Daniel L. Feldman
John Jay College of Criminal Justice, City University of New York

Public Value Governance or Real Democracy

If there are political activists who look to modern theorists for guidance, they should heed the warning by Adam Dahl and Joe Soss in “Neoliberalism for the Common Good? Public Value Governance and the Downsizing of Democracy,” that the public value school, while well intentioned, can encourage the erosion of truly democratic self-government by an unhealthy partnership between public and corporate managers. Dahl and Soss emphasize the “process” part of the problem. Three and a half decades in public service lead me to believe that they suggest but understate the threat posed by that partnership to social and economic justice as well.

Dahl and Soss point out that public value theorists have misdirected their fire. They have attacked the neoliberal agenda as an effort to shrink government, when, in fact, the real victory of the neoliberals has been to fuse government and the private sector, often to the disadvantage of the public, as evidenced by the capture by private contractors of so much of what had been the realm of civil servants. The “market template” that neoliberals use as foundation for that fusion has also been adopted as a model for public value, so public managers are encouraged to “pursue public value by cultivating an entrepreneurial and managerial imagination,” while their “[l]eaders works say almost nothing about the realities of entrenched power and political bias, the barriers to democratization, or what it would take to overcome them.”

Public value theorists largely ignore what may well be the most serious challenge to American democracy: “As economic inequalities have skyrocketed, political innovations have forged a tighter bond between material affluence and political influence,” Dahl and Soss write. The political power of the super-rich, for example, enables hedge fund managers to pay the maximum capital gains tax rate of 23.8 percent in 2014 rather than the maximum earned income tax rate of 39.6 percent, to take the mortgage interest deduction on their yachts, and to enjoy other tax benefits for their private jets (Kristof 2014). Twenty-five of these same plutocrats took home more than $21 billion in pay in 2013, when many of their hedge funds failed to outperform the market (Stevenson 2014).

Some public value theorists urge citizen deliberation but see public managers as “guardians” of the common good who should “manage” its “disruptive potential.” Even if public managers use these tactics for worthwhile ends, such an approach dishonors
Real property represents a very small percentage of the wealth of the wealthiest (Domhoff 2013) but a much higher percentage of the wealth of the middle class, and yet it is the only segment of wealth (as opposed to income) that is systematically subject to regular annual taxation in the United States. Piketty (2014, 515–34, 573) makes the “utopian” suggestion of a reasonable annual tax on all forms of wealth as by far the most effective remedy for pernicious inequality and its threat to democratic governance, and he dispatches the substantive arguments against it. Dahl and Soss argue persuasively that true democracy thrives on serious public conflict over issues, not on the “collaboration” and managed avoidance of conflict that public value theorists seem to prefer. I hope and believe that Dahl and Soss would approve of a rousing battle over general taxation of wealth. That kind of battle would speak well to the health of democratic governance in the United States.

References