently vicious act – such as killing an innocent person – that results from this kind of reasoning:

1. Being rich contributes to wellbeing.
2. Killing John will make me rich in this particular case

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My act of killing John.

This would not be a virtuous act at all, not because killing will not bring about the good at stake, but because killing someone for the sake of being rich is a vicious act.

Consider another example related to practices:

1. Free time is a good
2. Preparing a bad lecture for tomorrow would give John more free time

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John prepares a bad lecture

This is again not a virtuous action that would lead to the achievement of goods internal to practices. In fact, it is an action that prevents achievement of goods internal to the practice. These examples imply that there must be some other criteria, which we appeal to when judging whether an act is virtuous or not, other than the practical syllogism itself.

As MacIntyre's cardinal work *After Virtue* attempted to show, although what counts as a virtue can change depending upon the social and political context, there are virtues, then there are 'simulacra' of the virtues (MacIntyre 1988: 349-69; 1998b). If, in a society, maximisation of preference satisfaction is considered as an ultimate good, then, being rational and virtuous would appear to be acting in such a way that preferences of the individual are maximized. However, for MacIntyre, and Aristotelians in general, this kind of virtue would be 'simulacra' of the virtues rather

than the actual virtues (MacIntyre 1985: 241; MacIntyre 1998b: 120-1). This is because practical syllogism, which results in virtuous actions, needs to have more objective motivations than the satisfaction of preferences (MacIntyre 2006a: 29; 1999: 91). This entails that not all understandings of the human good are equally valid.

According to MacIntyre, achievement of the highest good requires learning to move beyond our initial 'animal state' to a 'specifically human one' through evaluation and transformation of our preferences (1999: 88-91). The 'initial animal state' MacIntyre refers to amounts to aiming at maximisation of preferences whatever those preferences happens to be. The 'specifically human state', on the other hand, amounts to a state in which preferences are evaluated on the basis standards and goods that go beyond the subjective preferences of an individual. Goods internal to practice and standards of excellence peculiar to the activities in practices are these types of standards and goods, because they are established historically before our subjective preference and their achievement require one to adjust her preferences to them through cultivation of habits and intellectual abilities. Thus, one of the main conditions in which practices can flourish is where standards of excellence and goods internal to practices are formed apart from and prior to our subjective preferences.

Practices provide individuals with these kinds of standards and goods and their flourishing also depends whether individuals will place these goods as a major premise for their practical syllogism. As mentioned in the first chapter, these standards and goods are peculiar to each practice and develop over time through innovation, deliberation and sometimes through conflict between practitioners (see also Beadle 2013). Therefore, the major premise of the practical syllogism needs to be based on goods internal to practices and standards of excellence, if virtues are to be expressed and practices are to flourish. Thus, according to MacIntyre:

what makes practical rationality [and virtue] possible within each practice, no matter how large or small its place, is the way in which practice is directed towards the achievement of certain goods, specific to and internal to each particular practice, which provide both activity and enquiry within each practice with their *telos* (MacIntyre 1998b: 123).

It is the internal goods taken as the *telos* of the practice by the practitioners that lead to the flourishing of practices. This is to say that, in a practice, where practitioners learn to place such *telos*, as a major premise of practical rationality, flourishing becomes possible. What needs to be added to this account is that internal goods as *telos* of the practice presuppose another *telos*. That is, the human good to which all other activities are related as means. Consider this through a particular example from the practice of medicine. Within this practice, a practical syllogism that would lead to virtuous action would be something similar to this:

1. Goods internal to practice contributes to my wellbeing (this premise is often in an implicit form)
2. Curing illness in an excellent way is a good internal to the practice of medicine
3. Working an extra hour instead of drinking a beer with friends is necessary to cure the illness of this patient.

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The doctor works for an extra hour and cures the illness.

Working an extra hour to cure the illness in this particular case is a virtuous action, as it achieves a good internal to the practice of medicine by prioritizing such a good over the immediate desires or preferences. To arrive at this type of conclusion, however, practitioners need to be educated and experienced enough to consider curing and diagnosing illness as the *telos* of their practice. They need also to presuppose that such achievement will help them to achieve their human *telos*. That is, they need also to learn to establish relations between the goods internal to practices and the human good as such.

This brings us to another important aspect of how practices can flourish. As briefly explained in the first chapter, being constituted by objective standards of excellence, practices need to transform the practitioners' habits and intellectual abilities, rather than satisfying their untutored preferences, if they are to flourish. As MacIntyre puts it

in the course of doing whatever has to be done to achieve those goods, they [the practitioners] also transform themselves through what is at once a change in desires and an acquisition of those intellectual and moral virtues and those intellectual, physical and imaginative skills necessary to achieve the goods of that particular practice (MacIntyre 1998c: 226).

It is through such transformation that goods internal to practices and standards of excellence become the major premise of practical syllogism and hence virtuous action become possible. That is, through experience, knowledge and deliberation, practitioners learn (over time) that goods internal to practices should be the basis of practical rationality. In this way, practitioners can learn to order goods in a way that practices can flourish. That is, ordering external goods of the practice as a means to the achievement of goods internal to the practice.

There is another dimension of this transforming aspect of practices that needs to be pointed out. That is, the ways in which practices transform the users of their services. I have argued in the first chapter that practices in the public sector presuppose that human beings aim at wellbeing, and by prioritizing goods internal to practices over other goods, practitioners help not only themselves, but also those who use their services to achieve this aim. In the case of medicine, for instance, achieving the goods internal to medicine helps patients to achieve their physical wellbeing. This, I have argued in the first chapter, is based on the authority of the practitioners over the patients (MacIntyre, 1977). The same applies to practices within educational institutions. When practitioners achieve goods internal to their practices in schools, they also help students achieve their wellbeing with respect to their moral and intellectual development (MacIntyre, 1999). I can now add to these that, practitioners in acting virtuously and hence in rendering their practice to flourish, also serve the good of those who use what they produce. And the good they serve is again presupposed to be wellbeing the achievement of which requires the cultivation of habits and intellectual abilities of those who use what the practices produce such as a TV programme, a lecture, a diagnosis and so on. This is to say that flourishing of a practice such as arts, necessarily implies that those who engage with the products of art are not simply maximising the satisfaction of their preferences but cultivating and transforming their habit and intellectual abilities. Likewise, in maths lecture students

are not simply satisfying their preference. If the practice of maths is to flourish with its full capacity, students of maths are also transformed. Thus, the transforming aspect of practices, as a condition of flourishing, is not restricted to the practitioners, but extends to that of users of what is produced within the practices.

What is stated above entails that, from a MacIntyrean point of view, there is no flourishing practice that is 'self-contained'. Flourishing practices serve the good of the community or the good of those who are engaged with practices. So, the distinction made by Miller (1994) between 'self-contained' and 'purposive' practices (referred in the first chapter) does not hold right. Practices like medicine and education flourish through the achievement of goods internal to it, and in so doing, they help patients and student achieve their own wellbeing.

The final condition that is necessary for the flourishing of practices is related to the relationship between practices and institutions. As stated in the first chapter, practices and institutions must coexist, but they are fundamentally different because of the nature of the goods they pursue. Whereas institutions pursue external goods, practitioners pursue internal ones. Goods external to practices and their acquisition need to be instrumental to the achievement of goods internal to practices. That is, on a MacIntyrean account institutions are related to the practices in an instrumental way. Institutions and goods they acquire such as money and power serves the goods internal to practices (Knight 2007: 158). But as briefly mentioned again in the first chapter, this is not only a descriptive account of the relationship between practices and institutions. It is also a normative account. It is not always the case that institutions serve practices by providing them the necessary conditions for flourishing. It is likely, and indeed often the case, that in modern society practices become subordinated to the aims of the institutions (Knight 2007: 158; MacIntyre 2011). Thus, whereas institutions need to play an enabling role with respect to the flourishing of practices they are likely to turn out to have a disabling effect— especially in modern society. Below, I argue that under the NPM regime, institutions of public sector began to play this kind of a role that leads to a conflict between practices and institutions.

### **3.2. NPM and flourishing practices**

In this section, I will argue that NPM prevents practices from flourishing because it cannot provide the necessary conditions for the flourishing of practices and in fact often enforces conditions that are contrary to the flourishing of practices. The conflict

between practices and institutions that turns into a crisis relies on this aspect of NPM. That is, NPM, in preventing practices from flourishing, also creates a conflict between practices and institutions that turns into a crisis. It needs to be noted here that unveiling this aspect of the NPM will enable me to extend the argument of Overeem and Tholen (2011), I have mentioned in the introduction. Overeem and Tholen (2001) argue that NPM neglects goods internal to practices and overemphasize external goods (2011:738). They rightly explain this with reference to managerialism and emotivism. Although I will draw upon emotivism below in more details, let me note now that Overeem and Tholen rightly claim that NPM represents a variant of emotivism. According to them, this is apparent from NPM's exclusion of ends from objective moral judgement. As I have also shown above and in the previous chapters, by focusing only on effectiveness, NPM indirectly refuses the possibility of objective standards for morality. What is believed to be objective is the quantifiable information based on preference maximisation, costs and effectiveness of organizations (Hood et al, 1999; Hyndman and McGeough, 2008; Lapsley, 1999). As I argue, Overeem and Tholen also argue that this is why NPM neglects internal goods and overestimates the role of external goods within the public sector. Internal goods cannot be quantified in the sense that external goods and effectiveness can, and if one takes quantified information as the only objective basis for evaluation of action and success, then, such goods will only have a secondary place within the public sector. This is what happens within the NPM regime. However, Overeem and Tholen, do not pay much attention to the possible conflicts this negligent can lead to and how this conflict prevents practices from flourishing.

I argue that NPM neglects internal goods mainly because of its presupposition about human beings and the policies and management methods that evolves out of these policies. NPM not only neglects internal goods in this way, but also enforces its presupposition on the practices and practitioners. In doing so, it creates conflict between practices and institution and prevents practices from flourishing. Consider the main aspects of the disciplinary power of NPM: auditing, TQM and performance indicators. As I have shown in the previous chapters, for something to be audited it needs first to be made auditable. To make something auditable requires a quantification process whereby disciplinary methods of surveillance, normalization and examination are applied to practices. As explained in the previous chapter, the

quality of services and the performances of practitioners are quantified through these disciplinary methods since NPM.

I have illustrated that identifying and eliminating ineffectiveness and inefficiency have been the main purpose of auditing. However, with reference to what Foucault named as ‘normalization’, I claimed that effectiveness and efficiency are never neutral and objective concepts, but often defined with reference to the dominant norms within the political power and institutions. So, we can always ask: efficiency and effectiveness for what? And the answer would be related to the kind of norms or, as I have named it, the kind of ethos envisaged by an institution. Bearing in mind what has been pointed out regarding this ethos in the first chapter, I can claim that under the NPM regime, effectiveness and efficiency is for maximisation of the satisfaction of consumer preferences. I need to add to this argument now that this quantification and normalization process is detrimental to the flourishing of practices at least in three important ways – note also that one cannot argue for this through a Foucauldian account alone.

First, it yields to a certain view of success that is incompatible with the flourishing of practices. Second, and more importantly, quantification and normalization on the basis of consumer sovereignty ignores the transforming nature of practices with regard to both the practitioners and the users of their services, and hence ignores virtues and the kind of rationality necessary for the flourishing of practices. Finally, quantification and normalization on the basis of consumer sovereignty subordinates practice to the acquisitiveness of the institutions. These three problems especially occur in the case in medicine, broadcasting, and practices that are situated within education and research related institutions such as schools and universities.

I have also argued in the previous chapter that NPM is part of a larger political context that can be understood in terms of neoliberal governmentality. This governmentality, forces a specific type of self-understanding: self as *homo economicus*. This kind of self-understanding, I argue in this chapter, also prevents practices from flourishing and in so doing creates conflict between practices and institutions.

Let me begin from the first problem with reference to examples from practices situated in educational institutions such as schools. Whether practices such as maths, literature and sciences, in schools, are flourishing, does not often depend on numeric or

quantified success as NPM imposes on those practices.<sup>23</sup> The number of students who passed uniform exams, the scores a teacher gets from student evaluation and costs of education, for instance, does not directly indicate the flourishing of such practices<sup>24</sup>. Sahlberg, with different intensions and without reference to MacIntyre explains this with reference to empirical cases from the Fin educational practices. He considers Fin public schools as good examples whereby excellence of the students and teachers is developed within practices such as literature, maths, physics and philosophy. Note also that this is confirmed with various other bodies such as PISA (Programme for International Student Assessment). He illustrates that uniform examination, auditing and costs are not only secondary to excellence in education, but also a regime that intensifies the use of these methods and distances practitioners and students from excellence (see Shalberg, 2007; 2012). Shalberg claims that rather than uniform exams, alternative methods of evaluation developed by the practitioners individually bring about more excellence to education and this is the key part of Fin education system he claims (Sahlberg, 2012). Although Sahlberg does not use MacIntyrean terms in his analysis, they can easily be translated into those terms and argued that uniform exams as well as auditing, which are intensely used by NPM regime, prevents practices within educational institutions from flourishing. Thus, uniform examination and auditing processes do not necessarily evaluate whether practices are flourishing or not, but NPM regime constantly evokes these kinds of evaluations as the main indicators of performance of teachers and students. But as stated earlier, performance of practitioners need to be judged on the basis of goods internal to their practices, if practices are to flourish. Judging performance on the basis of some criteria that is not related to such goods will prevent practices from flourishing.

Furthermore, teaching maths and evaluating students on the bases of goods internal to practices often requires different methods to be used depending on the class environment. A maths teacher working in a deprived area, with high number of students, needs to use different methods of teaching and evaluation than a teacher

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<sup>23</sup> And when practitioners (who possess a view of flourishing practices) are enforced to think success in those terms, there will be conflict between hem and those who enforce such understanding of success, but I will deal with this problem in the following sections of this chapter.

<sup>24</sup> Note that the main criterion upon which a teacher's success is judged within the NPM is the uniform exam scores of the students, costs spend by the schools, and the grades she gets from the student evaluation (all of which are quantified data). More recently it is accepted that qualitative information is also important for evaluating success of teachers, but this does not seem to go beyond a simple acceptance (AC 2008).

working in an economically advanced area with a low number of students (OECD, 2011). Evaluating the success of these two teachers requires qualitative knowledge of the context of the practice, rather than uniform exam results (Sahlberg, 2012). It might well be the case the former teacher is more helpful in terms of flourishing of a practice like arts or maths even if the teacher is less successful in terms of quantitative results (that is, uniform examination results and student evaluation).

Indeed, not only the class environment is important for the flourishing of practices in educational institutions, but also expressing virtue in one's activities is central, like it is in any other practice. Fairness and justice are the main virtues in the case of teaching and evaluating students. In general, teachers and academics need to be fair and just in the evaluation processes of their students, if they are to help their practices to flourish. However, to assess whether a teacher expressed fairness and justice in teaching and evaluating his or her students is not a matter of quantitative data (see Smith 1999) as suggested by auditing and TQM management methods. It is rather a matter of qualitative information about the context of teaching. In fact, to exercise virtues of justice and fairness in the context of teaching, teachers need first to have enough experience and knowledge of that context and second be cultivated enough to be able to prioritize certain internal goods over the external ones. However, NPM neither has nor has developed any tools to evaluate this aspect of education. As explained above, and in the previous chapters, NPM is occupied with evaluating effectiveness and efficiency in terms of quantitative data that does not take context into account. Effectiveness and efficiency, however, is not equivalent to virtue and flourishing practices and in fact contrary to them in many cases. Therefore, NPM neglects virtue and the ways in which it can be developed.

In addition to neglecting virtuous action, NPM regime encourages a type of education that leaves out the ways in which practices such as arts, history, literature and philosophy might contribute to the wellbeing of students. What is distinctive about these types of practices is that learning their standards of excellence and goods internal to them, yields students to critically reflect on their actions, character and goods in a way that they may become better persons in their social affairs. Such learning process, however, is not something teachable within a uniform examination system that aims to achieve good scores in league tables. The kind of education system NPM regime encourages is very similar to what Freire calls 'banking system of education'.

