

Entrepreneurial Logic in Public Administration: A Bull in a China Shop or a Wolf in Sheep's Clothing?

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Abstract — As more and more policy problems are framed and understood as wicked, complex, and unmanageable, public administrators are supposed to act like entrepreneurs in search of creative ways to solve or handle a public problem. As a result, an entrepreneurial logic seems to be established in government administration. This paper aims to describe – but first and foremost to encourage a critical discussion about – the consequences of entrepreneurial logic. The concluding arguments are twofold. First, the entrepreneurial logic could be seen as a “bull in a china shop”, turning established orders upside down. Although the entrepreneurial logic is institutionalized in specific policy areas, it represents a fundamental break with local governments’ still dominant, bureaucratic-rational logic. Second, the entrepreneurial logic is like “a wolf in sheep’s clothing”. The entrepreneurial logic appears attractive to legitimacy-seeking organizations, being associated with creativity, development, and growth. However, it risks undermining fundamental bureaucratic values, as well as the institutional pillars of representative democracy.

I. INTRODUCTION

In recent decades, we have witnessed an explosion of so-called wicked (Head 2022), complex (Versluis et al. 2019), or cross-sectoral (Svensson 2018) policy problems. These concepts are to a large extent overlapping, and are used to grasp the same kinds of characteristics: policy problems that are hard to understand, hard to forecast, and hard to govern. In this article, I develop the theory that the overuse of these concepts results in a large number of policy problems being embedded in a narrative of unmanageability, which in turn affects the administrative logic that structures policy-making and implementation. I hereafter refer to these policy problems as “hard-mouthed policy problems” because of their framing (see Head 2022) as being unmanageable.

Earlier works on this topic suggest that what are referred to here as “hard-mouthed policy problems” tend to adopt a certain entrepreneurial, rather than

bureaucratic, administrative logic (Algotson 2022; Olausson & Svensson 2019). In this article, I want to reflect upon the causes of this entrepreneurial administrative logic, but first and foremost to encourage a normative debate about its consequences.

Different periods in history have been characterized by different ways of understanding policy problems and the government’s capacity to tackle or handle them. The post-war period has often been described as a triumph for a rationalistic and optimistic way of looking at public policy and planning. Policy problems were handled as delimited and understandable. Academic approaches such as “the policy sciences” (Turnbull 2008) contributed to a belief in the government as a problem-solving machine, as well as in science and expertise in general.

The pendulum now appears to have swung in the opposite direction. A neoliberal approach appears to inform decision-makers’ own views of their possibility to develop large-scale and effective public policy programs (Lovering 2010). One could argue that local decision-makers approach many of today’s policy problems with poor self-confidence and low trust in the possibility to design effective public interventions. This is not just true in relation to “new” policy areas, sometimes also called “third generations of policy areas” (Montin and Hedlund 2009), such as regional development, gender equality, and social inclusion. “Old” and traditional areas of education, health care, infrastructure, and crime fighting/prevention are also described as complex, cross sectoral, and even wicked.

Rittel and Webber, who first introduced the concept of wicked problems, argued as early as 1973 that “[t]he search for scientific bases for confronting problems of social policy is bound to fail, because of the nature of these problems” (Rittel and Webber 1973: 155), and that “the classical paradigm of science and engineering – the paradigm that has underlain modern professionalism – is not applicable to the problems of open societal

systems" (Rittel and Webber 1973; 160). Instead, they argue, another kind of professionalism and governance approach is needed. It now seems clear that the entrepreneurial logic of professionalism and governance – in agreement with Rittel and Webber's argument – has taken place in public administration. For social scientists, it is now urgent to reflect upon the ideas and assumptions that build up the entrepreneurial logic, as well as its consequences for values and mechanisms in the administration of a representative democracy.

II. LEARNING FROM CASE STUDIES OF LOCAL DEVELOPMENT WORK

The analysis in this article is based on empirical studies of local development work in Swedish local government, as an example of governance and administration of hard-mouthed policy areas. Local development work, one could argue, is framed to a high extent as cross-sectoral, complex, and wicked. Local development work is here defined as public policy that aims to develop a given area or geography. The distinctive characteristic of local development is that the policy takes the specific geography, rather than traditional policy sectors, as its point of departure (Algotson 2022). Local development covers economic, social, and infrastructural development, and is therefore a typical cross-sectoral area (Algotson and Svensson 2021). There are many relationships with institutional factors in the economic, political, and social environment, and these relationships are hard to estimate. In that sense, local development could be called a complex policy area. Preferences for and understandings of local development vary, even within the same local context (Syssner 2018). Therefore, every situation of creating local development is unique. Development is often handled as a "one-shot operation" (Rittel and Webber 1973) because public interventions have to coincide with events or trends in society (Andersson 2009). Overall, I argue that local development is a good example of a policy area that – perhaps for good reason – is understood and framed as cross-sectoral, complex, and wicked in both research and policy discourse. Therefore, it is a good and informative example of a hard-mouthed policy area.

