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Chapter 1

Public Value in Complex and Changing Times

JOHN BENINGTON AND MARK H. MOORE

Public value and related concepts like the public good, the public interest, and the public realm have been actively debated within political philosophy since the time of the ancient Greeks. However, the stimulus for the current debate about public value within the field of public management was Mark Moore's seminal book *Creating Public Value: Strategic Management in Government* (Moore 1995). Thinking about public value has since moved well beyond its origins in neo-liberal American discourse of the 1990s, and is now at the forefront of cross-national discussion about the changing roles of the public, private, and voluntary sectors in a period of profound political economic, ecological, and social change. This chapter traces that intellectual journey, mapping out the key ideas and debates surrounding the concept of public value, and suggesting ways in which it may provide a compass bearing and a clearer sense of direction for strategic thinking and action by public policymakers and managers, under conditions of complexity and austerity.

Moore's initial aim in 1995 was to build a conceptual framework for public sector managers to help them to make sense of the strategic challenges and complex choices they faced, in a similar way to which notions of private value had provided strategic purpose for private sector managers. He developed this framework through years of engagement with public managers from the USA and around the world who took part in executive programmes at Harvard's John F. Kennedy School of Government. One of his goals was to develop a conceptual framework that would be practically useful to public managers doing their jobs, and to encourage strategic thinking and entrepreneurial action to tackle complex problems in the community.

This book, published 15 years later, aims to develop and to sharpen both the theory and the practice of 'public value' in a very changed context from the one in which *Creating Public Value* was written – a new climate in which there is a widespread sense of political economic ecological and social crisis. Over the intervening years public value has emerged as an increasingly powerful idea in both academic and policy circles, internationally (especially in the UK, Europe, the USA, Australia and New Zealand, and more recently in South and sub-Saharan Africa). There is a growing sense that it is an idea whose time has come – that public value thinking and action may help to make sense of the very complex changes and tough challenges now facing governments and communities in a period of profound political economic and social restructuring.

The idea of public value has attracted particularly high-level attention in the public policymaking and practitioner communities, often as part of wider debates about public service reform and improvement (Benington 2007). It has been discussed and used by literally thousands of managers from the public and voluntary sectors on courses at Harvard, Melbourne and Warwick Universities, at the Australia and New Zealand School of Government, and at the UK's National School of Government. Public value frameworks have also been tested and applied in practice by many public sector organisations. For example, in the UK, 'public value' has been used by the British Broadcasting Corporation as a core argument for renewal of its charter as a public body funded by licence fee, and in its assessment of the value of specific radio and TV programmes, by the UK chancellor of the exchequer in his 2008 budget speech; by the National Health Service Institute of Innovation and Improvement in its search for measures of health outcomes; by the Department of Culture Media and Sport, as part of the evaluation framework for their policies and programmes; and in a wide range of policy reports and discussions within the Audit Commission, the Further Education service, the Scottish government, the Welsh Assembly government, and the Trades Union Congress.

The debate about public value within the academic community has been emerging more slowly, but has now erupted vigorously and controversially in several academic conferences and journals (notably in the *Australian Journal of Public Administration*, in *Public Administration*, and in a special issue of the *International Journal of Public Administration*). Critique and development of public value theory is emerging from the points of view of ecology (Swilling 2007), economics (Hutton *et al.* 2007), philosophy (Morrell 2009), political science (Stoker 2005; Rhodes and Wanna 2007; Gains and Stoker 2009), and public administration and public management (Alford and Hughes 2008; Benington 2007, 2009; Kelly *et al.* 2002; Mulgan 2009; Talbot 2009).

This book aims both to contribute to and to shape this burgeoning academic and policy debate by providing:

- First, critical analysis and further development of the theory surrounding public value, and its relationship to related theories of public policymaking and strategic management.
- Second, the testing of this conceptual framework in its application to key policy issues and complex cross-cutting problems facing policymakers and managers in the public and voluntary sectors.

The book aims both to open up the theoretical debates and critiques surrounding public value, and also to explore and test out the ideas in their application to a number of specific policy themes and service areas.

This first chapter introduces the debate in five main ways:

- Summarizing the core ideas associated with Mark Moore's book *Creating Public Value*.
- Reviewing the history and the neo-liberal context in which public value ideas were first developed in the 1990s.
- Analysing the very different political economic and social context, and the more complex challenges facing governments and communities, in the first decades of the twenty-first century, and the ways in which public value concepts may help to make sense of them.
- Reviewing the main academic debates surrounding public value.
- Highlighting the ways this book will move both the theory and the practice of public value forward.

Each of these 5 issues will now be explored in turn.

The core ideas associated with Moore's Creating Public Value

The ideas developed by Mark Moore in *Creating Public Value* in the USA in the 1990s challenged the then orthodox thinking about three key issues:

- The role of government in society – seen by Moore not just as a rule-setter, service-provider and social safety net, but potentially as a creator of public value and a pro-active shaper of the public sphere (politically, economically, socially and culturally)
- The roles of government managers – seen by Moore not just as inward-looking bureaucratic clerks, and passive servants to their political masters, but as stewards of public assets with 'restless value-seeking imaginations', who have important roles to play in helping governments to discover what could be done with the

assets entrusted to their offices, as well as ensuring responsive services to users and citizens.
- The techniques needed by public managers – seen by Moore not just as procedures to assure consistency and reliability of routines in government organizations (important as these can be), but also as the means to help governments to become more adaptable to changing material and social conditions, and to changing needs and political aspirations. *Creating Public Value* drew attention to the role of public managers in orchestrating the processes of public policy development, often in partnership with other actors and stakeholders, in ways which try to ensure that good choices are made in the public interest, and which legitimate, animate, and guide the subsequent implementation, in order to improve outcomes for the public.

It is arguable that *Creating Public Value* spent less time defining public value in theoretical terms than in operationalizing it in practical terms. (The current volume aims to reverse this imbalance and to tackle the questions of both theory and practice more fully.) Three of the key ideas developed by Moore (partly in the book and more fully in his executive teaching) to conceptualize and operationalize public value are the strategic triangle, the authorizing environment, and the use of state authority. Each will be summarized and discussed briefly.

The strategic triangle

The strategic triangle is a framework for aligning three distinct but inter-dependent processes which are seen to be necessary for the creation of public value:

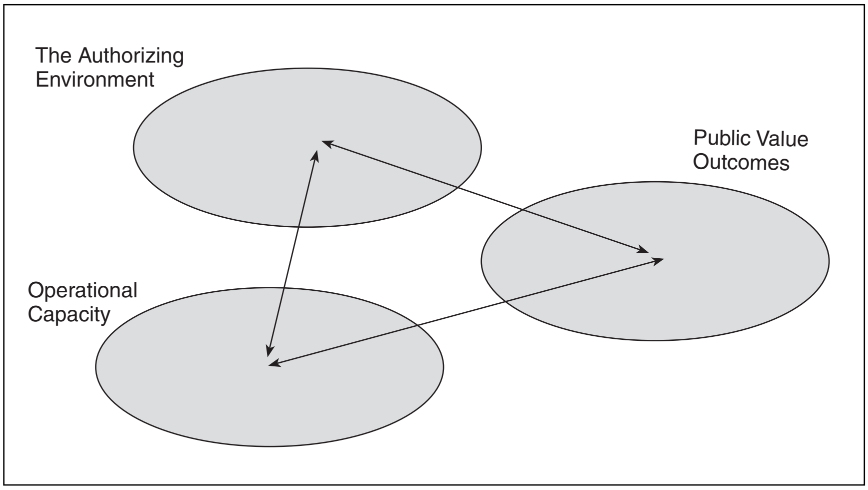
- Defining public value – clarifying and specifying the strategic goals and public value outcomes which are aimed for in a given situation
- Authorization – creating the 'authorizing environment' necessary to achieve the desired public value outcomes – building and sustaining a coalition of stakeholders from the public, private and third sectors (including but not restricted to elected politicians and appointed overseers) whose support is required to sustain the necessary strategic action
- Building operational capacity – harnessing and mobilizing the operational resources (finance, staff, skills, technology), both inside and outside the organization, which are necessary to achieve the desired public value outcomes

