

THE ENLIGHTENMENT UNDERPINNINGS OF THE PUBLIC PROCUREMENT PROFESSION

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ABSTRACT. Enlightenment philosophers profoundly influenced the emergence of democracy. Enlightenment ideas underlie much of the theory and practice of public procurement today. Economic theory, dating from the writings of Adam Smith and his mentor Frances Hutcheson, assumes that suppliers will act in their own self interest. Knowing this, public buyers seek to fashion incentives to align the private interests of suppliers with public needs. But Hutcheson and others argued that civic duty and benevolence should guide public servants in seeking value for their fellow citizens. That argument is the basis of our codes of ethics. The claims of public procurement to being a profession will be greatly bolstered when it is recognized that our knowledge base is rooted in the same Enlightenment thinking that undergirds other professions and academic disciplines.

INTRODUCTION

The practice of public procurement can be traced back to ancient times, but efforts to professionalize it are relatively recent. Obstacles do exist. Procurement is conducted within organizations, not by independent practitioners as is common in law, medicine and auditing. Leaders of public organizations, persons who formerly looked upon “buying” as a clerical activity, now need to be convinced that public procurement is worthy of being considered a profession.

Perhaps the greatest obstacle to gaining recognition for procurement as a profession is that it has not firmly rooted itself in academic disciplines. When it can be demonstrated that a field's

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body of knowledge is rooted in academic disciplines, its claims of being a profession become more credible (Savage, 1994). The following pages describe how some of the fundamental concepts of modern public procurement are derived from ideas that were framed in the “Enlightenment,” also known as the “Age of Reason.” Researchers who seek to build a theoretical foundation for public procurement research tend to emphasize such concepts as competitive bidding, principals and agents, transaction costs, and contracting (Flynn & Davis, 2014). Each of these concepts was explored by the Enlightenment thinkers who established the foundations of modern academic disciplines, ranging from the natural sciences to sociology and economics. When professionals in public procurement better understand the Enlightenment roots of their field, their efforts to advance its professionalization are likely to be enhanced.

REQUISITES FOR A SUCCESSFUL PROFESSION: KNOWLEDGE AND TRUST

There is a general consensus as to the characteristics of mature professions (Larson, 1978). Professions are occupations that have gained deference and prestige. Professionals organize themselves in formal networks to advance the quality of practice and to defend against erosion of hard earned recognition. Membership in professions requires that aspirants obtain and demonstrate competencies in a definable knowledge base. Training in the knowledge of the field is institutionalized and leads to formal licensing or other certification of competence. Standards of practice are delineated and codes of ethics guide the practice of a profession. Mature professions have considerable autonomy. They have relatively free rein to practice their occupation according to professional standards and personal judgment. Finally, mature professions investigate and discipline their own members.

Professional work is inherently knowledge based. In the most mature professions, notably law and medicine, knowledge was once attained largely through practice. Young persons aspiring to become attorneys read law and clerked for practicing lawyers. Aspiring pharmacists and medical students observed and emulated practitioners until they were deemed capable to practice on their own. Young architects and engineers did likewise. But eventually every mature profession moved toward university-based training. Training in

universities has long been a means of establishing claims for recognition and exclusive authority to practice a body of knowledge. It also provides marketability advantages for practitioners (Savage, 1994).

Public procurement is an immature profession, one that is in an early aspiring stage. Examinations for certification are becoming increasingly prevalent, but the knowledge base that exists comes overwhelmingly from practice. There is nothing wrong with emphasizing practice-derived knowledge; it is an essential form of knowledge. One of the weaknesses of practiced-based knowledge, though, is that practitioners who convey the knowledge of a field may have little understanding of the historical origins of their practices. Ignorance about the historical origins of a field can contribute to a lack of awareness of the richness of its underlying theoretical framework.

Knowing the history of the ideas underlying a field of practice can help to clarify its ethical framework, the normative standards that guide practice. In order to be successfully recognized as professionals, members of an occupational group have to present themselves to society as being both highly knowledgeable and as being worthy of trust (Macdonald, 1989.) If practitioners lack an understanding of the historical origins of their normative standards, it is possible that those standards might be less well observed.