The theory that an entrepreneurial logic characterizes local government's administration of hard-mouthed policy areas is based on interviews with local development practitioners from ten Swedish local governments. Here, local development practitioners are public officials who, from a strategic position, work with local development (see Algotson and Svensson 2021).

Typically, these are managers, strategists, coordinators, and planners with responsibility for rural, urban, or local development.

In total, 30 local development practitioners have been interviewed, representing ten different local governments. Some of them were interviewed twice, with 44 individual interviews having been carried out. Each interview took around 45–90 minutes and was carried out on site at the respective local government office.

According to the overarching aim of the study, the ambition of the interviews was to understand the logic that provides guidance, rationality, and meaning for the practitioner's work. Therefore, my approach during the interviews has been to let the practitioners describe their work and their own thoughts in a way that is inspired by ethnographic and interpretative methods (Gustafsson and Johannesson 2016).

III. GETTING TO KNOW THE ENTREPRENEURIAL LOGIC

In this section, the entrepreneurial administrative logic is described and illustrated using statements and observations from the interviews described above. The section is structured around the five dimensions, which together capture the wide range of administrative logic in local government administration.

First, organization is a central dimension of an administrative logic. Due to the various tasks involved in administering hard-mouthed policy areas, the organization is suggested to be flexible. Following the entrepreneurial logic, the organization should follow and change together with the changeable understanding of the policy problem and its solutions. According to the view of wicked problem as one-shot operations (Head 2022; Rittel and Webber 1973), the administration of hard-mouthed policy has to be renewed for every new "shot" that is made at the moving target.

In the case of local development, this is illustrated by the large number of projects and collaborations that require new and temporal organization. In the interviews, it is made clear that local development is characterized by high demands for collaboration. This applies to both internal, cross-sectoral collaboration within local government, and external collaboration with other government, private sector, or civil society organizations. In relation to local development work, it is not just the case that existing and ongoing collaborations are organized through projects. The interviews revealed that many projects are planned, established, and started with the aim of developing new

collaborations, dialogues, and exchanges. One interpretation of this is that the framing of hard-mouthed policy areas as full of conflicting values and views requires local government practitioners to organize flexible forums for deliberation.

Second, the entrepreneurial logic implies a distinct professionalism among practitioners. Here, professionalism refers to the values, motivations, and judgements associated with a specific professional role. The entrepreneurial logic seems to require professionals to act as change agents, rather than as administrators that administer the status quo. The change-oriented professionalism includes an aspiration to create change. To achieve this, it is important to navigate “successfully” through the political system. One experienced local development practitioner puts it as follows:

“I’ve always said that it’s a competition with myself, that I have to get my cases through the municipal executive board when I’m there. It should be so well established and well packaged that it doesn’t get rejected when it reaches the board. I’ve had this as a... I don’t think I can remember a single case that has been rejected. Possibly the odd postponement, but not a “no”. And that has been an important aspect for me.” (Civil servant 5)

One could argue that hard-mouthed policy areas need more “sensible” organizations, with the capability for initiative at street level where practitioners meet the local community. Having more change-oriented practitioners, who take the initiative for institutional and policy change, is therefore a likely response to what is framed as hard-mouthed policy areas.

Third, the nature of relationships is another thing that is connected to the logic that dominates an organization. One central part of the Weberian bureaucratic ideal is that relationships should be impersonal, in order to minimize elements of humanity in rational organizations. The entrepreneurial logic prescribes the opposite. In the entrepreneurial logic, trust – and therefore personal relationships – is central. In order to ensure deliberation among actors, who come up with initiatives and mobilize for their implementation, trust seems to be an important component. Therefore, within the entrepreneurial logic, relationships are prescribed to be personal rather than impersonal. Being a successful practitioner of hard-mouthed policy areas requires wide personal networks. One local development practitioner explains his thinking as follows:

“Say something comes up, we’re going to fix something. Then I know someone. It’s much easier than turning up and saying: “Yes, we’re from the municipality and our names are....” All that kind of thing is already in place. I can feel the importance of that. That you know the CEO of [local company]. Then it’s much easier when you can talk normally. You know how it is when you start a business relationship. It takes time before you get to know each other.” (Civil servant 24)

Fourth, policies could have more or less detailed theories and precise ideas about mechanisms, without saying that either should be better than the other. Due to the uncertainty that characterizes hard-mouthed policy areas, the administrative logic seems to prescribe vague, rather than precise policy theories. Vague policy theories, with vaguely defined relations between problems, goals, and interventions, could be seen as a natural result of disagreements about the understanding of hard-mouthed policy areas. Without clear and detailed ideas about a problem, its causes, its meanings, and its solutions, a precise policy theory cannot be formulated.

