Executive Summary: Debates on privatization usually revolve around issues such as the relative cost of services, personnel displacements, service equity, and effects on service quality. These are important concerns, but are often only the visible manifestation of much broader issues. It is suggested that four macro forces drive privatization and when viewed together, these forces constitute a coherent framework. If participants in privatization controversies step back and use this framework as the basis for reviewing the "big picture," it may reposition their perspective, which may help to reconcile polarized viewpoints and build consensus on appropriate actions. The initial force often is a shortage of tax funds, since this causes many park and recreation agencies to move away from the direct provision model of service delivery because of its relatively high cost, inherent personnel inflexibility, and the constraining influence of bureaucratic procedures and regulations. This pragmatic concern may be reinforced by political agendas from both ends of the political spectrum. Three philosophical perspectives may arise in a privatization debate that are usually associated with the conservative right wing of the political spectrum. **Pragmatists** seek a more effective government and see privatization as a means to that end. **Commercial interests** seek to obtain more business by taking over some of an agency's financing, production, or operating roles. For **ideologues**, privatization is a political agenda aimed at ensuring that government plays a smaller role compared to private institutions. From the perspective of **populists** on the left liberal wing of the political spectrum, privatization is a means of achieving a better society through giving people greater power to satisfy their common needs, while diminishing that of large public bureaucracies. A third force undergirding privatization is a recognition of the inefficiencies associated with monopolistic service delivery. Monopolies are notoriously inefficient because they lack the incentive to be responsive to clienteles' demands that competition provides. Hence, they are aggressively resisted and forbidden by law in the private sector. In many communities, however, a park and recreation agency is a monopoly supplier of many services. Privatization is seen as a means of inducing competition into public agency monopoly situations. The final force is an awareness of the distinction between a park and recreation agency recognizing the need for a service to be provided and the agency producing it. These are two separate decisions. Under the direct provider model, agencies produce services they believe should be provided, but there is increasing recognition that alternative production options may offer superior alternatives. Acceptance of this position shifts park and recreation
Introduction

Park and recreation agencies at all levels of government typically provide many more services, maintain substantially larger acreages of land, and experience more vandalism and crime problems than they did two decades ago. Despite these major increases in responsibilities, which in some jurisdictions have more than doubled in the past 20 years, the number of full-time staff employed in local park and recreation agencies increased by less than 10 percent in this time period (Crompton & McGregor, 1994). This ability to “do more with less” is partially attributable to major changes that have evolved in the ways in which services are delivered. There has been a marked shift away from direct delivery towards privatization. Indeed, it has been estimated that approximately 40,000 full and permanent part-time positions are now in the private sector, doing work that was done in-house by public park and recreation agency employees two decades ago (Crompton & McGregor, 1994).

The purpose of this paper is to examine the forces that stimulated the emergence of privatization. Four forces are identified: (1) frustration with the inflexibility and relatively high cost inherent in the traditional approach of direct service delivery, (2) the convergence of political agendas from both the conservative and liberal wings of the political spectrum, (3) recognition of the inherent inefficiencies associated with the monopolistic supply of services, and (4) awareness of the distinction between service provision and production. These four forces provide a broad, macro-level framework, which may facilitate better understanding of the central issues in privatization debates in specific local jurisdictions.

Frequently in privatization controversies, the debate becomes myopic, focusing on particular narrow issues such as relative service costs, personnel displacements, or service quality. The intent here is to encourage debate participants to step back and view the “big picture.” By doing so, a privatization debate may be framed in different terms, which may result in participants amending their perspectives and positions, a reconciliation of polarized viewpoints, and a building of consensus on appropriate actions.

Frustration with Direct Service Delivery

The traditional role of park and recreation agencies was to provide services directly, rather than to deliver them in partnership with others. This meant the agency solicited input and advice from users, the general public...
and other stakeholders, but it took exclusive responsibility for planning and producing all of the services which it offered. In effect, the agency preassembled from within the organization all the ingredients needed to deliver a service (facility, equipment, materials, maintenance, leadership, etc.) and created packages of participation opportunities. The citizens' task was then to pick and choose "cafeteria style" from the array of opportunities made available to them.

