

3-1-1990

Public Organizational Existence: A Critique of Individualism in Democratic Administration

Charles R. Davis

University of Southern Mississippi

Follow this and additional works at: http://aquila.usm.edu/fac_pubs



Part of the [Political Science Commons](#)

Recommended Citation

Davis, C. R. (1990). Public Organizational Existence: A Critique of Individualism in Democratic Administration. *Polity*, 22(3), 397-418.

Available at: http://aquila.usm.edu/fac_pubs/7406

This Article is brought to you for free and open access by The Aquila Digital Community. It has been accepted for inclusion in Faculty Publications by an authorized administrator of The Aquila Digital Community. For more information, please contact Joshua.Cromwell@usm.edu.

Public Organizational Existence: A Critique of Individualism in Democratic Administration

Charles R. Davis

The University of Southern Mississippi

The study of public administration abounds in hierarchical theories of organization. In refreshing contrast, Vincent Ostrom's model of democratic administration stresses the enhancement of opportunities for individuals within public organizations. Focusing on Ostrom's theory, this article explores the ability of democratic administration to engender the social and political support required for public enterprise and to provide a philosophy that promotes an authentically democratic work life.

Charles R. Davis is Assistant Professor of Political Science at the University of Southern Mississippi. His articles have appeared in The International Journal of Public Administration and elsewhere.

There are few works in political theory that more lucidly illuminate the contemporary contradictions between American regime values and organizational realities than Vincent Ostrom's *The Intellectual Crisis in American Public Administration*.¹ Not only does he expose how everyday organizational practices informed by traditional administrative theories are incompatible with classical liberal-constitutional principles, but he also vividly explicates how the dominant approaches found in the study of public administration serve to undermine and obstruct opportunities for individuals. Namely, the prevalent model of public administration, as grounded in orthodox, neo-orthodox, and other hierarchical theories of organization, is elucidated as supporting structures based on one center of authority which ultimately reinforce managerial rather than more democratic forms of human interaction. In response to this prevailing model, Ostrom proposes a corrective, alternative paradigm²

1. Vincent Ostrom, *The Intellectual Crisis in American Public Administration*, Revised edition (University, AL: The University of Alabama Press, 1974).

2. *Ibid.*, pp. 13–19. Ostrom uses “paradigm” interchangeably with the terms “model” and “theory,” which is how it is also used in this essay. See too Vincent Ostrom, “The Undisciplinary Discipline of Public Administration: A Response to the Stillman Critique,” *Publius: The Journal of Federalism*, 6 (1976).

which he designates “democratic administration.”³

The purpose of this article is to examine critically Ostrom’s model of democratic administration as this paradigm relates particularly to the actions of individuals in organizations. This includes investigating Ostrom’s works to assess the philosophical foundations of the hypothetical individuals associated with his model. Subsequently, it will also consider the political implications of this individualism as a philosophy of everyday life.

Specifically at issue is a critical evaluation of the prospect that methodological individualism, if adopted by large segments of individuals as an everyday mode of reflection and activity, will engender the types of social-political action required to facilitate public-based enterprises. Before this central issue can be examined, however, key organizational features of democratic administration will be briefly explored.

I. Democratic Administration

Ostrom’s model is primarily influenced by two major intellectual traditions. One source is found in traditional, as well as contemporary, political thought associated with “polycentric,” federal, or limited constitutional systems.⁴ The second stream of thought originates in classic market or liberal and modern public choice or collective choice theory.

The paradigm produced by Ostrom’s synthesis of these two traditions is a model radically at odds with dominant theories of organization found in the literature of public administration. His model of democratic administration contrasts with traditional public administration in at least three fundamentally political dimensions. These are: (1) his basic unit of analysis, (2) the structure of authority and its organizational distribution, and (3) the mode of decision making and its allocation among organizational participants. A brief inspection of these three dimensions as compared to key corresponding features of the traditional public administration paradigm will serve to outline Ostrom’s model.

Basic Unit of Political Analysis

Contrary to managerial-oriented perspectives which proliferate in the organizational theories associated with public administration over the

3. *Ibid.*, pp. 78–80. Ostrom notes that Max Weber made “passing reference” to “democratic administration” as a form of administration rejected by Weber.

4. Vincent Ostrom, Charles M. Tiebout, and Robert Warren, “The Organization of Government in Metropolitan Areas: A Theoretical Inquiry,” *American Political Science Review*, 55 (1961): 831 and 840.

past century, it is the individual who occupies a central position in Ostrom's model. Throughout his paradigm, he devotes particular attention to considering and enhancing the way in which to generate prospects for individual opportunities.

Whether the issue be government in general or public administration in particular, Ostrom asserts it is "still individuals who form the basic unit that comprise political communities."⁵ That is, since "actions of government derive from the interests of individuals, to be effective, actions of government must relate to the conduct of individuals."⁶ This is especially apparent in his perspective with respect to the initial premises on which democratic administration as a "general system" of political organization is constructed. The starting point in building his model includes:

- 1) an egalitarian assumption that everyone is qualified to participate in the conduct of public affairs,
- 2) the reservation of all important decisions for consideration by all members of the community,
- 3) restriction of the power of command to a necessary minimum, and
- 4) modification of the status of administrative functionaries from that of masters to that of public servants.⁷

Structure of Authority

While Ostrom's model has a basic commitment toward individuals and the enhancement of their opportunities, it also recognizes and provides for such individual opportunities to take place in organizations designed to offset the authoritarian proclivities typically associated with government bureaucracies. Simply, the pursuit of human aspirations occurs through the design of multiple organizational arrangements characterized by fragmentation and the overlap of authority. The multiple and overlapping organizational jurisdictions serve to structure his model along the lines of federal principles as found in the Constitution with separate institutions.⁸ As such, Ostrom's model is also diametrically opposed to most contemporary organizational theories. In short, demo-

5. Vincent Ostrom, *The Political Theory of a Compound Republic*, Second Edition, Revised and Enlarged (Lincoln: The University of Nebraska Press, 1987), p. 41.