Fortunately, the intellectual roots of public procurement are deep. Modern norms of practice can be traced to the ideas of some of the most influential framers of theories of democratic governance. The relevance of their ideas is especially evident in the context of aspirations for professional autonomy. As in other professions, practitioners of public procurement seek professional autonomy. When society, through laws and social custom, extends deference to professionals, the result should be enhancements in the quality of practice. But, if the desire to serve others is weak, professional autonomy might only stroke egos and advance the economic self interests of practitioners with no corresponding enhancements in service to the public.

One of the justifications for seeking greater professional autonomy for public procurement professionals is to enable them to better resist efforts by political officials when they want to steer purchases toward favored constituents. Procurement professionals

are thereby seeking to become more effective participants in systems of checks and balances. Enlightenment writers such as John Locke (1632 – 1704) and Francis Hutcheson (1694 – 1746) were among the earliest proponents of such systems. The steering of purchases toward favored constituents has become unacceptable in the contemporary ethics frameworks of democracies. Doing so violates the belief that all citizens inherently deserve equal treatment under the law. This tenet of democracy was advanced by many Enlightenment writers such as Locke, Hutcheson and Jean-Jacques Rousseau (1712–1778). Other concepts that are now being advanced in the context of professionalizing public procurement are also rooted in the Enlightenment.

THE ENLIGHTENMENT

In 1784, the eminent philosopher Immanuel Kant (1724–1804) wrote a brief essay titled “What is Enlightenment?” He concluded that enlightenment occurs in a person’s life when they become capable of critical thinking, of reasoning for one’s self without the need to rely upon the authority of others. Enlightenment writers argued that knowledge was best developed from empirical evidence accompanied by sound critical thinking about the implications of that evidence. What has been called the Age of Enlightenment occurred primarily in the 16th and 17th centuries in several European countries. It emerged from the flourishing of arts and science in the Renaissance and from the questioning of authority that occurred in the Protestant Reformation. The ideas promoted by Enlightenment thinkers became driving forces in the English Revolution (1688), the American Revolution (1775–1783), and the French Revolution (1789–1799).

Living in the midst of political turmoil in England, John Locke applied critical thinking to explore the claims of monarchs that they were divinely chosen to rule. He refuted those claims and reasoned, instead, that each person has an equal right to have a say in choosing how they are to be governed. Locke concluded that a rule of law was needed to restrict the arbitrary authority of monarchs who might otherwise choose to restrict liberties and seize property. Locke and those who followed him created the philosophical foundations of democratic government. In procurement today, it is generally accepted that all qualified vendors should have an equal opportunity

to respond to a solicitation. This normative assertion, that all should be treated equally under the law, is derived directly from Enlightenment thinking

Ideas related to contracts were central in the thinking of Enlightenment philosophers. Frances Hutcheson who was considered the father of the Scottish Enlightenment extended the ideas of Locke. Hutcheson (1753, p. 272) wrote, “It must therefore remain that some *deed or contract* of a people must be the sole natural origin of all just power.” The end of that power, argued Hutcheson, was to serve “a society of free men united under one government for their common interest” (p. 270). By logical extension, each law that empowers procurement officials to engage in their profession is a contract with the people to serve them well. Seen from an Enlightenment perspective, procurement officials are citizens who, upon accepting public employment, enter into contracts to serve their fellow citizens equitably.

Hutcheson discussed contracts extensively, especially the conditions that create valid contracts. He explored such concepts as risk management and surety bonds and he proposed the use of arbitration to resolve conflicts. Hutcheson also pioneered in the development of basic concepts of economics such as value, prices, and utility. When procurement officials seek to use reason and empirical evidence to define “value” as being something more than simply lowest price, they are following in the footsteps of Enlightenment predecessors.

Adam Smith, Hutcheson’s most famous student, extended his mentor’s inquiries to become the acknowledged founder of the field of economics. Much of the knowledge base of public procurement is derived from economics (Flynn & Davis, 2014). When procurement officials seek to understand the market dynamics of a particular industry, they are engaged in economic inquiry. When they apply cost-benefit calculations to perform a make versus buy analysis, they are applying early economic concepts. Unfortunately, the writers of the Enlightenment generally failed to address the specific situations of practitioners who would later seek to apply their ideas to actual situations. Even though some Enlightenment philosophers, especially those in Scotland, sought to make philosophy applicable to practical situations, they were not administrators.