The emergence of the tax revolt in the late 1970s and early 1980s resulted in many jurisdictions considering alternative models of service delivery to supplement or replace the traditional direct delivery approach. The initial momentum for this rethink was stimulated by frustration with the high cost and inflexibility associated with the traditional model. It requires an agency not only to finance fully all land acquisition and capital improvements, but also to hire relatively large numbers of full-time personnel to perform specialized delivery tasks. Typically, two-thirds of an agency's budget is committed to personnel salaries and benefits, and personnel have long-term (maybe lifetime) tenure under the civil service guidelines that prevail in most government organizations. In addition, lengthy, convoluted grievance and disciplinary procedures, requiring extensive detailed documentation, which are mandated by civil service regulations, make it difficult for many agencies to terminate ineffective employees.

These limitations inhibit an agency's flexibility and agility so it is less able to respond to shifts in citizens' demand priorities, and they compromise the agency's ability to deliver quality services. In the traditional model, opportunities to hire staff with different skills that may be needed to respond to shifts in demand only arise when resignations occur. Personnel with specific skills who were hired to directly deliver a particular service may be reluctant and ill-equipped to work in a different service area. Consider the following scenario:

- Throughout the 1980s, many park and recreation agencies were told to "do more with less." This was often achieved by focusing on target markets with the ability and willingness to pay prices high enough to cover most service costs and by reducing resources invested in high-subsidy social benefit programs. Employees were hired with entrepreneurial skills who could contribute to this objective. In some of these communities, the political mandate in the early 1990s changed to "do something about juvenile crime and delinquency." However, agencies that had focused for a decade or more on revenue production from middle-class target markets often did not have staff with the skills to implement this resurrected social mandate effectively. Thus, they lacked the flexibility and agility to respond effectively in the short term.
This inflexibility led to growing support for the maxim "The fewer government employees, the fewer personnel problems. It is easier to change contractors than to change employees."

In addition to the inherent inflexibility associated with hiring full-time personnel whose skills were tied to the direct delivery of a specific service, public agencies' agility was inhibited by both the enabling legislation that proscribed the scope of their authority and powers, and the bureaucratic regulations and procedures that governed their actions. These legislative and procedural constraints were imposed because they were in the public interest. They are necessary to ensure adherence to the public agency's responsiveness to its mandate, to reassure elected officials who represent the citizens responsible for providing public funds that their policy directives are being implemented, and to demonstrate accountability for those funds. Despite the frustration that many park and recreation managers feel about the system of checks and balances that characterize a bureaucracy and create cumbersome administrative procedures and extensive paperwork, a "checks and balances" system is needed because an agency is required to account for every penny of public funds. It has been noted that:

A 'little dishonesty' in government is a corrosive disease. It rapidly spreads to infect the whole body politic. Yet the temptation to dishonesty is always great. People of modest means and dependent on a salary, handle very large public sums. People of modest position dispose of power and award contracts and privileges of tremendous importance to other people—construction jobs, zoning laws, building codes, and so on. To fear corruption in government is not irrational. This means, however, that government 'bureaucracy'—and its consequent high costs—cannot be eliminated. Any government that is not a "government of forms" degenerates rapidly into a mutual looting society. (Drucker, 1969, p. 214)

However, regulations designed to prevent politicalization, patronage, or corruption often become "red-tape" that inhibits efficiency. Adherence to them means that there are facilities and programs that are impossible for public agencies to finance and manage efficiently with the direct delivery model. These services can be optimally operated only through collaborations with nonprofit and commercial organizations that are not subject to these constraints. The inhibiting impact of bureaucratic procedures was illustrated by the renovation of the Wollman Memorial skating rink in Central Park, New York:

- The City announced the closing of the rink for two years to renovate it at a cost of $4.9 million after its concrete floor buckled. Over the next six years the city spent $12.9 million on various repair efforts and the renovation was still incomplete. At that point, city officials proposed to spend an additional $3 million to complete the
project over the next two years. Donald Trump, a major New York City developer, volunteered to undertake the remaining work for no more than $2.97 million and to complete it in one year. He completed it for $2.1 million in five and a half months. The surplus was used to renovate the skate house and landscape the area. The major reasons for the city's cost overruns and delays were the delays in signing contracts and sequencing the work of four different contractors. Under a New York State law, which did not apply to private contractors, state and local agencies were required to hire separate contractors for plumbing, construction, electrical, and heating and ventilation work, using the lowest bidder. Trump as a private contractor was not subject to this law. (Reffuess, 1989)

**The Emergence of Privatization**

The emergence of privatization was a natural response to these perceived limitations of direct provision. At the same time, it embraced two pervasive tenets of American lore—that government is inherently wasteful because it lacks the incentive of the profit motive, and that private enterprise is inherently efficient because inefficiency is not tolerated in the marketplace. *Privatization incorporates all activities that reduce the role of the public sector in the financing, production, or management of services or assets. It involves the replacement of public resources with private investments.* This definition has been operationalized in a variety of ways.

The purest form of privatization is divestiture of assets, which means selling existing public park and recreation properties to nonprofit or commercial entities. For example, the British Columbia provincial government in western Canada sold Manning Park Lodge and the Gibson Pass ski facilities near Vancouver. The Minister of Lands, Parks, and Housing stated “selling these facilities gets government out of a business that can best be run by the private sector” (Whitesum, 1988, p. 244). Advocates of privatization from outside the field look at recreation facilities and frequently argue that extensive divestiture of them should take place:

Load shedding could be carried out for a whole range of recreational activities, such as golf and swimming. Facilities that are publicly owned could be sold to private bidders and operated as ordinary private businesses, selling their services to the public at large or functioning as nonprofit membership organizations that are prohibited from engaging in discriminatory practices. The rationale for doing so is that the benefits accrue directly to the users with little spillover to society at large. There is little reason for government to provide these goods at collective expense, and every reason for the *aficionados* to band together for mutual enjoyment under their own rules and at their own expense. (Savas, 1987, p. 235)

To this point, such advocates generally have been ignored, and divestiture of this type is rare. Contrary to the view expressed above, many
citizens do perceive spillover benefits to accrue to society at large. They perceive public provision of recreation facilities to be an important element in a community’s quality of life, in its economic development, and in the alleviation of community social problems. Thus, the sale of such facilities is likely to arouse substantial opposition and inflict an unacceptable level of political cost on elected officials who propose such actions.

More common forms of load shedding by agencies involve encouraging business entrepreneurs to invest resources into financing, developing, and perhaps operating facilities and services, often in some type of partnership with the agency; contracting out the operation, maintenance, and management of facilities and services to businesses or nonprofit groups; enforcing exactions that require developers to provide public park and recreation facilities at their expense; and encouraging community groups and nonprofit organizations to assist in production of the services they desire. Some people use the privatization term more expansively so it also embraces the acquisition of external resources that supplement agency funds in the form of donations, sponsorships, foundations’ support, or volunteers.

Privatization is as old as government, but the first call for its use as a deliberate public policy can be traced to Peter Drucker’s book, The Age of Discontinuity, published in 1969. Drucker noted the disenchantment with government performance, observing that “the record of the last thirty or forty years has been dismal” (p. 203). He wrote:

There is mounting evidence that government is big rather than strong; that it is fat and flabby rather than powerful; that it costs a great deal but does not achieve much. There is mounting evidence also that the citizen less and less believes in government and is increasingly disenchanted with it. (p. 198)

It was these sentiments that led to the tax revolt emerging within a decade after this was written. Drucker advocated the handing over of operating tasks to non-governmental organizations, a process for which he coined the term reprivatization since:

The tasks which flowed to government in the last century because the original private institution of society, the family, could not discharge them, would be turned over to the new, non-governmental institutions that have sprung up and grown during the last sixty to seventy years. (p. 218)