Although Freire does not consider education in terms of practice and flourishing, his concept of 'banking education' grasps the reality of education we come to have under the NPM regime. Banking education, for Freire, is an act of depositing knowledge into the student's mind (Freire 1993: 71). In this form of education, there is a teacher, who knows the reality and a student who does not yet know the reality and needs to be deposited the knowledge of that reality in order to know that reality. Rankings and testing of success in such kind of education are generally done by quantitative methods which are in no way appropriate to measure the development of a student's character and critical thinking. What they measure is whether the deposition of knowledge to students mind is successful or not. However, from a MacIntyrean perspective, quantitative methods of measuring educational success are not measurement of success in flourishing of practices. Good educators, in flourishing practices of arts, literature and philosophy are not the ones who successfully deposit the knowledge to the students' minds. Good educators, before anything else, are the ones who have been able to help their students to form a character whose actions are manifesting virtues of justice, integrity, constancy, honesty and truthfulness.

One might claim at this point that it is knowledge and not the action that is necessary in practices constituted in schools and universities such as mathematical and historical inquiry. That is, one might suggest that goods internal to the practice of mathematical inquiry are knowledge not action. It is true that what is internally good to enquiry of mathematics is knowledge and not necessarily action. However, banking model of education does not actually enable children and young to achieve those goods in a genuine way too. The main reason for this is that in banking model of education, knowledge becomes a commodity to find a good job, to have a good CV or to gaining money and status. In other words, banking model of education reduces knowledge, which is a good internal to many practices undertaken by the institutions of school and university, to tool to achieve external goods.

What has just been stated above also entails that flourishing of a practice like maths in education cannot easily be evaluated by managers as if it is a purely technical matter. Evaluating flourishing is more of a matter of using prudence, which requires knowledge of the particularities of the relevant practice gained through practical experience and shared deliberation with other members of the practice, than quantitative data collection and presentation. However, as explained in the previous

chapter, NPM policies regarding education, such as the Education School Act (1992) and the establishment of OFSTED, and the following of explosion in the use of auditing and TQM tend to evaluate education mainly on the basis of quantitative data (e.i. exam results, costs and student evaluation). Although it is sometimes accepted by the institutions that quantitative knowledge is not always enough to evaluate success in education, it is also typical for institutions to believe that quantitative data such as exam scores and costs are more important overall (see AC 2008). As a result, NPM type management methods cannot evaluate the services provided by practices through the use of prudence, which requires qualitative and contextual knowledge.

Related to this, another aspect of the disciplinary power of NPM, which I argue to be detrimental to the flourishing of practices, is its ignorance of the transforming dimension of practices. In the case of education, for instance, achieving goods internal to the practices necessitates making certain changes on the students (and sometimes on the families of students too). In order to learn to solve a maths problem, students often need to change their preferences. For example, a student might prefer or desire to spend time on internet or watching a movie, but a good teacher teaches her students to transform their preferences in a way that they can also prefer studying maths. To do this, the teacher also needs to transform her own preferences.

For instance, it might be more preferable to focus on the good students in a class and spend less effort and time on a specific subject, but to become a good practitioner one has to transform that preference to teach to all students the standards of excellence in maths. However, how accurate it is to evaluate this transformation process with reference to uniform exam results is a matter of dispute. Evaluation of the kind of achievement made in terms of transforming students in fact requires contextual knowledge regarding the practice and the institution in which practice is situated. However, uniform exam results do not provide such knowledge and information, and this is what the disciplinary methods of NPM focuses on.

Similar examples can be given from broadcasting and medicine. As will be explained in more details in the next chapter, in the case of TV programme making practices, the viewers are expected to transform themselves through watching a news programme or a documentary, if those practices are to flourish. In a flourishing programme making practice, that is to say, educating and informing the viewers is of central importance and this is not always reflected in numbers such as the ratings. Although the next

chapter will elaborate on this issue in further detail, I need to note now that NPM aims to prevent this aspect of programme making by aiming to define excellence with reference to the satisfaction of consumer preferences (see, Born 2003; Schlesinger 2010; ); that is, mostly with reference to ratings. This turns out to be the case because ratings are the main quantitative data that would indicate success in meeting this expectation. Whether ratings correspond to the transforming dimension of the practice, and to the standards peculiar to the activities of the practitioners, have been largely ignored within the disciplinary methods of NPM.

Within the NHS, for instance, doctors are expected to be oriented towards consumer satisfaction much more than before the NPM (Shackley and Ryan 1994:520; Fotaki 2014). As with other practices too, with medicine NPM have been trying to normalize practices through preference maximisation. Many of the NPM reforms related to the NHS have been largely rationalized with reference to consumer satisfaction or improving the choice of the consumers (Lorenz, 2012). This was most apparent from the White Paper, 'Working for Patients', which initiated NHS Community Care Act (1990). The NHS Community Care Act (1990) was the main enactment responsible for introducing the internal market to the health sector and referred to as one of the main NPM type policies. The white paper (1989: 3) envisaged the purpose of the reforms regarding the NHS as "to give patients, wherever they live in the UK, better health and greater choice of the services available". In this white paper, one can easily observe a tendency to set consumer satisfaction as the main target of the NHS.

The concept of 'greater choice' that is frequently used in (and since) the white paper (Working for Patients), amounts to the application of the notion of 'consumer sovereignty' to the health sector. However, in medicine, as in other practices, gaps between practitioners' and users' views of what needs to be preferred can be extensive (Shackley and Ryan 1994:520; Fotaki 2013). That is, what is preferred by patients can be different from what doctors and nurses want their patients to prefer. And in order for the practice of medicine to flourish, it is important that doctors and nurses change the preferences of their patients on the basis of what they think patients need to prefer, instead of simply satisfying whatever preferences patients happen to have. This is firstly because doctors always have better knowledge than the patients in terms of the treatment of an illness or injury. Indeed, this is why patients visit doctors

when they do not feel well. MacIntyre highlights this relationship between doctors and patients in some of his papers on health (MacIntyre, 1978; 1977).

He compares the relationship between a restaurant and its customers with that of the relationship between doctors and patients. He thinks that whereas in the former case the relationship is contractual or a market relation, in the second one it is quite different (1977: 204-5). In a restaurant no one tells us what to eat (unless we ask so), whereas, in a hospital we are told what to do and what not to do including what to eat and what not to eat. This is because when we are in a restaurant as a customer, we are considered as autonomous subjects, but when we are in a hospital or in a GP clinic we are not considered as autonomous. This is simply because we are patients there not customers in the usual sense. In fact, MacIntyre rightly points out that being a patient (or a potential patient) entails incapacity of the individual (MacIntyre, 1977: 205). In a restaurant, however, certain incapacities often prevents us from being a customer. For instance, if we become ill in a restaurant, we would need to leave the place because we happen to have incapacity to eat there. Thus, where with regard to medicine incapacity makes one a patient, in the contractual or market relations, incapacity dissolves the relationship between the organization and the customer.

To give a simple example here, a patient might think that he or she needs a certain type of medicine to cure his illness, and he might indeed be right in this. However, the doctor might also know that the medicine would not be beneficial for the patient in the long term and thus avoid prescribing this medicine and try to cure the patient through different means. In these kinds of cases, it is likely that the patient would not be satisfied with the treatment even if the doctor is doing the right thing in terms of the standards of his practice. Hence, more consumer satisfaction would not directly mean that patients are benefitting more from the service. As MacIntyre claims, this entails that in the practice of medicine (like it is in education) authority is not the preference of the users, but the practitioners based on the knowledge and experience they have (MacIntyre, 1977). In fact, as previously explained, if practices such as medicine and sciences are to flourish, preferences need to change again on the bases of knowledge and experience of the individuals.

Within the normalization process of NPM, however, there is no consideration about the ways in which preferences of service users are to be changed. NPM regime, therefore, first fails to understand and evaluate the qualitative side, and second,

ignores the transforming dimension of practices as well as the authority of practitioners. In doing so, it also fails to help practices flourish. However, these are not the only reasons why NPM is detrimental to the flourishing of practices. As mentioned above, NPM also ignores another important aspect of flourishing practices: the virtues and the kind of practical rationality that is necessary for the exercise of such virtues. Although MacIntyre has not particularly analysed public sector in the way that I do and has not used Foucauldian notions in his criticism of modern institutions, I will draw upon his contention about the dominant mode of practical reasoning in modern society to further elaborate on how NPM prevents practices from flourishing. According to MacIntyre, in modern liberal societies,

we are presented ... with agents as if detached altogether from any conception of or perception of the good or goods. They are to be understood as practically rational or as failing in practical rationality only in respect of the way in which they argue so as to get their preferences implemented, whatever the grounds for those preferences may be... Here each person is entitled to express his or her preferences and the institutions which govern and determine public discourse and decision-making are committed to taking no account of how these preferences are arrived at. Public discourse and decision-making exclude any background to preference formation (MacIntyre 1998b:129).

As is clear from the previous chapters, this exclusion takes place within the public sector too, because institutions expect and enforce public services and goods to be directed towards maximisation of preferences. Preference maximisation, in other words, is enforced to be the major premise of practical syllogism within the public sector. What follows from this is that the kind of rationality I have argued to be necessary for virtues is marginalized within the public sector and a kind of rationality that is contrary to virtues is promoted through disciplinary power and neoliberal governmentality. This kind of rationality, I have argued in the previous chapter, amounts to a particular form of self-understanding too, namely, *homo economicus*. As has been argued, this self-understanding helps neoliberal political power to govern at a distance without the use of methods like coercion and violence. It is clear that this kind

of a self is another element of NPM that is incompatible with the flourishing of practices. However, although incompatibility is clear, further elaboration is needed at this point, to illustrate the ways in which this prevents practices from flourishing and has led to the crisis of the public sector. To do this, I will once again draw upon MacIntyre's philosophy. In particular, I will elaborate on his understanding of 'emotivism'.

On MacIntyre's account, emotivism is a theory that denies the possibility of moral claims. Moral claims, on this view, are expressions of personal attitudes and feelings that can be neither true nor false. As moral claims are expressions of subjective attitudes and thus cannot be subjected to objective evaluation. It follows from this that emotivism is a theory in which no objective grounds exist for ordering different kinds of goods within any collective activity. The claim that goods internal to practices are more valuable than external goods with regard to the flourishing of practices, thus, becomes meaningless within emotivism. This is because such a claim would be considered only as an expression of a subjective feeling that cannot have any objective value. Disputes about the ordering of goods within practices (or within an individual life), therefore, cannot be solved rationally on the emotivist account.

Furthermore, if we are to be serious emotivist, we would not believe in the objectivity of virtues within our social practices. That is, a practical syllogism of the following kind would not be possible for an emotivist: Justice is a virtue and in the such-and-such type of circumstances every practitioner should act in such-and-such kind of way to be just and the practitioners acts. For an Emotivist, the major premise of a practical syllogism is always the expression of a subjective feeling or attitude and for this reason there can be no such normative claim for 'every practitioner'. Practitioners act as they feel; there are no objective goods to be pursued through the exercise of virtues. Understood in this way an emotivist understanding of self is very similar to that of a *homo economicus*. In fact, it can be argued that *homo economicus* is at the same time an emotivist.

At this point I need also to note that for MacIntyre, emotivism is no longer just a theory but also a culture in liberal societies. That is, for MacIntyre, it is widely believed in advanced liberal societies that claims related to goods are claims of feelings and attitudes that cannot be contested on a rational basis (MacIntyre 2007: 22). There can be no rational agreement on a good that is shared by the members of a

community. However, as I have explained above, virtues and hence flourishing of practices requires such a shared understanding of goods. It follows from this that if, in an organization, emotivist culture is enforced, virtue perishes simply because there remains no ground for practical rationality to be used in a way that leads one to virtuous actions. Thus, having explained how neoliberal governmentality enforces *homo economicus* as an ideal form of self, we can now see that it also promotes an emotivist culture within the public sector.

What has been said in this section, however, does not necessarily entail that all practices will necessarily fail in terms of flourishing within modern society. In certain institutions, virtues can still be possessed and exercised, but only if virtues are able to play a certain further role, in addition to that of achieving goods internal to these practices – additional to their role of achieving goods internal to practices. MacIntyre thinks that at least part of corruption is simply the privileging of external goods over internal ones (MacIntyre 2007: 194). What he means by corruption in the relevant part of *After Virtue* is not perfectly clear, but I take it that at least this function of the virtues implies that corruption can mean *prevention* of practices from flourishing. That is, virtues not only help practices to flourish but also protect them from institutions that are detrimental to the flourishing of practices.

This brings us to the issue of conflict and resistance as once virtues are understood in this way, it follows that they can also be a source of resistance to institutional power such as that of disciplinary power and neoliberal governmentality.

### **3.3. Virtues, practices and resistance**

Now, given what has been stated so far, one might come to the conclusion that the public sector is transformed into something totally new through the NPM and practices (as MacIntyre understands them) no longer exist. It is significant to note that this would be a mistaken view. NPM has not been fully successful in its attempt to change the public sector, and the crisis I would like to unfold in this study is partly a result of this failure. Many studies clearly illustrate that certain employees of the public organizations such as the programme makers in the BBC, teachers in schools, academics in universities conflict with the institutions that adopt the management regime of NPM (Exworthy and Halford 1999; Broadbent and Laughlin 2002: 99; Farrel and Morris 2003: 136; Dent and Barry 2004: 8; O'Reilly and Reed 2011: 1086; Born 2003; Clarke 2005; Arckyard et al 2007). That is, a considerable number of

employees within public institutions refuse to comply with the regime of NPM. However, studies that point this conflict out do not sufficiently explain what motivates the conflict. They cannot explain the motivation behind the conflict partly because they have no theory of practices and goods, and hence no theory of flourishing practices. Some of these theories implicitly resemble a Foucauldian account, but like Foucault they too, do not answer the question of why certain employees resist NPM and conflict with the institutions.

Bearing in mind the relationship between disciplinary power, neoliberal governmentality and NPM regime, and the ways in which they prevent practices from flourishing, I can go beyond these studies and claim that certain employees resist to NPM and conflict with institutions because they are not simply employees but practitioners, who are educated and experienced enough to possess virtues. They resist, and conflict with institutions, because, as I have shown above, disciplinary power of NPM cannot generate the conditions in which practices can flourish. In fact, they generate conditions that are contrary to flourishing.

A number of MacIntyrean studies show that once institutional setting of practices do not generate the conditions for flourishing or once they generate conditions that are contrary to flourishing, practitioners resist to such institutional settings (Robson 2015; Conroy 2009; von Krogh et al 2012; Wilcox 2012; Beadle 2013). Although these studies are not directly related to the public sector, they are MacIntyrean studies of organizations that provide us with some explanation of resistance by practitioners to the institutional settings. With different intentions and interests these studies illustrate that when institutions pressurize practices to prioritize goods external to practices, practitioners tend to resist such institutional concerns. Among these studies Ron Beadle's study of circuses is of special importance (2013; Beadle and Moore 2010; Beadle and Könyöt 2006). As mentioned in the first chapter, some of Beadle's studies apply MacIntyre's social theory to circuses. Beadle demonstrates that circuses house practices and practitioners, who strive for standards of excellence, and achieve goods internal to practices (Beadle and Könyöt 2006: 129; Beadle 2013). As with practices like medicine and arts, in practices situated in circuses too, such standards develop over time through the accumulation of experience and knowledge.

Beadle's studies of circuses are much more extensive, but at this stage of the study, what is important to note is a specific aspect of his study. He demonstrates that on

certain occasions conflict between the pursuit of goods internal to practices and pursuit of external goods can emerge within the circuses (Beadle 2013: 685). Circus directors, for instance, appeal to audience satisfaction in evaluating the success of the shows, as audience satisfaction means generation of more income and financial sustainability. This amounts to something similar to applying the notion of consumer sovereignty to the circuses. However, circus practitioners find that this disturbs their practices and tend to resist anything that detracts from the achievement of goods internal to their practices (Beadle 2013: 684-5). In other words, when circus practitioners are asked to surrender their autonomy regarding the standards of excellence peculiar to their activities, they often refuse to comply with such a demand. This implies that when practices confront with power structures through which goods external to practices might be prioritized over standards of excellence and goods internal to practices, practitioners are likely to resist to those forms of power structures.

In fact, in many cases such resistance is successful, due to the ways in which institution governs the practices in circuses. Beadle points out that certain circus directors exercise virtues of *phronesis*, justice, and constancy in order to keep the relationship between the practices and institutions in a way that institutions are instrumental to the development and survival of practices (Beadle and Köynöt 2006). In the case of circuses, practitioners have the autonomy necessary to pursue goods internal to their practices in their particular activities. They differentiate standards of excellence, which are known to them due to their experience, knowledge, and skills, from consumer satisfaction, and pursue those standards regardless of institutional concerns.