Enlightenment writers were political theorists. They elaborated ideas that justified establishing a government in the form of a representative democracy, and they suggested ways to avert the abuse of power by dividing it, but they were not administrative theorists. They left it to others to figure out how to apply their concepts to the actual administering of a government.

APPLYING THE ENLIGHTENMENT TO PUBLIC ADMINISTRATION

In 1789, a newly elected first American President faced a predicament. Less than two years earlier, George Washington had presided over the Constitutional Convention that had produced a constitution for the new nation. The delegates to the convention extensively deliberated the ideas of Enlightenment thinkers on ways to structure a legislature and, to a lesser extent, a judiciary. But their deliberations on how to structure an executive were startlingly sparse. This can be partly attributed to their trust in Washington who had earlier put down potential military uprisings and who had surrendered his authority as commanding general to the Continental Congress. Had they not trusted the man, they might well have created a plural executive rather than a single president.

Washington's dilemma reflected a gap in the thinking of Enlightenment authors. Men like Locke and Hutcheson wrote at length about the structuring of legislatures and of judiciaries, but they gave little explicit attention to how to organize the executive functions of a democratic government. The deliberations in America's Constitutional Convention mirrored the concerns of the Enlightenment writers who inspired them. Convention delegates debated the structure and functions of the new Congress at great length, and they spent a fair amount of attention on the judiciary, but they gave Washington essentially a blank slate. In their deliberations, they had rejected a monarchy and a plural executive, and they gave the president certain powers, but they gave no guidance as to how the new executive branch should be structured, how it should administer finances, the criteria for selecting subordinate employees, or the criteria for making purchases of goods and services. All of these were left to Washington to devise.

Washington was well aware of the fates of the Athenian democracy and the Roman Republic, as well as that of the parliament's dictatorial takeover of government in England by

Cromwell and his associates in the mid-17th century. He sought to avoid past errors and to fashion administrative practices that would enhance legitimacy – the lasting acceptance and support of the people for a representative form of government. Washington used Enlightenment concepts to construct a coherent theoretical framework to guide the “public administration” (his term) of the new government. The theoretical framework fashioned by Washington has been recently described by Cook and Klay (2015).

The thousands of letters written by Washington, most now available online, reveal that he was a very clear thinker. His thinking was clearly in line with Enlightenment thought – he believed in the power of reason, he regularly questioned underlying assumptions such as the claims of divine rights by kings, he promoted science and education grounded in critical reasoning, and he even came to believe in the underlying equality of humans in a “state of nature.” Unlike Jefferson, Washington came to think that slaves were shaped by their circumstances not an inherent inferiority (Weinck, 2003). Washington deeply believed in the Enlightenment concept that all citizens, especially officials, should be subject to the rule of law. But that alone was not sufficient. In a letter to a friend, the English historian and activist Katherine Macaulay Graham, Washington wrote, “I always believed that an unequivocally free and equal Representation of the People in the Legislature, together with an efficient and responsible Executive, were the great Pillars on which the preservation of American Freedom must depend.”

Washington, a “man of the Enlightenment” as some historians have called him, sought to frame the administration of a representative government in ways that would secure the continuing support of the people whom it served. To earn this legitimacy, he reasoned, officials must strive to conform to the rule of law and, in particular, demonstrate stewardship by being both efficient and responsible in their actions. A representative government, he believed, would not survive if citizens thought that officials placed themselves above the rule of law or behaved in ways that seemed self-serving and wasteful.

Contemporary thought in public procurement closely parallels that of Washington. This is seen best in codes of ethics. They typically reaffirm the rule of law and they emphasize officials’ stewardship obligations to treat fellow citizens equitably, to seek value for them,

and to avoid self-serving conflicts of interest. Each of these core values of public procurement is rooted deeply in the Enlightenment. When procurement officials adhere closely to these ethical norms, they behave in ways that are likely to enhance the legitimacy of democratic governments.