6. *Ibid.*, p. 35.

7. Ostrom, *Intellectual Crisis*, p. 80.

8. Ostrom, *Compound Republic*, 2nd edition, pp. 26–27, and pp. 201–214. In his analysis of administration and the polity in general, Ostrom has vividly illuminated the perils of unitary perspectives on authority and sovereignty on "shared communities of understanding of what it means to live in a self-governing society," p. 231.

cratic administration is most aptly “characterized by polycentricity” in authority as opposed to monocentric organizational theories.⁹

Democratic administration does not advocate the absolute elimination of bureaucratic types of organizations. Simply, some public goods and services may require such an organizational form, (e.g., large utilities.) Rather, the paradigm of democratic administration recognizes that a “variety of different organizational arrangements can be used to provide different public goods and services.” Moreover “such organizations can be coordinated through various multiple-organizational arrangements including trading and contracting to mutual advantage, adjudication, as well as the power of command in limited hierarchy.”¹⁰ In elaborating the virtues of the polycentric authority structure in democratic administration, Ostrom notes that multiple-organizational arrangements provide “the necessary conditions for maintaining a stable political order which can advance human welfare under rapidly changing conditions.” In contrast,

perfection in the hierarchical ordering of a professionally trained public service accountable to a single center of power will reduce the capability of a large administrative system to respond to diverse preferences among citizens for many different goods and services and cope with environmental problems.¹¹

Likewise, perfect hierarchy in organization “will not maximize efficiency as measured in least-cost in time, effort or resources.”¹²

One of the basic propositions of Ostrom’s model focuses on the concern of traditional political theory for political authority. He observes,

the exercise of political authority—a necessary power to do good—will be usurped by those who perceive an opportunity to exploit such powers to their own advantage and to the detriment of others unless authority is divided and different authorities are so organized as to limit and control one another.¹³

Decision Making

Multiple-organizational arrangements are not the only means of alleviating concentrated power. The third major difference between democratic

9. Ostrom, *Intellectual Crisis*, p. 81.

10. *Ibid.*, p. 111.

11. *Ibid.*, p. 112.

12. *Ibid.*

13. *Ibid.*, p. 111.

administration and traditional public administration lies in their respective orientations to organizational decision making. In contrast to policies formulated by management and/or professional elites which can be imposed on the organization by varying degrees of bureaucratic despotism, Ostrom asserts that “the *structure of public administration cannot be organized apart from processes of political choice.*”¹⁴ Furthermore, the notion of political choice in his model is clearly one of constitutional choice. Because, as he points out, “the tasks of establishing and altering organizational arrangements in a democratic society is [sic] to be conceived as a problem in constitutional decision-making.”¹⁵

This decision-making mode, however, is not limited to structural arrangements. In a recent revision and expansion of *The Political Theory of a Compound Republic*, Ostrom argues,

constitutional choice need not be limited to constitutional conventions or amendments pertaining to national governments, but can apply to all institutions of human governance. . . . A Constitution can be defined as a set of rules that specify the terms and conditions of government.¹⁶

In a specific conceptualization of what is meant by constitutional choice in his model, Ostrom says it is “simply a choice of decision-rules assigning decision-making capabilities among a community of people for making future decisions in the conduct of an organization or an enterprise.”¹⁷

According to his view, such decision rules originate with assumptions common to a model of man found in the works of Hobbes and also in that of Hamilton and Madison.

The common assumptions of the model of man that Ostrom finds in these classical political theorists can be summarized: (1) Individual humans are the “basic units for forming any political community.” (2) Decision rules order relationships in any association, i.e., decision rules are propositions which “assign decision-making capabilities in social relationships” insofar as they limit choice “as a necessary condition” for insuring predictability. As such, discretion is permitted for the pursuit of some possibilities at the exclusion of others. Consequently, “if actions injurious to others can be excluded from the domain of choice, the human welfare would be enhanced by the pursuit of lawful possibility.”

14. *Ibid.*, p. 66.

15. *Ibid.*, p. 111.

16. Ostrom, *Compound Republic*, 2nd edition, p. 5.

17. Ostrom, *Intellectual Crisis*, p. 66.

(3) Decision rules are wholly dependent upon individual persons for their formulation and alteration. Ostrom writes:

If persons are to act consistently and productively in relation to one another, then means must be available for constraining and resolving conflicts which arise in accordance with existing decision rules and for devising new decision rules to comprehend new social conditions.¹⁸

(4) These decision rules are dependent upon the assignment of “extraordinary powers to *some* persons to enforce decision rules in relation to other members of a community.” Such rules are simply not self-enforcing. These extraordinary powers include the capacity to impose coercion as they thus “involve the potential use of lawful capabilities to impose deprivation on others.” (5) The subsequent form of political organization following these assumptions is dependent on “*a radical inequality*” in the assignment of decision-making capabilities to those who exercise the prerogatives for controlling and allocating the decision-making capabilities of others. The inequality of political conditions, Ostrom asserts, “must necessarily exist in any political association.”¹⁹

While these common assumptions ultimately condition the general political organization of democratic administration, they do not tell us how the hypothetical individuals may or do act as solitary persons. The following section reviews this ideal-type individualism and the self-interest and reasoning processes used in this individualism as found in Ostrom’s works. The foundation of democratic administration rests on this individualism. Furthermore, to understand the prospects offered by this paradigm for both authentic political action and genuine democratic involvement in public organization, it is necessary to examine Ostrom’s basic unit of analysis more closely.