Although managers of circuses give more consideration to consumer preferences (and although they define quality with reference to consumer satisfaction then practitioners, managers are also concerned with those standards of excellence that may not necessarily coincide with consumer satisfaction (Beadle 2013). Beadle argues and illustrates that managers need the virtue of constancy in order to achieve a balance between the two, in order to prevent permanent conflict between practices and institutions. This virtue first requires managers to be engaged with the practice (possibly being at least a former practitioner) and second, to understand practitioners' work as meaningful (Knight and Beadle 2012). Beadle illustrates that in circuses, managers have a conception of what is excellent in their work regardless of how much

money they make out of it. It is true that directors think that a good show needs to satisfy consumers, as without this no external goods can be achieved, but directors are also interested in standards other than consumers'. They also aim at receiving appreciation from other directors and practitioners in other circuses (Beadle 2013). Therefore, directors aim to sustain the tradition of circus not only through achieving external goods but also through exhibiting excellent shows, which requires achievement of goods internal to practices by the practitioners and the exercise of the virtues of constancy and *phronesis* by the managers.

If we are to compare this aspect of Beadle's study with the conflict that emerges in the public sector – between practices and institutions – such conflict appears to be less of an issue in the circus than it is in the public sector. To put this differently, practitioners and managers in the circuses appear to work in more harmony than they do in public sector organizations such as state schools, NHS hospitals, and universities. This difference, I argue, is due to the intensification of disciplinary power and implementation of neoliberal governmentality to the public sector that seems not to be present in the management of circuses despite of the economic difficulties they experience. To be sure, Beadle's work does not consider relations between managers and practitioners within circuses with respect to the notions of disciplinary power and governmentality. But even though this is not the main concern of Beadle's study, it does show that practitioners with the virtues that are necessary to achieve flourishing of their practices will resist the detrimental power of institutions.

Beadle's study of circuses also indicates that institutions should enable practitioners to exercise their practical rationality so that they can express virtues in their activities. In other words, Beadle's study also implies that institutions as such are not detrimental to the flourishing of practices, even though some particular types of institutions are. The resistance of practitioners to power structures are taken into account by the institutions due to the exercise of particular virtues both by practitioners and by the managers of circuses. This creates a condition in which the institution of the circus is not detrimental to the flourishing of the practices in circuses. But in the case of NPM, as I have argued throughout this chapter, institutions become detrimental to the flourishing of practices.

It is this dimension of NPM that generates resistance to institutional power within the public sector. I argue that there were (and still is) a tradition of teachers, academics,

doctors, nurses and broadcasters who have a particular understanding of how goods and the relationship between practices and institutions need to be ordered. For them, concerns related to goods external to practices need to be subservient to the achievement of goods internal to practices. And, more importantly, for this tradition of practitioners, standards of excellence need to be defined and evaluated through experience, knowledge, and virtues that are contextual and historical to particular practices. None of these, however, are taken into account by the institutions that adopted the management methods of NPM. As a result, the kind of practical rationality that is necessary for the exercise of the virtues had become marginalized within the institutions of the public sector and this became the source of resistance to NPM and conflict between practices and institutions of the public sector.

To be sure, this does not mean that old public management and the political power that supported it was not problematic. For reasons I will explore below, old public management were also problematic, but the differences between practices and institutions within that context did not yield to a conflict that can be named as a crisis. That is, practitioners had more autonomy with respect to striving for goods internal to practices and standards of excellence. This had allowed more room for the kind of practical rationality that is required for the exercise of virtue and hence for the flourishing of practices. It is the context of NPM that leads to a conflict between practices and institutions that can be considered as a crisis in the public sector.

### **3.4. New Liberalism and liberal governmentality**

To elucidate the conflict between practices and institutions further, I focus an old political and philosophical movement: New Liberalism and compare it with that of neoliberal governmentality and disciplinary power of NPM. This comparison will further illustrate the context in which the crisis of the public sector emerged as well developing some indications of the sources of the development of neoliberal governmentality and the disciplinary power of NPM.

New Liberalism is a political and philosophical movement that has emerged in the UK by the end of 19th century. It is *the* movement that initiated the modern welfare state where free and quality education, healthcare and social security became the chief responsibility of the state. It is agreed that New Liberalism had been an influential movement on the formation of the modern public sector too (see Freedon 1978; Vincent 2001). In other words, although New Liberalism is not the only agent

responsible for the formation of the modern public sector itself, it was one of the first political movements to give it content (see Freeden 1978). Indeed, New Liberalism is also believed to have a latent effect on later periods of the public sector – that is, the 1945 Labour’s formation of the welfare state and the following post-war consensus (see, Vincent 2001). This feature of New Liberalism helps to explain why there was not a conflict between practices and institution in the old-style public sector and why there is now a conflict that can be considered to be turning into a crisis.

To be sure, analysing New Liberalism in a detailed and comprehensive way is not possible within the scope of this study. However, one aspect of New Liberalism is important to highlight in comparison with the liberal tradition (and neoliberalism). Like other liberals, New Liberals also presuppose liberty as the main and most important aspect of human beings. However, as I will illustrate below, there is an important difference between liberals/neoliberals and the New Liberals with respect to what they understand by ‘liberty’.

According to the New Liberals of the 19th and early 20th century, such as T. H. Green, L. T. Hobhouse and John A. Hobson, liberty needs to be understood in relationship to the common good of a society and to an objective morality (Vincent and Plant 1984: 3). This indicates an important difference between the classical liberalism of Locke and the recent type of liberalism of Hayek and New Liberals. I argue through neoliberal governmentality and the disciplinary power of NPM, this difference had been eliminated from the public sector institutions.<sup>25</sup> Elimination of the difference, as I will explain below had been an important influence on the generation of the crisis of the public sector.

What, then, do New Liberals mean by ‘common good’ and ‘objective morality’? New Liberals presupposed that human beings are essentially moral and they need to develop certain abilities in order to become moral. Such development, they thought, can only be achieved within a certain type of political society. This assertion is first of all based on a specific notion of the relationship between the individual and society: for the New Liberals, the individual and the society are inextricably linked. Thus, unlike the classical liberal like Locke, the New Liberals do not believe that isolated individuals can exist or that society is simply a collection of such individuals. As

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<sup>25</sup> As I will demonstrate below, together with NPM, the ways in which New Liberals envisage the political application of common and objective morality has also been effective in this elimination process.

Hobhouse (1911: 36) states, “society is a whole which lives and flourishes by the harmonious growth of its parts, each of which in developing on its own lines in accordance with its own nature tends on the whole to further the development of the others.”

It is for this reason that they often reject the Lockean (or contractarian) type of liberalism – as well as they would reject neoliberal type liberalism. According to New Liberals, contractarian liberalism analyses society and the individual in isolation from each other. That is, contractarian liberals presuppose that individual exist before and beyond that of society. Such a presupposition, however, entails a distorted understanding of liberty according to the New Liberals. That is, it leads one to understand the liberty as entities of individual in the ‘state of nature’. ‘State of nature’, however, is as a mistaken view not only because it has no correspondence in reality, but also because it is wrongheaded way of thinking about politics (Hobhouse 1911: 16-9). New liberals, that is to say, did not believe in the power of the ‘state of nature’ as a tool for political organization and analysis. They strongly disagree with any analysis of individual and its features in isolation from his or her social setting. The individual is always in a society and is always part of it. For this reason, liberty of individuals can only exist within a society and in fact through the common good of that society.

New Liberals think of the individual as being capable of associating his own good with the good of others, and development and exercise of this capacity is fundamental for the development of society and individual. Green, for instance, claims that

the capacity ... on the part of the individual of conceiving a good as the same for himself and others, and of being determined to action by that conception, is the foundation of rights; and rights are the condition of that capacity being realised (1999: 20).

This entails that liberty, as a right, finds its meaning and application only in and through society. It is true that liberty, for New Liberals, is the liberty of the individual, but it emerges as a result of certain social and political formations based on a notion of a common good and moral capacities of the individual. But how do they conceive the

common good? What does the common good mean for New Liberals? It is important to deal with this question because their understanding of the common good is another important divergence point from the latter type of liberalism that has initiated NPM. For the New Liberals, the common good implied by the definition of liberty is related to a certain moral ideal. Thus, to understand New Liberals' conception of the common good, we need to begin from discussing this moral ideal.

The New Liberal moral ideal is concerned with the development of character, and is also referred to as 'self-realization'. To be sure, it is not an easy task to outline what New Liberals understand from morality within few lines – and I do not claim (or need) to do this here – but it is significant to at least note a few important elements of their general view of morality. This will help me to illustrate the ways in which earlier public management differs from NPM and how NPM generates conflict between practices and institutions of the public sector.

First of all, for the New Liberals, moral development requires unity and integrity of character. As Mander puts it, self-realization “is a life good as a whole, one springing from a unity of vision, a life which manifests a single aim and overall coherence... It is a life of integrity” (Mander 2011: 185). This can only be attained through education of desires and passions.

For Green human beings are self-conscious of a state of perfection that is attainable with a rational will (Green 1883: 183-4). New Liberals and especially Green introduces 'consciousness', 'good will' and 'human progress' to their discussion of morality. These concepts are not central to the Aristotelian tradition: however, they do refer to the virtues and a life of reason as one of the main tools for achieving self-realization. One needs the virtues of justice, honesty and generosity in order to achieve self-realization.

For New Liberals, to develop a personality of virtues one needs society. Green states “society is the condition of the development of personality” (1883: 201). For Green, and other New Liberals, development of personality, through the cultivation of desires, is morality itself, and one can only achieve this type of morality within society and with the help of others. This indicates that liberty understood as self-realization can only be realized through moral development and collective cooperation. Green makes this clear by arguing that:

The claim or right of the individual to have certain powers secured to him by society, and the counter-claim of society to exercise power over the individual, alike rest on the fact that these powers are necessary to the fulfilment of his vocation as a moral being, to an effectual self-devotion to the work of developing the perfect character in himself and others (Green 1999: 15).

This understanding of liberty implies a particular idea of the state, law and citizenship too. New Liberalism's notion of citizenship presupposes a particular morality and a common good (Vincent 2001: 213). State and law, it follows, need to function so that the good of the individual and society are not distinguished and hence realized concurrently. It is for this reason that citizens, for New Liberals, also have duties towards their society. Citizenship, in other words, not only entails the possession of certain rights (or liberties) that is guaranteed by law but also duties towards other fellow citizens. Duties, on the other hand, are tied up with the common good and hence with morality.

It follows that for the New Liberals the limits and potentials of liberty not only relate to the rights of others, but also to the common good. As Freedman states, "for the new liberals, a notion of community was ... one of the fundamental constraints within which choice would be exercised" (Freedman 2001: 32). This is to say that even if certain choices are not infringing upon others' liberty, they can still be considered as being morally wrong – which is a point of difference between New Liberalism and the classical liberals. This, however, is not to say that the common good can override the liberty of individuals. New Liberals reject the dualism between the so-called egoism and altruism on the basis of their view of the relationship between society and individuals (as explained above). They do not think that the genuine individual good can be distinguished from the good of society. Likewise, liberty as a genuine good of the individual cannot be distinguished or understood apart from the good of the society. The implication of this is that the common good of the society – understood as the collective development of the moral character of each individual – is the criterion upon which liberty needs to be evaluated. This is believed to be only possible within a society where public institutions and practices, such as education, health and sciences,

facilitate the exercise of such a capacity. That is, a good society needs to assist individuals in their self-realization. It is only through such a society that liberty can be enjoyed by the individuals of that society.

It is for this reason that New Liberals considered free and quality education and healthcare, and hence the modern welfare state, as an important aspect of liberty. They were highly concerned about providing these services to the citizens through a system of progressive taxation and state investment. New Liberals were of the view that not having access to health care and education would prevent one from self-realization and thus from enjoying liberty. This is how they understood welfare and this is why they took the theoretical and political initiative to reorganize the state and law on the basis of this understanding.

I argue that within such a context, practices, and their presupposition have found a space to be expressed without falling into an intense conflict with the principle of liberty as understood and applied by the New Liberals. This is because, as shown above, New Liberals, like practices, presuppose that there are goods beyond that of preference maximisation that require transformation of one's initial desires and preferences. This implies that the political context of the pre-NPM period allowed a shared presupposition among the institutions and practices of the public sector. That is, they all shared the presupposition that human beings aim at wellbeing. This is considered to be a good common to all members of a society, the achievement of which is considered to require moral development. Furthermore, practices and goods internal to them are thought to partly contribute to the development of this good. It is for this reason that the institutional framework of the old public management allowed more autonomy to practices. To put this differently, old public management did not direct the disciplinary power of institutions towards practices in an intensified way, because they shared the same presupposition. In the political framework of New Liberalism, teachers, academics, doctors, nurses and programme-makers and their practices were thought professional and fields that needed to be regulated by the standards and codes that are developed within the history of each of those professions. This is because these standards and codes are assumed to aim at the same goods, namely, wellbeing of the individual and society. However, with neoliberalism (or the New Right), liberty began to have different meanings with respect to citizens,

practitioners, and practices. This, in turn, has given way to the conflict between practices and institutions.

### **3.5. Liberty as preference maximisation and the crisis of the public sector**

Although the main differences of New Liberal and the classical view of liberty are clear, some further elaboration is needed to relate this difference to the conflict between practices and institutions of the public sector. I move on by drawing upon Isaiah Berlin's account of liberty. In his famous account, he considers the kind of view New Liberals have on liberty to be defective. Hayek regarded such view of liberty as "pseudo-individualism", which, as I will explain below, amounts also to saying that it is pseudo-liberalism. As is well known, Berlin defined negative liberty as freedom from interference and claimed its priority over a specific type of freedom: that is, positive freedom understood as self-realization. This amounts to claiming that New Liberals are not a good representative of the liberal tradition as their conception of liberty is more of a positive kind than negative.

But what does Berlin's liberal tradition mean by negative liberty? Does it simply mean freedom from interference? Although it is often understood as freedom from interference, it does not simply mean that. Freedom from interference, on Berlin's and other contemporary liberal accounts, presupposes liberty to be the possibility of choosing between various types of goods. That is, negative liberty does not only mean lack of interference, but also the possibility to choose and pursue various forms of goods. Referring to Mill, Berlin claims that the most valuable of freedom is "pursuing our own good in our own way" (Berlin 1969: 127). It is crucial to note here that this amounts to saying that preference maximisation is understood once again as the basis of liberty and hence also the basis of the state and the law. That is, for Berlin and the tradition that he claims represent liberalism better than New Liberals, the highest good of all is to be able to prefer whatever we want and to pursue the maximisation of such preferences without infringing upon others' pursuit of the very same thing. Hayek, as one of the main figures of neoliberalism, also believed in this.

Hayek thought that the main presupposition of the tradition of liberalism (that he also situates himself in) is that the individual "ought to be allowed to strive for whatever they think desirable" (1948: 15). Although I have explained in the first chapter that neoliberals presuppose that human beings are preference maximisers, it should be noted now that this presupposition underlies their understanding of liberty. For the

neoliberals too, liberty is being free to maximise preferences without infringing upon others' ability to do the same thing. Liberals (including the neoliberals), therefore, believe that freedom from interference is a good that needs to be pursued by the state and law, because only this type of freedom allows us to pursue "our own good in our own way". Without this possibility, negative freedom would not have such a special status within the liberal tradition that Berlin rightly portrays.

Neoliberal governmentality, with the use the disciplinary power of NPM, returned to this concept of liberty and applied it to the public sector. As a result, the shared presupposition of the institutions and practices ceased to exist. No longer have they presupposed that public services and goods need to be directed towards the highest (and common) good of individuals. Rather, institutions presupposed preference maximisation and enforced practices and practitioners to use their rationality on the basis of this presupposition. This led to a condition in which practices and institution conflict within the public sector. But how does this conflict turn into a crisis? It turns into a crisis because neither can institutions fully achieve their aim in enforcing preference maximisation as the ultimate aim nor practices can successfully resist to the institutions so that they can flourish. Drawing upon MacIntyre's (1994) two contrasting fishing crew examples can help illustrate this argument further.

