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The Privatization of Public Policy: Elite Maneuvers in an Age of Institutionalized Ambiguity

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Janine R. Wedel, *Shadow Elite: How the World's New Power Brokers Undermine Democracy, Government, and the Free Market* (New York: Basic Books, 2009). 304 pp. \$27.50 (cloth), ISBN: 9780465091065.

The truth of an idea is not a stagnant property inherent in it. Truth happens to an idea. It becomes true, is made true by events. Its verity is in fact an event, a process: the process namely of its verifying itself, its verification. Its validity is the process of its validation.

—William James, *Pragmatism*, 1907

Anthropologist Janine R. Wedel has made an important contribution to the effort to conceptualize the increasingly problematic role of elites in American government and politics. Table 1 compares theories of untoward elite influence formulated during the Cold War to those, including Wedel's, developed in the wake of 9/11 and the war on terror. Cold War theories warned that military-industrial elites were skewing congressional politics and administrative decision making to benefit defense contractors and the armed services. In contrast, post-9/11 theories point to the manipulation of events and mass perceptions by high-level government insiders with overlapping ideological and financial interests.

A central issue in post-9/11 theorizing is identifying the mechanisms by which self-serving elites manage to mobilize popular support for endless war while simultaneously enriching themselves and assaulting constitutional checks and balances. Wedel's ideas have special relevance to public administration because she focuses on government contracting, conflicts of interest, auditing, and other aspects of administrative accountability. The problem that she highlights is the blurring of boundaries between public policy and private profit.

Wedel finds a startling, if not alarming, congruence between off-the-books governing practices in Eastern

Europe upon the fall of the Soviet Union and neo-conservative policy "entrepreneurship" in the United States, but with a noteworthy difference. In Poland and Russia between the 1980s and 1990s, during the calamitous breakup of the Soviet Union, rampant insider subversion of state policy and accountability practices was countenanced *sub rosa*, not spoken or given open legitimacy. Neoconservative initiatives in the United States have been carried out in broad daylight, yet beguilingly beyond the glare of oversight—initiatives eventually trumpeted by the major media and underwritten by a web of interests that do not otherwise espouse the stated aims of neoconservatism.¹ Wedel finds the neoconservative movement to be a species of what she dubs "Flex Net": a syndicated, tightly coupled network of quasi-governmental venues that vest powerful figures with amorphous and intangible institutional roles and affiliations, garnering for them extraordinary power just below the radar of government accountability systems. Wedel is careful to distinguish this activity—which crested with war in Iraq—from outright criminality or conspiracy, characterizing it instead as a complicated morphological process driven by a coincidence of interests that, even for the skeptic, warrants very close attention.

Flex Net, according to Wedel, has been in the making for several decades, emerging through four primary channels (italics denote Wedel's terminology): (1) the *personalization of bureaucracy* through the formation of an *intricate spine* of vested, powerful figures with close ties to military interests; (2) the *privatization of information* through off-the-books/on-the-books quasi-governmental activities that forge the *branding of conviction* for shared global political/economic orthodoxy; (3) the *juggling of roles and representations* among network participants across government, think tank, academic, and other nongovernmental organization venues, by which ambiguity is defense against frontal challenges and threats; and (4) the *relaxing of rules at the interstices of official and private institutions*, whereby a *hybrid habitat* of officially unofficial,

Table 1 Theories of Untoward Elite Influence in American Politics and Government

	Cold War		War on Terror		
Garrison-State Construct	Power Elite	Military-Industrial Complex	Inverted Totalitarianism and Managed Democracy	State Crimes Against Democracy and the Holographic State	Shadow Elite, Flexions, and Flex Net
Lasswell (1950, 1951)	Mills (1959)	Eisenhower (1961)	Wolin (2008)	deHaven-Smith (2006), Witt & deHaven-Smith (2008), Thorne & Kouzmin (2010)	Wedel (2009)
Military and police	Top echelon of large institutions (government, business, military, media, science)	Military leaders and large defense contractors	Propagandists, public-relations experts, and academic allied with top leaders in government	Intelligence agencies and top echelon military	Intersection of business and government, especially at top echelon
Threat of thermonuclear war	Growing scale and centralization of large institutions	Permanent armaments industry of vast proportions	Superpower imperialism, mass media, and elite "overreach"	Increasing secrecy, electronic surveillance, and psychological warfare	Massive government contracting and declining loyalty to institutions
Policy sciences of democracy dedicated to protecting human dignity	Nurturing unions, civic associations, cooperatives, and other "mediating institutions" between individuals and giant organizations	Constant vigilance by the electorate and careful "balancing" of priorities by "statesmen"	Encourage and nurture a counter-elite of democratic public servants	Forensic methods to detect high crimes, plus mandated investigations and restrictions on pardon powers	Cut back privatization; prohibit conflicts of interest

unofficially official power is reposed beyond glare or scrutiny.