The strategic triangle thus suggests that strategies to create public value must satisfy three tests. First, they must aim convincingly at creating publicly valuable outcomes (see below for a fuller definition of what this might mean). Second, they must mobilize sufficient authorization and be politically sustainable – that is, gain ongoing support from key political and other stakeholders. Third, they must be operationally and administratively feasible – that is, supported by the necessary finance, technology, staff skills and organizational capabilities needed to create and deliver the desired public value outcomes (Moore 1995:71). This is shown in Figure 1.1.

Each of these three factors is strategically important, but of course, they are rarely in alignment, and public managers have to strive constantly to bring them in to alignment and to negotiate workable tradeoffs between them:

> Thus, if the most valuable thing to do is out of alignment with what the key players in the authorizing environment will find acceptable, the manager can either seek to persuade the key players to move their position, or revise the value-proposition so that it is more in line with their wishes, or some combination of the two. Similarly, if a more valuable purpose is not achievable with the currently available operational capabilities, then the manager has to tailor the purpose accordingly. This entails more than just a resigned acceptance of political or operational constraints. (Alford and O'Flynn 2009)

Figure 1.1 *The strategic triangle of public value*



The authorizing environment for the creation of public value

Public managers clearly need a strong mandate from elected politicians and from their line managers, in order to do their job. This mandate can come from the legislation and/or the policies that the agency has been set up to implement; or from the roles the public manager has been appointed to perform; or from the job description which they have been given to carry out. However, while these formal mandates from above are necessary, they may not be sufficient to achieve the desired public value outcomes. In order to achieve those goals it may also be necessary to win the support of other individuals, organizations and stakeholders, and to create a broader-based authorizing environment. Public policymaker and manager may have to create a network of partners and stakeholders, and to negotiate a coalition of different interests and agencies (from across the public, private, voluntary and informal community sectors) to support them in achieving their goals. This has to mobilize sufficient authorization to achieve the desired public value outcomes, but does not necessarily imply a complete consensus by all parties. Indeed the creation of public value does not require support from all agencies ('just enough' support to achieve the desired outcomes is sufficient). It will also sometimes involve conflict with other organizations with other interests and priorities, or with those that are wedded to the status quo.

The authorizing environment is therefore conceptualized as a place of contestation where many different views and values struggle for acceptance and hegemony. Conflicts of ideology, interest and emphasis are often not fully resolved by elected politicians within the formal democratic process, but may be passed on unresolved for public managers to do the best they can, to resolve the ambiguities in practice at the front line (Hoggett 2006). In this kind of situation, the knowledge and judgement of professional public managers may be courted by the public as legitimating assets in addition to the mandate of politicians. Public managers may therefore have to try to bring several parts of the authorizing environment together in a coalition in order to strengthen the overall legitimacy and support for the policies and programmes they are proposing or administering.

The use of state authority in the creation of public value

Creating Public Value also included a reminder that a defining feature of government is that it has a monopoly on the legitimate use of force in a society, and that it uses this capacity routinely in its operations. Government makes things happen partly through the use of government money and legislation, and partly through the use of government authority. The fact that government authority is often engaged has huge implications for government activity. On the one hand, it changes the basic normative framework that can be used to evaluate government operations; once government authority is engaged, we have to be concerned about the fairness with which the authority is used, as well as its efficiency and effectiveness. On the other hand, when government authority is used in encounters with individual citizens, it changes the nature of the encounters in a profound way. A citizen who is stopped by the police, or required to pay taxes, or to pay a fine for polluting a river, cannot easily be seen as a customer. The point of this kind of encounter is not to please or delight the client in the transaction! And it is not to hope for more encounters of the same type – public managers don't aim for 'repeat business' of this kind, but for less business!

This is a very different kind of encounter and different kind of relationship with the public from that typical in the private market. Instead of receiving services, the client gets an obligation. Instead of trying to satisfy the client, the goal is to encourage compliance with the obligation, and in doing so, to be sure that rights are protected and duties imposed in a just and fair way. This use of state authority means that the creation of public value clearly has some very distinctive and different features from the creation of private value.

Having summarized some of the key ideas in Mark Moore's original book *Creating Public Value* we now turn to critically examine the context of neo-liberal ideas within which it was written in America in the early 1990s.

The neo-liberal context in which 'Creating Public Value' was initially conceived

Creating Public Value was written in the USA in the early 1990s at a time when powerful political, economic and social forces were bearing down on governments in advanced industrial societies, and challenging their standing as important, value-creating social institutions. Far from being seen as institutions essential for the safeguarding of individual and collective wellbeing and the assurance of social justice, governments were increasingly portrayed (particularly in the USA and UK) as obstacles to economic and social progress – an unproductive sector feeding parasitically off the value supposedly being created largely in the private sector. Ronald Reagan famously alleged that 'government is not the solution; government is the problem.' The Reaganite/ Thatcherite solution, then, was to shrink government.

Along with the diminution of government as an institution went the diminution of the collective as an idea. The effort to liberate individuals from oppressive political, social and economic conditions was seen to have reached its apotheosis in the triumph of political liberalism on the one hand, and market-guided capitalism on the other. The idea that individuals were ultimately the most important arbiters of value was celebrated and institutionalized in the commitment to representative democracy on the one hand, and to private markets guided by individual consumer choices on the other. The difficulties of making collective choices through democratic political processes – long understood to be time-consuming and frustrating at best, and prone to various kinds of corruption at worst – were argued to be theoretically problematic as well. If it was not easy for a collective to make a decision that could produce the public good efficiently then would not it make sense to minimize the number of choices that had to be made by the collective? In short, many in the West lost confidence in democratic politics as a device for forging a coherent 'we' from a diversity of individual interests. Many lost confidence in government's ability to advance public purposes, without corruption or self-serving motives blunting both the efficiency and effectiveness, and the justice and fairness, of governmental operations.

As confidence in the public sphere as a definer and producer of public value was challenged, confidence grew in the importance of market mechanisms as devices for meeting individual choices and social needs. Neo-liberals tried to expand the domain of individual choice – partly by shrinking the size and scope of government, so that more choices about how to use resources would be guided by individuals acting through markets rather than by collectives acting through government, but also by trying to give more room to individual choices in activities that were financed by government. Governments were to encourage competition among providers of government financed services. All this was in accord with Margaret Thatcher's stated belief that 'there is no such thing as society', and that individual and family interests are primary.