II. Democratic Administration’s Individualism and Influences

The perspective of democratic administration toward human actors is grounded in an ideal-type individualism. Specifically, it is a methodological individualism that makes certain assumptions about human nature and is informed by a particular view of human rationality and action. Ostrom’s conceptualization of methodological individualism is based in enlightened self-interest, as well as an instrumental rationality that rests on a cost-calculus of relative advantage.

18. *Ibid.*, p. 108.

19. *Ibid.*, pp. 108–109.

He acknowledges that his views on self-interest and economic reasoning emerge from several traditional and modern political analysts, among them James Buchanan and Gordon Tullock, Mancur Olson, Charles Lindblom, and Daniel Elazar, among others. The classical political theorists his works most often cite are: Hobbes, Hamilton, Madison, and Tocqueville. Ostrom's broader political economic and theoretical outlook, as well as his idea of individualism, is in large part a synthesis of these four classical thinkers.

Tocqueville's Influences

The works of Alexis de Tocqueville are frequently cited by Ostrom in the formulation of his model. Tocqueville not only provides a foundation for the collective or shared nature of authority, but the French theorist also offers a perspective on the proper understanding of self-interest. Ostrom sees in Tocqueville's writings a way or a mode of reasoning found also in other classical liberal thinkers such as Hobbes, Hamilton, and Madison. Specifically, he finds in Tocqueville the description of a "pervasive motivating and regulating force in American politics—the idea of rightly understood self-interest."²⁰ In Ostrom's view, this self-interest is Tocqueville's "first corollary of the principle of the sovereignty of the people." He infers from Tocqueville that

each person is first of all his own sovereign in the government of his own affairs; each township is sovereign in all that concerns itself, alone, and is subject to the sovereignty of the state in matters of general concern beyond the township.²¹

Ostrom also finds in Tocqueville's writings, as well as in those of Hamilton and Madison, an alternative way of thinking about the "diversity of individual preferences and the diverse nature of goods and services" as opposed to those of mere "organizational structure."²² He points out that this alternative involves economic reasoning:

Tocqueville, Hamilton and Madison were political economists in the sense that they used economic assumptions to reason about the human condition and about the effect that political regimes would

20. Vincent Ostrom, *The Political Theory of a Compound Republic: A Reconstruction of the Logical Foundations of American Democracy as Presented in The Federalist* (Blacksburg, VA: Virginia Polytechnic Institute and State University, 1971), p. 4.

21. *Ibid.*

22. Robert Bish and Vincent Ostrom, *Understanding Urban Government* (Washington, DC: Domestic Affairs Study 20, American Enterprise Institution for Public Policy Research, 1973), p. 17.

have upon the capacity of people to advance their “self-interest rightly understood,” to use Tocqueville’s phrase. All human interests are rooted in the self; but the degree of selfishness depends upon the social-space and social-time horizons that individuals use in their choices and actions. A function of the political process is to bias individual decision making toward taking into account a wider community of people and a longer time horizon.²³

Ostrom’s rendering of Tocqueville’s thoughts on self-interest as being congruent with the emphasis placed on this concept by Hamilton and Madison misses Tocqueville’s more sociality-based view of man in nineteenth-century American society. Put simply, Ostrom overlooks the greater, more holistic concern that Tocqueville attaches to the importance of “civic virtue.”²⁴ Furthermore, Tocqueville’s remarks on individual and local sovereignty are more fully applicable in the classical context of public welfare and common freedom, as opposed to being limited to individualistic self-interest and economic reasoning.

In Part II, Book Two of *Democracy in America*, Tocqueville expresses concern on how unrestrained private interests and individualism work to the detriment of positively promoting the public good. He suggests, for example, that

individualism proceeds from erroneous judgment more than depraved feeling . . . individualism, at first, only saps the virtues of public life; but, in the long run, it attacks and destroys all others, and is at length absorbed in downright selfishness.²⁵

It is essential, Tocqueville says, that men be drawn from their individualistic interests in order that the greater public welfare be attained.²⁶ In short, individualism impedes man’s understanding of himself as primarily a social being. Tocqueville also asserts that it is necessary for men to

attend to the interests of the public, first by necessity, afterward by choice: what was intentional becomes instinct; and, by dint of working for the good of one’s fellow-citizens the habit and tastes of serving them is at length acquired.²⁷

23. Ostrom, *Compound Republic*, 1st edition, p. 7.

24. Alexis de Tocqueville, *Democracy in America*, specially edited and abridged by Richard D. Heffner (New York: Mentor Books, 1976). Tocqueville does indeed observe the pervasiveness of private interests on human actions in the United States, but he simultaneously states how, he in a “hundred instances” conveyed the impact of “real and great sacrifices for the public welfare,” p. 197.

25. *Ibid.*, p. 193.

26. *Ibid.*, p. 195.

27. *Ibid.*, p. 197.

Hamilton and Madison's Contributions

It is in the papers of *The Federalist*, as interpreted in Ostrom's *The Political Theory of the Compound Republic*, especially the first edition, that Madison and Hamilton's views on economic reasoning and self-interest are most evident. Likewise, Ostrom interprets their assumptions on individuals and human behavior as congruent with a public choice orientation to social reality. In addition, he finds in Hamilton and Madison the justification for linking humans, individually and collectively, with the structure of authority subsequently found in his democratic administration. He argues that these thinkers "use economic reasoning to analyze the problems of constitutional choice" but also that Madison and Hamilton, like Tocqueville, are political economists as well as theorists who "saw people using a cost-calculus to choose among alternative possibilities" in human existence.²⁸

