

The Day After an AIDS Vaccine Is Discovered: Management Matters

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Presidential Address¹*

Imagine for a moment, if you will, that we pick up the newspaper tomorrow morning and read that a fully effective AIDS vaccine has been discovered. When this happens, everyone's response will be one of joy. We all would suppose this to be the happy ending to the long nightmare of AIDS. I want to suggest that, unfortunately, nothing could be further from the truth.

The discovery of an effective AIDS vaccine will not be the beginning of the end. It will only be the end of the beginning. This is because management matters—and management is not always a routine task. The same is true for many similar breakthroughs that I will refer to as point decisions—like deregulatory breakthroughs, or independence from colonial or totalitarian rule. In all these cases, freedom is only the beginning. We must tell this to our students and to practitioners.

The day after an AIDS vaccine is discovered will only usher in the next chapter of this ordeal. It will be the start of an even more difficult period: the implementation of the campaign to inoculate all Americans with an AIDS vaccine.

MANAGEMENT MATTERS

I predict the following scenario. This period will be marked by serious management problems and delays, during which time many Americans will continue to die of AIDS. Many billions will be spent on treating cases of AIDS that continue to develop after the discovery of a vaccine.²

¹ This is the text of Professor Levin's Presidential Address, given at the Fall 1992 meeting of the Association for Public Policy Analysis and Management (APPAM).

² Some scientists suggest that we may never be able to develop a preventative AIDS vaccine—one that prevents people, now unaffected with AIDS, from getting the disease. Rather it is more likely that an immuno-therapy will be developed that will boost the immunity of those who already have the disease. But this distinction does not alter the following analysis that management matters—and management is not always a routine task. This analysis is germane whatever the precise form that a vaccine or immuno-therapy treatment would take, just as it applies to other public health issues such as the current debate about how to improve the U.S.'s low rate of vaccination for childhood diseases. I am grateful to Drs. Bernard Fields and Dennis Kasper of Harvard Medical School for pointing out this distinction.

The management problems and delays will result from many serious conflicts: scientific controversy over the vaccine's effectiveness and safety; threats of lawsuits over side effects and demands of manufacturers calling for indemnification from them; professional and institutional timidity among health care providers; media sensationalization of rare cases. All these conflicts will discourage the public from embracing the vaccination program. A lack of leadership is likely because this is all so controversial, and because formal authority is so fragmented in the health care field. But even with the best of leadership, any vaccine program will find its implementation and management difficult because it will face a complex situation filled with booby traps—some benign, others less so. I will detail some of these traps.

But first, I would note that my predictions are based on our general model of management problems analyzed in the next section,³ and the specific experience of the unsuccessful 1976 swine flu vaccination program. These conflicts and management problems occurred before because they are endemic to the process of implementing policy initiatives, for reasons that this address explains. This is why management matters.

Scientific Controversy Over Safety and Effectiveness

From the moment of discovery of an AIDS vaccine, even before the predictable production and distribution problems arise, controversy is likely to rage among scientists and professionals over its safety and effectiveness. The FDA will feel pressure from some groups, as it has in the past, to move the vaccine to market quickly. Others will try to delay authorization.

Threats of Lawsuits and Manufacturers' Requests for Indemnification

There will be threats of lawsuits, both by those who fear getting AIDS from the vaccine and by those who fear other side effects. Side effects are likely to be negligible. But fears will be widespread for several reasons, including the fact that there will be at least some negative side effects, as there typically are in any complex medical intervention.

Even more problematic, the manufacturers will want to be indemnified from these suits before they produce the vaccine. This indemnification will not occur automatically. There will be protracted conflicts. During this ensuing delay, more people will contract AIDS.

The dynamics of public relations may significantly complicate the vaccine's implementation. For example, drug and insurance companies will fear criticism and negative media coverage both for delaying the vaccine's release or for any later side effects. Companies might be moved to defend themselves by publicly emphasizing the vaccine's possible risks, which would undermine public confidence before it even hit the market.

Professional and Institutional Timidity and Conflict

Delays will arise not only from concern about the safety and wisdom of using a new vaccine, but also from professional and institutional timidity. Concern

³ See Lynn [1992]; Sanger and Levin [1992]; Behn [1992]; Wilson [1989]; Levin and Ferman [1985]; Bardach [1976]; Pressman and Wildavsky [1973].

for individual careers may create incentives for not participating in a risky, large-scale inoculation program. Conversely, professional ambitions may result in competing approaches to inoculation aimed at building public reputations—which will in turn exacerbate conflict and delay.

For example, the goal of reinforcing awareness of preventative medicine and vaccinations underlay the push by the Center for Disease Control (CDC) and its head, Dr. David Sencer, for using the swine flu vaccine in an immediate, universal inoculation program in 1976. But a dozen years later, as New York City Health Commissioner at the beginning of the AIDS epidemic, Dr. Sencer strongly put the brakes on governmental responses to the new epidemic. He did not move to regulate bath houses, accurately suspected as playing a major role in transmitting the virus, lest he be criticized for too aggressive government action, as he had been after the swine flu scare. Many said that this delay significantly added to the spread of AIDS in New York.