While the attack on government as an institution, and on collective decision-making, shrank the public sphere, these efforts could not, in the end, do away with government completely. There remained important production, service delivery and regulatory functions that government still had to perform to promote economic prosperity, maintain social cohesion, and to advance the cause of justice as it was encoded in constitutions and laws. Public managers still had to make decisions about how to spend the collectively owned assets that had been entrusted to them, and there were strong pressures to improve the core managerial processes of government. Again, because of increased confidence in all things private, many thought that improved public management could be achieved by importing techniques from the private sector into the public sector. Thus, government agencies were encouraged to adopt a customer focus in delivering services to individuals defined as consumers. They were also encouraged to improve the measurement of their results, and to adopt 'pay for performance' methods to motivate both frontline workers and higher-level managers to work harder and smarter, and to be more accountable to users of their services.

Creating Public Value was written at least in part as a response to these pressures for changes in the ways that people thought about government and its relationship to the wider society, and also about what constituted effective public management. The argument in *Creating Public Value* included the idea that citizens could debate the role of government in society, and contribute to deciding which individual circumstances and social conditions they wanted to treat as a collective public responsibility to be managed by government, and which they wanted to treat as a private responsibility to be managed by individuals through market relationships. *Creating Public Value* did not start with any fixed idea about the substantive content of government's responsibilities. It accepted the claim that government needed to improve its operations; and that this could include not only changing the size and scope of government as described above but also shifting the model to one in which government could pay for things to be produced, but not necessarily produce them itself. It also emphasized the potentially important role of innovation as a way of increasing the efficiency, effectiveness and responsiveness of government organizations. Thus, it accepted the criticism that government had been insufficiently flexible, innovative or creative, either in responding to changing citizens' aspirations about what they wanted from government or in finding ways to produce the results that citizens wanted in a more efficient and effective way.

Creating Public Value also accepted the idea that there was much to be learned from the private sector about how to manage large production organizations successfully. It gave particular attention to corporate strategy, and the idea that large organizations had to continually re-position themselves in the complex, dynamic, changing environments in which they found themselves. Just as the private sector executive had to keep an eye focused on changing market conditions, so the public sector executive had to keep their eye on changing political, economic and social conditions that might create new or different political demands. Just as a private sector executive had to be searching continuously for new technological breakthroughs which they could use to improve the performance of their organization, so a public sector manager had to be searching continuously for innovative ways to accomplish their objectives efficiently and effectively.

In all these ways, the argument of *Creating Public Value* went with the flow of ideas which we now associate with 'the new public management' (Hood 1991) – looking for a more responsive, more innovative, more effective government. But there were other ways the book stood firm with tradition against the claims of the new public management.

The most important of these was the commitment to the idea that the proper arbiter of public value is society as a whole acting as best as it can through the imperfect processes of representative government. What makes something publicly valuable is partly that a public values it. And a public is something different from the simple aggregation of individual consumer interests. Furthermore, it might even be a bit different from the views of the 'government of the day' – although the views of elected and appointed officials will always carry the most weight in defining the public value to be pursued by government. *Creating Public Value* thus did not yield to the idea that individuals are the only arbiters of value. It took direct issue with Margaret Thatcher's dismissal of the idea of a society that could become articulate about its interests as a collective.

Creating Public Value also gave a lot of attention to the structures and processes that called public managers to account for their actions. It developed the concept of an 'authorizing environment' that is as important to public managers as a 'market environment' is to private managers. Just as customers within the private market are ultimately the ones who call private sector managers to account, by deciding whether or not to buy the particular product or service offered for sale, so stakeholders in the political authorizing environment (primarily, but not only, democratically elected representatives) are ultimately the ones who call public managers to account, by deciding whether or not to continue to support their efforts to produce a particular public service and/or conception of public value.

At one level, there was nothing particularly new in these observations about the importance of politics and public engagement in public administration and public management. Woodrow Wilson had tried to define the proper relationship between political representation and authorization on the one hand, and efficient public administration on the other (by making a distinction between policymaking and administration, and by giving politicians principal authority in the domain of policymaking, and public administrators principal authority in the domain of administration). However this distinction proved to be intellectually incoherent and practically unsustainable. But no one had taken the next difficult step of developing a set of ideas about how we could understand and improve the relationship between politics and administration, and between politicians and administrators, if it was neither accurate nor realistic to think of these as two completely distinct and separate arenas.

Creating Public Value plunged into this confused debate by focusing the attention of both policymakers and public managers on the normative and practical importance first of defining the value outcomes to be achieved for the public, and second of building 'legitimacy and support' for governmental action. In many ways, this was the opposite side of the coin of 'accountability.' One could say that public managers should be accountable for their actions to the public as well as to elected politicians. But one could also say that increased accountability also gave them increased legitimacy and support. And that they would be more effective in creating valuable outcomes for the public if they found ways to build stronger legitimacy and wider support from the public and other stakeholders for what they were doing.

Creating Public Value explored some of the important sources of legitimation for public managers. Political mandate is one important kind. But so is the law. And so is professional knowledge and technical expertise. And there might even on some occasions be a kind of moral legitimacy created by public managers and professionals reminding society and its representatives of important values that are being put at risk by actions that are politically supported, have legal sanction, and would likely work technically, but fail to protect or promote foundational moral values.

So *Creating Public Value* addressed questions associated both with traditional public administration (for example the relationship between policymaking and administration, and the sources of authorization for public managers), and also with the new public management (for example entrepreneurship, innovation and the need to focus outwards on users and communities as well as upwards on elected politicians and government). *Creating Public Value* problematized these issues in a way which responded to the complexities they posed in practice for public managers, and offered a number of concepts to help make sense of and manage the dilemmas – for example, the strategic triangle, the authorizing environment, and the use of state authority (discussed earlier in this chapter).

The increased relevance of public value for public managers facing an age of austerity and systemic change

In this section we recognize and analyse the profound changes in the political economic and social context which have been taking place since *Creating Public Value* was written over 15 years ago. We argue that public value thinking and action is now even more relevant in helping to make sense of the new complexities and tough challenges facing governments and communities, and public policymakers and managers.

Changes in the context for public services

The profound structural changes taking place in the ecological, political, economic, technological and social context pose major questions for governments and public managers.

The global economic and financial crisis of 2009 acted as a catalyst for a radical review of government roles and responsibilities. The pressure to be 'doing more with less' has become stronger as public sector spending comes under intense scrutiny and is expected to decline sharply in real terms over the next few years. In this context more effective leadership across the whole public service system is increasingly seen as one of the most powerful ways of reducing transaction costs between stand-alone organizations, and of improving efficiency, performance and productivity through collaboration across the whole public sector. Part of that leadership may include re- framing the questions not just in terms of financial inputs and operational outputs but in terms of public value outcomes which add benefit for users, citizens and communities (Benington and Hartley 2009).

Previous experience, in both the private and the public sectors, of managing periods of economic recession and financial cutback suggests that this is also an opportunity to review all activities and processes within the public value chain, and to identify those points at which value is being added, where it is being destroyed and where it is stagnating. The concept of the public value chain (developed more fully in Chapter 2) is useful in identifying the activities and processes of production and co-production of public service, and in focusing on how to add public value at various stages in the process. This can lead to some radical conclusions – in some cases redistributing resources to the front line of the organization (for example school classrooms, hospital wards and neighbourhood communities) where public value is often co-created between public professionals (for example teachers, nurses, police) and users, families, communities, partner organizations and other stakeholders.