It was noted earlier that Ostrom's methodological, ideal-type, representative, or hypothetical individualism presupposes individuals to be "the basic unit of analysis."²⁹ This applies to both democratic administration and public choice theory. Likewise, it was observed that Hamilton and Madison's "first assumptions" include the proposition that individual men are to be considered basic units in establishing political institutions. The other assumption he finds in the writings of these two Federalists is that "individuals are self-interested and will seek to enhance their relative advantage."³⁰

According to Ostrom, relative advantage or marginal utility as found in *The Federalist's* individualistic assumptions about political experience is more consistent with his own views on enlightened self-interest than with a "narrow conception of self-interest." He simply rejects the notion of an "unrestrained or unlimited pursuit of self-interest" which leads in turn "to a state where each individual is at war with every other individual."³¹ Instead, Ostrom finds in Hamilton's works the assumption that individuals will always be confronted by circumstances that involve the scarcity of goods and services. Moreover, he observes, "both Hamilton and Madison assume that individuals will have reference to self-interest or 'self-love' in the pursuit of opportunities or interests." And "it is

28. Vincent Ostrom, "Some Problems in Doing Political Theory: A Response to Golembiewski's 'Critique'," *American Political Science Review*, 71 (1977): 1509.

29. *Ibid.*, p. 1511. Ostrom insists his focus on "methodological individualism" can be "used to analyze behavior even in the absence of any authority on the part of the individual to decide a course of action" and that, "using the individual as the basic unit of analysis does not mean that one is confined to that unit of analysis."

30. Ostrom, *Compound Republic*, 1st edition, p. 17.

31. Ostrom, "Some Problems," p. 1513.

from this base that human energy, ambition and productivity arise.” Thus, sources of conflict arise which consequently necessitate the “design of political institutions” which depend “upon connecting the interests of man with the assignment of decision-making capabilities so that the intent of one is constrained by the interests of others.”³²

Ostrom notes that Madison explicitly assumes that “individuals will always be confronted by choosing from a mixed bag of imperfect goods.” Madison’s concern, Ostrom observes, is “clearly one of choosing the greater good rather than the lesser good despite imperfect qualities attributed to men and their political institutions.”³³ But the calculus of relative advantage is not limited to human passion and ambition only in the context of a short-term calculus. Hamilton also argues that it “permits reasoned considerations of ‘policy, utility and justice’ in terms of a long-term calculus.”³⁴

Ostrom also finds in Madison’s writings situations where “value occurrences may be good for some [and yet] be detrimental to others.” In such circumstances, citizens may be required “to give attention to an extended social calculus of one’s interest *vis-a-vis* others interests and to select those opportunities which will realize the greater good rather than the lesser good.”³⁵ The self-interest of relative advantage, for both the short- and long-term basis, therefore necessitates conditions whereby legal and political processes for constraint can be interposed upon human affairs. These processes in democratic administration, as noted, rest on constitutional choice and multi-organizational arrangements with fragmented and overlapping authority.³⁶

Ostrom’s interpretation of the reasoning of Madison and Hamilton as grounded in individualistic assumptions of self-interested calculations presents a perspective whereby the political is secondary to a primary focus on economic and private concerns. That is, the instrumental reasoning of the private person as primarily a market-economic being takes precedence over the traditional concern with political morality and the general or public good. Ostrom’s explanation of the roles of self-interest with respect to thought about and the drafting of the Constitution is not without its challenges. Others have argued that the roots of the republican experiment are more fully explained by the roles of civic virtue and the development of collective responsibility. These interests are seen as overriding the Federalist concerns for the “guarantee of individ-

32. Ostrom, *Compound Republic*, 1st edition, pp. 21–22.

33. *Ibid.*, p. 22.

34. *Ibid.*

35. *Ibid.*, p. 23.

36. Ostrom, *Compound Republic*, 2nd edition, pp. 48–49.

ual security.”³⁷ William Sullivan has recently argued that the measure of the Constitution “was not the achievement of a particular moral quality of civic life.”³⁸ A central concern of public philosophy in the eighteenth-century republican tradition, Sullivan insists,

was to avoid at all costs the possibility of despotism and its forerunner, the encouragement of exclusive self-interest. They sought to promote civic virtue through an active public life built up through an egalitarian spirit of self-restraint and mutual aid.³⁹

Sullivan notes further that the untrammelled pursuit of self-interest was seen by the “Real Whig” republicans as drawing men away “from their full development as ethical persons” and thereby “undermining the civic spirit on which liberty depended.”⁴⁰

The model of man and the perspective on human action found in the writings of Hamilton and Madison contrast sharply with the views of their republican opposition. Their opponents argued for a morality wherein man is recognized as a social creature who engages in a public ethos as a political citizen. It is a perspective oriented to cultivating a civil spirit and a democratic ethics for collective participation in the determination of the common good. In contrast, the self-interest individualism of Madison and Hamilton is, at base, an economic and strategic view toward human action.⁴¹

The Influences of Thomas Hobbes

The writings of Thomas Hobbes are also a significant influence on the type of individualism found in democratic administration. Hobbes’s impact on Ostrom’s thinking is apparent with respect to both enlightened self-interest and methodological individualism. While Ostrom rejects the Hobbesian “unitary theory of sovereignty” in favor of political theory grounded in “a general theory of limited constitutions,”⁴² his individualism is clearly conditioned by Hobbes’s works.

Self-interest in Ostrom’s view, as noted, is dependent on right understanding or enlightened understanding. Enlightened understanding is necessary, he argues, to avoid the “blind, unlimited pursuit of self-

37. William M. Sullivan, *Reconstructing Public Philosophy* (Berkeley: University of California Press, 1986), p. 12.

38. *Ibid.*

39. *Ibid.*

40. *Ibid.*, p. 191.

41. *Ibid.*, pp. 191–192.