The institutions administering the vaccine are very likely to disagree about how it should be done: Who should get it first? Should the first priority be the riskiest populations, such as gay men, members of minority communities, and IV drug users? Or should it go to those who can pay for it out of their own pocket or through insurance? Or should teenagers be given a high priority because of their potential sexual activity, and because our society generally wishes to give priority to the protection of children? If so, should minority teenagers be given priority? Should preadolescent children be given priority because they will be teenagers soon?

Who will pay for those who can't afford the vaccine? Who will compensate the institution for administering it to those who can't afford it? Who will ensure that everyone gets it? How will the workers who are administering the vaccine be protected? How will they be paid?

The pressures on these institutions will be increased because AIDS victims and their organizations, especially those in the gay and minority communities, probably will not want funds diverted from their treatment to this universal inoculation campaign. Such conflicts will create further institutional timidity and delays in implementing the program.

Media Sensationalism

The media will make a problematic situation worse by fueling public fears. Exceptional incidents, such as a health care worker becoming infected in the course of her duties, will inevitably occur, and the media will sensationalize them. Then, by repeating them frequently, they will make the atypical seem typical.

This is not hypothetical. The media constantly repeated the story of the Florida dentist who allegedly gave AIDS to his patients. They almost never explained that the risk of getting AIDS from health care providers was extremely remote.

Today we even have major problems implementing the inoculation of simple and noncontroversial vaccines, like measles and polio, in poor inner-city neighborhoods. And there will be almost nothing about an AIDS vaccine that will be either simple or noncontroversial.

The Effects on a Fragile Public Consciousness

The public is likely to embrace the vaccination program slowly for many reasons, especially because people take their cues from professionals and

thus will reflect their hesitancy and even resistance. Existing myths about AIDS and how it is transmitted will further heighten fears that will impede a vaccination program. In particular, people are likely to have irrational fear about the vaccine for their teenagers and children—just as now, when parents keep their children from going to school with an AIDS victim such as Ryan White.

The Difficulty of Management in Our Political System

Why will these conflicts and delays happen? First, because while management matters, it is also quite difficult, especially within our political system's fragmented structure of power and authority.

There's a second reason that these conflicts will be difficult to resolve: Most of the general public, as well as many in government, do not understand the importance of management. They do not appreciate the significance of implementation strategies for developing sound and effective public policy. They think the initial policy choice—the point decision—is sufficient. Instead, I argue that the discovery is only the beginning.

A Major Management Problem

The absence of political support for an AIDS vaccination program will also make these conflicts difficult to resolve—but this won't make it any less of a management problem. Rather, the absence of political support will make it more of a management problem than it ordinarily would be. It will turn the typically routine implementation of inoculating people with a vaccine, as it was with the polio vaccine, into a major management problem, as was the case with the swine flu vaccine. This is because management is broader than the process of implementation. Management is not a value-free process. It is a political endeavor concerned with ends as well as means. Policy is always being made in the management process. Policy is created by carrying out line decisions, as well as in choosing point decisions.

Implementation Delays Will Cost Lives

I am not suggesting that an AIDS vaccine will never be successfully implemented. In the long run, or perhaps the medium run, it ultimately will be fully implemented. But these management problems will create serious delays that will result in incomplete vaccination of the target population for a significant period of time. During this time of delay and incomplete vaccination, many more will contract the disease and eventually die of it, and many billions of dollars will be spent on their treatment.

These management problems will also make the vaccine's implementation much more expensive. We are a rich nation. However, the opportunity cost of what will be at least hundreds of millions of extra dollars will be funds forsaken for other health care programs, or for AIDS treatment and education programs, or for other problems for the disadvantaged groups most vulnerable to AIDS.

The balance of this address further explores the importance of management as well as its limits and dilemmas. First, I want to suggest that many practitioners, both in and out of government, do not give sufficient attention to management, as the AIDS, swine flu, and other cases show. Second, when we focus on management, we should pay special attention to successes. Third,

management matters. But it is not everything, and sometimes it is dangerously overemphasized. Fourth, because management is not everything and because action and efficiency aren't everything, managers and executives have to appreciate what I will call the dilemmas of innovation and accountability.

Finally, I will conclude with some lessons from these themes that we should bring both to our students and to practitioners.

HOW MANAGEMENT MATTERS⁴

Policy choices grab all the political and public attention, but the less glamorous job of management matters because that is often where policy fails or succeeds. An initial policy choice is clearly fundamental. But *bright ideas*—even those developed through formal policy analysis at our fine and fancy public policy schools—are not enough. Bold policy choices are not enough.

Successful policy requires managerial skill in more than a single or fundamental choice. It requires managerial skill in line decisions as well as point decisions. In the terms of scholars like Martin Shapiro and James Q. Wilson, point decisions are problems of *choice*; line decisions are problems of *management* [Wilson, 1984]. Good initial point decisions are necessary for successful outcomes, but they are not sufficient. They depend on the line decisions—complex processes of assemblage, coordination, and bargaining among many independent actors—which take place after the initial point decision. These line decisions are the multiple and critical implementation steps that give life to the larger ideas generated by a policy decision.