These four iterative forces foster a "vortex" of government accountability, in Wedel's analysis, one that public administration professionals and scholars are well aware of but often discount. Transformational trends ushering the rise of shadowy authority and power have been apparent and commented on across the public administration venue for some time: privatization of government services and deregulation of private industries, and the onslaught of information technologies. Less apparent and scarcely mentioned have been initiatives propelling a flood tide of government-light practices, including the Bill Clinton-era Federal Acquisition Streamlining Act (1994) and the Federal Acquisition Reform Act (1996). Those pieces of legislation were touted to streamline federal government procurement practices but have, in fact, convoluted lines of authority to Kafkaesque proportions, as in the instances of Department of Defense outsourcing oversight of its own highly sensitive intelligence initiatives with no-bid, spectacularly lucrative contracts, a matter that Wedel gives a diligent account of in her book.

A driving theme of Wedel's work is that "the very necessity of upholding the façade of contained government in fact begets the opposite" (79), which then fosters a spiral of competition without competing (no-bid contracting), more and more ambiguous executive authority, and vaporous accountability. Performance auditing in the face of these gambits has become an increasingly empty mantra dedicated to control for

control's sake, "where what is being insured is the quality of control systems, rather than the quality of first order operations" (Power 1994, 19). The reader wonders how much of public administration's scholarly preoccupation with performance measurement de jour originates with flexian maneuvers of hermetic, self-referenced accountability.

According to Wedel, an investigative ethos—something we might dub *forensic accounting search and seizure teams*—now is warranted to track the activity of dubious policy brinkmanship and shadowy authority. The actors in these gambits may or may not fervently believe in their ideological creed. The point is not that their creed is visionary or immoral; the point is that their initiatives are not subjected to the scrutiny warranted for a democracy with all of its vital organs functioning. Therefore, Wedel calls for "reporters connecting the dots; attorneys and regulators picking up on their work and subpoenaing documents that reporters cannot; and legislators dedicated to passing laws to reflect changes in the environment and hold culprits to account" (201). Wedel's tone in this instance ("culprits to account"), as throughout sections of her book, belie her claim that Flex Net is not a faction or conspiratorial. And her insistence that the mechanisms necessary for curbing dubious, shadowy gaming of American institutions do not currently exist overlooks constitutional provisions and ancient customs that are atrophied, not nonexistent.

Conviction for *high crimes* arguably requires a lower threshold of proof than the investigative praxis that Wedel calls for. The founders realized that the ability

of *high* criminals to cover their tracks and the awesome public trust they hold warrants a lower standard of proof than conventional criminal law. Because it transgresses the *constitutional* order, high crime transcends the moral order; this is what makes high crime such an awesomely destructive force beyond the reach of criminal law statute. Impeachment articles provide support for this claim. Looking even further (back), we can take a page from the Athenians, who were bullish for unitary democratic practices we (post)moderns might learn from, treating ostracism as something that could be levied on mere suspicion. Another custom for the Athenians was auditing the service of all officials at the end of their terms, one at a time. Doing so ensured that networks of influence (what we once called “factions”) were subverted by ancient standards of honor and disinterested service. If we are stuck using conventional law to hold flexians accountable, we will have a difficult time indeed.

Wedel asks rhetorically, “What does it mean when individuals can no longer be embarrassed or shamed?” Where there is no person fulfilling an explicit role under bona fide government jurisdiction, there is no one and no thing that can be held accountable. Into that vacuum rushes Flex Net, driven by self-serving and self-sealing agenda for “permanent state of emergency, with suspension of standard process and formal/legal procedures to manage the perceived crisis” (157).

There are many homologies and reverberations of the *now you see us, now you don't* traits and characteristics that Wedel convincingly ascribes to Flex Net. The U.S. Supreme Court's recent decision giving full sanction to freedom of speech for corporations finally ratifies one of the most dubious legal pursuits in U.S. history. The consummate there-and-not-there entity of our times—U.S. corporations as they have morphed on the global stage—shares much in common with the reasoning that vests Flex Net with the awesome powers that Wedel ascribes to it. Inversely, but no less momentously, PATRIOT Act specifications gutting Fifth Amendment provisions for habeas corpus vest state authority with full sanction to impugn suspects of a putative “terrorism” without the legal recourse—petitioning for defense and confronting accusers—that has been the cornerstone of Western democracy since inception. Where there is no sacred body to openly examine and cross-examine and that can itself bear testament on sworn oath, only the fictions of storytelling are left to us. Meanwhile, as if a Trojan Horse, Flex Net proffers gifts of right-sized, agile “governance,” while the record of its shadowy manifestations is demonstrably less beneficent, a matter to which Wedel gives a nimble, copiously documented account.