42. Ostrom, *Compound Republic*, 2nd edition, p. 214.

interest.” Following his interpretation of Tocqueville, Ostrom suggests, “learning occurs and self-interest becomes enlightened.” Therefore, enlightened self-interest can be a useful assumption about human behavior to the extent that the “relevant choice situation is made explicit—i.e., the rule structure and the nature of goods is established.”⁴³

Furthermore, the right understanding of self-interest in Ostrom’s perspective “is consistent with the moral precepts in Hobbes’ law of nature.” How his, Tocqueville’s, and Hobbes’s views are seen as compatible in this context is apparent:

Because of the interaction that occurs among individuals, individuals find that instead of realizing their own preservation, as they would prefer, they are each threatened with their own extinction. Hobbes conjectures that individuals who find themselves confronting such a puzzle will then resort to reason and think through the conditions—the moral precepts—that will enable them to realize a state of peace rather than war . . . Hobbes bases his analysis upon implications that follow from recognizing the essential capabilities and desires of others. He assumes that individuals will be prepared to order their preferences so long as others do so too.⁴⁴

Ostrom also identifies with Hobbes’s notion of methodological individualism. This is evident in his remarks regarding “some basic understanding about human nature.” Ostrom notes that “perhaps the most distinctive characteristic of human beings is their capacity for learning.” In turn, learning entails the “development of an image about the order of events and relationships that occur.”⁴⁵ Subsequently, each individual can also “calculate the probable consequences that can be expected to flow from alternative courses of action.” Such courses of action derive from instrumental forms of knowledge. Additionally, “each individual has an independent capacity to weigh alternative possibilities in relation to the *internal* indicators that might be referred to as preferences.” This brings the issue of choice into consideration and, according to Ostrom, choice “is a process of selection that derives from weighing of alternatives in terms of preferences.” He says, “in forms of voluntary actions each individual will take” his own preferences into account. As such, humans can never be seen as “perfectly obedient automata,” because any time “discretion is exercised, individuals can be expected to consider

43. Ostrom, “Some Problems,” p. 1513.

44. *Ibid.*

45. Vincent Ostrom, “Artisanship and Artifact,” *Public Administration Review*, 40 (1980): 310–311.

their own interests in the actions they take.”⁴⁶

On the basis of these assumptions, Ostrom asks rhetorically, “how do we take account of the strategies that individuals can be expected to pursue?” According to his perspective, two strategies are available. One is to provide individuals with opportunities to interact with others, communicating their preferences while also taking into account other interests. But Ostrom sees this as merely a complementary method to a more fundamental strategy of methodological individualism which also involves instrumental reasoning. Namely, this more basic strategy relies on

the presumption that human beings share a basic similitude of thoughts and passions, and by taking the perspective of others, attempt to understand the basic structure and logic of their situation and infer the strategy they are likely to pursue. This is essentially the strategy inherent in methodological individualism.⁴⁷

Ostrom’s orientation here closely parallels his interpretation of Hobbes’s “basic methodological stance,” which he finds in Hobbes’s “Kingdom of God by Nature.” Of Hobbes’s position, he says,

human beings are potentially *self-knowing creatures* that share a similitude of thoughts and passions characteristic of all mankind. Underlying the ideosyncracies of individual personalities is a more basic structure of thoughts and passions that is common to all human beings. By reflecting upon the way one thinks and acts, one can come to an understanding of oneself as an *autonomous creature* and use one’s reflective knowledge to order one’s life in a way that enables one to become a responsible being, both in relating to other human beings and to other forms of being.⁴⁸

The Ostrom and Hobbes perspectives on methodological individualism are in essential harmony in that each sees man as fundamentally an autonomous or self-knowing being who seeks to comprehend and act responsibly through strategic thinking.

III. Origins of Ostrom’s Views On Human Nature and Political Society

The concept of the individual found in Ostrom’s paradigm can be identified in political philosophy by the value emphasis and the mode of

46. *Ibid.*, p. 311, emphasis added.

47. *Ibid.*

48. Vincent Ostrom, “Hobbes, Covenant and Constitutions,” *Publius: The Journal of Federalism*, 10 (1980): 96, emphasis added.

reasoning associated with his representative individual. It entails autonomous actors who embrace an enlightened understanding of self-interest and who employ calculative reasoning to determine both short and long-term advantage. His political society is one of constitutionalism located in polycentric organizational structures as human artifacts.

In the broad sweep of western political economy, Ostrom's approach is clearly within the Natural Law tradition. How democratic administration derives originally from this tradition is apparent in at least three ways. First, it is evident in Ostrom's concern for the individual as the basic unit of analysis. Second, it is prevalent in the primacy he attaches to a means-ends rationality of the ideal-type individual. Third, the types of interaction envisioned between individuals in multi-organizational arrangements is also well within the Natural Law orientation.

The pervasiveness of Natural Law on the structure of western political economy has long been acknowledged. Its influence on human consciousness in America is also widely recognized. Jon Wisman, for example, has explicated Natural Law's philosophical foundations, its historical evolution, and, indeed, its impact on human thought in modern political economy. Wisman notes that by the late eighteenth century, "the sphere of market activity had progressed to the point that it could no longer be viewed as guided or regulated by either divine or civil authority." What was required, he notes, was a "secular frame of reference, within which the laws of motion of markets could be explained." Since such "laws had long been worked out," the task that remained was "to sever the dependence of these laws on the legitimation contexts of religion and central political authority." This break, he continues, "came with the maturation of a new secular cosmology built on a mechanical analogy. The universe, social as well as physical, was to be viewed as functioning mechanistically according to Natural Law."⁴⁹

While it was a mechanistic cosmology used to depict the natural order, Natural Law was also "readily adopted to depict the economic order." In other words, it "was transformed to refer to mechanistic market interactions of atom-like individuals." Thereby, the laws of nature which regulate social interaction would "not differ from those laws which are operative in a mechanical physical universe."