However, the benefits of public value thinking and action do not derive solely from the current economic crisis, far-reaching though this is in its implications for governance and public management. Human society is in the throes of an even more fundamental restructuring of the global ecological, political-economic, technological and social context. This includes climate change and an impending peak in the oil supply; rapid exponential growth in information and communication technologies; the emergence of an electronically networked society; globalization of the economy, of financial markets and of culture; a gradual shift of political and economic power away from the USA and the Anglo-Saxon North, towards China, India and Latin America in the South; a decline in the manufacturing base in northern countries; a rise in importance of the service sector (which now provides over two-thirds of GDP in the UK for example); the consequent shrinking of the traditional industrial working class, and the rise of the middle and professional classes; a dramatic increase in population and in the number of households; the ageing of the population, with people in the North living much longer, and fewer people of working age and in work to support them; greater diversity of needs, a rise in expectations, a decline in deference to hierarchy and authority, and the emergence of the 'critical consumer/ citizen'.

The scope and scale of these structural, system-wide changes arguably requires a Copernican revolution in our basic paradigms for governance and public service. Benington suggests in Chapter 2 that public value can help to interpret and shape those new paradigms. Whereas traditional public administration assumes a context of relative political economic and social stability, and whereas new public management trusts the logic of free market competition, public value recognizes the complexity, volatility and uncertainty in the environment. While the landscape and contours of government and public management are changing, and the maps are no longer as accurate or useful, public value may offer a compass to provide a sense of direction and destination to take us through the surrounding fog.

In this changing context, citizens and communities are increasingly confronted by a whole series of complex cross-cutting problems (for example ageing and community care; child protection; climate change; crime and the fear of crime), for which there are no simple technical solutions – and indeed where there is no clear or settled agreement about either the causes of the problems or the best ways to address them. These complex, cross-cutting and often contested issues have been described by John Stewart as 'wicked' problems, and by Ron Heifetz as 'adaptive' problems – 'wicked' or 'adaptive' problems of this kind being seen increasingly to require a kind of response from governments qualitatively different from that which they extend to 'tame' or 'technical' problems (Heifetz 1994; Stewart 2001; Grint 2005).

Traditional public administration assumes that the needs and problems to be addressed by governments are fairly straightforward, and that the solutions are known and understood. New public management assumes that needs and wants will be expressed and satisfied through the mechanism of market choice. The public value framework, however, starts from a recognition that the needs and problems now facing citizens, communities and governments are complex rather than simple, 'wicked' rather than 'tame', and diverse rather than homogeneous. And while previous patterns of governmental intervention have not been notably successful in resolving these problems, better solutions and responses are not yet known or understood. Governmental policies and programmes have therefore to be developed in a more provisional and reflexive way – often involving extensive dialogue between government and the public and other stakeholders about both the nature of the problems to be addressed and the strategies to tackle them.

The rise in people's aspirations and expectations, and their desire for services that are customized to meet their needs, means that the public are increasingly vociferous about what they want and do not want. Interactive information and communication technologies open up greater access to knowledge and information and to the opportunity to influence decision-making through electronic networks. There is less deference towards authority and towards top-down solutions offered by the paternalistic state, which is associated with traditional public administration.

There is also a growing recognition that the individual consumer choices offered through new public management (NPM) and its competitive markets do not and cannot provide adequate responses for complex cross-cutting problems like care for an ageing population, or violence in the home and on the streets. The public value framework encourages managers to move beyond the language of market 'wants' into the more difficult question of what the public most 'values', and what adds value to the public sphere – including challenging the public to make painful choices and trade-offs between competing priorities (Kelly *et al.* 2002).

Traditional public administration assumes that the state will be the main provider of public services, and new public management assumes that the market will be the provider of first choice, with the state as a safety net of last resort. On the other hand, Benington's 'networked community governance' framework (outlined in Chapter 2) recognizes that the interdependencies between the state and the market mean that watertight distinctions between the two are no longer accurate or realistic. Benington also argues in Chapter 2 that in addition to the state and the market, civil society is an important and often neglected third sphere of activity and source of public value creation. Indeed the most valuable outcomes for the public can often best be achieved by harnessing the commitment and resources of all three spheres, state, market and civil society, jointly behind specific shared 'public value' goals.

The need for new paradigms

The above changes in the political economic and social context, and the complex cross-cutting problems now facing citizens and communities, require governments and public managers to develop new paradigms to make sense of the new context, and to guide strategic thinking and action. The new paradigms may include thinking about government and public services less as machines or structures and more as 'complex adaptive systems' (for example the language of cultures and organisms rather than of levers and cogs).

Public value thinking and action includes the capacity to analyse and understand the interconnections, interdependencies and interactions between complex issues, and across multiple boundaries:

- Between different sectors (public, private, voluntary and informal community).
- Between different levels of government (local, regional, national, supranational).
- Between different services (for example education, health, housing, policing, social security).
- Between different professions involved in tackling a common problem.
- Between political and managerial and civic leaderships and processes
- Between strategic management, operational management and frontline delivery.
- Between producers and users of services (in new patterns of 'co-creation' between producers, users and other stakeholders outside the governmental system).

Public value concepts and tools like the strategic triangle, the authorizing environment and the public value chain help to make sense of this complex new pattern of polycentric networked governance (see Chapter 2 by Benington; Benington 2006a), and to strengthen the capabilities necessary to think and to act effectively along several different dimensions, often simultaneously:

- Horizontally – between different sectors, organizations, disciplines, professions stakeholders, and partners.
- Vertically – along all the links in the value chain, from policy design in Westminster and Whitehall right through to service 'delivery' or engagement at the front line in local neighbourhood communities – with movement in both directions, from top to bottom, bottom to top, and middle upwards and downwards.
- Diagonally – across the decision-making networks, linking together political leaderships, strategic managers, operational managers, frontline delivery staff, users and communities.

This requires a radically different approach to policy development and public management, with a need to link policy to implementation, and strategy to operations, in an end-to-end process which can deliver greater public value – through practical action on the ground at the front line with communities.

The complex cross-cutting problems facing citizens, communities and governments also require different patterns of leadership to create public value outcomes – leadership which can address the interconnections between issues, negotiate coalitions between different stakeholders, orchestrate inter-organizational networks and partnerships, harness disparate resources behind a common purpose, and achieve visible and measurable outcomes with and for citizens, communities and other stakeholders. This involves the exercise of leadership outside and beyond the organization, often through influence rather than through formal authority, in addition to leadership of and inside the organization (Benington and Hartley 2009).

Leadership of this kind has to resist the pressure from followers to act as a god or guru who can provide magical solutions to complex problems, and instead has to persuade stakeholders to accept that they themselves are part of the whole system, and therefore part of the problem, and to engage in the painful process of grasping difficult nettles, working though problems, and adapting thinking and behaviour (Heifetz 1994; Benington and Turbitt 2007).