A point decision tends to be simple; it involves a decision at a *single point*. The line decision is a process and tends to be more complicated. It involves a *complicated line* of many decisions about many elements. It involves a good deal of bargaining among many actors. A great deal of effort goes into controlling and coordinating these various actors and the various elements of the program.

Point and Line: The Messy, Complicated World Beyond Ideas and Choice

When politicians and the electorate say they are interested in policy, they usually mean they are interested in policy *choices*: the choice among alternatives, the choice among several courses of action. But policymaking involves both point and line. Point decisions are shaped by our larger and more influential *ideas*, such as the notion that military intervention will provide better outcomes in returning hostages from Iran than diplomatic means. Line decisions, by contrast, are mostly shaped by organizational and/or situational resources and how they are assembled: For this military intervention, helicopters are to be preferred to tanks; secrecy and speed to be preferred to experience and practice.

Assemblage is the essence of line decisions and is the essential difficulty. It is the process following the formulation and initial adoption of a policy mandate, a mandate coming from the executive or the legislature. It is, in

⁴ This section is based on Levin and Sanger [1993], Chapter 2.

Bardach's felicitous phrase, what happens after a bill becomes law. Pressman and Wildavsky [1973] called it the "process of interaction between the setting of goals and actions geared to achieving them." It is the process by which desired policy results are obtained. And that process is one of program assembly; it is interactive.

The point decision is essential, but it is not sufficient. It is management that puts it into effect, and this usually requires a skillful manager. In my own research with Bryna Sanger, we found executives whom we describe as bureaucratic entrepreneurs who pursued creative subversion: a willingness to circumvent formal rules and regulations to achieve innovation. They short-circuited organizational clearance points.

For example, as the heroin epidemic reached its earliest crescendo in the late 1960s, a silver bullet in fact was discovered: A substitute opiate—methadone—was synthesized. It had almost none of heroin's pathological side effects. But as with AIDS, the discovery was only the beginning: Methadone was not self-executing, as an AIDS vaccine won't be self-executing.

The first successful execution of a methadone program came about only because of a skillful manager. The managerial skill of a health administrator is what produced this innovation. Gordon Chase got clinics sited despite neighborhood opposition and worked around the city's bureaucratic channels by contracting out with private hospitals to run the clinics [Gordon, 1973].

Conservative Bright Ideas Are No More Self-Executing Than Liberal Ones

Another way of understanding how essential management is to producing effective policy, despite the existence of bright ideas, is to recognize it as a problem that cuts across political philosophy or ideology. For instance, the accurate criticism by Republicans that liberals in the Great Society were uninterested in the details of implementing their "bright ideas" has come to apply equally as well to the conservative Republican administration of the 70s and 80s. Their programs have often foundered at the implementation stage. For example, we have seen that a war on crime or a war on drugs is no easier to implement than a war on poverty. To take another example, privatization of many HUD activities by the Reagan administration needed to be accompanied by implementation and management—oversight and control. But they were not, and this was key cause of HUD scandals.

Bright ideas were not enough to insure innovative policy outcomes in the 60s when liberal ideas dominated, and they often were not enough in the 80s when the ideas were conservative. Thus all administrations, regardless of ideology, need to give more attention to managerial tasks than they have. When government is most activist, policy success will be determined principally by the quality of line decisions.

Bright Ideas Are No More Self-Executing in the Private Sector

All organizations, whether in the public or private sector, confront the dual challenges of policy and management, of point and line. Consider the contrasting cases of how Xerox invented in 1975 and ultimately lost the opportunity to bring the first personal computer to mass market, and how IBM came from behind (as late as 1980, it had no PC product) to dominate the PC market. Both support my central argument: Management matters. The contrasting

behavior of these two corporate giants illustrates both the potential payoffs and the opportunities foregone from the failure to attend to line decisions. Having discretion does not insure its appropriate use. Without effective executives, even brilliant ideas like Xerox's Alto PC will not become successful policies or products. But with effective chief executives, "old stuff" (or less than completely original ideas) like the IBM PC can become very successful.

Xerox egregiously squandered their market potential and failed to bring their innovation of the first personal computer to market because of the top executives' inability to either initially moderate the company's excessive oversight mechanisms or work around them later. By contrast, IBM entered the PC market much later than its competitors, such as Apple. But it was able to do so rapidly, and quickly came to dominate the market. This was the direct result of its executives' management abilities: They knew how to successfully work around the company's famed oversight and testing mechanisms.

Management is More than Implementation; Getting the Trains to Run in the Right Direction

Management, in the sense that I am using the term, is concerned with ends. It is more than the process of implementing the objectives set by others. Thus, management is value-driven; it is not a mechanical process. Policy is always being made in the management process. It is created during the carrying out of line decisions, as well as in the choice of point decisions. The process of implementation is concerned with how to make the trains run on time. It focuses on means. Managers are concerned with implementation also, but first and foremost, concern is with what direction they are going to run in—their ends. Thus, the manager has to be concerned with being effective and right. Bold choices are not enough.

Implementation is a simpler, technical problem. Management is broader and more directly political. An agency's mission is often developed in the field through a process of wandering around informally, listening, looking, and scanning dynamic environments. Management is a process of policymaking through learning by doing. It occurs in the field through a process of iteration, adaptation, and *ex post facto* error correction.