Here is an example from local development work, describing how practitioners can reason about initiating a new project without having a precise policy theory:

“We wrote the project application very broadly and openly. We didn’t really know how to go about it. We thought that we would have to feel our way forward through this. They often want very concrete descriptions of what to do in these types of applications, but that’s rarely the case. It takes slightly different paths.” (Civil servant 23)

The fifth and last dimension of the entrepreneurial logic is approaches to different interests in society. It is a central part of the entrepreneurial logic that different interests can hinder wide mobilization for new and creative initiatives. Therefore, practitioners who are guided by an entrepreneurial logic are working for the reconciliation rather than the representation of interests. This means that practitioners do not see themselves as tools for the currently dominant political interest within local government. Rather, they perceive themselves as professional deliberators (Olausson 2020) who can bring together representatives of different interests and views to reconcile these interests. In relation to hard-mouthed policy areas, as characterized by many involved actors holding different values and viewpoints, deliberation and reconciliation could be a reasonable response from local government practitioners. In the studied cases of local development work in Swedish local governments,

the ambition to reconcile interests is manifested by forums for deliberation. In all ten studied local governments, practitioners expressed that different and incompatible views on local development were a major problem for the local community and government. This perceived problem was addressed using different kinds of forums for dialogue: dialogue cafés for citizens, practitioners, and politicians; meetings and visits in the small villages; interviews with citizens; and reference groups including civil society and businesses. In one local government, the development practitioners initiated a “declaration of interests” which all political parties have signed. The aim of this “declaration of interests” is to “unify the politicians” and to ensure that all parties work in the best interests of the municipality (Municipality 9).

The following table 1 summarizes the entrepreneurial administrative logic. When all five dimensions are put together, a coherent logic appears that offers guidance, rationality, and meaning for people in local government administration. To offer some context and at the same time highlight the distinctiveness of the entrepreneurial logic, it is compared with a traditional bureaucratic-rational logic which is well recognized as the logical and institutional foundation of most public organizations.

TABLE 1. SUMMARY OF THE ENTREPRENEURIAL ADMINISTRATIVE LOGIC AND THE BUREAUCRATIC-RATIONAL ADMINISTRATIVE LOGIC (ALGOTSSON 2022)

	The entrepreneurial administrative logic	The bureaucratic-rational administrative logic
Organization	Flexible	Static
Professionalism	Change-oriented	Administration-oriented
Relationships	Trust-based & personal	Rule- or contract based & impersonal
Policy theory	Vaguely defined	Precisely defined
Approach to interests in society	Reconciliation of interests	Representation of interests

IV. DISCUSSING THE ENTREPRENEURIAL LOGIC AND ITS IMPLICATIONS

This paper develops and discusses the theory that the local governance and administration of hard-mouthed policy areas tend to be characterized by an entrepreneurial administrative logic. The framing and characteristics associated with cross-sectoral, complex, and wicked policy problems create demands for a new and modern public administration, far away from a traditional bureaucratic-rational logic.

I argue that it is built in, in the framing of what is here called hard-mouthed policy areas, that traditional and bureaucratic approaches are not efficient. The policy debate indicates that (1) practitioners cannot just administer and wait for instructions, (2) detailed policy theories and static organization are an obstacle, and (3) impersonal relationships and representations of interests undermine the efficiency and power of action. Instead, what local government needs is vague policy theories and flexible organization that allows for energetic and change-oriented practitioners as well as personal and trust-based relationships which form the basis for consensus and reconciliation of interests.

With examples from the case of local development work, this article can illustrate how the entrepreneurial logic is expressed in both practices and ideas within local government administrations. The argument that the contemporary framing of some policy problems as hardmouthed creates demands for a distinct entrepreneurial administrative logic does not mean that these policy problems must or should be administered in the entrepreneurial way. A more bureaucratic-rational response to these problems is still possible, although that discussion is beyond the scope of this paper.