CONTRACTS AND THE RULE OF LAW

Contracting is a vital process in assuring the rule of law. Hutcheson (1753, p. 168), for example, wrote that, "Contracts are of absolute necessity in life, and so is the maintaining of faith in them." The most fundamental contract is that which forms a government. This "covenant or contract," said Hutcheson, was an agreement that bound government officials to "a faithful administration of their trust" (p. 273). As experienced procurement officials know, successful contracting requires that there be penalties for breaking a contract. Hutcheson advised that officials who misuse power "deserve the highest punishments" (p. 313). To maintain faith in the trustworthiness of their members, mature professions insist on the right to remove misbehaving members from practice. In public procurement, serious breaches of ethics can sully both the profession and the legitimacy of governments. The necessity of strong sanctions for misbehaving procurement officials is deeply rooted in Enlightenment reasoning and is justified by that reasoning.

Contracts depend on liberty. To work well they need to be freely entered by both parties. Hutcheson emphasized that placing undue coercion on a party could invalidate a contract. He hastened to add that contracts entered into by a party who does so under legal pressure from a "just magistrate" are presumably in the public interest and therefore valid (p. 178). He also stressed that all elements of contracts must themselves be lawful. Liberty, however, needs to be accompanied by personal responsibility. Failure by a party to understand well the implications of a contract does not relieve that party from being bound by it. Due diligence, "the duty of a discreet cautious man" (p. 182) is to be expected. Accordingly, the performance of due diligence is an appropriate expectation in the behavior of anyone who seeks to be recognized as a professional in public procurement.

An important part of doing due diligence is the vetting of the backgrounds and past performances of bidders. The importance of

this has always existed but it is becoming increasingly important in the procurement of advanced technology. When a government buys computing and communications technology, especially software, it enters into a long term relationship with the providers. Closely scrutinizing the qualifications and past performance of providers, especially their ability to resolve problems, is a key in successful contracting for information technology (Bowden & Klay, 1996). Nearly three centuries ago, Hutcheson noted the importance of vetting in contracting. He cautioned that where risk might be associated with contractors' failure to perform, it is appropriate to require surety insurance "as a wise arbiter judges sufficient" (p. 177).

The fundamental equality of each citizen is a basic tenet of the rule of law. Enlightenment writers understood well that some persons might gain great wealth and influence and that some will seek to use that influence to sway public decisions. George Washington believed that government should stimulate commerce and economic development through policies that promoted education, scientific research, transportation infrastructure, and a sound banking system. But he also cautioned that governments needed to adopt regulations to avoid the undue influence of those with "wealth and power." In a letter to Thomas Jefferson, Washington (1784) echoed the thoughts of Hutcheson when he wrote, "From trade our citizens *will not* be restrained, and therefore it behooves us to place it in the most convenient channels, under proper regulation, freed as *much as possible*, from those vices which luxury, the consequence of wealth and power, naturally introduce (italics Washington's)." In the context of public procurement, regulations that protect against undue political influence from campaign contributors and other persons of wealth are actions taken to assure equitable applications of the rule of law.

MERIT, EQUITABLE TREATMENT, AND LEGITIMACY

One of the surest ways for a government to lose popular support is for it to become perceived as unfair. Legitimacy is related to norms regarding how citizens should be treated and how the revenues of a government should be spent. Perceptions of legitimacy are related to the likely success of major procurement projects (Russell & Meehan, 2014). Washington was deeply concerned that spending practices might be perceived as unfair. He saw that the new American nation

might split apart. States in New England were inclined at several points in the early history of the nation to go their separate way. He feared that settlers west of the eastern mountains might establish a separate nation. He especially worried that the southern states might split the nation apart as they later did in 1860. He promoted several strategies to counter these centripetal tendencies. For example, he promoted the establishment of a national university in which talented students from all parts of the nation would study together and form lasting ties of friendship and shared national identity.

Washington believed that procurement policy could help prevent the new nation from splitting apart. This is best seen in the manner in which he guided the procurement of ships for a new navy (Crawford & Hughes, n.d.). The American navy was to be miniscule, only a half dozen ships, compared to the hundreds of Great Britain and other European powers. It was decided that the American ships should be of superior quality to ships of equivalent size in other navies to give them a likelihood of success in single encounters. Costs had to be contained to satisfy a Congress that was very quick to suspect executive officials of financial mismanagement and corruption. To constrain costs and ensure high quality, Washington was advised to contract to build the ships in a single shipyard. He rejected that advice.