Because successful managers are interested in ends, management of policies is not just making the trains run on time. They give direction to their enterprises. They create the agency's mission, develop an organizational culture that can generate change, and reward behavior that supports the process.

Management, as used here, similarly differs from public administration, which is what the implementation process is all about. The executive in a public administration context is simply carrying out the objectives of others—a legislature, or a political executive—in an efficient and value-free way. Such an administrator is subordinate to these others.

INSUFFICIENT ATTENTION TO MANAGEMENT

Most actors tend to neglect the importance of management. Intellectuals of all political stripes tends to both overemphasize good ideas and program design and neglect the importance of implementation. Many seem to place

a natural reliance in the combination of coming up with good ideas and holding the reins of authority.

This neglect is not confined to intellectuals. Even top executives, regardless of how much experience they have had at the front line, tend to neglect management. The executives whom we expect to take charge of implementation—the president, governors, mayors, top political appointees, top career bureaucrats—are always faced with choices about the allocation of their scarce time and resources: Whether to be good managers and administrators, or to be leaders who capture public attention, especially with new initiatives that set the tone for the nation or for their constituencies. Most executives do not opt to put their resources into the management stage. Political incentives tend to run counter to spending time and resources on seeing innovative ideas through to full execution.

Since the 1960s, we have become familiar with these flaws from liberal administrations. But even in conservative administrations, the brightest staff people seem most likely to assume that having both good ideas and power is enough to achieve good policies. Thus it is not surprising that even modest programs of conservative Republican administrations—such as the swine flu vaccination program, and the Community Development Block Grant (CDBG) program—also had management difficulties.

The Swine Flu Vaccine Debacle: The Discovery Is Not Enough

The swine flu vaccine program during the Ford administration is a classic illustration of top policymakers failing to consider the issue of management to be important or problematic. Instead, they acted as if implementation of the program would follow relatively easily and automatically from their point decisions. They made several erroneous assumptions and flawed management decisions: The program's planners operated without a "dirty mind," designed the program on too grand a scale, assumed that participants would readily agree with the program, misjudged the participants' interests, failed to anticipate production problems, and failed to realize the potential impact of the media and high-profile accidents. These failures and miscalculations undermined the immunization program from its very inception. They are a striking illustration of the danger of an insufficient attention to management.

First, program executives operated without having what I call a "dirty mind": the ability to anticipate and predict implementation difficulties and to be attuned to conflicting interests and their likelihood of delaying, even outright resisting, implementation. A dirty-minded implementor, for example, would have predicted the major implementation difficulties that the swine flu vaccination program would face—and would have predicted precisely the thoughts and actions that those in charge of the program did *not* have or take [Levin and Ferman, 1985]. But these program planners failed to view the program with a "dirty mind," failed to try to anticipate potential management problems, and then design alternative scenarios to cope with them [Neustadt and Fineberg, 1978].

Second, the immunization program itself was designed on a grand scale. The fear of a swine flu epidemic stemmed from a similar pandemic in 1919 that cost 500,000 lives and 20 million world-wide. The response to the swine flu fear in the 1970s centered on an attempt to immunize the entire U.S. population within a single year. The CDC and Dr. Sencer also had a secondary

agenda. They hoped that pushing the swine flu vaccine as a universal and immediate inoculation program would reinforce public awareness of preventative medicine in general. But this grand scale and universality made it very difficult for the top executives in charge to get a grip on the program. A more incremental and adaptive program might have allowed them to begin to anticipate and plan for some of the inevitable management problems.

Third, the Ford administration erroneously assumed that all the actors involved would agree with the vaccination program and the details of its operation. On the contrary, many of the actors didn't agree with the program because they believed it should not be administered to everybody, they disagreed over prioritizing different target groups; they disagreed over the potential scale of an epidemic. Others simply dragged their feet. The swine flu vaccination program did not sufficiently address institutional coordination or match tasks with the appropriate agencies.

These professional disagreements were reflected among the public. The public became confused and unsure about the programs. Further, a large portion of the public displayed inertia and apathy about getting vaccinated.

Fourth, the planners misjudged the actors' interests. The administration's decisionmakers believed that all the actors involved would view the program and its details as being in their interest. Drug companies, however, doubted the immunization program's profitability, because the vaccine was not a high-profit item and because they were concerned about liability risk. Self-interest generally failed to move the drug companies toward successful implementation.

The Ford administration also believed that beyond any agreement with the program's details or any self-interest, the actors would at least move on the program out of a sense of the public interest. Instead, at the outset drug companies and their insurers sensed liability risk and delayed the program until special government indemnification was secured.

Other factors came into play that compounded these hesitations, including government warnings about vaccinations, insurers refusing to cover drug companies, changes in insurers, and attempts to negotiate over indemnification and liability burdens between government and insurers. These confusing and prolonged negotiations were reported in the media and eroded public faith in the program.

Legislation was eventually approved indemnifying the industry and their insurers, but the negotiation process lasted nine months. This delay destroyed any chance for a full inoculation by the start of flu season. Later, over 100 damage claims totaling \$11 million were filed against the government.