In one of the hypothetical crews, MacIntyre envisages the normative relations between practices and institutions as an ideal type (which to some extent also resembles the relation between practices and institution that existed in the New Liberal framework), whereas in the other crew the reverse is true. In the first fishing crew, goods internal to fishing, such as fishing in a sustainable way, and performing one's role within the crew in an excellent way, are the shared *telos* of the members of the crew. In such fishing crews, MacIntyre argues, external goods are always secondary to the standards of excellence in catching fish and the commitment to the common good of the crew. Their reasoning and decisions are often justified and motivated in relation to the internal and common goods of the practice of fishing. Like in other practices, in this one too, goods internal to the practice of fishing and the standards of excellence are developed and defined through the history of the practice of fishing.

Just like in other practices, in this one too, there are practitioners who have been part of the practice of fishing over a period of time that is sufficient to develop the necessary virtues and skills to achieve the goods internal to fishing. In such a crew, the

effectiveness and efficiency of the institutional settings of fishing are justified and pursued for the sake of goods internal to the practice of fishing. Thus, in this fishing crew, in reasoning about how to act the practitioners make use of practical syllogisms, the major premises of which are always informed by both the virtuous character of the practitioner and the standards of excellence they have internalised and this allow the exercise of virtues through which the internal goods of fishing can be achieved.

The other fishing crew, on the other hand, is

organized and understood as a purely technical and economic means to a productive end, whose aim is only or overridingly to satisfy as profitably as possible some market's demand for fish. Just as those managing its organization aim at a high level of profits, so also the individual crew members aim at a high level of reward. Not only the skills, but also the qualities of character valued by those who manage the organization, will be those well designed to achieve a high level of profitability (MacIntyre 1994: 284-5).

MacIntyre claims that in this kind of a fishing crew, practical rationality is exercised in terms of 'individual reasoning qua individual'. This way of practical reasoning has this kind of a structure: "I want such and such; doing so and so will enable me to achieve such and such; and doing so and so will not frustrate any equal or stronger preference" (MacIntyre, 1998b:130). The practical reasoning here occurs as a result of individual preferences, and it functions as a form of calculation about how to attain those wants.

Whereas in the former crew one has to transform one's preferences in line with the tacit dimensions of the practice (that is, standards of excellence and goods internal to practices), in the latter kind of crew, internal goods of fishing and the standards of excellence are valued only insofar as they satisfy individual preferences. In the latter crew, the main motivation for engaging in the practice of fishing and developing the institutional settings of the practice, thus turns out to be the satisfaction of subjective preferences of either an individual member of the crew or of some other stakeholders such as the consumers.

To put this differently, the practice of fishing in the latter crew does not become a transforming sphere. In the latter fishing crew, internal goods and standards of excellence will only accidentally motivate practical rationality. The efficiency and effectiveness of such organization in turn will become a means to the satisfaction of individual's preferences, be it the preferences of the individual crew members or of shareholders. This kind of an organization and the ends to which effectiveness and efficiency serve, on MacIntyre's account, is antithetical to the flourishing of practices, because (as explained above) virtuous actions results from reasoning as a member of a practice the *telos* of which is goods internal to practices, rather than satisfaction of wants and desires.

In the latter crew, therefore, there is an emotivist culture in which individuals understand themselves in terms of *homo economicus*. In such an organization, power (does not matter what kind of power it is) will be effectively implemented for the purposes of institutional effectiveness and efficiency. Furthermore, in such types of organization institutional power will easily subordinate goods internal to practices to external ones and hence the practices the institution supports (such as fishing in the example just given) will be prevented from flourishing. There would be no resistance to such power in such organizations due to the emotivist culture and the kind of self-understanding adopted both by the practitioners and the managers.

Now, I argue that since the intensification of disciplinary power and introduction of neoliberal governmentality through NPM, public sector organizations have been in a state whereby they are caught in between the two fishing crews I have elaborated above. That is, organizations such as state schools, universities, and the BBC neither become the like the former nor like the latter fishing crew. And this is why they are in a state of crisis. Within public sector institutions, I argue, there are practices and practitioners who pursue the standards of excellence peculiar and tacit to their activities and in so doing they prioritize goods internal to their practice to external goods and the effectiveness of institutions. In so doing they also resist to emotivist culture and refuse to understand themselves and others in terms of *homo economicus*. However, within the very same institutions there are also managers (and sometimes practitioners) who take preference maximization and effectiveness of institutions as their main target and in so doing ignore the transforming dimension of practices and virtues and adopt the model of *homo economicus* in their self-understanding.

The framework of New Liberalism shows us a political context whereby flourishing practices are regarded as contributing to the common good of society. However, we are now faced with a political context in which expectations of institutions are quite different from the expectation of practices. The neoliberal political context, that is to say, has turned the institutions of the public sector into institutions that resemble the latter fishing crew. However, unlike the latter fishing crew, there is still a tradition of practitioners who use their rationality in ways that results in virtuous actions – which generates resistance becoming like the latter fishing crew within the public sector. Public sector organizations, in other words, neither resemble entirely the former nor the latter fishing crew. They are in between the two.

### **3.6. Aristotelian politics and the crisis of the public sector**

Does what has been argued above mean that old public management and New Liberalism did not have any drawbacks with respect to the flourishing of practices? More importantly, does this mean that old-style public management had no role in the present conflict between practices and institutions and hence in the crisis of the public sector? As mentioned in the previous section of this chapter, this is not the case. New Liberalism strongly believed in the power of a centralized nation-state to provide the necessary conditions for individuals to achieve self-realization (or moral development). Public services and goods such as health, education and broadcasting had been thought of as the primary tools for this. But how far the rationality and virtues necessary for the flourishing of practices can be developed within such a structure, and hence how far practices can flourish within such structure, is disputable.

I argue that from a MacIntyrean perspective certain difficulties emerged within the political context of New Liberalism. Indeed, I also argue that it was such difficulties that rendered the institutions of the public sector vulnerable to neoliberal governmentality and disciplinary power.<sup>26</sup> I will elaborate on this by drawing upon MacIntyre's view of politics, which he thinks to be conducive to the flourishing of practices, and his critique of liberalism from that point of view. The kind of politics

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<sup>26</sup> Note that old public sector or the welfare state is often found problematic with respect to effectiveness and efficiency, but they are not going to be criticized from such point of view in this section.

MacIntyre envisages for the flourishing of practices would be quite different from and critical of both New Liberalism and neoliberal governmentality.

One central consideration of MacIntyre in *After Virtue* is to explore “how the history of philosophical ethics should be written and what its relationship was to the history of the moralities embodied in the life of the societies inhabited by the philosophers” (MacIntyre 1998: 69). However, he also argues that “ethics or theories on morality are historically and socially situated and they always represent some social and political formations” (MacIntyre 1966:1). This implies that whenever we do ethics (or think about morality), we are at the same time doing (or thinking about) politics and visa versa. Considering ethics as something separate from politics, that is to say, is a mistake, on MacIntyre’s account. From this point of view, MacIntyre’s most important works can be taken to be political too, though they mainly address morality, rationality, and history.

The relationship between politics and ethics, however, should not be understood in terms of simple causality. That is, for MacIntyre, it is not the case that political and historical structures determine the practical reasoning of individuals or visa versa. They both require each other in order to function. It is for this reason that he proposes certain political structures to be more conducive to virtue, just like the possession and exercise of such virtues can be conducive to certain political structures.<sup>27</sup> But, politics is still not morality and it is important to note why it is not. First of all, MacIntyre thinks that politics is a practice, though it differs in an important way from other practices (1988: 32-4). Politics is a practice the aim of which is “the achievement of a form of life which is the highest good” (MacIntyre 1998b:123)<sup>28</sup>. Such kind of politics, for MacIntyre, “provides a *telos* above and beyond those internal to practices” so that other practices can be regulated with a view to the highest good of the individual qua community (ibid). As I will explain below, for MacIntyre, within such political context, wellbeing becomes a *telos*, the meaning of which is shared by the adult members of the community. Although what kind of meaning will be shared requires participatory ways of deliberation within a community, what the highest good

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<sup>27</sup> It is worth noting that that he does not develop his politics and ethics only from a purely theoretical point of view. Instead, he also refers to real societies, practices, institutions and communities within the history. He suggests, for instance, that there were sufficient social and political structures to render the kind of practical rationality necessary for the possession and exercise of genuine virtue possible in the ancient polis (MacIntyre, 1988:33-4). Likewise, he also thinks that in some farming and fishing communities we confront with such form of practical reasoning.

<sup>28</sup> MacIntyre draws this idea from Aristotle *NE* Book 1

is *not* can be identified without such participatory deliberation once politics becomes the kind of practice I have mentioned above. It is important to note that in such kind of politics wellbeing cannot consist of preference maximization. Whatever meaning is shared by the members of a community about wellbeing requires deliberation about *the* good and transforming one's self on the basis of such deliberation. Preference maximisation, however, simply ignores this type of deliberation and transformation, as explained in the previous section. Thus, politics as the practice of forming and achieving the highest good of human beings cannot be about preference satisfaction.

Now, although MacIntyre seems to share this with that of New Liberals he differs from New Liberals in his views on the ways in which such a good is formed and the ways in which it needs to be achieved. Whereas New Liberals think that the human good can be formed and achieved through centralized liberal nation-states, MacIntyre thinks that it can only be achieved through a decentralized politics of local communities (1999: 129-35; 2011: 19-25). In this kind of political context practices can flourish without the kind of conflict they experience with the institutions under the regime of NPM. It is, however, important to note that the politics of local community as such may or may not be a type of politics that is conducive to the flourishing of practices. Such decentralized forms of local politics need also to have what MacIntyre names 'institutions of shared rational deliberation'.

Independent practical reasoners within such a community need to have *equal access* to such institutions by their arguments, proposals and objections about the nature of the good and how to achieve it (MacIntyre 1999:129; 1998c: 248; 2008: 263). These are institutions whereby individuals freely participate, reason and learn (from shared deliberation) what goods need to be pursued instrumentally and what goods need to be pursued for their own sake. They can ask and answer questions such as what is good and best for them as human beings and what is good and best for them in their own conditions. It is through such deliberation together with others that individuals learn or discover what is good for them and others they are living with. It follows from this that the highest good, for MacIntyre, cannot be formed solely by some politicians' or philosophers' definition of it (MacIntyre 2006c). Before the philosopher or the politician, such a good need to be formed by the members of the society and (to repeat) this is only possible through 'shared rational deliberation' (MacIntyre 1998a). In *After Virtue* MacIntyre stated that "the good life for man is the life spent in seeking

for the good life for man”. To seek such a life, one has to be able to participate in such institutions of deliberation, and hence be part of a politics as a practice.

This is where both New Liberalism and neoliberalism fail from a MacIntyrean point of view. This because within the New Liberal framework (and the old-style public management), there was lack of institutional formations in which individuals could participate in shared deliberation on moral and political matters that goes beyond that of goods internal to practices. On MacIntyre’s account, in modern nation-states (including the New Liberal version of it), politics becomes a professionalized and elitist activity. Although voters determine who will be the political authority, alternatives among those authorities are never determined by the voters themselves (MacIntyre 2006d: 153-4). Political reasoning in these societies is reasoning about what political party would be more advantageous for me, or at most for my family. In these societies, MacIntyre argues, the good of the individual is separated from the good of the community. Likewise, goods internal to practices are separated from the goods of society. MacIntyre describes this separation as ‘compartmentalization’.

Compartmentalization is a sociological condition in which politics of common good cannot be pursued and hence, goods cannot be ordered in such a way that practices can flourish in long periods of time. To elucidate this, I need to elaborate more on MacIntyre’s notion of compartmentalization. Compartmentalization is a condition in which different sets of rules, goods, and norms are followed in different social settings. As he puts it:

Individuals as they move between spheres of activity, changing one role for another and one set of standards for their practical reasoning for another, become to some important extent dissolved into their various roles, playing one part in the life of family, quite another in the work place, yet a third as a member of a sports club, and a fourth as a military reservist (MacIntyre 2006e: 197).

MacIntyre is not simply pointing out that we are being a father, a friend and a professional within a usual day. This is something that exists in every form of society where there is a relatively complex division of labour – and hence it is unavoidable.

Through the concept of compartmentalization he points out the ways in which what is good and bad changes to an important extent in between our social roles. What is right and good in the work place, for instance, ceases to be good in family life, and what is good in friendship turns out to be wrong as a member of a club. The large gap between these areas of our social lives with respect to what is taken to be good is what MacIntyre is trying point out by the concept of compartmentalization.

What is more important to note is that in a compartmentalized social life there can be no overall good or goods that goes beyond our different social roles and practices. There are only goods relative to a particular context. For MacIntyre, the politics of the liberal nation-state (including the New Liberal type of politics) only functions as the ordering of these compartmentalized units of social life through contracts, rights and utility (MacIntyre 1998d: 223). And lack of institutions whereby individuals can practice shared rational deliberation makes it almost impossible to develop a politics that has as its main purpose the formation and achievement of the highest good that could prevent compartmentalization of social life.

In such a compartmentalized life, the presupposition of practices regarding human beings turns out to have different meanings within different roles and different social contexts. This in turn leads neoliberals and the proponents of NPM to presuppose that human beings are essentially preference maximisers. Since individuals prefer fundamentally different goods in different social settings, they must, on a neoliberal and NPM account only aim at preference maximisation. Thus, what appears to be a result of the political context of the liberal nation-state turns out to be a presupposition about the nature of human beings in neoliberal governmentality and NPM management methods. However, at least from an Aristotelian view, this is not the nature of human beings and indeed this is not how practices work. And in fact, there are still practices whereby human beings are presuppose to aim at different kind of a good than preference maximisation. However, in the absence of a politics of local community, what turns out to be the case in a liberal nations-state is that when practitioners become the users of the services of other practices they might seek preference maximisation instead of wellbeing understood as the life of virtues.

Now, although practitioners in the New Liberal framework had the autonomy to pursue goods internal to their practices without conflicting with the institutions in which they operate, the politics of New Liberalism failed to develop the kind of

institutions through which individuals could deliberate and learn their highest good and the ways in which it can be achieved. As a result of this, although wellbeing is presupposed to be the highest good to which human beings aim at both by practices and institutions within the New Liberal type of nation-state, what constituted wellbeing and how particular practices were supposed to contribute to this remained unclear. Each practice, social role and social sphere turned out to have distinct standards in which what is good changed without there being a criterion which enables goods to be judged beyond their particular practices. Instead of institutions of shared rational deliberation, the centralized welfare-state happened to be main institution who decided what the good and the common good is. As a result the centralized nation-state of New liberalism aimed to pursue the highest and the common good through highly complicated laws, administrative apparatuses and economic policies. In this context, neoliberal governmentality took the easy route to associate preference maximisation with the good of human beings. In the absence of a genuine practice of politics, that is to say, neoliberalism relocated the traditional liberal self-understanding as *homo economicus* at the centre of governance and institutions.

Thus, my argument turns out to be this: partly due to the lack of institutions of shared rational deliberation and the inability to prevent compartmentalization, the politics of New Liberalism has given way to neoliberal governmentality which enforces preference maximisation as the ethos of practices through the disciplinary power of NPM. This, however, has created a condition in which it is difficult for practices to operate on the basis of their presupposition and the kind of ethos such presupposition requires regarding the relationship between practices and users of their services. Whereas practices had sufficient autonomy to operate on their presupposition and goods internal to their practices, NPM regime no longer allows such autonomy. This is the main reason for the conflict in the public sector.

I argue that this conflict leads to a crisis because the conflict reached to a point, whereby neither practices can flourish (with their full capacity) nor institutions can fully control practices. This condition is similar to a disease that reached a turning point whereby the patient will either die or survive. 'The turning point in the disease' stands for the conflict and 'the patient' for the practices under the NPM regime. If practices are going to survive and flourish after this turning point, NPM regime needs

to be removed. And if it is not removed, practices will cease to exist in the way that MacIntyre understands practices. This is why the public sector is in a state of crisis.

Whether practices will die out after this crisis depends upon the kind of politics that will be developed. That is a politics of the local community in which institutions of shared rational deliberation can be established and a certain understanding about the highest good of human beings can be formed and strived for. This would generate a kind of politics that goes beyond the particular practices and regulates practices on the basis of the highest good learned through shared rational deliberation. Although this kind of a politics does not necessarily require the abolition of the liberal nation-state as such, it does require, at least, a parallel politics of the local community. This is not to say that MacIntyrean politics can be reduced to another vibrant of liberalism. This is to say that it is possible for certain institutions and practice to work in a way that practices can flourish. Circuses are one example of this possibility. The BBC can be another example, if the crisis results in the removal of the influence of NPM regime. But unless the neoliberal governmentality and NPM is removed from the public sector institution practices are in danger of losing their essential future of aiming towards goods internal to practices.