Just as the force of gravity was seen as the motor force and the cosmic glue which propelled and held the physical world harmoniously together so individual self-interest could be seen as providing

49. Jon Wisman, "Legitimation, Ideology-Critique and Economics," *Social Research*, 46 (Summer, 1979): 300.

the driving force and social glue which motivated and cohered the economic order.⁵⁰

Consequently, with the rendering of Natural Law by Thomas Hobbes, attempts were progressively made to legitimate political power not by traditional political morality or religious authority, but rather by purposive-rational criteria.⁵¹ Namely, it was through Natural Law that modern economic thought became a powerful source of legitimation in the contemporary state. Equally, on the daily level of human interaction, it was through Natural Law that “instrumental or means-ends rationality stemming from purposive-rational action came increasingly to characterize human consciousness.”⁵²

This transformation in human consciousness did more than merely weaken traditional religious-political authority. In effect, it compelled the legitimation of state authority to arise from the “materialist realm of economic activity.”⁵³ As such, political authority was to be “rendered subservient to economic activity.” This development, however, served to alter the understanding of the role of the state in fundamental ways. Moreover, this altered understanding is not only found in Hobbes, but also from Federalists down to Ostrom and public choice theorists. Specifically, this modern understanding is essentially one in which “the role of the state was in effect reduced from that of guiding economic affairs to that of providing a suitable legal and political framework within which economic affairs might be left to themselves.”⁵⁴ The state, in other words, is reduced to little more than a market apparatus.

The influence of Natural Law, therefore, serves as a powerful impetus in the formulation of Ostrom’s thought. It is readily acknowledged by Ostrom, as well as by the theorists upon whom he draws, e.g., classic and modern public choice thinkers such as Buchanan and Tullock. This is evident in both his basic unit of analysis and in democratic administration’s structure. First, for instance, in opposition to hierarchical bureaucracy, Ostrom’s multiple-organizational arrangements are conceived as “fundamentally different structures” envisioned as “providing a variety of market-type relationships in the public sector.”⁵⁵ Second, it

50. *Ibid.*, p. 302.

51. *Ibid.*, p. 298. See also: Jürgen Habermas, *Toward a Rational Society* (Boston, MA: Beacon Press, 1970), p. 96.

52. *Ibid.*, p. 303.

53. *Ibid.*, p. 304.

54. *Ibid.*, p. 304–305.

55. John Brademas, Neil Pierce, Elliot Richardson, Vincent Ostrom, and Casper Weinberger, “Organizational Rationality, Congressional Oversight and Decentralization: An Exchange,” *Publius: The Journal of Federalism*, 8 (1978): 117.

is within these polycentric organizations that collective action is seen as facilitated. Yet, the concept of collective action in Ostrom's paradigm is a restrictive conceptualization of collective action. Put simply, collective action in his, Buchanan's, and Tullock's perspective is merely aggregate action of atomized individuals. That is, in their view, collective action is understood as "the action of individuals when they choose to accomplish purposes collectively rather than individually, and government is seen as nothing more than a set of purposes, the machine, which allows collective action to take place."⁵⁶

Ostrom has argued that the economic man of the Natural Law tradition "is replaced by 'man' the decision-maker,"⁵⁷ but his grounding of the ideal-person's singular and collective choice remains firmly based on atomistic assumptions, market-type interactions, and the purposive rationality dimensions central to the Natural Law cosmology. While his individualism moderates pure self-interest with a calculus of relative advantage in choice decisions based on weighing and ranking options from "more" or "less" alternatives, Ostrom's perspective remains rooted in the laws of nature tradition and its primacy in economics.⁵⁸

IV. Democratic Administration's Individualism and Political Action

The ideal-type individualism found in Ostrom's democratic administration is problematic in two ways. First, this individualism is unlikely to promote the type of human action needed for public enterprises. Second, it also presents obstacles to humans adopting his individualism as a way of life in that it hinders their understanding of themselves as social beings and as active participants in reforming or reconstructing social reality.

Ostrom's Individualism: Private or Public Action?

The foundation assumptions of democratic administration in individuals as self-interested, autonomous beings who engage in calculae of relative advantage poses problems for achieving the type of political action needed to foster and sustain public organization.

56. James M. Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: The University of Michigan Press, 1974), p. 13.

57. Vincent Ostrom and Elinor Ostrom, "Public Choice: A Different Approach to the Study of Public Administration," *Public Administration Review*, 31 (March–April, 1971): 205.

58. Buchanan and Tullock, *Calculus of Consent*, p. 18. The theory and economic reasoning by these scholars is seen by Ostrom as "consistent with the way of thinking" that was used by Hamilton and Madison and by Tocqueville in his works. Also see: Ostrom, "Undisciplinary Discipline," p. 306; and see also: Bish and Ostrom, "Public Choice," p. 17.

In the first place, Ostrom's individualism generates the antithesis of common, social or shared political action. It advocates activity that is primarily self-interested and only secondarily social. It is also basically socio-economic activity. Second, his fundamental commitment to organizational life is a private rather than public commitment to social reality by virtue of the priority given individuals and the reasoning processes inherent in instrumental rationality. That is, action generated by self-interest, enlightened or not, is a private commitment first and foremost to one's self. Thereby, it is primarily a competitive rather than a cooperative way to relate to others, as well as to one's social institutions.