Fifth, the failure to be "dirty minded" prevented planners from anticipating production problems. The administration acted as if none of the major actors would resist or delay the program's implementation. Unforeseen problems, however, significantly impaired the program's speed and efficiency. For example, Parke-Davis produced two million dosages using the wrong virus. General production problems further delayed the availability of sufficient dosages of the vaccine, producing only about one-quarter of the dosages requested. By December, only 20 percent of the population had been inoculated, with significantly fewer blacks.

Sixth, planners were blind to the management problem of dealing with the central and unpredictable role of the media and of high-profile accidents. The media, not scientists or doctors, first likened the swine flu epidemic to the deadly 1919 pandemic from the very beginning. The media was the cata-

lyst for this link, not the CDC. The first mention of the 1919 crisis was in response to a reporter's question at an early press conference in February 1976. The prepared statement avoided discussing the matter. The next day's reporting, nevertheless, linked the Fort Dix virus to the 1919 epidemic. This media-created linkage would dog the program and undercut public support throughout the year.

Later unforeseen accidents, coincidences, and side effects delayed full implementation of the swine flu program. Nine states witnessed local suspension of the program following deaths coincident with the vaccination. Walter Cronkite chided the media's coverage of the deaths, while Theodore Cooper criticized the prevailing "body-count mentality." Experts tried to reassure the public of the coincidental nature of the deaths. In an effort to convince the public to work with the program, President Ford was vaccinated on television.

Further side effects eventually halted the program completely. Following the discovery of an apparent association between the vaccination and the potentially fatal Guillain-Barré syndrome, the national program was suspended. After the four initial cases at Ft. Dix, swine flu never appeared in human-to-human transmissions. Thus, the initial point decision to launch a universal inoculation program may have been flawed.

Even the Entrepreneurial Spirit Is Not Enough

Some recent books have suggested an entrepreneurial approach as a way of developing innovation in the public sector. In our forthcoming book, *Bureaucratic Entrepreneurs: Learning from Success*, Bryna Sanger and I analyzed over 25 successful public sector innovations. We found that the executives of these innovative programs had the managerial style of an entrepreneur. We have called them bureaucratic entrepreneurs. Often faced with weak or diffuse mandates, they created new and personal missions for their organizations. As entrepreneurs, they were opportunistic, with a bias toward and a taste for risk. They took advantage of available resources, as well as capitalizing on crises.

In his *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector* [1992], David Osborne also advocates an entrepreneurial approach to government. To meet the needs of citizens for better and cheaper services from government, Osborne argues that public organizations need to be driven by new principles, most of which come from the private sector: competition, customer service, decentralization, mission, and prevention. They should be market-driven and close to customers.

But even an astute observer of government like Osborne neglects the importance of management. He prescribes these ideas and strategies without offering any road maps of managerial skills, as if these ideas could spring forth on their own. But entrepreneurial government does not spring forth on its own. It would be nice if the world worked that way, but it doesn't. Management matters; the most brilliant idea is simply that—an idea. Real success in government derives from executives' attention to line decisions.

FOCUSING ON MANAGEMENT SUCCESSES

When we focus on management, we ought to pay special attention to successes for several reasons. First, several recent books, such as Behn's [1992] *Leader-*

ship Counts: Lessons for Public Managers from the Massachusetts Welfare, Training and Employment Program, Barzelay's [1992] *Breaking Through Bureaucracy*, and Levin and Sanger's [1993] *Bureaucratic Entrepreneurs: Learning from Success*,⁵ have found that contrary to popular skepticism, government can make things work. There are successes out there. The past decade has witnessed an impressive array of creative responses to public need, and these books chronicle many of them. Second, these successes are not widely known. Indeed, the current generation of practitioners and students of public management are frustrated both by the real difficulty of getting much done in government and by the frequent "government bashing" by both politicians and ordinary citizens.

There has been an especially high degree of frustration during the Reagan-Bush era. But their administrations' message that "government is the problem—not the solution" has deep roots. It started with George Wallace's national candidacy and went on through Jimmy Carter's critique of Washington and government, which continued even after he became president.

This critical view of government also has academic origins. Since the early years of the Great Society, many scholars—and not only neoconservatives—have suggested that "nothing works" in the public sector; that "nothing can get done in government." These practitioners and students need to hear about the numerous and diverse successes. Inspirational and stimulating, these case studies can provide the incentive to continue the good fight.

MANAGEMENT MATTERS, BUT IT IS NOT EVERYTHING

Management matters. But despite the fact that it is too often neglected, it is not everything. Indeed, sometimes management is dangerously overemphasized. Good management, like good policies, must be concerned with ends as well as means; with doing the right thing as well as getting things done. Here are some brief illustrations of this overemphasis.

A Backlash of Admiration for Action: Management by Guts

Those in government feel a great deal of frustration over the difficulties in implementing policies, given our political system's fragmented formal and informal structure of power. In the past decade or so, these frustrations have led to a backlash of admiration for action. The result has been a sometimes uncritical search for strategies that can "get things done" and a bias toward action without sufficient consideration of the costs of this emphasis.