It is worth noting before I end this chapter that one of the most influential and recent proponents of bureaucracy, namely, du Gay (2000), also criticizes NPM and neoliberal governmentality, just like the MacIntyrean and Foucauldian accounts I have developed so far. However, du Gay's criticism is based on his claim that NPM distances public sector from bureaucracy. Thus, this kind of criticism is quite different and even rival to the MacIntyrean criticisms. Likewise he criticizes both the MacIntyrean and the Foucauldian accounts of bureaucracy for failing to recognize the benefits of impersonality, rules, regulations and the procedural justice that follows from them. Du Gay (2000) claims that bureaucracy is not only about formal rationality, as portrayed by MacIntyrean critiques, but also about an ethics of responsibility for impersonality of rules and regulations that brings about procedural justice. Regardless of whether his criticism of NPM is right, what is missing from du Gay's criticism is the ways in which NPM prevents practices from flourishing through enforcement of its presupposition regarding human beings. Du Gay cannot recognize this aspect of NPM simply because he has no normative theory of practices and goods. In fact, du Gay not only does not have such a theory, but also seems not to understand MacIntyre's, and as

a result misunderstands MacIntyrean alternatives to bureaucracy, NPM and neoliberal governmentality. He suggests that MacIntyre is proposing a homogeneous, anti-pluralist and fundamentalist alternative (du Gay, 2000: 30-33). However, as I have shown above, MacIntyre is not suggesting such an alternative<sup>29</sup>. Instead, he is in favour of local communities whereby shared rational deliberation is institutionalized and individuals can learn and develop what their particular goods are as well as what their ultimate good is. And in doing so, they can overcome the damaging effects of NPM and neoliberal governmentality on the practices situated within the public sector. Thus, although MacIntyre might be open to charges for dismissing the kind of procedural justice bureaucracies bring about, du Gay type of criticisms of NPM and neoliberal governmentality can learn from MacIntyrean accounts the ways in which NPM and neoliberal governmentality can effect public sector with respect to practices like medicine, education and broadcasting and their ethos regarding the beneficiaries of those practices.

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<sup>29</sup> Note also that MacIntyre never argued in favour of a central nation-state promoting one conception of the human good. He believes that only local communities can do this, and in fact, it is dangerous for nations-state to do so (MacIntyre, 1998d).

## Chapter IV: A Case Study in the Crisis of the Public Sector: the BBC

*He who prides himself on giving what the public wants is often creating a fictitious demand for lower standards which he himself will then satisfy*  
John Reith<sup>30</sup>

In this chapter, I discuss the case study of the BBC in more detail. I draw upon empirical research conducted on the BBC (together with some other studies) to support the main argument of the thesis: that there is a crisis in the public sector that results from a conflict between practices and institutions. It is the main argument of this section that once certain empirical studies are reconsidered from a MacIntyrean viewpoint in conjunction with a Foucauldian analysis of power, there appears to be a crisis in the BBC that can be considered as an instantiation of the crisis of the public sector I have outlined in the previous chapters. That is, the BBC is also at a turning point whereby the practice of programme making will either cease to exist as MacIntyre understands practices or survive and flourish. But for the practice to flourish with its full capacity, the influence of NPM regime has to be removed from the BBC. Unless this is done programme making as a practice will no longer be able to flourish.

I develop this argument in two main stages. First, I argue that TV/radio programme making can be considered as a practice and the BBC as an institution in the way that MacIntyre understands practices and institutions. Second, I will focus on the ways in which the relationship between these two aspects of broadcasting turned into a conflict after the emergence of neoliberal governmentality and NPM within the BBC.

While developing these two main stages of the argument, it will also become clear that TV/radio programme making within the BBC has been understood and managed within the frame of NPM since the early 1990s. That is, the BBC as an institution begun to presuppose that human beings are preference maximisers. As a result, managers of the organization began to consider preference maximisation as a highly viable basis for programme making and forced practitioners to reason and produce accordingly. Actual programme makers, however, act and think on the basis of a

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<sup>30</sup> Quoted in Scannell 1990:13

different presupposition to the managers: like all practitioners they presuppose that human beings aim at wellbeing the achievement of which requires transforming preferences rather than just satisfying them. However, the BBC began to presuppose human beings as preference maximisers after 1990s. The new presupposition was not just a question of general outlook with little impact at grass root level, but was imposed on programme making. This in turn created an unresolvable conflict between the practice and the institution, because such enforcement is detrimental to the flourishing of the practice of programme making. It is detrimental because presupposing human beings as preference maximisers and enforcing the practice to work on that basis is contrary to the kind of virtues and practical rationality that are necessary for the achievement of goods internal to the practice. This conflict can be considered as a crisis because neither the tradition of practitioners succeed in achieving goods internal to programme making with their full capacity nor the institution can succeed in fully controlling the practice on the basis of its presupposition.

#### **4.1. TV/radio programme making as practice and the BBC as institution**

How, then, can programme making within the BBC be considered as a practice distinct from its institution in the sense that MacIntyre understands practices and institutions? I will answer this question by drawing upon Beadle's (2008) suggestions that I have explained in the first chapter. That is, by showing that there is at least a good internal to programme making and there is specific life of programme makers to which that good is essentially related.

I will illustrate that programme making is a practice with a good internal to it with reference to the history of the BBC<sup>31</sup>. A brief investigation into the history of the BBC will help identify a tradition of practitioners, who are motivated by making excellent programmes and a certain type of ethos regarding their relationship with the audiences. That is, an excellent programme needs to be capable of cultivating the habits and intellectual abilities of audiences. Motivation towards such ethos and excellent programme making is distinct from other aims and concerns that are related to goods external to the practice. Below I will analyse this motivation with reference

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<sup>31</sup> As the cooperative nature of programme-making is obvious, I will not attempt explain this aspect separately but just as a reminder I can note here that cooperative work is an important element of practices for MacIntyre and programme-making obviously has this element.

to the history of the BBC and try to illustrate the ways in which it indicates a good internal to the practice, and hence, a practice in sense that MacIntyre understand practices.

To begin with, the BBC is a non-profit public corporation. It is the oldest of its kind and since its foundation under John Reith<sup>32</sup> in 1927, its official ethos has been to inform, educate, and entertain the public through high quality and creative TV and radio programmes (Seaton 1997: 302-315). Once I develop the argument that programme making is a practice, I will specially focus on this ethos and the ways in which it has been historically supported by the institution of the BBC. I will focus on this ethos because it plays a key role with respect to the presuppositions of, and conflict between, the practice and the institution.

First of all, programme making consists of various cooperative activities such as acting, scriptwriting, video editing, news reporting, research, presentation, camera operating and so on. All these activities cooperate, in other words, for the production of a program under a producer and often with the support of an institution (in our case the BBC). All these activities have their standards of excellence that are developed over time and known to the programme makers through experience and education. To be sure, some of these activities such as acting do exist in other practices too, but their standards of excellence change within programme making. Acting for a TV series, for instance, has different standards than acting in a play. While practitioners strive for the standards of excellence peculiar to activities, they may achieve a good internal to the practice. Making excellent programmes is such a good. It is only through participating in the practice of programme making and through striving towards standards of excellence in video editing, acting, research and so on that excellent TV/radio programmes can be made.

The most authoritative ethnographic studies of the BBC indicate that programme making has generated, and to some extent sustained, a specific type of life in which making excellent programmes has been an indispensable good for those who are involved in programme making (Burns 1977; Küng 2000; Born 2004). This is to say that being part of programme making within the BBC is not only about bringing one's technical skills into a certain productive work, but also about taking part of a culture in

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<sup>32</sup> Reith was also the first Director-General of the BBC.

which excellent programme making is valued beyond goods that can be achieved externally to the programme making. Tom Burns conducted two extensive ethnographic studies on the BBC, one in 1963 and the other one in 1973, and published the resulting work in 1977. His studies were the first to confirm (though with different concepts) that programme making within the BBC makes available a specific type of life for those programme makers, that Burns some time refers to as 'the BBC type' people (Burns 82-7)<sup>33</sup>.

According to Burns, one statement from a cameraman in one of his interviews is typical of the approach to programme making within the BBC: "I don't think our skills are particularly technical. I wouldn't call myself a technician. I call myself a programme maker" (1977: 270). This approach indicates a self-understanding to which making programmes is essentially linked to standards of excellence and the good internal to the practice. These kind of statements in the interviews led Burns to claim that although there are many activities involved in programme making that might appear to be detached and technical, they are put in the service of excellent programme making, which is considered to be more valuable than goods such as money.

Now, although each activity has its own standards of excellence, there are some important excellences that are peculiar to all of them. Creativity is one of them. Throughout the history of the BBC, creativity is considered to be an important excellence in programme making. Programme makers are expected to be creative in their activities (be it camera recording, research or video editing). Impartiality in news and current affairs programmes, and often in documentaries, is another one. Universality (meaning: ability to reach all segments of society) have also been one of the main excellences that led to the achievement of the good internal to programme making (see also Scannell 1990; Briggs 1995; Born 2004; Carter and McKinlay 2013). Therefore, while striving towards such excellences practitioners may make excellent TV/radio programmes and in so doing they may achieve the good internal to programme making. This is clearly indicative of a practice within the BBC, in the sense that MacIntyre understands practices.

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<sup>33</sup> More recent studies (Born, 2004; Küng, 2000) refer to the commitment of the programme makers to their work in terms of aiming at high standards and excellence. This commitment can also be considered as at least constitutive of a specific life in which making excellent programmes is essential.

The BBC, on the other hand, is an institution responsible for the commissioning of programmes, allocation of financial and material resources necessary for the programme making and acquisition of money. The BBC, in other words, is responsible for the acquisition and distribution of goods external to programme making. From its very beginning, it has played a crucial role in sustaining, and the flourishing of, the practice of programme making. It has played this role by convincing the government and the public that the organization is worth funding through the licence fee.

To be sure, as Burns (1977: 144-5) shows, there have been discussions and disputes as to the purposes of the BBC. However, despite the discussions and differing views, a tradition that holds Reithian values of informing, educating and entertaining as *the* ethos of not only the BBC but also the programme making, managed to sustain itself within the BBC. Many studies and official documents confirm that from the executive side of the BBC to the programme making parts of the organization the Reithian ethos has long been thought as fundamental (BBC 2015; 2013; Carter and McKinlay 2013; Born 2004: 81; Ursell 2003; Briggs 1995; 1961). This is not to say, however, that the Reithian ethos is equivalent to the goods internal to the practice of programme making. This is simply because information, education and entertainment can also be achieved through other means than programme making. Yet this does not mean that they are not relevant to the practice in question. The Reithian ethos and the good internal to programme making are related in a particular way. The Reithian ethos represents the relationship excellent programmes have with their viewers. An excellent programme that exhibits creativity, impartiality and high standards assumed to inform, educate and entertain the public. This is to say that achieving the good internal to the practice of programme making amounts also to striving to fulfil the Reithian ethos that is shared by the institution too.

#### **4.2. Presuppositions of programme making and the early BBC**

What has been stated in the last section about the relationship between good internal to the practice and the Reithian ethos is related to the argument of this study in two ways. One is related to presuppositions and the other is to the ethos that follows from them. I argue that the good internal to programme making (that is, making excellent programmes) and the Reithian ethos both presuppose that human beings pursue wellbeing the achievement of which requires cultivation of habits and intellectual

abilities. It is presupposed by the practice that making excellent programmes help practitioners achieve their wellbeing by cultivating their habits and intellectual abilities through education and experience. Although in different ways, it is also presupposed by the practice that making excellent programmes help the viewers to achieve their good. That is, an excellent programme serves the good of the viewers. The Reithian ethos also presupposes that excellent programmes help individuals achieve their good through cultivating their habits and intellectual abilities.<sup>34</sup>

How then do TV and radio programmes do this? How do they cultivate the viewers, when goods internal to them are achieved? To be sure the formal and easy answer to this question is that they do this by informing, educating and entertaining the viewers. However, BBC and the TV and Radio programmes are not courses or music bands that obviously do all these. How, then do they educate, entertain and inform the viewers so that they help them to achieve wellbeing? Mepham (1990) develops a very good answer to this question, without using MacIntyrean terms – but in a quite MacIntyrean way. He develops his account with reference to stories. Excellent stories, he claims, help us to ask questions like ‘what is my good?’, ‘what would be my good in such and such circumstances?’, ‘what would I do in such and such context?’ (1990). Mepham argues that films, dramas, TV-series and so on (not News and Current Affairs programmes) need to be considered and evaluated in terms of stories. Stories that help people form and modify their identities, moral characters and social relations (1990: 60). He claims, as MacIntyre (1998a: 142) does, that by provoking these kinds of questions, stories are one of the major sources that help us to make sense of our lives in terms of narratives. Stories, in other words, help us to make our actions and decisions intelligible to us, and, in so doing, they also help us to form our identities and moral characters. Mepham suggests that TV programmes need to be thought in these terms; that is, in terms of stories (1990: 61). It follows from this that, according to Mepham, an excellent programme needs to provide viewers with resources to form their identity and moral character and to make their actions intelligible to viewers. To be sure, this is not to say that all excellent programmes are moral and intellectual courses. This is to say that excellent programmes provide the viewers with at least

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<sup>34</sup>It should be noted here that such relation between making excellent programmes and the viewers, does not mean that the viewers and the practitioners agree on what wellbeing consists of. They need only to agree that an excellent programme would contribute to the wellbeing of viewers by informing, educating and entertaining them.

some resources through good stories to develop their moral character and identity. TV and radio programmes are, of course, not the only source for this, but they can be considered as an important one. Thus, when practitioners achieve the good internal to the practice, they educate, inform and entertain the viewers in the sense of providing them resources in the form of stories to form their moral character and identity.

To be sure, not all genres of programmes can be considered in these terms. Excellent News and Current Affairs programmes and documentaries contribute to the good of the viewers in rather different ways than the other programmes. Excellent News and Current Affairs programmes inform the viewers and listeners about the important issues within the society in an objective way. As will be explained below too, when viewers and listeners are informed objectively about the important issues surrounding them, they will be able to better form their opinions about their society and community. Having objective information about such issues and forming opinions on the basis of such information, in turn, contribute to the good of the viewers and listeners as citizens. Objectivity, in the case of News and Current Affairs and documentary programmes, that is to say, is the key that helps viewers to achieve their good as citizens.

Therefore, programme making, like medicine and education, presupposes as a practice that when the good internal to the programme making is achieved by the practitioners, this contributes to the wellbeing of the viewers and listeners too. My main argument in this chapter is that until the 1990s, the BBC shared this presupposition with that of the practice, but after that it gradually shifted to the presupposition I have associated with the institutions that adopted NPM. I will begin developing this argument with the history of the development of the Reithian ethos. First of all, the development of this ethos is related to Reith's and the early programme makers' understandings of the individual and society. Reith, as the first director general and founder of the organization, together with the early programme makers strongly believed in the potential and necessity of every adult citizen to be cultivated into morally and intellectually better persons within society (Seaton 1997:151-2). TV/radio programmes they believed to have the ethos of helping individuals in this respect. They were of the view that TV/radio programmes had the potential to be viewed on a mass scale, and hence, to help citizens to become morally and intellectually better persons (Scannell 1990; Briggs 1961). Furthermore, it was also a shared belief among

the programme makers and the managers of the BBC that through high quality creative programmes an informed public opinion about political, social, economic and cultural affairs can be formed (Born 2004: 28-30; Briggs 1961). Such informed opinion would then in turn help develop a politically, culturally and economically better society. Information, knowledge and culture that were once only available to a limited amount of people in society could be made available to the *whole* of society through programmes produced within the BBC (Born 2004: 28-9). That is, programme making had been considered as an important means to developing a good society and a morally good individual life, both by the institution (The BBC) and by the programme makers in its early periods – and to some extent up to today (see BBC 2015).