Kirk Thompson, for example, elucidates how self-interest is thoroughly grounded in the economic realm and, as such, can only engender a politics of economic interest and subsequently economic man. He observes that the citizen of Aristotle is one who "fulfills his highest potentialities in the public realm and to do so he must extricate himself from the concerns of the economic unit."⁵⁹

Therefore in pursuing self-interest, which in effect is to say private interest, the public, common, or general dimension of political action is diminished. In short, "the private life, not life in public, has become the good life." Self-interest, Thompson states, generates human activity that is most appropriately characterized as political behavior rather than political action. Such behavior includes "activities that are not fully public, i.e., that do not take place in public or do not involve common or public interest as a referent."⁶⁰ He also points out that "where economic interests do give rise to political activity, that activity is devoid of the concern for the common weal that is characteristic of political action."⁶¹

Ostrom's Individualism: Man as an Autonomous or Social Being?

The Natural Law orientation to individuals, as well as Ostrom's adherence to this view, is also problematic for the achievement of political action required of public organization. Not only did Natural Law's ascendancy help to legitimate market economics and self-interest as the "driving force and social glue which motivated and harmoniously cohered the economic order," but, as importantly, if not more so, it provided the basis for the increasing legitimation by purposive-instrumental rationality over practical or traditional reason by consensual norms.⁶²

59. Kirk Thompson, "Constitutional Theory and Political Action," *Journal of Politics*, 31 (August, 1969): 655.

60. *Ibid.*, p. 660.

61. *Ibid.*, p. 675.

62. Wisman, "Legitimation," p. 297.

The adoption of Natural Law cosmology led to the development and recognition in social thought of the postulate of autonomous man. In other words, autonomous man is an individual whose being is thoroughly grounded in the subjectivity of the inner-self. Socially, this view implies “essentially equal and free activities of individuals.” This orientation to man as autonomous, according to Wisman, is mediated by a simultaneous view of “an impersonal and impartial mechanistic market system.” Each of these views is also to be found in Ostrom and in his rendering of Hobbes, Hamilton, and Madison.⁶³

By following a Natural Law derived from the laws of motion, economic thought was grounded on an analogy to classic mechanics which “provided a static view of reality.” While men as individuals were obviously perceived as humans, their institutions were conceptualized as mechanical parts within the larger social universe which was also analogized as an apparatus. But, the increasing predominance of purposive-instrumental rationality inherent in market interaction and expansion provided the foundation for economic thought to become “formal and ahistorical.” Of more importance to this discussion, the basic unit of human nature in this economic thought, i.e., the individual, also become “universal, that is, a-historical and a-cultural.”⁶⁴

The ahistorical and universal characteristic imputed to individuals in Ostrom and his influences follow this tradition. In terms of social thought, his methodological individualism represents a specialist view of social reality. Not only does his individualism transcend cultural and historical differences among people, but human freedom and subjectivity are defined only from an individualist perspective. Rather than seeing man as a social or political animal in the sociality perspective, Ostrom’s individualism is primarily premised on man as self-interested. Likewise, reasoning is primarily a cognitive process of calculation of the individual person as an autonomous or self-knowing being.

The ramifications of man as an autonomous being as originally conceived in Hobbes were to be worked out subsequently in Kant’s “revolutionary discovery of subjectivity, revolutionary because it conceives the human subject as the active constructor of his universe of meaning.” The understanding of man as self-knowing or autonomous as found in Hobbes and Ostrom is not only a perception of reality thoroughly based in the inner self, it is also an orientation which encourages people to see “even social problems” as “solved in terms of relationships of individuals.”⁶⁵

63. *Ibid.*, p. 305.

64. *Ibid.*, p. 307.

65. David Rasmussen, “Between Autonomy and Sociality,” *Cultural Hermeneutics*, 1 (1973): 8–9.

It is also an individualism that is ultimately subjective in the sense that mind is prior to experience. Ostrom's and Hobbes's assumption that man is an autonomous or self-knowing creature denies man as a social or political animal. David Rasmussen offers a lucid critique of human experience understood as based primarily in subjectivity. He argues that "instead of man being conceived as a rational being who by free exercise of rational activity creates his own meaning, he is a contingent being who achieves his identity in relationships" to other selves and human institutions.⁶⁶ In premising man in self-knowing, autonomous subjectivity, and rejecting or delegating the social dimensions of man to a secondary consideration, the notion of identity that man finds in the world is reduced to the solitary effort of the individual. In this sense the representative individuals in Ostrom's model must be primarily competitive rather than cooperative beings, i.e., creatures who are pitted against others and their institutions.

The concept of a man as an autonomous, self-knowing being therefore facilitates a preoccupation with the self and serves to inhibit awareness of problems that are social in origin. Likewise, it inhibits one's awareness of social institutions themselves as historically manmade phenomena which are potentially open to collaborative, social efforts at reform or reconstruction.

V. Methodological Individualism as a Philosophy of Everyday Life

Not only does the individualism of democratic administration pose obstacles to social-political democratic action necessary for shared participation in public concerns, it also presents personal obstacles for individuals who adopt it as a way of everyday existence. Namely, as a mode of reflection and activity in daily situations, methodological individualism limits understanding and meaning.

Methodological individualism as found in Ostrom's model does indeed permit a functional understanding of how individuals or groups act based on causal modes of thinking. It cannot, however, call into question the ultimate purposes or the cultural contexts forming such actions. The reasoning process inherent in Ostrom's individualism cannot indicate why such actions *are* or *are not* reflective of the general good, because his methodological individualism, like that of Max Weber, sees social action as understandable only to the extent that it is purposeful and follows a linear-causal sequence.

66. *Ibid.*, p. 22. Also see: Brian Fay, *Social Theory and Political Practice* (London: George Allen & Unwin, 1975), pp. 54–55.