Reprivatization was viewed as a means of reversing the widespread disenchantment and growing cynicism with government, and of restoring strength and performance capacity to it.
The Convergence of Political Agendas

Drucker's insights were acclaimed and quoted but were not much acted upon for another decade. Privatization was only widely embraced and adopted in the 1980s, when an extraordinary confluence of political agendas came together. By this time, the prevailing direct delivery model was being subjected to extensive criticism from people at both ends of the political spectrum. Conservatives considered it to be costly and inefficient, while liberals regarded it as being bureaucratic and inflexible. Hence, there was a coalescence of support for privatization, albeit for very different reasons, from diverse political forces (Savas, 1987). These forces are summarized in Figure 1. They represent a convergence of agendas that tends to be associated with the conservative right wing of the political spectrum (ideological, commercial, and pragmatic forces) and populists, many of whom are likely to view themselves as being towards the liberal left wing of the political spectrum. Pragmatists and populists view privatization as a means to an end, whereas commercial and ideological advocates regard it as an end in itself.

Figure 1: The Agendas Behind the Emergence of the Privatization Movement

<table>
<thead>
<tr>
<th>Political Agenda</th>
<th>Goal</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pragmatic</td>
<td>Better government</td>
<td>Prudent privatization leads to more cost-effective public services.</td>
</tr>
<tr>
<td>Ideological</td>
<td>Less government</td>
<td>Government is too big, too powerful, too intrusive in people's lives and therefore is a danger to the democracy. Government's decisions are political, thus are inherently less trustworthy than free-market decisions.</td>
</tr>
<tr>
<td>Commercial</td>
<td>More business</td>
<td>Government spending is a large part of the economy: more of it can and should be directed toward private firms. State-owned enterprises and assets can be put to better use by the private sector.</td>
</tr>
<tr>
<td>Populist</td>
<td>Better society</td>
<td>People should have more choice in public services. They should be empowered to define and address common needs, and to establish a sense of community by relying more on family, neighborhood, church, and ethnic and voluntary associations and less on distant bureaucratic structures.</td>
</tr>
</tbody>
</table>

Pragmatists sought a more cost effective government and saw privatization as a means to that end. Many park and recreation agency managers were galvanized into becoming pragmatists and shifting from their traditional mode of thinking by the exigencies forced upon them by the tax revolt. They embraced strategies such as contracting out services because its raison d'être is to improve efficiency. This entails either reducing costs while holding quality at the same level, or improving level of quality while costs remain constant.

Privatization was seen by populists as a means of achieving a better society through giving people greater power to satisfy their common needs, while diminishing that of large public and private bureaucracies. Populists recognized that winning support for park and recreation services was more about emotions than motions. They regarded relationship building as the essence of strategy, not as a by-product of it. The argument is encapsulated in the following observation:

If the Victorians had eaten roast Dodo for Sunday lunch, then the poor hapless creatures would undoubtedly still be with us. The point being, that if you want to conserve something, the best way to do so is by making it worthwhile. No one had any kind of vested interest in the survival of the Dodo, so it didn't. (Terry 1997)

So it follows that the best way to secure the future of park and recreation services is to broaden the base of people who invest effort, energy, and resources into their well-being.

Direct service delivery meant that agencies undertook actions that ensured programs were available, but they forewent the opportunity to get individuals emotionally and passionately involved in fulfilling a park and recreation agency's mandate. Without emotional and passionate support, an agency is unlikely to thrive in the political decision-making arena. The more commitment, energy, and "sweat equity" individuals invest in assisting an agency to produce services, the stronger their commitment is likely to be to the agency's cause. Only those who are strongly committed tend to become active advocates in the political arena. Hence, populists saw privatization as a means of encouraging coproduction of services and broadening public support for the agency.