It should be noted that although Reith and the early programme makers did not declare themselves as New Liberals, their understandings of the individual, the society and the ethos of programme making resemble the views of New liberals. That is, Reith and the early programme makers thought that the good of the individual (or the wellbeing of the individual) is the development of his or her moral character through cultivation of habits and intellectual abilities (Seaton 1997: 151). This good, they thought, cannot be separated from the good of society. That is, society can become good through moral development of individuals and this requires public institutions to support individuals in achieving such development such as the BBC. Thus, the BBC and programme making shared the presupposition that human beings aim at wellbeing the achievement of which requires cultivation of habits and intellectual abilities.

Furthermore, not only the BBC and the practice shared this presupposition. There are some indications that it was also a shared presupposition beyond that of programme makers and the administrators of the organization. In 1960, the government established a committee to investigate the future of broadcasting in the UK. The committee is known as the Pilkington Committee. It was responsible for developing a recommendation “on the services which should in future be provided in the United Kingdom by the BBC and the ITA and to recommend whether additional services should be provided by any other organisation” (Briggs 1995: 159). One of the other main reasons for establishing this committee was the upcoming renewal of the BBC Charter in 1964. Note that the BBC secures its funding through this Charter and for this reason it is related to the acquisition of external goods. The report was also

responsible for analysing the private TV organizations, mainly ITV, and making recommendations regarding the future of these organizations.

The report identified a tendency towards populism and a departure from the traditional aims of broadcasting. This trend was criticised from the perspective of the Reithian ethos as opposed to such tendencies in programme making. The report manifested and supported the tradition of programme making in the BBC which aims at high quality and innovative programme making, as distinct from popularity and ratings. The report can also be considered as an early initiation of another debate regarding the ethos of programme making named as the ‘dumbing down’ debate. It points out a concern about the lowering down of standards and quality in programmes. The report refers directly to the issue of whether it is better to give the public what it wants or whether it is better to aim to cultivate and change those wants. A lengthy quote from the report illustrates all these points:

To give the public what it wants is a misleading phrase: misleading because as commonly used it has the appearance of an appeal to democratic principle but the appearance is deceptive. It is, in fact, patronising and arrogant, in that it claims to know what the public is, but defines it as no more than the mass audience; and in that it claims to know what it wants but limits its choice to the average of experience. In this sense, we reject it utterly... The subject matter of television is to be found in the whole scope and variety of human awareness and experience. If viewers are thought of as “the mass audience” they will be offered only the average of common experience and awareness; the “ordinary”; the commonplace. They will be kept unaware of what lies beyond the average of experience. In time they may come to like only what they know. But it will always be true that, had they been offered a wider range from which to choose, they might have chosen otherwise, and with greater enjoyment (Pilkington 1962: 17).

This quote makes it clear that, together with the institution (BBC) and programme makers, the Pilkington Committee also shared the same presupposition about human beings and a notion of the role of programme making with respect to that presupposition. The constant emphasis of the report on the limitations of popularity

and ratings as the only ethos for the relationship between programmes and their users entails that programmes are not there just to satisfy, but to enhance and cultivate habits and intellectual abilities of the viewers. Attaching such a purpose to the programmes, however, requires one to presuppose that individuals should aim at wellbeing the achievement of which goes beyond that of preference maximisation – even though individuals might not be aware of this.<sup>35</sup>

Although the government of the time did not implement all of the recommendations made by the report, it was taken seriously (Jeffrey 2009). After the report, the BBC was granted a new license fee, enabling it to open another channel (BBC 2). Some policies regarding the populism of the commercial TV channel of the time (ITV) were also developed after the report. The fact that the report was taken seriously by the government is an implication that the presupposition of programme making and the institutions of that time were, at least to some extent, shared by the government until the 1960s.

Now, sharing this presupposition allowed practices and institutions to form a relationship, in which the good internal to programme making was linked to the institutional mission. This link was not superficial. It was a link whereby the institution became instrumental to the achievement of the goods internal to programme making. Note that in the previous chapter, this was claimed to be one of the most important conditions for flourishing of practices. When the institution worked as an instrument to excellent programme making, the practice had more autonomy to define what quality and good performance is on the basis of the standards of excellence that are peculiar to the activities of the practitioners. Hence, the fundamental difference between the practice and the institution (a difference related to the kind of goods they pursue) did not turn into a conflict within the BBC. And this partly helped practices to flourish.

Another way in which this shared presupposition allowed the practice to flourish is related to the transforming dimension of practices that I have explained in the first and the third chapter. As mentioned above, just as practices such as medicine and those situated within the educational institutions, programme making aims to transform the

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<sup>35</sup> Note also that the report pointed out several times that “by its nature broadcasting must be in a constant and sensitive relationship with the moral condition of society” (Pilkington 1962: 15). This moral condition has not been clearly defined in the report, but it is implied that quality TV programmes are an essential part of it.

preferences of both the practitioners and the viewers. That is, a programme, which satisfies the standards of excellence and achieves the internal good of the practice, is traditionally considered to have a transforming impact not only on practitioners but also on the viewers through informing and educating them in the ways that explained above with reference to Mepham and MacIntyre. Such a kind of a relationship between the practice and the institution allows practitioners to execute the kind of practical syllogism (explained in the previous chapter) that results in virtuous actions. That is practitioners can be habituated in a way that wellbeing and internal goods can take the place of the major premise in practical syllogism. And this would not conflict with the institutional concerns as those concerns stand instrumental to wellbeing and internal goods too. These conditions, however, changed beginning from the 1970s and increasingly in the 1990s. Below, I will turn to this change.

### **4.3. Challenge to the presupposition and the beginning of the conflict**

I begin this section with an elaboration on the early challenge to the presupposition and the response of the institution and the practice. This will help further illustrate the role of the presupposition regarding wellbeing and human beings, and the ways in which it has been replaced with the other presupposition on an institutional level, and how this led to the conflict between the practice and the institution. Although it was not until the early 1990s that the institution accepted the challenge and began to hold another presupposition, the challenge first came about in the early periods of the BBC. It can be observed through a longstanding discussion, namely, the discussion about whether the BBC programmes need to give the individuals (or the public) what public want (or prefer), or aim to transform those preferences or wants (Scannell 1990; Ursell 2003; Harris and Wegg-Prosser 2007). This initial challenge (which survives till now) relied on the claim that the BBC is an elitist organization that is detached from the public concerns and hence is unaccountable. Serving the public, it was argued, is giving the public what they want – which in turn amounts to investing more effort into understanding of what public wants and aiming at the highest number of viewers. Programme makers are considered, from this point of view, as imposing their own values onto the people and in so doing as being undemocratic and elitist.<sup>36</sup>

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<sup>36</sup> Due to the advantage of the BBC being a publicly funded organization, an opportunity is created for such an elitism that is not beneficial to the public.

The initial response to this challenge was that aiming at the highest number of audiences would lower the standards and hence prevent both the practice and organization from achieving their *telos*. Reith's initial stand on the debate clearly vindicates this: "he who prides himself on giving what the public wants is often creating a fictitious demand for lower standards which he himself will then satisfy" (Reith, quoted in Scannell 1990:13). Reith made this statement not only because he thought it would be impossible to know exactly what the public exactly wants, but also because the ethos of the BBC for him was not about satisfying wants. He did not consider the organization as a business through which a certain demand and supply chain could be established. He thought that for programmes to be educative and informative they need to make a change in the viewers. That is, viewers' preferences need to be changed through viewing the programmes if the BBC is going to achieve its *telos*. It should also be noted that this stand was not restricted to Reith and the managerial side of the organization. It was also adopted by programme makers until long after Reith himself resigned (see Küng 2000: 145-55; Born 2003; Born 2004: 81; McQueen 2011; Carter and McKinlay 2013).

One of the latest challenges to the shared presupposition of programme making and the BBC can be observed in what can be named as the "dumbing down" debate.<sup>37</sup> The dumbing down debate began in the 1990s in academia, press and within the BBC. Like the earlier debate mentioned above, this is also about the quality and standards of the programmes and the role of the BBC as a public service institution. Here again we have similar views and responses to the ones mentioned above. This time, on the one side of the spectrum, there are those who are concerned with the possible loss of the Reithian ethos and the possibility of the flourishing of the practice. On the other, there are those who are concerned with the accountability of the institution, and relatedly, the number of viewers of the programmes (see Barnett 1998). Those who have been concerned with the loss of the ethos and the possibility of flourishing of the practice claim that programmes are no longer aiming to the good internal to the practice and relatedly to educate and inform, but only to satisfying consumer preferences in terms of entertainment.

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<sup>37</sup> This is an important debate to refer to not only because it is an indication of programme-making being a practice in a MacIntyrean sense, but also because the debate emerges when the NPM and neoliberal governmentality begun to be effective within the BBC – that is, in the 1990s. I will elaborate on this side of the debate more extensively in the next section.

In 2008, for instance, a poll conducted among 4,000 past employees of the BBC pointed out that the BBC TV and Radio programmes were ‘dumbing down’ and the ratings were gaining more importance than high quality programme making. The poll concluded that the veteran programme makers were concerned that “[the BBC] is losing its identity and what it is essentially there for” (Bingham 2008). Born’s study (2004: 81; see also McQueen 2011: 686) also indicates that there has been such a concern among the programme makers until very recently. Reconsidering this concern from a MacIntyrean point of view entails that there are programme makers who are of the view that excellent programme making (the standards of which are peculiar to the practice) and the Reithian ethos is important to pursue, but also in danger of being lost<sup>38</sup>. They had this concern because, since Reith, it has been believed that too much emphasis on popularity and ratings would eventually lower the standards of excellence and quality and as a result programme making would fail to flourish.

What has been stated above implies that a tradition of programme making made a distinction between the standards of excellence peculiar to their activities and the ratings. To be sure, programme makers have always aimed at reaching as wide audiences as possible, but the size of audiences has never been the main criterion for quality and high standards. More important has been the content of the programmes. Popularity and ratings, in other words, could help a programme to achieve Reithian ethos if that programme also achieves the good internal to programme making. Here again this distinction between an excellent programme and popularity is based on the presupposition that human beings should aim at wellbeing the achievement of which requires cultivation. Excellent programmes help viewers to act and think in different ways than viewers would otherwise do. In so doing, excellent programmes also help viewers to achieve their wellbeing.

The other side of the ‘dumbing down’ debate do not seem to share this presupposition with the programme making. It suggests popularity or ratings as an aim that is above others, and in so doing makes a different presupposition. It holds the presupposition that I have claimed in the first and the second chapter to be held by neoliberalism. That is, human beings are preference maximisers. It is on the basis of this presupposition that programmes are expected to give the public what it prefers. This,

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<sup>38</sup> This is the claim until the early 2000s, but since there is no empirical study that directly indicates this I cannot claim that it still exists up until today.

however, does not require transforming preferences through cultivation. Preference maximisation turns out to be a good in itself. As a result of this change, ratings and popularity began to be more and more important in the acquisition of goods external to the practice. This is to say that the challenge I have explained above with reference to the ‘dumbing down’ debate presupposes that human beings are preference maximisers.

As explained in the first chapter this presupposition gained effect within the public sector beginning from the New Right. I argue that as a result of this, the BBC (as institution) also began to hold the same presupposition. As a result ratings and popularity became equivalent to the acquisition of goods external to the practice. As explained in the first chapter, it is the role of institutions to achieve these goods and hence to secure sustainability for practices. Since the BBC is a publicly funded institution, to achieve such goods the institution needs to convince the public, and more importantly the politicians, that it has an important value in society, otherwise it will not secure the necessary external goods. How, then, is the BBC going to convince the government of this?

Put simply, once the kind of politics that is strictly related to the acquisition of goods external to the practice presupposes human beings as preference maximisers, then the main way of acquiring external goods will be making popular programmes. And this is what happened regarding the BBC since the late 1980s. Although both the government and the institution claim to value not only ratings but also the quality and standards peculiar to the activities involved in programme making, as I show below, ratings and popularity of programmes turns out to be the main guarantor of external goods (see also Collings 2007: 67; Born 2003; Scannell 1990: 22; Ongun, 2015). Thus, once individuals are presupposed as preference maximisers within the larger political context, then in order to secure funding, the programmes are forced to aim at high numbers of viewers; or, to put it differently at popularity. Therefore, “dumbing down” and the earlier debates about the role and ethos of TV/radio programme making indicate that there are practitioners who are concerned about the possible subordination of internal goods to the external ones. This concern of the practitioners also implies that not only there is a change with respect to the presupposition of the institution but also there is a change in terms of the expectation from what programmes should aim at and enforcement of this aim.

In the next section, I develop the argument that we can observe a certain kind of disciplinary power exerted over the practices in the early 1970s. Although this power created a tension between the practice and the institution, it was not until the 1990s that the tension turns into an intense conflict between the practice and the institution that can be named as a crisis. As I will argue below, when neoliberal governmentality and NPM emerged in the public sector, this power has been intensified on the basis of the presupposition that human beings are preference maximisers and turned into a crisis.

#### **4.4 The conflict between the practice and the institution**

I will begin elaborating on this enforcement through Burns' (1977) account of the BBC. Burns conducted two set of interviews, first in 1963 and the other in 1973. Burns' early interviews illustrate a condition in which the practice and the institution had a relationship that is conducive to the flourishing of the practice. However, by the early 1970s, an obvious tension between programme makers and the management emerged. For Burns, this was due to the reconstruction of the organization, which "had been prompted largely by the need for a corporate strategy directed towards improving and maintaining cost-effectiveness" (Burns 1997: 211). One important effect of this change on the programme makers, as Burns puts it, were the "disgruntlement displayed with the superiors and with what was called 'the management'" (Burns 1977: 211). Although management of programme making always aimed to control certain elements of the practice, in the 1970s control began to take a different shape. It has become more of a disciplinary kind in the sense that Foucault understands disciplinary power. I argue that this initiated the conflict between the practice and the institution but the conflict did not turn into a crisis until NPM was applied to the organization in the 1990s.

Burns begins elaborating on the differences between 1963 and 1973 first by pointing out what he names as a traditional distinction between the creative and administrative side of the BBC. It is important to note this distinction. For Burns, programme making has been thought as the 'creative side' of the organization which is essentially different from the administrative side. Burns underlines an important aspect of programme making that I have already mentioned above with different concepts. That is, he is pointing out that innovative quality programmes have been one of the standards peculiar to the activities of the programme makers. He also indicates, again

with different concepts, that the ends of programme making are thought to be achieved by the commitment of programme makers to those standards (Burns 1977: 269-71). Burns' study, in other words, makes it clear that whereas programme making aims at creativity and quality, the administration (until the 1960s) aims at helping programme makers to achieve this by relieving the practitioners from administrative burdens. Although Burns does not use terms like goods internal and external to practices, what he means by administrative burdens do involve dealing with goods such as money and status (and MacIntyre too thinks that Burns' point here can be put in those terms)<sup>39</sup>.

Burns' study also discusses another important aspect of the history of the BBC. He notes that in 1963 the administrative part of the organization was more concerned about the flourishing of the 'creative side' than it was in 1973. One administrator in one of the 1963 interviews, for instance, said that "one is always frightened, in administration, of stopping something. You know, preach the gospel, that we're only here to help" (quoted in Burns 1977: 252). Another senior administrator (in 1963) says, "my job is to encourage attitudes which will pull out of the staff more than you could justify getting out of them by any usual criteria which exist in say the business world" (Burns 1977: 260). Burns states that these kinds of attitudes were quite common among the administrators until the 1960s and claims that such attitudes indicate that the administrative side of programme making (which corresponds to the institution in MacIntyrean terms), has been thought both by the programme makers and the administrators themselves as instrumental to the achievement of goods internal to programme making. And for this reason the administrative side of the organization had allowed a considerable amount of autonomy to the programme makers in order to pursue the standards that are peculiar to their activities. However, Burns discovers that by the 1970s this had begun to change.

As I have clarified above, programme making originally presupposed that individuals (or potential viewers) aim at wellbeing the achievement of which requires cultivation of preferences. Following this the achievement of the good internal to programme making helps viewers to achieve wellbeing. Considering the autonomy given to the practice that Burns points out (as well as from the debates I have mentioned above), it is clear that this presupposition is shared by the institution too at least until the 1970s.

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<sup>39</sup> MacIntyre, 2011 (personal conversation)

By 1973, both the political and the institutional context began to change. As mentioned above, during this period the cost-effectiveness of the organization becomes a hot issue both within and outside of the organization. The debates resulted in the commissioning of management consultants from McKinsey and Company, Inc. This was the first time in the history of the BBC that professional management consultants were commissioned to change the organization. This is why the change during the 1970s was also called 'McKinsey reorganization'. McKinsey reorganization resulted in a new management regime, which aimed to improve cost-effectiveness in the BBC (Burns 1977: 211). It has significantly increased the power managers have over the finances of the organization.