This paper’s overarching theory invites further discussion of a more general kind: What does the presence of an entrepreneurial logic mean for values, ethics, and ideas of public administration in general? Lastly, two different conclusions in relation to this question are developed.

A. The entrepreneurial logic as “a bull in a china shop”

The first conclusion is that the entrepreneurial logic is “a bull in a china shop”. Although the entrepreneurial logic is institutionalized in specific policy areas, it represents a fundamental break with local governments’ still dominant bureaucratic-rational logic.

As shown in Table 1, the entrepreneurial logic and the bureaucratic-rational logic are largely opposites of each other. Although bureaucracy has fallen out of favor during the last century, basic bureaucratic ideas and values are still institutionalized and constitute the logical foundation for most public organizations (Peters 2009). Therefore, when the entrepreneurial logic enters local government administration, it represents a revolutionary collision between two logics that offer totally different guidance in terms of action, understanding, and meaning-making. It is therefore natural that the entrepreneurial logic should seem to create confusion and misunderstanding within local government

administration. In other words, when the entrepreneurial logic enters local government administration, it appears as “a bull in a china shop”.

If the entrepreneurial logic is here to stay, this creates demands for local governments to become real hybrid organizations, based on two different fundamental logics. Roughly speaking, institutional logics within the same organization could compete with, collide with, or complement each other (Berg Johansen and Boch Waldorff 2015). How and to what extent collisions can be avoided in practice is a question for further research. Can and should specific practitioners, working with hard-mouthed policy areas, be entrepreneurial in an otherwise bureaucratic organization? The practical question of how the entrepreneurial logic could exist in harmony with a dominating bureaucracy deserves to be discussed. However, one even more urgent question is whether the entrepreneurial logic is desirable in a public organization, which leads to the second conclusion.

B. The entrepreneurial logic as “a wolf in sheep’s clothing”

The second conclusion is that the entrepreneurial logic could be “a wolf in sheep’s clothing”. The entrepreneurial logic appears to be modern and attractive for all legitimacy-seeking organizations. Entrepreneurship has many positive connotations, such as creativity, problem-solving, development, and growth (Eneqvist 2022; Berglund 2007; Pozen 2008). It is easy to be blinded by the beauty of entrepreneurship.

However, I argue that the entrepreneurial logic risks undermining fundamental bureaucratic values, as well as the institutional pillars of representative democracy. Transparency, legality, and predictability are three fundamental values, and are institutional pillars on which the democratic welfare state is built. These values are also fundamental to the bureaucratic logic and organizational model. At the same time, transparency, legality, and predictability have a very unclear status in relation to entrepreneurship and the entrepreneurial logic.

Transparency is established through clear, open, and understandable processes. Contract- or rule-based relationships with formal communication support transparency. Entrepreneurship, on the other hand, is based on informal and trusting relationships and communication. An entrepreneur must talk confidentially with actors, in order to investigate possible solutions and ways for mobilization.

Legality is about acting in agreement with the law and formal decisions. In addition, equal treatment is a

central component of legality. If legality is respected, all citizens, associations, and enterprises are treated equally. In a bureaucracy, actions and interventions must be planned within the “legal box”. It is not possible to create simply anything. Instead, the framework of possible actions is set by the law and by requirements for equal treatment. Entrepreneurship, on the other hand, is about thinking outside the existing boxes, frameworks, or institutions. It is about change and questioning that which is institutionalized. Entrepreneurs cannot realize their ideas alone. Therefore, the mobilization of key actors is central to entrepreneurship. In these processes of mobilization, it is likely that the principle of equal treatment must be neglected. When entrepreneurship is limited and bound by law and institutions, one could argue that it is no longer entrepreneurship. Therefore, legality and entrepreneurship appear to be incompatible.

Finally, predictability is connected to both transparency and legality, but deserves to be highlighted as a fundamental bureaucratic value on its own. Predictability means that citizens know not only how, but also why the public administration takes certain decisions and actions. Predictability could be seen as a matter of course. To many people, it sounds unreasonable that public administration should act unpredictably. However, this is just what entrepreneurship is about. Acting entrepreneurially means doing the unpredictable, the things and combinations that no one has ever thought of.

In sum, entrepreneurship and the entrepreneurial logic are largely the opposite of the traditional rational bureaucracy. The entrepreneurial logic offers totally different guidance for appropriate actions and processes in public administration. However, more importantly, it is also built on a completely different foundation of values, norms, and beliefs. The appearance of the entrepreneurial logic does not imply the end of bureaucracy and bureaucratic values. Nevertheless, the entrepreneurial logic must be met by some skepticism, otherwise it could be a wolf in sheep’s clothing.

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