In contrast to the pragmatists and populists, those who advocated privatization on ideological or commercial grounds viewed it as an end in itself, rather than as a means to an end. The goal of commercial interests was to obtain more business by taking over some of the agency's financing, production, or operating roles. Commercial interests viewed privatization as a mandate for them to exploit profitable business opportunities that they perceived existed in a park and recreation system, and as a platform from which commercial organizations could launch attacks on services in which they perceived an agency to be competing unfairly with them. Both of these were legitimate goals to explore. Such explorations could lead to a wider
range of park and recreation services being made available in a jurisdiction and to efficiencies in an agency’s delivery of services.

Finally, for those who approached the issue ideologically, privatization was a political agenda aimed at ensuring that government played a smaller role compared to private institutions. They believed that government’s role in service production had become too dominant. Public expenditures in the USA were approximately 20% of Gross Domestic Product, and the public sector with almost 20 million full-time and part-time employees accounted for over 15% of all employees in the USA. These general trends were reflected in the parks and recreation field, where the number of full-time personnel in local agencies increased from 117,000 in 1970 to 145,000 in 1978, which was when the tax revolt gathered momentum (Crompton & McGregor, 1994). Privatization was seen by ideologists as a way of reducing these proportions.

**Recognition of Inefficiencies Associated with Monopolistic Direct Delivery**

A central tenet of privatization is that it should be used to inject competition into the service delivery system. In many communities, a park and recreation agency is the only producer of such services as parks, swimming pools, softball, and soccer. In these situations, an agency is a monopolist supplier of the services that it produces. Irrespective of whether they are in the public or private sectors, monopolies are notoriously inefficient because they lack the incentive to be responsive to clientele’s demands that competition provides. Such organizations are unlikely to undertake innovations or changes that may increase quality or decrease costs because this requires additional effort and risk taking, and there are no incentives in terms of rewards or punishments for monopolistic organizations to do so. If employees do improve performance, they receive few material gains, and if they do not, there are few adverse consequences.

Over time, insularity from competitive pressures encourages managers and employees in these organizations to become unresponsive, complacent and, in some instances, callous and arrogant. As the sole producer of a service, a monopolistic organization is in control and may succumb to the temptation to act in ways that further the interests of its managers and employees, rather than those of its clientele. For example, in a monopoly, prestige, salaries, and promotion tend to be correlated with the size of a manager’s staff and budget. The consequences of this in the context of public sector monopolies have been expressed in the following terms:

If a public agency manager underspends the budget or utilizes workers more productively, the manager is likely to be penalized with a smaller budget and staff (in relative terms) in following years, and the manager’s salary and career progression will be hampered. Alternatively, if the manager’s budget increases substantially, a
higher salary and career progression are likely. The economic losses that result from less efficient spending are passed on to others — the taxpayers. In the public sector, then, managers tend to be rewarded for inefficiency and penalized for efficiency. (Cox & Brunelli, 1992, p. 77)

Similarly, the effect of collective bargaining agreements is likely to be different on monopoly organizations than on those that operate in a competitive environment:

Collective bargaining rarely drives employee compensation above the market rate in competitive industries because both management and the union are constrained by competitive economic pressures. On the other hand, collective bargaining may drive employee compensation above the market rate in government because there is no competition for labor rates, and because above-market costs are passed on to taxpayers. Management has little incentive to maintain strict control of costs, since taxpayers are required to pay the bill. This accounts for the tendency of public employee compensation to rise at a greater rate than that of employees in the private sector. (Cox & Brunelli, 1992, p. 78)

The inefficiency and unresponsiveness of monopolies have resulted in them being aggressively resisted and forbidden by law in the private sector. Traditionally, however, this policy of opposing monopolies has not been extended to the public sector:

How strange. We vigorously oppose monopolies in the private sector and enforce laws to break up monopolies and conspiracies that would restrain competition; we know that the public interest suffers without the goal of competition and in the absence of alternative choices. But in the public sector, perversely, we have often chosen monopoly and prohibited competition in the mistaken belief that competition constitutes wasteful duplication (Savas, 1987, p. 250).