As Burns notes such power did not limit itself to the controlling of costs. It also began to control the activities of programme makers in general rather just the ones related to finances. As Burns put it, "it became increasingly clear with succeeding interviews that there was a much stronger sense of managerial control than had obtained in 1963" (Burns 1977: 254). According to Burns, rather than an instrumental relation, the institution began to have a different type of relationship with that of the practice. The institution began to control the practice with aims distinct from those of the programme makers. The institution was no longer concerned about providing the necessary freedom for practitioners to pursue the standards that are peculiar to their activities. Instead, the institution began to be concerned about how and what kinds of programmes are to be made on the basis of cost-effectiveness. 'McKinsey reorganization', therefore, marks the early implementation of a certain form of disciplinary power over the practice.

The level of surveillance by the managers increased during the McKinsey reorganization. New managerial structures and processes were introduced for examination (documenting the performances, finances and programming procedures). More importantly normalization that has been attached to surveillance and examination was based on cost-effectiveness. The institution (administrative side) began to take cost-effectiveness as the main norm on the basis of which interventions could be made regarding programme making. Foucault's disciplinary power was introduced to the BBC with the normalizing effect of cost-effectiveness. This, however, was also the beginning of a form of conflict between management and practitioners.

Burns notes that whereas conflicts before the 1970s were between different departments, such as Current Affairs and Drama, by 1970s, it was between the managers and the programme-makers. Until the 1960s, within a department such as drama and documentary, there was no apparent conflict between what Burns named as the 'creative' and 'administrative' sides of the organization. By the 1970s, this had changed. Almost all the interviews he made in the 1970s indicated that the conflict occurred between the programmes makers and the managers. Indeed, some interviews led Burns to claim that the conflict between management and the programme makers generated "a situation in which intelligent, sensitive, and hard-working people ... can speak of feeling 'slightly paranoid' about the BBC management" (Burns 1977: 256). The paranoia comes no doubt from a system of management that is no longer only about financial control but also about the very processes of programme making. Before the 1970s, the management side of the organization did not look for detailed documentation of new programme proposals. Nor were there any performance review and evaluation documentations. After the McKinsey reorganisation, a disciplinary power regime began to be put into place whereby documentation of programming and performance became increasingly important. This is how Burns summarises the context:

What seems to have happened, then, is that having, between 1963 and 1973, entered a totally changed financial situation, the Director General, with the Board of Management and the senior officials immediately subordinate to them, all backed – or prompted – by the Board of Governors, responded by carrying through a reorganization of the administrative structure designed to give it more direct financial control, and, in consequence, more direct overall operational control, but in the process lost touch with, and the confidence of, sizeable sections of the staff (Burns 1977: 256).

Losing touch with, and the confidence of, staff entails losing touch with what practitioners take as the goals of programme making too. The institution, that is to say, began to be concerned not with enabling practitioners to strive for standards of excellence but instead controlling them with reference to cost-effectiveness. This, in turn, became one of the main sources of the conflict between the institution and the

practice. However, until the emergence of neoliberal governmentality in the 1980s and the NPM in 1990s the conflict was not serious enough that the organization could be described as being in a state of crisis. After the neoliberal governmentality and the NPM, however, disciplinary power (which as I show below intensified in the 1990s) began to function as enforcement of the presupposition that human beings aim at preference maximisation. The ways in which this happened can be illustrated with reference to another ethnographic study of the BBC. That is, Georgina Born's (2004) *Uncertain Vision: Birt, Dyke and the reinvention of the BBC*.<sup>40</sup> Like Burns', Born's study is also considered to be one of the most authoritative and extensive ethnographic studies of the organization. Born illustrates that in the 1990s the NPM model was widely implemented within the BBC. 'Producer Choice' was the official name of this process. I will argue that it was mainly through this process that the flourishing of programme making began to be prevented and the conflict between the practice and the institution intensified into a crisis.

#### **4.5. Producer Choice: NPM and disciplinary power**

In some respects, the Producer Choice and its required reorganization resembled the reorganization of the 1970s (see Wegg-Prosser 2001). However, as I show below, this time reorganization had a more extensive impact on the practice of programme making. I argue that with Producer Choice the institution began to hold the presupposition of NPM; namely, presupposing human beings as preference maximisers. Indeed, as I will demonstrate, Producer Choice not only marks a difference with respect to presuppositions but also with respect to the enforcement of preference maximisation as the major premise of practical rationality within the practice of programme making.

Producer Choice was introduced by John Birt (director general at that time) in response to criticism from the New Right. The government claimed that the BBC, like other public institutions, was ineffectively managed and had become unaccountable and inefficient. Public money, the New Right believed, was wasted within the bureaucracy of the BBC (Harris and Wegg-Prosser 2007). As mentioned in the first chapter this was a typical criticism of the public sector developed by the New Right

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<sup>40</sup> It is worth to note that Born's and Burns' studies are the two main most extensive and authoritative ethnographic studies of the BBC. So, although I refer to other studies too, none of these studies are as extensive as studies by Burns (1977) and Born (2004).

politics. As a result of these kinds of criticisms, cost-effectiveness, efficiency and accountability became a hot issue once again 20 years after the 1970s. As I have also illustrated in previous chapters, the solution the New Right offered to these alleged problems was NPM - to which the Citizen's Charter, quality management and auditing have been central. As a public institution, the BBC could not stay detached from such a transformation of the public sector (Ongun, 2015). Birt himself stated that Producer Choice is an attack on the old-style public bureaucracy with the use of high-quality management methods and information (Wegg-Prosser 2001:12). A White Paper issued by the government in 1994, entitled 'The Future of the BBC', also confirmed this new approach. There it was suggested that "the BBC should operate its public services according to the principles of the Citizen's Charter" (quoted in Born 2004: 214). Having explained what it means for a public organization to operate in line with the principles of the CC in the first chapter, the statement in 'The Future of the BBC' indicates two main changes.

First, users of the services are no longer understood as citizens pursuing wellbeing, but instead, as consumers pursuing preference maximisation. Assuming what has been argued about the NPM in the previous chapters is right, this would mean that practitioners and the users of the services of the BBC will be understood in terms of *homo economicus*. The second implication of managing the BBC with purposes of CC is that *homo economicus* and preference maximisation is going to be enforced – through disciplinary power techniques such as surveillance, normalization and examination – as the ultimate aim for the practice of programme making.

Let me begin elaborating on these two aspects of managing the BBC within the framework of CC by noting that like the reorganization of the 1970s, the new regime also required management consultancy. This time, John Birt, director-general of the BBC from 1992-2000 and the main architect of Producer Choice, drew on the assistance of five management consultancies — Deloitte, Coopers & Lybrand, PriceWaterhouse, Ernst & Young, and Kinsley Lord (Born 2004: 100). Birt thought such consultation necessary because he was well aware of the kind of resistance his Producer Choice would face within the BBC. That is, he did not contract this many consultants just to draw out a reorganization plan, but also to help him implement Producer Choice despite the resistance from practitioners.

Together with the consultants, Producer Choice first integrated a system in which programme producers were allowed to buy services from in-house departments or outside suppliers. That is, for the first time, an internal market was introduced to the BBC, in order to bring about financial discipline and accountability to the organization. Producers (or the programme making side), for the first time in the history of the BBC, are now the buyers and sellers of services ranging from acting to video editing. This was the initial stage in which programme makers began to be viewed in terms of *homo economicus*; that is, preference maximising buyers and sellers (see Carter and McKinlay 2013: 1234). However, the internal market is not the only or most important aspect of Producer choice, although it has often been portrayed as such by the many academic analyses of Producer Choice.

More important than the introduction of internal markets is the widespread application of the notion of ‘consumer sovereignty’ and the relevant quality management and auditing techniques used in the governance activities of the organization after Producer Choice (Born 2003: 66). In the case of the BBC, consumer sovereignty implies that the institution no longer shares the same presupposition with the practice of programme making. To put this in a rather different way, when consumer sovereignty is considered to be the basis of programme making, then, preference maximisation needs also to be enforced over the practice as an ethos regarding the relationship between programmes and the viewers. That is, preference maximisation of the viewers needs to be imposed over the practices as their main aim. This ethos need be enforced because, as explained above, practice is traditionally motivated by the achievement of goods internal to their practice, and such achievement requires transformation of the preferences of the viewers instead of merely satisfying them.

Although adoption of consumer sovereignty was initiated by the White Paper mentioned above, the idea can be traced back to the ‘Peacock Report on the Financing of the BBC’ in 1986. This report was initiated by the Conservative government and it has been the basis of Producer Choice (Ursell 2003: 35). It supports values that are the reverse of those defended in the Pilkington Report and in so doing supports a different presupposition regarding human beings. The striking difference that interests us here is that the report suggested that “British broadcasting should move towards a sophisticated system based on *consumer sovereignty*. That is a system which recognizes that viewers and listeners are the best ultimate judges of their own

interests” (Peacock 1986: para 592, my emphasis; see also Ongun, 2015)). The Peacock Report, that is to say, rejects any superior judgement on the quality of programmes over that of audiences themselves (see also Peacock 2004). This entails that the quality of a programme is to be judged by the viewers and listeners rather by practitioners themselves. This corresponds to the understanding of quality that is imposed through the methods of TQM. As explained in the first and the second chapters, through this method of management quality is quantified and defined by the managers in terms of preference maximisation. Just in education and health, in the BBC too, consumer sovereignty and the relevant TQM methods ignore the transforming aspect of the practice, and hence prevent it from flourishing.

Although it is loosely implied, in the report and elsewhere (2004), Peacock suggests that even though the BBC is a public institution, market principles need to be applied to the organization (2004). Like other NPM type policies, such principles are suggested as the best tool to bring about effectiveness and efficiency to the public sector. But if we are to ask ‘what purpose effectiveness and efficiency will serve within the BBC?’, the answer would be *consumer satisfaction*. That is, effectiveness and efficiency serves the preference maximisation ethos that is attached to the practices by the NPM regimes. This is because, as explained in the first chapter, consumer satisfaction is the basis of the market principles and such principles presuppose that human beings aim at preference maximisation. Once this is presupposed, however, satisfaction of consumer preferences (whatever they happen to be) becomes the main expectation of the institution from the programmes.

To realize such expectations, however, the institution requires enforcement through various techniques of power such as TQM and performance management through auditing. In the BBC, all these techniques of power were implemented and they entailed very different understanding of quality and performance than the traditional understanding of the programme makers. What followed from such changes is that compared to the previous period of the organization (before Producer Choice), ratings and audience research began to have more impact on the commissioning, sustainability and the nature of programmes. This kind of an evaluation of programmes was not completely new to the organization. In the Reithian period too audience ratings and audience research were conducted and taken seriously (Burns, 1977: 55; 165). However, they were not considered so important as to challenge the authority of

programme makers, as it is in the NPM regime. That is, audience preferences and ratings were not often used in a way that is contrary to the traditional understanding of good quality and performance within programme making. It was used mostly to understand for comparing the organization with that of the private organizations in terms of their outreach (Burns 1977: 55). With the arrival of NPM, however, audience research and ratings turned out to be the main tools for intervention to, and redefinition of, quality and performance within the practice (Born, 2003). Quality and performance of practitioner begun to be evaluated more on the basis of rating and audience research. Ratings and audience research, that is to say, has been one of the main tools to shift the authority from practitioners to the viewers (understood as preference maximisers) during the NPM. As Born (2004: 254-88) demonstrates with extensive ethnographic evidence, rising importance of audience research and ratings within the BBC since the NPM, allowed constant interventions in the activities of the programme makers on a scale that was unimaginable before Producer Choice.

Born (2004: 225-41; 2002) shows, again with extensive ethnographic evidence, that the intervention took the path of auditing (which is, as explained in previous chapters, typical of NPM). Key performance indicators, annual and daily performance measures and reviews have all proliferated since Producer Choice. Once autonomous in their activities, programme makers now need to develop quantitative performance indicators, and to write and be subjected to reviews about how effective they are in achieving those indicators. As Seaton puts it, “what had been a producers’ programme-led hierarchy became a management-led power structure [in the 1990s]” (Seaton 1997: 223). As one director of Strategy and Channel Management sums it up:

There’s a real need for KPIs [Key Performance Indicators] or performance measurement statistics, and the real test for most managers is, does this help you in running the business? Across the BBC there is huge amount of interest in very detailed performance indicators collected quite often on a daily basis. For instance...the overnight ratings which are sent round electronically every morning... tell us how well the previous evening’s television schedule has done, how we’ve done in audience share terms compared with our main competitors, and increasingly we’re looking at particular target audience groups as well as the total audience. We also have

some continuing financial performance indicators and some operational indicators which managers need just to run the business (In Born 2004: 225).

Through these kinds of methods of examination and normalization, performance and quality have been subjected to an intense quantification process. The above quote explains the process of Producer Choice in the eyes of the management. But it is also a quote that summarizes the ways in which NPM, in the form of disciplinary power, was integrated into the BBC through Producer Choice.

Understanding the Producer Choice with reference to disciplinary power amounts to a crucial dimension of Producer Choice in the transformation of the BBC that seems to be lacking in both Born's and other accounts of the BBC. That is, changes with respect to the criteria of evaluating quality and performance of programmes and programme makers are not only mere interventions through which new working conditions are created for programme making. Changes with regard to such criteria are also a way of establishing power relationships between different segments of the organization, namely, between the practice and institution. Whereas traditionally, programme makers have been striving to achieve the good internal to their practice, and so doing helping viewers to cultivate themselves and achieve their wellbeing, now, on an increasingly frequent basis, programme makers happen to be the ones who need to be educated by the institutions and audiences. One executive in one of the interviews, for instance, said that "the aim of [the audience] research is to educate producers about what the audience might want" (quoted in Born 2004: 255). This, I argue, illustrates how ratings, and what the viewers want, turned out to be also tools, through which the institution exerts power over the practice on the basis of a presupposition that is rival to and different from the presupposition of the practice.

What has been stated above does not entail that the practice and practitioners are coerced or oppressed by the institution. The ways in which ratings becomes a tool of power within the BBC is related to the productive nature of power that Foucault identifies. Thus, it is through creating new understandings and norms regarding what quality and good performance mean that the institution exercises power over the practice. What is also missing from Born's and other accounts of the BBC is the

conceptual scheme to understand that such power relationships are detrimental to the flourishing of the practice of programme making. Assuming what I have argued regarding the conditions in which practices can flourish is right, then the Producer Choice and the kind of power relations it brings about is detrimental to the flourishing of the practice. This is mainly because such power relations are not conducive of the kind of practical rationality necessary for the exercise of the virtues. The institution imposes the importance of ratings as the major premise of practical reasoning of programme makers, without a concern for excellence. However, to produce an excellent programme and hence to achieve the good internal to programme making, practitioners need to be habituated into the life of the virtues, and then, those excellent programmes produced by the practice need to transform the viewers in a way that viewers can achieve their wellbeing. The disciplinary power of NPM introduced to the BBC by the Producer Choice, however, fails to provide the condition in which practitioners can become virtuous and produce excellent programmes to help viewers cultivate themselves and achieve their wellbeing. Producer Choice instead, aims to regulate practices in a way that they can satisfy as much consumer as possible.

The management front of the organization, of course, asserts this form of power under the pressure of government. And management is under this kind of pressure because this is the only way they can secure goods external to the practice of programme making – that is, through making it explicit that they are performing well with respect to the ratings and effectiveness. The crucial point that cannot be neglected here is the ways in which political power takes effectiveness and ratings as the major criteria for the value of the organization. The political context in which the BBC is operating is a neoliberal political context whereby human beings (or citizens) are preference maximisers. As explained in the previous chapter, within such context the role of the public institutions is to address this aim and in the case of the BBC increasing ratings in the most effective way is considered to be the only way to do this. Thus, in this context, the BBC is, to an extent, condemned to exert disciplinary power over the practice, if it is to survive. And this is why the institution is in a crisis: because while it exerts power on the basis of a certain presupposition, there exists another presupposition that is different and rival to that presupposition. On the basis of this different presupposition practitioners resist but neither practices can flourish to a full

extent nor the institution can fully control the practice. One of them will have to abandon from their essential features if the conflict is going to be resolved.