In California, for example, a few years ago, a group of state administrators sponsored a weekend workshop called "Management by Guts." The workshop's first session illustrated this bias and the frustration from which it seemed to spring. People entered the workshop carrying placards of their favorite proponent of "management by guts." One of them was Josef Stalin.

A less extreme form of this overcompensatory emphasis on action is the behavior of the executives in our book *Bureaucratic Entrepreneurs*, on innova-

⁵ Also see other studies that report the impressive successes that received awards for the Ford Foundation program, Innovations in State and Local Government, such as Altshuler and Zegans [1990] and O. Golden [1990]; also see Bardach [1993].

tive programs. Bryna Sanger and I found that the route to innovation often took the form of creative subversion: These executives often worked around formal rules and bureaucratic regulations. They short-circuited organizational clearance points. They gathered enough informal power to surmount implementation obstacles, often operating outside the formal bureaucratic chain of command.

President Bush and the "Vision Thing"

The most striking recent instances of this dangerous overemphasis on management and action have come at the national level. Perhaps they reflect recent frustration with poor economic performance and alleged policy inaction and gridlock.⁶ In reaction to this poor performance and inaction, there has been an overemphasis on management and action and insufficient concern with ends. President Bush was not adept at articulating the ends of his administration, but he shrugged this off as not being important, saying, in his now famous statement, that "I'm not good at the vision thing."

Ross Perot: Making the Trains Run on Time, But in What Direction?

Twenty years ago Pressman and Wildavsky's classic book, *Implementation* [1973], first cautioned the new public policy schools about the difficulties of effective implementation, or as their subtitle put it, "How Great Expectations in Washington Are Dashed in Oakland or Why It's Amazing That Federal Programs Work at All." But Pressman and Wildavsky also emphasized that ends are most important, warning that "A fast train is worse than a slow one if it takes you in the wrong direction." But with Ross Perot's presidential bid and his emphasis on getting the trains to run on time, we have a graphic case of the fallacy of thinking that management is everything.

Perot acted as if all our major policy problems are merely problems of technical implementation; problems about which there is little disagreement and just a need for action by a good mechanic. During the campaign, one writer observed that "a President Perot would be a sort of Mechanic in Chief—as he often puts it, 'under the hood of the car, working on the engine'" [New York Times, July 9, 1992]. He presented himself not as a visionary but

⁶ See the essays and the conclusion in Landy and Levin [1993] for a contrary argument that in the past decade, instead of policy gridlock, we have had an unusually large and rapid flow of innovative policies, ranging from the Tax Reform Act of 1986 through two immigration reform laws, the Disabled Americans Act, renewals of the Civil Rights Act, the Clean Air Act, and Superfund. They argue that in large part, these innovative policies have been produced by the confluence of "weak parties and strong ideas." They suggest that weak institutions, especially weakened political parties and a more highly fragmented Congress, have created a policy vacuum. Into this vacuum have rushed strong ideas, propelled by increasingly independent policy entrepreneurs, in large part stimulated by weakened institutions, such as political parties, and divided government. These have paradoxically increased the competition for policy development rather than deadlock. All this has contributed to more innovations rather than less, and they have developed more rapidly than in the past. There have been, of course, some significant exceptions to this rush of innovative policies. Efforts at deficit reduction have moved slowly. But this, as Wildavsky and others in this book persuasively argue, reflects genuine societal disagreement rather than inherent institutional deadlock. Furthermore, as the chapter on entitlements shows, within the aggregate budget deficit deadlock there has been a great deal of change: Some entitlements have decreased greatly (e.g., revenue sharing) while others have increased greatly (e.g., food stamps and WIC).

as a doer, someone who should be made president not so much for any specific ideas on how to fix the nation's ills, but simply because he was good at fixing things. He would make the trains run on time.

In the second presidential debate, Perot flatly asserted that the ends of policy are not the problem and not in dispute:

The American people are hungry for action . . . Please understand, there are great plans lying all over Washington that nobody every executes. It's like having a blueprint for a house you never built, and don't have anywhere to sleep. Now, the challenge is to take these things and do something with them. Step 1. You want to put America back to work? Clean up the small business problem. Have one task force work on that. The second, you've got your big companies that are in trouble including the defense industries; have another one on that. Have a third task force on new industries in the future. . . . [New York Times, Oct. 20, 1992]

Even the Public Policy Schools Need to Be More Concerned with Ends

In this age of frustration with government, this overemphasis on action—and its concomitant lack of sufficient concern for ends—is quite widespread. Indeed, it has even infected the public policy schools. Earlier I suggested that the public policy schools emphasize bright ideas too much, especially those developed through formal policy analysis. Thus, they do not give sufficient attention to management. But despite this insufficient attention to management, even the public policy schools are less concerned with ends than with means, though in this case policy analysis rather than management is their preferred means for success.

The public policy schools must stress for their students the importance of ends. We should ask our students to try to make the trains run better and faster. But even more important, we should ask them to worry about the trains' running in the right direction.