The privatization movement is a manifestation of change in this paradoxical attitude towards private and public sector monopolies. It recognizes that a primary obstacle inhibiting an agency’s performance is the structural problem of monopoly. From this perspective, the central issue in the privatization debate is not whether a park and recreation agency can produce a service more efficiently than a nonprofit or commercial supplier. Rather, it is how to induce competition into the delivery system that would optimize efficiency, irrespective of the source of the supply. Certainly, simply transforming a service from an agency to a private sector supplier that is also a monopolist is unlikely to yield improvement in either quality or cost savings.
Where a park and recreation agency is a monopolistic supplier of a service, improvements in performance can come only through exhortation and an appeal to employees' pride and professionalism. They may agree to improve their performance, but they cannot be forced to do so. A review of an agency's performance by senior managers, consultants, or external evaluators may identify potential efficiencies. However, without the discipline imposed by benchmark measures of quality and cost derived by bids from alternative suppliers, it is unlikely that the agency will perform optimally. If competition is introduced through privatization, then efficiencies derive from the positive and negative incentives associated with competition rather than from the commands and directives of senior managers or elected officials.

Privatization means that a park and recreation agency is no longer viewed as a sole source supplier. If it fails to match the lower cost and/or higher standards offered by alternative producers, then there is a clear implication that responsibility for the service may be given to others that is likely to have consequences relating to security and status. This threat is likely to stimulate advocacy for structural change within an agency. Barriers that inhibit efficiency, such as bureaucratic procedures, traditional practices, centralized regulations, and traditional hierarchial organizational frameworks, may be reviewed and revised in the quest to enable an agency to remain viable when measured against other producers.

**Awareness of the Distinction Between Provision and Production**

Drucker (1969) was the first to articulate the distinction between provision of a service and its production. That is, he differentiated between the decision making and the "doing" roles of government. He argued that the purpose of government was to focus the political energies of society, dramatize issues, present fundamental choices, and to make decisions from among them. These functions he perceived to be quite different from "doing": "Any attempt to combine governing with 'doing' on a large scale paralyses [sic] the decision-making capacity. Any attempt to make decision-making organs actually 'do' also means very poor 'doing'" (Drucker, 1969, p. 217). He advocated what he recognized was an "heretical doctrine" (p. 233)—that non-government organizations be responsible for the actual "doing," that is, for performance, operation, and execution of service delivery. The role of the agency was seen as being analogous to that of an orchestra conductor:

The conductor himself does not play an instrument. He need not even know how to play an instrument. His job is to know the capacity of each instrument and to evoke optimal performance from each. Instead of being the 'performer,' he has become the 'conductor.' Instead of 'doing,' he leads. (p. 219)
There is growing awareness of Drucker’s original insight of the distinction between an agency recognizing a need for a service to be provided and the agency producing it. This has led to a recognition that service delivery involves two independent decisions. First is a decision about whether or not a park and recreation agency has a responsibility to see that a particular service is provided. If the answer to that question is affirmative, then the second decision to be made relates to who should produce it. Traditionally, the direct provider model prevailed whereby agencies produced services they believed should be provided, but now more of them are evaluating alternative production options, recognizing that often there is a superior alternative.

This shift changes a park and recreation agency from being a seller of services to being a facilitator or buyer of services. From this perspective, its allocations of public funds are seen not as expenditures, but rather as investments requiring active consideration of the trade-offs between alternative production options.

It has been pointed out that the word government is derived from a Greek word meaning “helmsman” (Savas, 1987). This suggests that the job of a park and recreation agency is to steer the boat, not to man the oars! Steering means selecting the course or direction to be taken, while the rowing metaphor refers to the direct delivery of services. The boat, equipment, or crew of oarsmen from within the park and recreation agency may not be the strongest or best available in a particular context.

