

Can we really run government like a business?

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While there are elements of business that can be used to improve government operation, the two are fundamentally different, and we need to remember that neither can, or should, operate just like the other.



There's been a lot of talk over the years about government operating more like business. This sounds good on the surface, and is usually meant to suggest that if government behaved more like a business it would be an improvement.

Government, however, is fundamentally a collaborative effort of a group of people to do things we cannot accomplish individually; to provide services that do not function well in the private sector. We use a legislative process to debate and decide which course of action to take. This leads each of us to have to compromise in some way. No one agrees entirely with all that the government does. What we hope to achieve is a government that provides a package of services that represents a fair mix for all residents.

Government differs from a business because it has a mandate to serve all, not just a selected market.

One element of the business model that has served government well has been the focus on better customer service. Many governmental departments and agencies have implemented planning processes and customer service training that have led to better service to residents when they interact with their government.

In addition, use of the business model has helped many governments at controlling costs. For many years, and especially since the Great Recession of the early 2000s, most local governments in Michigan have had to find ways to reduce services and accomplish work more efficiently because of declining revenues. While Proposal A in the early 1990s achieved some of its worthwhile goals, it also drove local property tax revenues down as property values plummeted and now prevents them from rebounding as quickly as property values have.

The idea that we are just customers of government has also contributed to a significant problem. Many in our nation view government as something apart from ourselves, like a company we do business with. When we take that approach it is easier to justify not taking responsibility for any of government's actions. Abraham Lincoln said it well: Ours is a government, "...of the people, by the people, and for the people." It is structured to allow participation through voting, attending meetings, and speaking with our elected representatives at the local, state, and national levels. When we take the customer approach, and don't participate, it simply doesn't work as well. Active participation by many residents improves the quality of government, our understanding of how it should work and the purpose it serves, and our sense of ownership.

Has government in America benefited from taking lessons from business? Certainly. But a business model should never replace civic participation and understanding. Surprise a few elected officials in the coming months. Attend meetings, especially when there is not a hot local issue at stake. Learn about the issues. Listen to the experience and ideas of others. Offer your ideas and assistance. Improve government the best way citizens can: with your participation.

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