Washington decided instead to award the contracts to builders in multiple ports in the north, mid-Atlantic, and southern states. He did so because he believed that the public would perceive the procurement to be fairer if the work was distributed equitably across several states. He realized the costs were likely to be higher, but he believed that public support of the new government was more important. In short, he applied a concept of value in which the enhancement of legitimacy was a primary consideration.

To assure high quality, Washington's administration chose ship designers and builders of proven ability in each location. The men who were to become the commanders of the ships were assigned to supervise the contractors in the design and construction of the ships. In short, the future ship captains acted as both project managers and on-site representatives of the government. To constrain costs, the tradesmen who did the actual building were hired as government employees rather than as employees of the contractor. The quality of the ships that were built was high. Two of those ships remain afloat in

the 21st century – The “Constitution” in Boston and the “Constellation” in Baltimore. Both prevailed in battle in single encounters as they had been designed to do.

In public procurement, the concept of “merit” applies both to the selection of vendors and to the hiring and promoting of procurement officials. Favoritism in the selection of vendors threatens public perceptions of the fairness of their government and, hence, of its legitimacy. It is equally important that procurement officials be hired and promoted on merit, not political connections. Political hires bring obligations to act on criteria other than merit. Hutcheson wrote of the importance of promoting only persons of proven integrity. From an early age, Washington applied merit criteria in selecting and promoting subordinates. When he left his command of the Virginia militia at the close of the Seven Years War (called the French and Indian War by Americans), Washington’s subordinate officers wrote to thank him for his adherence to merit criteria in dealing with them (Zagarri, 1991, p. 66). The later successful procurement of the American navy’s first ships is also largely attributable to the application of merit criteria in selecting the procurement supervisors, the ship captains who served as project managers, and in selecting the contracted ship designers.

From the perspectives of Enlightenment thinkers, it is incumbent upon public officials to treat fellow citizens equitably. Each person is entitled to equal treatment under the rule of law. Assurance of equitable treatment is enhanced when concepts of merit are applied in selecting among vendors and in selecting persons to become procurement officials. Contemporary norms in public procurement that emphasize the importance of merit – treating all potential vendors equitably, selecting among them based on merit criteria, and using merit criteria in selecting procurement officials – are manifestations of Enlightenment thinking. When procurement officials emphasize merit criteria, their actions advance the legitimacy of a government.

Washington sought to be geographically representative in spending and hiring to counter the localism that threatened to split apart the nation to which he was devoted. In many parts of the world today, the challenge is to apply the concept of equal rights under the law to all citizens regardless of their ethnicity, religious beliefs, or similar characteristics. The concept that all persons possess equal

rights under the law is fundamental to Enlightenment thinking. It is affirmed in the first sentence of the Universal Declaration of Human rights which refers to the “equal and inalienable rights of all members of the human family.” The belief that governments should enhance equality of opportunity is derived directly from this concept. Advancing equality of opportunity under the law – through spending and personnel practices – is a moral obligation and a principal challenge of public procurement today.

PUBLIC SERVICE MOTIVATION – BENEVOLENCE AND STEWARDSHIP

Enlightenment writers paid great attention to exploring “human nature.” Philosophers such as Hutcheson, David Hume and especially Adam Smith concluded that self interest is a motive that explains much of human behavior. The concept of self interest is central to public procurement. Procurement law and practices are built on the assumption that vendors will act in their own self interest. It is up to procurement officials to try to get vendors to behave in the public interest. But if humans are motivated only by self interest, what might motivate procurement officials themselves to act in the public interest rather than solely in their own self interest?

Laws and procurement regulations, as well as codes of conduct, typically address this dilemma from a “negative ethics” perspective. This perspective can be best summed up as being the perspective of “Thou shalt not.” Procurement officials are told that they must not create conflict of interest situations in which their self interest (and that of others close to them) conflicts with the performance of their public tasks. Though perhaps tempted to do otherwise, procurement officials are told to “accept nothing” of value from prospective vendors.