To help them with this emphasis on direction and ends, the public policy schools should *warm the curriculum*. As the first dean of one of the great public policy schools suggested for our students:

Warn the curriculum! It's cold out there, and students come in to the school to warm themselves with the thought that they will go on to make useful contributions to society. It is wise, therefore, to engage them early about larger as well as small questions, about questions of virtue as well as questions of power. . . . One cannot overemphasize political and organizational factors, because, although students love to talk about politics, they apply economics. The theory that comes with the handy applicator is the one they will try to use. Besides, economic solutions seem more practically proportioned to the kinds of problems they think they will be asked to solve. . . . Always take the high ground: emphasize moral aspects of public policy. . . . Life throws up many moral dilemmas in public policy—from the death penalty, to abortion, to police strikes, to affirmative action. Being right may well be more important than being effective, but effectiveness sometimes does increase the capacity to get rightness taken seriously. Striking a balance between the two is connected to the growth of moral consciousness. I should add that the criteria for decision embodied in many analyses (such as equity, efficiency, and equality) are essentially moral, and the ability to decide which are appropriate under different circumstances is an important part of an analysts' moral education. [Wildavsky, 1979, p. 413–444]

Management is a political endeavor concerned with ends and thus ultimately with being right. Management is value-driven rather than value-free.

THE DILEMMAS OF INNOVATION AND ACCOUNTABILITY⁷

Because management is not everything and because action and efficiency are not everything, managers and executives must appreciate these “tragic choices” between innovation and accountability.

Specifically, on the one hand, bureaucratic routines with their formal rules and procedures were developed to insure accountability. But they often become deadening demands that also suppress the legitimate exercise of executive initiative. Although these procedures and legislative and budgetary oversights were appropriately developed to maintain democratic accountability over executives, they often have perverse effects. On the other hand there are, nevertheless, dilemmas of innovation and accountability: The absence of adequate accountability mechanisms compromises democratic values and can easily result in waste and fraud. Corruption and wasteful use of public resources are simply the flip side of insufficient oversight.

The Reagan administration insufficiently appreciated these “tragic choices” between innovation and accountability. Thus, as they pursued deregulation without sufficient concern for accountability and oversight mechanisms, fraud did occur. The savings and loan and the HUD scandals—twin debacles of the Reagan administration—resulted not so much from poor policy choices as from flawed management: The Reagan administration was unmindful that at least some oversight is needed because these tragic dilemmas are endemic to the public sector. They unwisely presumed that the deregulation was so self-effectuating that the market would provide the necessary oversight.

In the mid-1980s, savings and loan institutions were deregulated to improve their competitive position. They had been facing deteriorating fiscal prospects for several years as the regulatory constraints under which they operated prevented them from properly responding to changing market conditions. Loosening those constraints through deregulation allowed them freedom to enter new markets.

As interest ceilings were removed and restrictions on allowable loans loosened, a more market-oriented climate was encouraged. But the federal deposit insurance provided to S&Ls insulated most from prudent assessment of risk. Most significantly, just when increased regulatory oversight was needed more than ever, oversight staffs were cut.

Some of the justifications for these cuts were budgetary. It was a time when the Reagan administration was seeking reductions in all domestic areas. But the dominant motivation was their overall deregulatory thrust: to the Reagan administration, deregulation meant moving the government away from intervening in and overseeing the private market. And this included, in their view, less oversight. They did not distinguish between less intervention in setting interest rates or dictating allowable loan areas, and general oversight of fraud and accounting practices. The first could be justified as legitimate

⁷ Portions of this section are based on Levin and Sanger [1993], Chapters 6 and 8.

deregulatory targets. The second could not, because they were necessary to keep deregulation working. Without oversight to prevent fraud, deregulation would be discredited and regulation would be brought back. Indeed, both these two scandals and the regulatory backlash ultimately resulted from this lack of oversight.⁸

The deregulation of savings and loans resulted in new institutions being chartered at soaring rates and entering a newly invigorated market. But as they experimented with new financial instruments and amassed riskier loan portfolios, regulatory oversight diminished, leaving the industry vulnerable to the fraud and mismanagement which occurred.

The Search for Greater Government Efficiency Often Neglects These Costs and Dilemmas

These dilemmas and these costs of action are not appreciated today because practitioners and the public alike are inundated with critiques of government inefficiency. Thus, both tend to overcompensate by a narrow search for the Holy Grail of government efficiency. Advocates of entrepreneurial government are good examples of this tendency. But one must ask, what are the costs of this efficiency? Critics of government performance, like David Osborne [1992], follow the conventional rebellion against oversight and accountability mechanisms as obstacles. Thus, they do not appreciate their necessity for democratic and accountable government. Entrepreneurial government has the potential to cost us as it increases managerial discretion and initiative.

CONCLUSION

Lessons for Practitioners As Well As Students

What lessons can we draw from these cases and analyses for our students and for practitioners? Let me emphasize again the necessity of pointing out these lessons to practitioners. Practitioners have repeatedly shown that they are not sufficiently aware (or they act as if they are not sufficiently aware) that management matters, that the "discovery" is not enough, and that it is only the beginning. Liberal practitioners showed this during the Great Society. Conservative practitioners did the same, whether in the Ford administration's poor execution of the swine flu vaccine program, or Reagan's poor execution of several deregulatory policies, or Bush's weak oversight of private contractors and privatization [New York Times, December 2, 1992].