Public value concepts like the strategic triangle, the authorizing environment, the public value chain and the focus on outcomes for the public sphere can all help public managers to make sense of these issues, and to reframe problems more clearly so that they can act more decisively and effectively.

The academic debates surrounding public value

Mark Moore's book, the full title of which is *Creating Public Value: Strategic Management in Government*, was written mainly as a contribution to public management theory and practice. Indeed the ideas were initially developed not primarily from academic theory or desk research, but out of a long process of interactive teaching and engagement with public managers. Once the book was published the ideas were tested and developed further, mainly through debate and practical application by public managers in their workplaces, and by teachers on courses for public managers, for example at Harvard, Melbourne and Warwick Universities.

As with so many theories of management, the academic debate about public value has lagged well behind the emerging practice. Apart from a few lone voices most academics appear to have been seduced by the apparent dominance of neo-liberal ideology during the 1990s, and have remained fixated on retrospective interpretations of the new public management – failing to notice that practitioners were already not only grappling with a much more complex set of problems than

NPM could explain or resolve, and but also searching for new frameworks of explanation and action.

Very belatedly, academic debate has finally begun to catch up with the frontiers of practice, and academic interest in public value (as an alternative both to traditional public administration and to new public management paradigms) is now mushrooming. Some of this is frankly little more than the following of fashion (Talbot 2009) , but there are also signs of serious analysis of public value from the point of view of several different disciplines (philosophy, psychology, political science, ecology and management science), and of different countries, traditions and cultures (Anglo-Saxon; Australia/New Zealand; continental Europe and Africa).

One important critique comes from philosophy, and focuses on traditional though contested questions about virtue, the public good and the source of values. The main writers on this theme at present are from the USA and continental Europe and one of their preoccupations is with defining and categorizing public service values (notice the plural) and exploring public value failures (cases where public service values have been breached). Some of this literature is concerned with establishing hierarchies of public values or constellations of competing values (Bozeman 1987; Bozeman 2002, 2007; Kernaghan 2003; Bozeman and Sarewitz 2005; Jørgensen and Bozeman 2007) This literature on public values (in the plural) seems to have originated quite independently of the debate about public value (in the singular), but there is now some cross-referencing between the two previously separate literatures (for example, Davis and West 2008; Van der Wal and Van Hout 2009). Critical accounts of public value are emerging from the perspective of philosophical theories of virtue and the public good, linked to political-economic questions of governance, power and control (Morrell 2009), and also from philosophy linked to social theory, particularly Latour's actor-network theory and the 'new pragmatism' associated with Boltanski and Thevenot 1999 (West and Davis 2010). Both schools argue, in different ways, the importance of seeing questions of value not in abstract terms but in their embodiment and enactment in material situations and technologies, and in political and daily practices.

Another stream of commentary on public value is based in psychology. For example, Meynhardt (2009) argues for a notion of the public as

> a necessary fiction. *The public is inside*. The 'public' – psychologically speaking – is an individually formed abstraction generated on the basis of experiences made in daily practices, analytical insight, and all sorts of projections as to complex phenomena.

Similarly, Meynhardt argues:

> if we cannot assume the derivation of values from some objective basis (for example natural right) and further do not restrict values to a normative constitution or the like (such as a religious text) … one promising candidate is basic needs theory in psychology … In this view we gain a structure for value content that is closely linked to psychological theory building. (p. 204)

The most robust and critical debate about public value, however, has erupted within political science, and is focused around a series of articles in the *Australian Journal of Public Administration*. Rhodes and Wanna (2007) mount a frontal attack on Moore's *Creating Public Value*, asserting that it is confused or wrong about seven sets of issues. They argue, first, that it is unclear whether public value ideas are based on normative or empirical reasoning; second, that it embraces too broad and loose a definition of the public manager; third, that it is not applicable to Westminster-style democracies, where there is a sharper distinction between the roles of elected politicians and appointed managers, than in the US and other systems; fourth, that it assumes too benign a view of public managers and public organizations – and ignores the 'dark side' of the state's regulatory activity, and the asymmetrical power relations between state officials, clients, citizens and other interest groups; fifth, that it gives a dangerous primacy to entrepreneurial public managers in shaping the content of policies and programmes, at the expense of elected politicians and political parties; sixth, that it defers too much to private sector models of management and fails to acknowledge the very different goals and accountabilities of public management within a democratic political framework; and seventh, that it downgrades the importance of party politics, and raises public managers to the status of Platonic guardians and arbiters of the public interest, instead of recognizing that public value is highly contested territory, in which competing and conflicting interests can only be negotiated between elected politicians through the democratic political process (Rhodes and Wanna 2007).

John Alford responds to Rhodes and Wanna's critique with an equally sharp rejoinder (Alford 2008). He accuses Rhodes and Wanna, first, of wilfully misrepresenting Moore's arguments, and uses detailed quotations from *Creating Public Value* to support this; second, of holding on to outdated and discredited textbook theories of the separation between politics and administration; and third, of misunderstanding the complex interplay between politicians and public managers in generating policy and in developing innovative programmes to respond to changing public needs, and to create public value (Alford 2008).

Finally, Rhodes and Wanna respond to Alford's criticisms in two further astringent articles in the same journal (Rhodes and Wanna 2008; 2009). In the first, they start by reiterating that Mark Moore's conception of public value does not transplant from American government to Westminster parliamentary government:

> the hierarchy of a strong executive with disciplined political parties and neutral public officials is markedly different from the divided executive, weak party system, and elected or partisan public officials of the USA. Cabinet ministers are visible and interventionist. They are not just one among many competing actors. They are the pre-eminent actor. So, to urge officials to build coalitions inside and outside government to legitimise 'their' initiatives on public value may well be understandable in the pluralist, fragmented American government but it is dangerous in [Westminster-style and] Australian parliamentary government. (pp. 367–70)

Leading on from this, their second argument is a reassertion of the primacy of politics over administration, and of politicians over public managers, in governance. Their third argument is that public value is a utopian concept and ignores the dark side of government – including at times spying, unlawful imprisonment, interrogation and torture. The second rejoinder repeats some of the above arguments but adds a series of case-studies of this dark side, to illustrate their contention that Moore's concept of public value is based upon an overly benign view of governmental organizations and of the role of public servants as 'platonic guardians' (Rhodes and Wanna 2009).

The Rhodes, Wanna, Alford debate raises an important set of questions which are addressed fully in the chapters which follow. At this stage it should just be noted that some British political scientists have engaged with public value thinking in an equally questioning but less polarized and simplistic way. For example Stoker explores the potential of public value as a framework to make conceptual and practical sense of the new patterns of networked governance (Stoker 2006; Gains and Stoker 2009) and as an alternative paradigm to new public management.

However, the most fundamental critique of current conceptions of public value come from ecology. In Chapter 5, Swilling asks whether and how the public value approach can face up to the challenge of sustainable resource use, and can it be greened? His conclusion is that a public value approach can potentially offer a new paradigm for sustainable governance and public management if it can move beyond the 'triple bottom line' approach, which essentially sees sustainable development as a point where the economic, social and environmental spheres (often depicted as interlocking circles) overlap. Swilling argues that this approach locks one into a language of trade-offs, with each sphere retaining its own respective logic (an economy driven by markets, society glued together by welfarism, and the environment protected by conservationism). A systems approach offers an alternative perspective that essentially sees these spheres as embedded within each other. Following the logic of institutional economics, the economy is embedded within the social-cultural system, and, following ecological economics, both are embedded within the wider system of ecosystem services and natural resources. The result, Swilling argues, is a way of thinking about sustainability as the organizing principle for an expanded 'complex systems' conception of public value that encompasses all three spheres.

