

WELCOME,
David
[Sign Out](#)
[Edit Account](#)


 MY HOME


 ALERTS

 SEARCHES
0 Saved

 REPORTS
1

 CLIPBOARD

 WHAT'S
NEW

 HELP
1-877-498-
3587

Why Smart Business Wants Stronger Government: Commentary

Commentary by John D. Donahue and Richard J. Zeckhauser | May 24, 2011 12:00AM ET

(Bloomberg) -- Are you a cat person or a dog person? Red Sox fan or Yankees fan? Do you like rap music, or hate it? Sometimes you just have to decide which side you're on.

Do you favor a strong government, or a strong private sector? Here's one crucial area where the choice -- however routinely flagged as a fundamental cultural fault line -- is fundamentally fictitious.

While there are surely times and places where the private sector's gain really is the public sector's loss, and vice versa, in today's U.S. there's no simple trade-off. When government is weak -- short on talent, insecure about its popular legitimacy -- it can only do simple things.

And the simplest thing, when it comes to dealing with business, is to say "no" -- to pile on regulations and prohibitions, to wipe out any risk (even if doing so stifles opportunity), to keep a lid on anything that might trigger bad news or blame.

Only smart, confident government can give the private sector the running room it needs to create maximum value.

This is especially true when the issue is business involvement in creating public value. This defines a large and, we are convinced, rapidly expanding realm in American life. What we call "collaborative governance" -- private roles for public goals, featuring contributions of information, expertise and legitimacy as well as resources -- is behind much recent good news in American public life.

Private-Sector Expertise

Manhattan's moribund Central Park sprang back to glittering life after Parks Department officials assigned lead responsibility to a dynamic non-profit called the Central Park Conservancy. Colin Powell, as President George W. Bush's secretary of state, aimed to turbo-charge foreign assistance through a Global Development Alliance that tapped into private-sector expertise and resources.

When the Coast Guard was instructed to radically upgrade port security after Sept. 11, it wisely dodged one-size-fits-all regulations and adopted a tough but flexible approach that involves shippers, warehouse operators and other private interests, port by port, as key decision-makers.

Each of these triumphs of collaborative governance -- and others we chronicle in our book, "[Collaborative Governance](#)" -- highlights America's strong suit of an energetic, entrepreneurial private sector. Less obviously, each success story also relied on players on the governmental side with the savvy and confidence to establish guidelines that give the private sector the discretion it needs to deliver the goods.

Using Business Strengths

Parks Commissioner Adrian Benepe, former USAID Administrator Andrew Natsios and former Coast Guard Captain Suzanne Englebert -- the heroes of our parks, foreign aid and port security stories -- exemplify the kind of public-sector talent that lets business strengths shine.

Sometimes this strength is institutional rather than individual. There's no single hero in this example: A unit of the Energy Department tore up the standard contracting play book when it engaged Kaiser-Hill Co. to dismantle a shuttered nuclear-bomb plant, pulsing with radioactivity, just outside Denver. The novel contract liberated the company to apply its expertise, and Rocky Flats went from a death-trap to a wildlife sanctuary half a century sooner than predicted, and half a billion dollars under budget.

Collaborative governance can be wrongly applied or badly implemented, and thus be inefficient, unaccountable or corrupt. What separates success from failure is usually the quality of analysis and management on the public side of the deal.

Charter Schools

Charter schools offer a great illustration. The "average" difference between charters and regular public schools is approximately zero. But this average conceals more than it reveals: Some charters are terrific; others terrible.

 ADD TO CLIPBOARD
  ADD TO REPORT
  E-MAIL PAGE
  PRINT PAGE

About
the
Author



John D. Donahue



Richard J. Zeckhauser

Both teach at Harvard's Kennedy School of Government and are co-authors of [Collaborative Governance: Private Roles for Public Goals in Turbulent Times](#). The opinions expressed are their own.

RELATED STORIES

[Lobbyists Swarm Capitol, Proposing Lawmakers Make Cuts \(Correct\)](#)

[Federal-Debt Enforcement Deal Is Within Reach: David M. Walker](#)

[Secret Donors Multiply in U.S. With Finances Dwarfing Watergate](#)

[Falcone's LightSquared Service Is Questioned By 33 Senators](#)

[Falcone's LightSquared Service Is Questioned By 33 U.S. Senators](#)

It's no accident that some cities, states and school districts put a few low-level pencil pushers in charge of chartering, while others (such as our own Massachusetts) deploy top-level talent to administer charter-school initiatives to correspondingly good effect.

Aspiring collaborators from the private sector who aim to aid in the creation of public value need to understand how smart, strategic public officials view the craft of collaboration, so that they can define their collaborative roles with a minimum of misunderstanding.

The good actors on the private side -- which in our experience describes the vast majority -- have an intense interest in making sure that their government is smart and strategic when it comes to collaboration, and able to steer clear of the bad actors.

The better equipped that government is to pick the right private partners, the safer it will be to share discretion. And the more discretion that can be shared without imperiling accountability, the more scope there is for the kinds of flexibility and innovation that makes collaborative governance a boon to all.

(John D. Donahue and Richard J. Zeckhauser teach at Harvard's Kennedy School of Government and are co-authors of "[Collaborative Governance: Private Roles for Public Goals in Turbulent Times](#)." The opinions expressed are their own.)

To contact the writers of this column: John Donahue at jack_donahue@harvard.edu and Richard Zeckhauser at richard_zeckhauser@harvard.edu

To contact the editor responsible for this story: David Rapp at drapp5@bloomberg.net