Producers, for instance, tend to think that the new management of the BBC generated a kind of programme making culture in which

the more you make stupid products, the more you create audiences. The more you pander to unsophisticated taste, the more that taste becomes unsophisticated ... I believe in the craft and I respect the popular audience, and the problem is that so many people who work here in TV don't respect the audiences. What they care about is numbers (In Born 2004: 85).

This quote represents the tradition of practitioners who strive for the good internal to their practice. The quote also indicates the existence of standards, which would differentiate an excellent programme from a stupid one. Programme makers, in other words, tend to think that respecting audiences is not simply to make them watch whatever happens to be on the TV, but instead educating and informing them through achievement of the good internal to programme making. However, practitioners are also of the view that what the managers are interested in is contrary to what they are supposed to be striving for while making programmes. As explained above, the tradition of programme makers tends to believe that it is important to transform audiences by informing and educating them. The audience research, ratings, performance indicators and reviews often fails to evaluate such transformation, and in fact through auditing often forces practitioners to simply aim at satisfying the preferences of viewers.

To transform preferences of viewers requires programme makers to excel in their activities and achieve the good internal to the practice. However, such achievement involves the risk of having fewer audiences than one would have through making low-quality programmes. And for practitioners, taking such risks is not as much as before by the management structures and processes of the BBC, because of their excessive concern with effectiveness, efficiency and consumer satisfaction. As another former BBC drama producer notes “[In the 1970s] the BBC could afford to allow you to

experiment, to fail. It doesn't seem able to do that now; the amount of drama is much less, and drama is used pretty much to get the ratings" (In Born 2004: 305). These kinds of responses in Born's study led her to claim that Producer Choice turned out to result in "the erosion of the creative autonomy and confidence of BBC production" (ibid, 304). Born (like Burns) extensive study of the BBC illustrates that there are programme makers within the BBC who consider themselves in conflict with management. This is a conflict (like it is in other NPM type institutions) about who is going to define quality and performance within the organization. There are, on the one hand, the practitioners who strive for excellence and, on the other hand, managers who are concerned about the sustainability of the BBC, but at the same time aiming to have power over the definition of quality and performance through disciplinary power.

From a MacIntyrean point of view, therefore, from the 1990s onwards there is an ongoing conflict between practitioners aiming at excellence and the good internal to the practice, and the institutional settings of their activity, aiming at goods external to the institution. A finance executive's statement, in 1996, is typical of this conflict:

what was supposed to be a creative process [within the BBC] was incredibly inefficient ... the BBC was a production-led, boffin-led organization; now it's marketing-led. It's like a lot of British industries: they used to make toys without thinking what kids like to play with! (In Born, 2004: 306).

But what does it mean for the BBC to be marketing-led? It basically means the BBC as an institution is motivated by knowing what the viewers prefer and by satisfying those preferences. Furthermore it means that the quality and performance is going to be defined with reference to the demand (or preferences) in the market. That is, a programme would be considered to have quality if it satisfies the demand in the market. Likewise, performance of a practitioner would be considered as good if it is efficient and effective in satisfying such demand. However, this blurs the traditional difference between excellence of the programmes and the demands of the public. As explained above the relation between the two is traditionally constructed in a way that the programmes aims to have an effect on the demand rather than simply satisfying it.

Related to this, a marketing-led BBC also ignores (if not tries to diminish) the qualitative nature of excellence in programme making. As explained above, standards of excellence develop over time and experience. While practitioners strive towards these standards, they may achieve goods internal to the practice, but this is not a quantifiable achievement, and hence cannot be evaluated through quantitative ways. Evaluation of performance and quality with respect to the flourishing of programme making, that is to say, requires qualitative knowledge and experience of the practitioners. However, once viewers are considered as preference maximising consumers, and disciplinary power is exerted over the practitioners, then the way in which performance and quality is measured eventually takes a quantitative form – that is, evaluation on the basis of ratings.

What has been stated above does not entail that programme makers can no longer make excellent programmes (or can no longer achieve goods internal to their practice). In fact through resistance excellent programmes are made and for this reason evaluation of performance and quality is still considered to be a problematic element by the institution. Another interesting remark by a senior BBC strategist also highlights this problem:

In any ordinary business you've got a financial year-end where you weigh things up. Performance Review was an attempt to do that, but it foundered partly because of ... the difficulty of defining objectives and measuring performance because of the BBC's nature as a PSB [public service broadcaster] rather than a profit-maximising entity. That's a problem that continues to exist for the BBC (In Born, 2004: 226).

The problem identified above implies a special type of conflict between the practice and the institution; a conflict that is not fully recognized by Born's study. Born consistently cites these types of statements from her interviews and demonstrates that neither programme makers nor managers think that they are being successful in their attempts to achieve goods internal to programme making and to control practices under the NPM regime. Both sides of the organization (that is, practitioners and managers) constantly complain about each other. I argue that when we evaluate these

complains from the theoretical viewpoint I have developed in the previous chapters, it becomes clear that complains are clear indications of a conflict between disciplinary power of the institution and the good internal to the practice. Complains of the practitioners implies first that institutions are enforcing something contrary to their own understandings and motivation, and second, practitioners are resisting to such understandings and motivations. Complains from the managers imply that there is an attempt to control practices on the basis of goods that are external to programme making. However, the mere existence of this conflict is not the crisis of the public sector that is instantiated in the BBC.

There is a crisis because this conflict reached to a turning point. The resolution of the conflict requires either the practice to cease to exist in the way that MacIntyre understand practices or the institution to abandon from the NPM regime. This is to say that if the influence of NPM regime continues, programme making within the BBC is likely to turn into a productive activity the only purpose of which is to match the supply of the programmes with that of the demand of preference maximising individuals. This kind of an activity would become similar to one of fishing crew examples of MacIntyre, in which the activities of the crew are motivated by goods external to fishing. However, if the BBC removes the influence of NPM regime over the practice, then the practice can become similar to the other fishing crew example of MacIntyre, in which the main motivation is still the good internal to the practice, and hence there is still the possibility for the practice to survive and flourish.

Therefore, the BBC can be considered as a case where NPM regime generates a conflict between practices and institutions of the public sector and yields to a crisis. The BBC is a case which (once analysed through a MacIntyrean and Foucauldian framework) illustrates that NPM intensifies the disciplinary power within the public sector through auditing and management of performance and quality. It is also a case that demonstrates the ways in which neoliberal presupposition about human beings and the relevant ethos attached to the services of the practices is enforced through the disciplinary power relationships. But the BBC is also a case that clearly indicates that the tradition of practitioners have different presuppositions and motivations regarding themselves and the ones they serve than the neoliberal presuppositions and motivations. The BBC in short is a case that supports the argument of this study that there is a crisis in the public sector.

## Conclusion

This study developed the argument that public sector is in a state of crisis. This crisis results from a conflict between practices and institutions of the public sector. The conflict, as I have demonstrated with reference to Foucault's theory of power, and with reference to MacIntyrean concepts of practices, goods, and institutions, emerges out of different and rival understandings of human beings, of the role of practices within public sector, of quality and performance and the ways in which different goods need to be ordered within public sector institutions. Whereas, on the one hand, there are the practices with their own presupposition, on the other, there are the institutions that have different and rival presupposition about human beings. It is the presupposition of practices that human beings aim at wellbeing the achievement of which requires cultivation of habit and intellectual abilities.

Institutions, however, presuppose that human beings aim at preference maximisation. These two different presuppositions entail two different and rival ethoi regarding the relationship between practices and the users of their services. Thus, there is no shared understanding about what practices and institutions need to aim at. In the absence of such shared understanding, institutions enforce their own understandings upon practices and practices resist such enforcement. In particular institutions impose an understanding of practitioners and citizens as *homo economicus*, the primary aim of whom is to maximise preferences. NPM, it has been argued, is a form of disciplinary power through which such imposition is actualized. However, this does not entail that NPM succeeds in imposing such understanding over the practices. Insofar as practitioners' actions and decisions are informed by goods internal to their practices, institutions will not be fully successful in enforcing their own understandings to the practices.

Nevertheless, under the NPM regime practices cannot flourish with their full capacity, and the primary aim of the institutions becomes the conservation of themselves rather than enabling medicine, programme making, arts and sciences to flourish. What becomes important, that is to say, is the survival of the universities, the NHS, the state schools and the BBC; flourishing of medicine, research, arts and programme making

loses its value. Within this context, preference maximisation turns out to be the main criterion appealing to which institutions of the public sector can preserve themselves. For the sake of preserving the institutions, however, they prevent practices from flourishing. They prevent practices from flourishing because the conditions that are necessary for the exercise of virtues and practical rationality are not provided. Indeed, the meaning of performance and quality services is redefined through disciplinary power on the basis of preference maximisation. This attempt results in an institutional framework whereby virtues and practical rationality (that are necessary for the flourishing of practices) are ignored and marginalized. Practitioners, whose actions are informed by goods internal to practices, resist and conflict with the disciplinary power of NPM primarily for this ignorance and marginalization.

As for the limitations of the study, although the study is a philosophical analysis, it relied on archival and secondary sources in making its empirical claims. As with other studies using secondary resources, this study is also open to charge of selective use of evidence. I aimed to overcome this problem by referring to the most authoritative empirical and ethnographic studies related to the subject matter, but direct ethnographic evidence collected with the theoretical framework developed in this study would further overcome this limitation. For this reason, further ethnographic studies using the theoretical content of this study need to be conducted to enhance the literature to a further level than this study did.

In what ways does this thesis advance the literature? The first way in which this thesis contributes to the literature is related to MacIntyrean studies. Main commentators such as Knight (2007; 2009) have reconsidered MacIntyre's philosophy with respect to political theory; Beadle (as has been referred to in the first and the third chapters) applied MacIntyre's philosophy to organization studies. Others also applied MacIntyre's work to areas as such as journalism and business (Salter, 2008; Moore and Beadle, 2006). As mentioned previously, Overeem and Tholen (2011) apply MacIntyre's philosophy to public administration and NPM too. This study extends this application in two main ways. First, it extends the claim that NPM neglects internal goods and overemphasises external goods, by providing a more detailed analysis of the management methods and policies associated with NPM. This detailed analysis is supported by the notions of presuppositions, governmentality and disciplinary power.

Secondly, it extends the argument that MacIntyre's Aristotelianism is important for public administration studies. In applying MacIntyre's philosophy to the public sector, the study also illustrates, like Overeem and Tholen (2011), the ways in which scholars working within the public management literature can benefit from MacIntyre's philosophy. As Overeem and Tholen (2011) argues, within such literature, the public sector is often analysed and discussed in a dominantly politico-economic and administrative form. The public sector, that is to say, has been a concern of scholars and policy makers as part of discussions and analyses related to effectiveness, fiscal policy, privatization processes, organizational change, administration, and various kinds of management structures. Within the mainstream literature there is no in-depth analysis of NPM with reference to their *telos* and goods. Almost all analyses focus on the effectiveness and efficiency of institutions and changes related to management methods and structures. There is almost no substantive discussion about the goods management structures, methods, effectiveness and efficiency are supposed to serve. In not sufficiently dealing with different types of goods, the literature failed to recognize that NPM was not new only because it introduced new management methods and structures to the public sector, but also because it introduced a new presupposition with regard to the practices and a new ethos with regards to the relationship between practices and users of their services.

Overeem and Tholen (2011) evaluate NPM in a way that is different from the mainstream accounts of it, however, they do not analyse the ways in which presuppositions of institutions change and how such a change lead to conflict between practices and institutions. In developing an account of such conflict this study extended Overeem and Tholen (2011). When I analysed those very same methods and structures identified within the mainstream literature with reference to MacIntyre's notions of goods, practices and institutions, and also with reference the notion of presuppositions, another dimension of change was revealed. Institutions of the public sector no longer presuppose that citizens aim at a good the achievement of which requires cultivation of habits and intellectual abilities. Auditing, TQM, internal markets and performance indicators as the main management methods of NPM all assume that the users of services aim at preference maximisation. In fact, they not only assume this, but also enforce practices to aim at this. This enforcement on the basis of a presupposition that is different from and rival to that of the presupposition of

practices, leads to conflict between practices and institutions of the public sector. Unveiling this conflict with reference to MacIntyre's Aristotelianism and Foucault extends the study of Ovreem and Tholen, because it makes it clear that MacIntyre's Aristotelianism can help us to understand the kind of conflict NPM creates within the public sector on the basis of different and rival presuppositions of practices and institutions.

When the management methods of NPM is analysed from a Foucauldian point of view, it becomes apparent that NPM is not a neutral mechanism of management that aims at effectiveness and efficiency. Within the mainstream literature, proponents of NPM consider the new management methods as neutral and scientific tools that would bring effectiveness and efficiency to the public sector by liberating it from bureaucracy. However, with the help of Foucault's account of modern power relationships, this study demonstrated that NPM brings about an intensified disciplinary regime that stems out of a new governmental power. From such point of view, NPM is neither a liberation of public organizations from bureaucracy, as its proponent have been arguing, nor is it a departure from bureaucracy.

The critical side of the mainstream literature does refer to NPM as a form of power, but it fails to understand what kind of power NPM is and what kind of changes it generated within the public sector. For the critical side, NPM is a mere application of 'business-like' management methods to the public sector and this is considered as application of a political ideology (e.g. Farrel and Morris 200; Dent and Barry 2004; Ackroyd et al 2007; O'Reilly and Reed 2011). It has been argued in this study that NPM is a form of power relationship that aims to change the relationship between practices and institutions on the bases of certain presuppositions and techniques of power. This argument goes beyond the claim that NPM is simply an application of New Right ideology. Without getting into the discussion of whether NPM is an application of ideology, it is argued that NPM is an application of the presupposition of neoliberal governmentality to the public sector that neglects virtue and internal goods and creates conflict between practices and institutions. That is, this study extends to arguments that NPM is an application of neoliberalism and New Right ideology through understanding NPM with reference to governmentality, disciplinary power and practices and institutions. To put this in a rather different way, although the

mainstream approaches to NPM do explain the political context in which the new management methods and structures were thought to be necessary (New Right, that is to say), due to their lack of a theory of practices, goods, presuppositions and power, they fail to understand how the New Right and its enactments and policies such as Citizen's Charter and internal markets change the very notion of citizen and the role of practices with respect to citizens and institutions. As has been demonstrated, a conception of 'citizen' aiming at wellbeing was inherited from New Liberalism and turned into a conception of 'citizen' that is essentially a preference maximising consumer by the New Right and NPM regime. There are studies that elaborate on the shift from citizens to consumers (e.g. Clarke et al 2007: 27-9), but they do not consider this shift with reference to presuppositions, goods and practices too. For this reason they cannot recognize that the shift from citizens to consumers actually prevent practices from flourishing and turns into a crisis.

Another way in which this study contributes to the mainstream literature is related to conflict. Within the critical side of the literature there are various studies indicating a conflict between different 'professionals' and 'managers' (Kirkpatrick and Ackyord 2003; Thomas and Davies 2005; Ackyord et al 2007; Hughes 1994; McNulty and Ferlie 2004; Deem and Brehony 2005). However, these studies tend to understand the conflict simply in terms of the resistance of professionals to the changes NPM attempts to realize. They tend to argue that professionals effectively resist change, and for this reason NPM has been unsuccessful. Although these studies do reveal an actual conflict and resistance, they do not seem to explain the motivation behind the resistance and hence one of the main reasons why there is a conflict within the public sector.

As has been argued in the second chapter, this is also the insufficiency of the Foucauldian accounts. They too cannot explain why there is resistance to power because Foucault excludes normative understanding of goods and practices from his philosophy. In doing so, he also excluded from his philosophy an explanation of how human beings react to certain forms of power. This study argued that there is resistance and conflict in the public sector, because, on the one hand, there are practitioners, whose actions are informed by goods internal to their practices, and on the other hand, there is the NPM regime that imposes techniques of power that that are

contrary to such actions. Once we understand resistance and conflict in this way, it becomes apparent that the conflict reached a turning point which will result either in the removal of the NPM regime from public sector or practices will no longer be practices in the sense that MacIntyre understand them. There seems to be no third way in which the conflict can be resolved. Therefore, in developing the argument of the crisis of the public sector, this study extends our knowledge of the conflict within the public sector in a way that cannot be done within the constraints of mainstream public management literature.

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