Thus the academic debate about public value has moved well beyond the fields of public administration and strategic management where it originated, and is now at the centre of lively interdisciplinary debates about the purposes and roles of government within a rapidly changing ecological, political-economic and social context; about the changing relationships between state, market, civil society and the ecosphere, and about the nature of the contract being renegotiated between citizens, communities and governments.

How will this book move the public value debate forward?

This book is being published at a critical conjuncture in the above developments, and aims to move the debate about public value substantially forward in both the academic and policy communities.

We aim, in the following chapters:

- To sharpen the definition of public value (which is currently in danger of being used like an aerosol, sprayed around widely but hazily, with misty meanings which can indicate different things to different people).
- To expose the public value concept to critical questioning, with contributions from sceptical as well as neutral and committed points of view, and providing a forum for debate and contest.
- To draw on perspectives from practitioners (politicians and policy advisers and public managers), as well as academics.
- To analyse public value from several different disciplinary perspectives (for example ecology, economics, history, management, philosophy, political science, organizational psychology, social policy, sociology).
- To highlight and elaborate the political, economic, social, and ecological dimensions of public value.

- To encompass perspectives from a range of different countries, contexts, continents and cultures (for example the UK, Europe, USA, Australia and New Zealand and Africa).
- To test the application of the public value concept in relation to key policy arenas (including education, health, pensions, the built environment).
- To grapple with the question of how to assess or measure public value.

We build on and extend the initial definition of public value offered in *Creating Public Value* (Moore 1995), as a framework for thinking about strategic management in the public sector. We aim to address the following key questions, among others:

- What is the difference between public and private value?
- How does public value relate to other concepts such as the public sphere, the public interest, the public good, or public goods?
- What do we mean by value and how do we judge it?
- How and where and by whom is public value created?
- How would we recognize it and assess it?
- What are the implications of differing political, economic, social and cultural contexts for public value creation?
- What contribution to public value creation is made variously by the state, market and civil society?
- How do power and politics shape the contested discourses about public value?
- How far are competition and/or collaboration necessary or useful for public value creation?
- What are the conditions for co- creation of public value?
- How does public value relate to other management frameworks like 'best value', 'value for money', 'value management'?
- Under what conditions can innovation and improvement in public services add to public value?
- How can public value be measured or evaluated?

The chapters within this book aim to progress both the theory and the practice of public value, in the following ways:

In Chapter 2, John Benington builds on Mark Moore's ideas in *Creating Public Value*, but transposes them into an alternative framework which starts with the public and the collective as the primary units of analysis, rather than with the private and the individual. As noted earlier in this chapter, Moore's ideas were developed initially in the USA in the early to mid 1990s, at the height of the dominance of neo-liberal ideology. Neo-liberal perspectives promoted and privileged conceptual models based on individual consumers within a private competitive market (where the state is seen as an encroachment upon, and threat to, individual liberty), over models based on communal citizens within a public democratic state (within which individual liberties have to be protected). Benington argues that public value can best be understood and achieved within the notion of the 'public sphere' – a democratic space which includes, but is not coterminous with, the state, within which citizens address their collective concerns, and where individual liberties have to be protected. This leads him to define public value not just in terms of 'what does the public most value?' but also 'what adds value to the public sphere?' The tension between these two perspectives (the first emphasizing dialogue and engagement with current users, citizens, and communities; and the second emphasizing the longer term public interest and future generations of citizens yet unborn) is explored further in Chapter 2.

Benington argues that this reformulation of public value – as part of a deliberative process, embedded within a democratic public sphere within which competing interest and contested values can be debated and negotiated – provides a strong conceptual framework to guide a newly emerging paradigm of 'networked community governance' (NCG) – similar to the ways theories of public goods provided the rationale for 'traditional public administration' (TPA), and public (rational) choice theory provided the conceptual framework for 'new public management' (NPM). This also helps to address some of the concerns expressed by Rhodes and Wanna about the interrelationships, in public value creation, between political, managerial and civic processes.

In Chapter 3, Colin Crouch examines the question of the public sphere further by developing a historical, philosophical and sociological perspective on the complex interchanging meanings of public and private over time. He analyses three different meanings of private and five different meanings of public, and argues that private and public should be seen as end points on a continuum rather than as alternatives. Crouch argues that states within the polity should not be equated solely with the public, and firms within the market should not be equated solely with the private, but that each should be seen as a particular combination of both the public and the private. Most importantly, he develops a typology to explore three realms in which public and private are linked (the state, the firm and religious organizations) and he identifies the last of these three as the key arena within which crucial value questions are formulated and articulated.

In Chapter 4, Noel Whiteside challenges the currently dominant neoliberal market paradigm in which the public good is identified as a collective consequence of the pursuit of personal interest. Whiteside offers instead a model to underpin public value, drawing on the French theory of 'the convention'. She argues that in both private and public sectors, and in the relationships between state and market, collective coordination mechanisms are needed to enable individuals and societies to make choices that secure their objectives. Such mechanisms must command universal respect; they are embedded in conventions of economic action that form the foundations of public value. However, for coordination to be effective, its mechanisms need to be internalized by all social actors. Efficiency depends not just on external 'top-down' regulation by government, but on careful negotiation with key participants, allowing deliberations that both explain mechanisms and identify possible future problems. Here, negotiation acts not merely to create compromise, but as the means whereby new systems can be absorbed and understood by all, removing or reducing the uncertainties that prevent participation. She thus argues that public value creation depends less upon market competition, or state command and control, than upon efficient coordination – and highlights the role played by confidence and trust in securing this and, conversely, the damage done by uncertainty. Uncertainty may provoke distrust and non-participation, sometimes leading to the breakdown of economic systems.

In Chapter 5, Mark Swilling starts by agreeing with John Benington (see Chapter 2) that neither traditional public administration (TPA) nor neo-liberal new public management (NPM) are adequate frameworks to make conceptual or practical sense of the complex challenges facing societies and governments now and in the future. Swilling also highlights a third governance model (the strong, interventionist 'developmental state' espoused by several rapidly developing countries like Singapore), but criticizes all three models for their failure to comprehend that unsustainable development poses the greatest threat to the processes of both private and public value creation that we as a human species face:

> Traditional Keynesian economics and so-called 'developmental states' in developing countries have ignored ecological realities. Neo-liberal philosophies have allowed market forces to ransack global resources for the benefit of the billion or so people who make up the global middle and upper class that enjoys an ecological footprint that is far greater than their fair share of global resources.

Swilling attempts to synthesize insights from the new institutional economics, ecological economics and a public value approach to governance, in order to arrive at a tentative conception of 'sustainable public value'.