A central motif in Wedel's account of Flex Net is the recurring “coincidence of interest” that binds

flexian gambits as these players weave their initiatives into coherent pattern. But a close reading finds that the flexian interests that Wedel inventories share in common a singular, nodal point in their web: the ambitions and profits of war making. The ideological banners under which war is propagated have changed with the political winds in U.S. history. But what is demonstrably apparent is that military initiative since World War II—both open and clandestine, legislated or proxied—has been accompanied by increasingly secretive and sequestered decision making in the United States. The threat that a questioning demos poses to such ambitions is greatly minimized by “shock events” that deeply seal into the public consciousness a sense of common threat (e.g., Pearl Harbor, Gulf of Tonkin, 9/11). The more shocking the event (e.g., 9/11), the more deeply penetrating its effects. As if spiking an always low-grade fever for paranoia in the body politic, such events make the gainsaying of elite initiatives for war virtually impossible. Flex Net is not merely devoted to an ideology of rightsizing government and gainsaying civil service professionalism and protocol. In Wedel's account, Flex Net is, rather, a radically dual-processing mechanism that dismantles government accountability simultaneous with discrediting any challenge to its militarized, hypermobilized orthodoxy.

Wedel demonstrates how what passed under the banner of neoconservatism was—and will remain—a sphinx-like force in American governance into the foreseeable future. Its stated ambitions and its most vocal proponents may be discredited—as with the basis for war in Iraq—but its driving animus will gain momentum. Players' personal fortunes and power will emerge, submerge, and reemerge over time, as Wedel provides clear account. What is not clearly accounted for by Wedel is where, meanwhile and after all, is the U.S. public and its interests and why, given the public's serial misfortunes and disenfranchisements with the rise of Flex Net, there has been only muffled hew and cry. If not an answer, the clear hypothesis emerging from this canvass of American (mis)fortunes (especially over the last decade) is that the people have been either systematically or otherwise serially shocked into submission. The provenance and etiology of such shock events warrants close attention by public affairs scholars, starting with the insights of William James, quoted at beginning of this review. With his cohort of protean pragmatists, James was hopeful that democracy could be venue for consensual, provisional “truths” forever emerging as circumstances give rise. Operating in the shadows, Flex Net clearly understands the emergent qualities of truth and the possibilities that an emergent truth makes room for. Control what is true, and the possibilities are forever manifest—a matter of knotting ties in a net, as this response from an interview in 2004 by author Ron Suskind with a high-ranking advisor to President George W. Bush makes evident:

[People like you journalists] believe that solutions emerge from your judicious study of discernable reality. That's not the way the world really works anymore. We're an empire now, and when we act, we create our own reality. And while you're studying that reality—judiciously, as you will—we'll act again, creating other new realities, which you can study, too, and that's how things will sort out. We're history's actors . . . and you, all of you, will be left to just study what we do. (Suskind 2004, 9–10)

For about a century now, diligent public administrationists in the United States have muddled through the confining spaces of fact and value, politics and administration, striving as best they can to grasp provisional truths while working in venues cleaved by cross cutting agendas, ambiguous signals and tendentious political gambits. According to Wedel and a score of others deriving similar conclusions, this pursuit of provisional, workable truths, little by little, has been displaced by an inverted ambition, a diminished counterpart that Wedel dubs “truthiness,” after the coining of that phrase by humorist Stephen Colbert. Truthiness is characterized by alternatively equivocal, bombastic and vapid claims of fact and value that entirely efface distinctions between administration and politics, facts and values—claims that only can gain traction against a backdrop of presumptive security threats and putative “terror.” Once such matter are exposed as fictions—as with yellow cake ore, weapons of mass destruction, cave redoubts, and so on—those

allied with such claims recede further into the shadows they once surfaced from. But unless and until public administrationists and the people they serve confront such matter and fictions, before the fact of disastrous consequences, the shadows and agent provocateurs they harbor will persist to beguile and befuddle those otherwise pledged to work in the light of day, where all canon of our constitutional democracy, if not common decency, requires them to work.

Note

1. The neoconservative movement spans several decades, originating with a cluster of thinkers and political actors in the United States who originally were attracted to Trotskyism, but who later spurned Soviet communism and socialist ideology in favor of a militantly conservative cultural orthodoxy. Wedel's focus is on an activist subset of neoconservatives who began their rise to shadow power in the early 1970s. Between 1970 and 2008, members of this core group have been either officially appointed and/or weaved in and around the administrations of successive presidents. Richard Perle has served as ringleader. The tight core around Perle includes Paul Wolfowitz, Michael Ledeen, Elliot Abrams, Abram Shulsky, I. Lewis “Scooter” Libby, R. James Woolsey, John P. Hannah, David Wurmser, Douglas Feith, John Bolton, and Frank Gaffney.

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