The Clinton Administration Probably Will Be Unaware That Management Matters

I predict that in the future, practitioners will continue to neglect management's importance. Indeed, the Clinton administration is quite likely to follow this pattern. In fact, this is typical of the more intellectually oriented poli-

⁸ This is analogous to airline deregulation: Fare structure and the granting of new routes were proper deregulatory targets. But regulation and oversight of airplane safety had to be maintained because the markets could not be relied on to provide sufficient safety on their own.

cymakers whom we described earlier. Clinton probably will focus much more on ideas than on management and follow through. As President-elect, Clinton began his December Economic Policy Conference with the statement that "I want my administration to celebrate ideas." This echoes the words of his chief domestic transition aide, Al From, that "this administration will be known for its ideas. . . ."

But as I have argued, bright ideas—even brilliant ones—are not enough. Let me briefly note several indications that the Clinton administration probably will neglect the importance of management. President Clinton has allowed the media to focus on what he will do in his first one hundred days. But it is very likely that the most his administration will be able to do in the first three to six months is make "point" decisions. These are important and essential, but they are not in themselves full policies.

The Stroke-of-the-Pen Myth: Clinton's Policy on Gays in the Military

Clinton's AIDS policy is a good example. A few days before the election, Mr. Clinton made an eloquent AIDS policy speech. But it focused exclusively on point decisions: first, the need to give more attention and money to AIDS prevention and treatment; second, the need to end discrimination against and suspicion about those who have AIDS or are HIV positive.

These are, of course, important and necessary steps. But nowhere in that speech did he acknowledge the need for sound management of the line decisions that are essential to implement these point decisions. Nor did he acknowledge that these line decisions would be difficult to manage effectively. He certainly did not acknowledge the paradox that, after spending billions on it, the day after discovering an AIDS vaccine, we will face major management problems that will limit, at the very least, the vaccine's immediate effectiveness.

Following the election, Mr. Clinton showed an even more striking lack of focus on the line decisions and the management needed to make point decisions a reality. In the campaign he criticized the Pentagon ban on homosexuals in the military. He said that if elected, he would lift it. He said he could do that rapidly because he could do it through a stroke of the pen—an executive order, a quintessential point decision.

In his first postelection press conference, he said he would sign such an executive order. He eloquently stressed the need to have the best people in the military; they should be judged by their conduct and not by their sexual orientation. This was immediately met with many complaints in the military—from the chair of the Joint Chiefs of Staff, Colin Powell, on down. Some may have been based on homophobic attitudes. But most—such as General Powell's—seemed to have been based on genuine management concerns. They were sensitive to the complexity and difficulty of implementing this change because of the high degree of intimate living and working situations in the military and the unusual importance of good personal relationships and morale among military co-workers.

Let us, for the purposes of analysis, assume that lifting the ban is a wise policy. Nevertheless, because of this special nature of the military, the implementation of this point decision will be very difficult and slow. It will not be automatic or routine. Clinton must immediately give a great deal of attention to the line decisions necessary to make this point decision an effective

policy rather than an implementation disaster and a failed policy. The administration must analyze, for example, how these implementation problems are handled by the nations that allow homosexuals in their military. If they are to have an effective integration of homosexuals in the military, the Clinton administration must recognize that management matters and is difficult; full results are not achieved by the stroke of a pen.

Freedom is Only the End of the Beginning

To reiterate, the lessons we have drawn here are just as necessary for practitioners—even at the highest level—as they are for the newest students at our public policy schools. What are these lessons? First, in the language of this overwhelming policy and public health crisis looming before us, AIDS: *The discovery is not enough*. This is true whatever the discovery may be—the vaccine for AIDS, other silver bullets like the vaccine for swine flu, or methadone, a synthetic and less harmful, less pathological substitute for heroin.

The discovery of methadone did not automatically or immediately reduce the heroin problem, but it ultimately contributed to a lessening of the problems associated with heroin. Yet its first and modest local successes were only achieved through an executive like Gordon Chase whose management skills were able to achieve the prosaic but essential steps of surmounting neighborhood resistance in order to site methadone maintenance clinics. Its larger successes came only through the slow and complicated line decisions—the development and implementation of programs similar to those implemented by Chase.

Second, in the language of our profession: *Point decisions are not enough*. They are only the beginning; only the first step. Fully successful policies need complicated line decisions and follow-through, executed by skillful executives.

Third, in the language of our students today and of a wider audience: *Freedom is only the end of the beginning*. This is true whether it is freedom from a totalitarian regime of the right, as in South Africa, or freedom from totalitarian regimes of the left, as in Eastern and Central Europe. This initial freedom from tyranny will not be sufficient to make these people and these nations whole again or truly free. That depends on the management and political skills of the executives of these newly free peoples and nations.

These are some of the lessons of these cases and analyses for students and practitioners. This is what we must tell them about the day after an AIDS vaccine is discovered. We must tell them that the discovery is not the beginning of the end. Rather it is—like freedom—only the end of the beginning. This is the dialogue that we must engage them in.

I want to express my appreciation to Lee Friedman, Thomas Glynn, Marc Landy, Bryna Sanger, and Martin Shapiro for many insightful comments on an early draft. I also want to thank Stephen Rockwell for his fine work as a research assistant on this project.

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