In Chapter 6, Louise Horner and Will Hutton discuss two key issues where public value perspectives may help policymakers and managers to address and resolve current dilemmas in public services – the 'democratic deficit' and the 'delivery paradox'. Tackling the democratic deficit depends upon recognizing the user of public services not only as a consumer who seeks what is good for her/himself, but also potentially as a citizen who seeks what is good for the wider society. Horner and Hutton offer several case-studies of public participation in public services (for example, citizens' juries, citizens' panels) and active user involvement in service design and delivery, as examples of 'inclusive management,' in which public managers not only exercise professional judgment but also seek to maximize public participation. Here, accountability is not only to elected politicians, but also to the public, to local communities, to service-users and other stakeholders. In this way, public value perspectives encourage public managers to understand the plurality of the publics they serve, and the public outcomes they are employed to achieve, as well as to fulfil the wishes of elected governments.

Horner and Hutton also discuss the 'delivery paradox', whereby the quality of public services is improving in many ways but measures of public satisfaction are declining. They question the usefulness of 'satisfaction' as the primary criterion for measuring the value of public services and explore the feasibility of developing practical measures of performance that go beyond economic outputs or value for money, and also take into account wider public value outcomes like equity and security. Horner and Hutton then discuss each of the three processes highlighted by Mark Moore's strategic triangle – recasting them slightly as authorization, creation and measurement of public value.

In Chapter 7 Robin Wensley and Mark Moore analyse the conceptual and practical dilemmas surrounding notions of marketing, customers and choice in the public sector. They explore the ways in which even where individual choice seems to be offered in the public sector there is almost always also a concern not just with satisfaction of the individual's needs as a 'customer' but also with promotion or regulation of the individual's responsibilities as a 'citizen', and also with the benefits and costs to the citizenry in general – the value added or subtracted to the public sphere. They also discuss the role played both by private firms and by governments in shaping individual choices and behaviours – and the boundary between responsible social marketing, and intrusive, even subliminal, manipulation.

In Chapter 8, John Alford focuses on the concept of co-production which is a key feature in value-creation in public and voluntary services. Alford focuses on a specific type of co-producer; the client of a government organization. Whereas contractors, community organizations, other government agencies and volunteers are more analogous to suppliers of services to a public sector organization, clients appear to be more like consumers, who receive services from it. The idea that they are also suppliers of co-productive effort is therefore counterintuitive at first sight. Alford notes that clients of public organizations differ from their private sector counterparts in that they are sometimes non-fee-paying beneficiaries of state services (for example welfare), and sometimes unwilling clients or 'obligatees'. Sometimes they are required to pay not with money but with changed behaviours. Alford then looks in some detail at what may induce clients to co-produce public value; a combination of willingness and ability. Willingness can be encouraged by incentives, material rewards, and non-material rewards. Ability to co-produce can be influenced by two types of initiative – by the producer, to simplify their systems for working with their clients, and by the user, to increase their knowledge and capabilities to engage with the organization. Alford examines several case-studies of co-production with clients, which suggest that in some cases (for example: services for the long-term unemployed; completing tax returns) public and voluntary organizations are completely dependent upon their clients to co-produce the service. Public value creation is therefore a relational concept, in which the value chain is highly dependent upon creating productive relationships with actors (for example clients) who are outside the boundaries and outside the control of the organization itself.

In Chapter 9, Jonathan Tritter also explores the concept of co-production of public value, but extends this beyond individual clients (health service patients in this case) to include the wider 'public' and other organizations and stakeholders with an interest in improving health outcomes. Tritter uses Moore's public value 'strategic triangle' to look at the ways clarification of a clear public value mission can be used as a basis not only to negotiate authorization of the mission by a wide range of partner organizations, but also to unlock their resources and to harness these behind that mission. Thus the lead organization is given the opportunity to access resources from other organizations that share a common value mission. This differentiation between leadership of the value mission and the provision of resources provides the basis for a distinctive form of collaboration between different organizations and actors.

In Chapter 10, Jean Hartley examines why, how and under what conditions innovation and improvement in public and voluntary services may add to, or subtract from, value in the public sphere. Her chapter aims to contribute to the understanding of public value in two ways – first, by examining how innovation and improvement may contribute to the achievement of public value; and second, by using the prism of innovation and improvement to illuminate some aspects of the theory and practice of public value. Hartley distinguishes conceptually between incremental improvement and step-change innovation, and explores in some detail the varied relationships which may occur between innovation and improvement outcomes – improvement combined with innovation; improvement without innovation; innovation with no improvement; neither innovation or improvement. She uses each of these four scenarios to analyse the conditions under which public value may be added or subtracted, and argues that a key factor is alignment, and active engagement, between the organization or interorganizational network and its external environment, including users, citizens and communities – one test of fitness for public purpose. Hartley concludes that public value has to be created without the benefit of hindsight, and it sometimes requires political and managerial judgement as to whether a particular policy or strategy will achieve the sought-after outcomes. Therefore, the question, 'How can public value be measured for any innovation or improvement?' can never be finally answered, but requires continuous review and commitment over time.

In Chapter 11, Guy Stuart tests the relevance of a public value perspective, and the usefulness of the strategic triangle in particular, to addressing the dilemmas surrounding microfinance. He argues that the public value framework provides a useful way of understanding the hotly debated question over whether microfinance institutions (MFIs) should focus on financial sustainability, defined as revenue from customers exceeding the costs of service provision, or make their primary goal efforts to broaden their outreach to serve the poorest of the poor. He concludes that the public value framework makes two distinct but related contributions to this debate. One is to broaden the definition of sustainability to encompass revenues and benefits not generated through direct service provision. The framework makes this contribution via the concept of public value in and of itself – that there is a legitimate collectivity for whom an MFI manager can produce value. The second contribution is to place the debate about whether MFIs should be in the business of creating public value, in particular fulfilling a mandate to serve the poorest of the poor and not just the poor, in the context of the strategic questions facing MFI managers. It gives us a 'manager's eye view' of a thorny public policy question. In addition the public value framework helps to encompass the social relations of microfinance as well as the financial flows. Fairness and accountability in the processes and relationships of microfinance can be seen to promote the effective production of public value, as well as give it legitimacy in the eyes of the authorizing environment. The case-study of microfinance thus helps to extend the public value framework by linking the production process more closely to the legitimation process – MFIs gain competitive advantage through their adherence to fairness and accountability in delivering financial services.

In Chapter 12, Richard Norman draws on the New Zealand government's experience since 1986 to discuss another of the key concepts within the public value management framework – a focus on outcomes which add value for the public, and for the public sphere. Norman shows that there was a deep scepticism about outcome measures in the radical redesign of the New Zealand public sector in the late 1980s, which was carried forward under both the Labour government of 1986–90, and the National government of 1990–1999. In contrast to the major effort involved in specifying outputs and creating cost systems to track them, outcome goals and targets were left as the responsibility of politicians to articulate in rather general utopian terms.

However, concerns about the impact of a single-minded focus on outputs accumulated during the 1990s. The reliance on contracts and output measures had led to a checklist mentality where managers delivered only those things that were specified in the formal performance measurement system; and public sector managers were increasingly uneasy about the undue emphasis on measurable and auditable results. Effectively, the focus on outputs benefited those public services where the final output is also an outcome – productivity gains were more easily reported in areas like tax administration, passports, land titles, employment placements and company registration, while services which involved long-term processes such as health, social welfare and education struggled to demonstrate measurable increases in outputs, at least in the short term. These concerns prompted the incoming 1999 Labour-led government to review the performance management system, and to introduce 'strategic intent', organizational capability and outcomes, as a focus for public service work. Although problematic both in terms of conception and implementation, managing for outcomes is envisaged as a cycle of continuous improvement, a self-assessment tool – not solely an accountability mechanism – for direction-setting, planning, implementation and delivery, and review.

