

Government Is Not a Business – Don't Allow People to Claim That It Is

A damaging idea has gained preeminence in our discussion of government. It is the idea that our government is literally a business and ought to be run like one. This idea dominates political discourse today, and it is undermining our democratic republic. Within the framework of this idea, government – like any business – is evaluated on whether or not it makes money; whether it provides a good “ROI” (return on investment); whether it provides “value” to “customers.” Well, the logic goes, businesses have to maximize profits for shareholders – why not government?

The answer is, because government is not a business! If it were a business, we wouldn't need a different word for it. Businesses decide what will make the most money and define that to be the right thing to do. Governments decide what is the right thing to do and then do it in the most efficient way feasible. This is a subtle difference in wording, but a huge difference in consequences.

Yes, we enjoy many material comforts thanks to the free market system, and the ingenuity and hard work of those in the competitive world of business. We enshrined in the Constitution our rights over our property as well as our physical and intellectual selves. We value our individual freedom and autonomy. But we also know from long experience that human beings are prone to temptation, and we are social creatures. We have survived as a species by working collectively to provide for mutual protection and comfort, and to achieve together what we cannot accomplish individually.

Our society works best with an appropriate balance between the desire for individuality and the need for social connections. Government is our social method to provide the necessary checks and balances against the dark side of the profit motive – greed, selfishness, exploitation, “the tragedy of the commons,” those who act in bad faith, business practices that would disrupt markets and endanger society, outlaws, etc. Government protects us from self-interest run amok.

At its best, our government is our advocate in a highly technical, complex world. But when our government is deliberately and repeatedly forced into the “frame” of being a business, it cannot do its job. It fails test after test because the measures being used to judge government are from the world of business – a totally different world whose measures of success are inappropriate to use for judging government. Painted as a failure, government is then targeted for criticisms and proposals that threaten to destroy the only bulwark we have against an unbalanced world.

On a winning team, the players understand and execute their roles and responsibilities. Government and business have roles and responsibilities that must complement one another, but also must remain separate and in tension. Otherwise the team fails and the real losers are the working and middle class in America. We must re-establish the proposition that government is different from business – it should be our advocate, not our stock plan. As a friend told me not too long ago, when we try to run government as a business we lose our humanity.