Consequently, understanding and meaning within the logic provided by Ostrom's individualism, if adopted as a daily philosophy of existence, will pose difficulty in explaining social action similar to that encountered by Weber. Namely, the type of reasoning processes employed in both Ostrom's and Weber's individualism explains action in a given, functional, commonsense world context. On the other hand, it is "unable to account for the cultural substructure that makes the common sense world possible in the first place."⁶⁷ Put simply, it employs a reasoning process in which means and ends are explicable, but not the ends themselves. Traditionally, substantive reason involves meaning in multiple dimensions. But in methodological individualism the notion of reason is reified as simply a mental process of the personal mind and then it is further limited to calculating means-ends relationships. Reflection on and consideration of various moral and/or political criteria is absent within the strategic logic of instrumental rationality.

On the level of everyday human existence, Ostrom's methodological individualism, like Weber's, poses several problems for those persons who would adopt it as an everyday way of life. First, it encourages resignation in the face of the rationalization of life. Karl Loewith, in a celebrated essay, vividly describes what occurs where methodological individualism becomes an everyday mode of individual reflection and activity. He discusses specifically how even Weber himself came to recognize the ways in which purposive rationality in his ethic of responsibility and therefore in his own idea of man led culturally to rationalization of life. In other words, Weber saw how irrationality developed from the process of rationalization which stems from the relationship between means and ends. Weber noted how what

was originally a means (to an otherwise valuable end) becomes an end-into-itself, actions intended as means become independent rather than goal-oriented and precisely thereby lose their original "meaning" or "end," i.e., their goal-oriented rationality based on man and his needs.⁶⁸

Weber suggests that this reversal of means and ends "marks all modern culture . . . its institutions and enterprises are rationalized in such a way that it is these structures, originally set-up by man which now, in their turn, encompass and determine him like an iron-cage."⁶⁹

67. Rasmussen, "Between Autonomy and Sociality," p. 37.

68. Karl Loewith, "Weber's Interpretation of the Bourgeois-Capitalistic World in Terms of the Guiding Principle of 'Rationalization'," in *Max Weber*, ed. Dennis Wrong (Englewood Cliffs, NJ: Prentice Hall, 1970), p. 114.

69. *Ibid.*, p. 114.

The adoption of methodological individualism as found in Ostrom or Weber's works serves, as an everyday way of reflection and activity to expedite the resignation described by Weber. Such a perspective encourages acceptance of what appears to be inevitable destiny, i.e., a form of determinism toward rationalized institutions. Within this universal bondage, the only meaningful concept of freedom accessible to the individual is restricted to self-responsibility. This occurs as understanding of freedom and meaning in this individualism is limited to that which is relevant to the inner man. In short, freedom and meaning in this mode are restricted to personal cognition and subjectivity.⁷⁰

Without alternate understandings of man and reason, freedom parallels the Weberian perspective of choosing to specialize in some endeavor and doing the best one knows how under the circumstances of an otherwise perceived deterministic universe. Freedom, in other words, is what is possible dependent ultimately upon one's own self and one's own actions.

In sum, Ostrom's individualism does provide for self-responsibility for man as an autonomous creature. It does not, however, promote modes of understanding of how one's self and others are basically social beings. Nor does it facilitate political action for public participation. The most harmful effect of methodological individualism, if it is assumed to be a philosophy of everyday existence, is that it permits the individual to promote and rationalize his cognitive dissonance and his alienation from fellow citizens and from his social institutions.

VI. Conclusion

Ostrom's model is clearly a more humane approach to administration than theories preoccupied with managerial efficiency or control under monocratic authority. It is also potentially more democratic in that he begins with the individual and builds from the bottom up. Also the fragmentation and overlap of authority in his model work against the obvious concentration of power found in top-down organizational models.

At the same time, the economic reasoning and subjective morality base of methodological individualism fosters human action that is essentially private. In order for administration to be more genuinely "public," meaning more than merely a synonym for government, a theory of administration is needed which holds forth the promise of what William Dunn and Bahman Fozouni have called "administrative praxis." That

70. *Ibid.*, pp. 119-122.

is, administration which more authentically reflects the welfare of those served by organizations and requires “self-generating public action which transcends forces beyond human control.”⁷¹ Such a theory necessitates a foundation in democratic morality accompanied by a social rationality and an understanding of man’s fundamental social nature.

In the first place, public action requires processes for collaborative deliberation and participation. Public action necessitates the application of civic virtue in organizational life. The prospect that such processes can be developed is promoted when the ultimate value priority or the guiding social ethic of organization is founded squarely on democracy. Second, the potential for self-generating public action arises when a priority exists for comprehensive human development in organizational life. By “comprehensive” is meant human development that includes but is not limited to psycho-social growth and includes education for personal growth as political citizens of the enterprise.

Third, the achievement of public action is dependent on facilitating an understanding of man’s rationality and being as thoroughly social. Man’s understanding of his inherent sociality emerges from the recognition that he arrives in the world where one’s thinking is already conditioned, i.e., where as Rasmussen points out, “each individual is an expression of his institutions.”⁷² In short, social man is a determined being initially in organizational situations. But, more precisely, social man is a contingent being who, in association with others, works out his identity, autonomy, and freedom. These dimensions, rather than being dependent on solitary efforts of inner-based man, are socially earned through personal efforts *with* others and *within* the social and objective conditions faced in organizational situations.

The understanding that man is social, having both personal and collective needs, means that man comes to awareness that both personal and social objectives are earned through continuous and mutual effort. Sociality also provides an individual with the recognition of how his enterprises are historically manmade and how the problems faced in workplace conditions are open to shared deliberation and action for modification or reconstruction.

71. William N. Dunn and Bahman Fozouni, *Toward a Critical Administrative Theory*, Administrative and Policy Studies Series, Number 03-026 (Beverly Hills, CA: A Sage Professional Paper, 1976), 3, p. 62.

72. Rasmussen, “Autonomy and Sociality,” pp. 20-25.