In Chapter 13, Geoff Mulgan grapples with similar dilemmas in the measurement of public value outcomes. He acknowledges that better metrics do not by themselves deliver better outcomes. He reviews the various methods which try to monetize public value, some of them based either on what people say they would pay for a service or outcome ('stated preference methods'), or else on the choices people have made in related fields ('revealed preference'). Other monetizing methods he examines try to adjust the cost of public services with reference to quality, or to compare public policy actions by estimating the extra income people would need to achieve an equivalent gain in life satisfaction. Mulgan argues however that paying too much attention to monetary equivalence can lead to bad decisions. The different methods used to assess value can generate wildly different numbers; they often miss out what people turn out to value most, and can thus be unreliable.

Mulgan aims to develop a more sophisticated approach to thinking about value by analysing what really matters to the public. He reviews a range of methods for trying to make sense of value in this wider social dimension, including cost–benefit analysis; welfare economics; environmental economics; social accounting (including quality adjusted life years); 'value added' measures in education; and social impact assessment methods, which try to capture direct and indirect impacts of an intervention, and which can be used to justify preventive actions now that will save money on remedial action later.

Mulgan argues, however, that all measurements of complex effects are inherently difficult. Social science is not robust enough to make hard predictions about what causes will lead to what effects. An even more fundamental problem is that these analytic methods presume that everyone agrees on what counts as valuable. But in many of the most important fields for government action – like childcare, crime prevention or schooling – the public are divided over values as well as value. This is why the economic models for thinking about public goods and externalities, though informative, are often inadequate to the real choices faced by policymakers and out of sync with public attitudes and politics.

He outlines an alternative approach based on the assumption that something should be considered valuable only if citizens – either individually or collectively – are willing to give something up in return for it. Sacrifices can be monetary (that is, paying taxes or charges); they can involve granting coercive powers to the state (for example in return for security), disclosing private information (for example in return for more personalized services), and/or giving time (for example as a school governor) or other personal resources (for example donating blood). Some idea of 'opportunity cost' is essential for judging public value. He describes how value arises from the interaction of supply and demand for public goods and services and sets out the principles underpinning a set of tools now being used in the UK health service to guide investment decisions.

In Chapter 14, Bob Fryer investigates the relationship between the 'personal troubles' and 'public issues' of learning and its capacity to furnish people with the wherewithal to survive and/or thrive, in today's complex and turbulent 'risk society'. Drawing on sociological research and thought, Fryer focuses particularly on the persistent and distorting influences of social class in Britain on learners' opportunities to engage equitably in learning and to succeed, especially for those people from family and neighbourhood backgrounds most threatened by economic and social turbulence. He makes the case for adopting an 'enhanced' public value frame of reference so as to assess learning from a broader and deeper perspective than can readily be provided by conventional indicators of successful learning. He suggests that this needs to grasp the subtle and pervasive ways learning opportunities are influenced (and often distorted), and learners' potential shaped (and often constrained), by the contexts and cultures in which learning is embedded, both immediate and global. Such a framework has to show how public value can be better realized, by giving a clear and critical voice to learners, to potential learners and to those striving professionally and organizationally to serve them better. Finally, a full approach to public value must recognize the key role that learning can play, in the lives of both individuals and communities, in holding out the promise not just of personal improvement and progression, but also of social emancipation and participation in change.

Chapter 15 is an extended case-study by David Winkley, of an attempt to generate public value in one primary school in a disadvantaged inner-city area of Birmingham in the UK, over a period of more than 20 years. Winkley's practice as head-teacher embodies and enacts many of the themes we have been exploring in previous chapters, bringing them alive as public value praxis. He sees the school as a living organism, made up of teachers, pupils, parents and families, closely networked with a wide range of other agencies and actors in the neighbourhood, and embedded within the diverse cultures of the multiracial local community. He sees the job of the school to engage critically with those cultures, to challenge and to shape thinking and behaviour both within the school and within the local community, and actively and continuously to promote questioning, learning, self-reflection and improvement.

Winkley generated within the school a strong focus on public value outcomes, and a culture of personal, organizational and community development and measurable improvement over a 20-year period. This unusual concern with both processes and outcomes (inspiration and challenge combined with measurement and impact) is reflected in his chapter. Winkley thus brings public value theory alive, both as an innovative way of thinking and as a challenging form of praxis, for public managers at the front line.

Moore's *Creating Public Value*, published in 1995, begins with a discussion of the challenges facing the local librarian in a prosperous suburb of Boston in the USA. This book, published 15 years later, closes with a discussion of the challenges facing a school head teacher in a disadvantaged inner city area of Birmingham in the UK. What these two public managers have in common is a commitment to using their position as public managers not only to look upwards to the government organizations which employ and mandate them, and not only to look inwards to the organizations they manage, but also to look outwards to the local communities they serve. The American librarian and the British head-teacher both search for ways to add value not only for their immediate public, in the short term, but also to add value to the wider public sphere, in the longer term.

Finally, in Chapter 16, Mark Moore and John Benington weave some of the threads of the book together, and look forward to the future. They begin by addressing two key concerns that will continue to challenge theorists and practitioners of public value.

First, to what extent are the principles of public value still relevant to the world we now inhabit and seek to improve?

Second, what are the important conceptual and practical difficulties that continue to frustrate those who would like to apply the principles of public value creation to particular concrete tasks?

They highlight a number of incipient trends and themes which have been addressed in the previous chapters of this book, including:

- The revival of a recognition of government as a value-creating institution.
- The re-emergence of a consciousness of interdependence within society.
- The necessity of social institutions to constrain individuals and individualism.
- The recognition that public value can often only be co-created between producers and users of services, and with other partners and stakeholders.
- The specific challenges of 'calling a public into existence' in order to create public value.

In attempting to grapple with these wider questions we clearly move well beyond the roles envisaged for public managers within the framework of either traditional public administration or new public management. Public value aims to provide both a conceptual framework to interpret the complex new patterns of networked governance and to shape a new paradigm for public management, and also a managerial framework to help practitioners to make sense of the new challenges they face and to find clearer ways to lead and manage through the contradictions.

All this leads us to conclude that public value, in theory and in practice, is likely to have an enduring value for both academics and practitioners, in helping both to make sense of the complexity of a fast-moving and volatile world, and to guide more effective action in changing and uncertain times.

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Current research enrolls public value through open government and emphasizes the necessity of an analysis of government activities from multiple stakeholder perspectives (Harrison et al. 2012). Similarly, it is necessary an evaluation on the public value resulted from e-government initiatives (Grimsley and Meehan 2007).Â Considering that the public sector is characterized by a complex value structure, we understand that public organizations need a cost-effective and legally, to balance transparency and accountability, equal treatment to all citizens and users of services. In sum, promote democratic participation in the public administration.Â Intrinsic enhancements â€“ changing the environment or circumstances of a stakeholder in ways that are valued for their own sake