Senior park and recreation managers spend much of their time “fighting fires” created by operational problems, rather than on long-term strategic policy planning. Their attention is focused on the production rather than on the more important provision policy decisions. It has been observed that:

Large staffs require supervision, and civil service rules and limits make it difficult to manage and divert attention to people problems. Supervision time subsumes long-term planning time, illustrating Gresham’s Law of Planning—that trivia drive out planning. Likewise, decision makers can have their attention diverted from policy matters to administrative issues. Their attention span is limited, and routine matters quickly fill up an agenda. (Rehfuss, 1989, p. 56)

The essential function of a park and recreation agency is to determine whether a service should be made available to the public. Subsequently, the agency may decide to produce what it has determined should be provided, but it may equally well decide it should arrange for others to produce it. The provision decision deals with social goods, containing values, who should benefit and who should pay, equity, income redistribution, and other issues that are inherently political. In contrast, the production decision is mainly an economic issue, concerned with how the political service objective can be most effectively and efficiently delivered.
An agency does not have to control the resources needed to deliver a service; rather, its efforts should be focused on controlling and monitoring the nature and quality of what is delivered. One of the characteristic features of this field is the plethora of organizations in each of the public, nonprofit, and commercial sectors that produce park and recreation services. It seems likely that in every community there will be organizations that, in defined areas, offer a more efficient service production alternative to direct delivery by the park and recreation agency. It is efficient and effective to work with others in service areas in which they excel.

The increased involvement of other service providers with park and recreation agencies has resulted in a progressive and pervasive integration of public, nonprofit, and commercial service suppliers. Organizations within each sector are increasingly dependent on effective interaction with organizations in the other sectors. There is recognition that the financing or management of facilities or programs proposed by an organization in one sector may often be produced more effectively and efficiently, and in some instances may only be viable, by partnering with entities in another sector.

Concluding Comments

The four forces discussed in the paper that have stimulated the emergence of privatization, when viewed in toto, constitute a coherent framework that may enable park and recreation managers to reposition debates on privatization in local jurisdictions. Often these debates are relatively myopic, fuelled by different political philosophies and focused on controversies such as relative cost of services, personnel displacements, service equity, or effects on service quality. While these are important issues, perspectives on them may be altered when they are considered in the context of the “big picture” framework discussed here. For example, those who oppose privatization because they resent the political ideological stand that “business can do it better,” may be less resistant if it is designed and positioned as an antimonopoly strategy rather than an anti-public sector action. Similarly, concerns about reduction in service quality if direct delivery is replaced by privatization may be alleviated if privatization leads to empowerment of citizens through their involvement with nonprofit groups.

Initially, recognition of the distinction between provision and production among many park and recreation agency managers was nurtured by financial necessity. However, as one manager who is widely experienced in developing privatization partnerships observed, financial necessity does not ensure that privatization will be successful:

Partnerships can fail because the parties become too eager to close a deal before they have squared their visions ("Why are we building a new facility?") and missions ("Once we build it, what are we going to stand for?"). Some people partner just because of financial
reasons, but that is not the only reason to do it. The real reason is that you want to solve a community problem and create a better quality of life, and you want to find a partner who can complement your strengths and improve on your weaknesses—and everybody has both. (Cohen, 1996, p. 33)

There must be complementarity and reciprocity in a privatization arrangement so both partners benefit from the collaboration and cooperation. Three types of benefits may accrue from engaging in a privatization partnership in addition to financial considerations. First, there may be efficiencies involving removal of service duplication or use of complementary assets and strengths to deliver services jointly. Second, privatization may enhance stability because future continuation of a service may be more probable when a commitment is made to it by private parties. Third, privatization may confer enhanced organizational legitimacy on the public agency because in communities where there is widespread resentment to government, linking with nonprofit or commercial organizations may improve the park and recreation agency's reputation and image.

Finally, it should be noted that a movement towards privatization should involve a shift in how an agency is evaluated. Where the direct delivery model is used, park and recreation agencies tend to be evaluated by what they do. Separation of the provision and production decisions, however, means that the evaluation criterion should shift to how well they prioritize services to be delivered, and how well they select among the available service alternatives. In those instances where multiple suppliers can produce a particular service, the park and recreation agency's task is to ascertain the combination that will offer the most comprehensive service to the targeted market at the desired quality and price, and how it can best use its resources and influence to implement this optimal delivery strategy.

References