In contrast to a negative ethics perspective, a positive ethics perspective emphasizes the things that motivate a person to strive hard to serve others well. Frances Hutcheson assumed that self interest is a major motivator. His pupil Adam Smith used that assumption to form the primary motivational assumption of the field of economics – the assertion that people can be predicted to act in their economic self interest. But Hutcheson went further. His own observations and reasoning led him to conclude that there were limits to economic self interest. He reasoned that people need a higher sense of purpose in their lives than can be fulfilled solely by material

wealth. A minister as well as a philosopher, Hutcheson reasoned that the human capacity and inclination for benevolence was a proof of the existence of a benevolent creator. It is through acts of benevolence, Hutcheson reasoned, that people come to experience their higher purpose in life. He further reasoned that acts of benevolence toward future generations are of exceptional merit.

The concept of public service is rooted in this line of reasoning – that we humans achieve greater sense of purpose in our lives when we perform acts of benevolence, of service, toward others. The idea of public service motivation is central to both theory and research in public administration. Public service is a form of benevolence. In selecting subordinate officials, Washington sought evidence that they were motivated to serve the public, not merely themselves. In framing our codes of ethics, and in selecting and leading our subordinates, public procurement officials need to look beyond a negative ethics perspective. The quality of public procurement seems likely to be greater when we embrace and practice the higher aspects of our public service traditions.

EDUCATING PUBLIC PROCUREMENT PROFESSIONALS: ABILITY AND INCLINATION

In 1749, Benjamin Franklin wrote an essay on education. In it, Franklin wrote that “true Merit” consists of “an Inclination join'd with an Ability to serve Mankind, one's Country, Friends and Family” (Franklin, 1749). The notion that it is necessary to educate young people to become *inclined* to serve others – along with an *ability* to do so – is deeply grounded in Enlightenment thought. It is a perspective that serves to guide the educating of persons for careers in public service. It is not enough to only develop abilities, to learn the techniques of a profession. Professional education for public service also needs to inculcate an inclination to serve others.

George Turnbull (1698–1748), a Scottish professor and clergyman, extensively described how Enlightenment perspectives could be used to enhance the education of young people. He emphasized that children should be encouraged to learn to reason for themselves. Like other Enlightenment writers, Turnbull emphasized the importance of learning logic in order to question underlying assumptions and to reflect on empirical evidence and one's own

experiences. Contemporary efforts to promote critical reasoning in education are derived directly from Enlightenment thought.

Turnbull, Franklin, and others believed that teaching young people history, particularly the fates of past governments, would help them to reason for themselves that democratic forms of governance are worthy of support. Similarly, the study of philosophy would help young people to reason for themselves that there are higher purposes in life than mere accumulation of material wealth. The need to be educated in other topics, ranging from mathematics to physical education, was also emphasized.

The study of procurement history is needed to enhance both the *inclination* and *abilities* of public procurement professionals. Ours is a practiced profession. Learning how past master practitioners have created procurement innovations to meet pressing challenges is likely to enhance future practitioners' abilities to fashion innovative solutions. The mastery of such skills will facilitate the recognition of procurement as an executive function that can contribute to the fashioning of organizational strategy. Learning how past master practitioners have adhered to the ideals of public service, while facing pressures to do otherwise, might motivate future procurement professionals to do the same.

George Washington (1796) spoke of the need to prepare youth "in the science of government." For Washington, this meant education along the lines that Turnbull had promoted. He specifically emphasized the importance of applying reason and empirical evidence in doing sound policy analysis. In a letter to Alexander Hamilton, Washington described the kind of policy advice he sought, "My desire is to learn from dispassionate men, who have knowledge of the subject, and abilities to judge of it, the genuine opinion they entertain of *each* article of the instrument; and the *result* of it in the aggregate" (italics Washington's, 1796).

If public procurement is to be perceived by top officials as a mature profession, its practitioners must show that they can contribute to the framing of strategy by doing sound policy analysis. Conducting solid "make versus buy" analyses is especially important. Such analyses require a full investigation of costs and benefits and the relative utility of alternative options. These are basic economic concepts that were first developed by Enlightenment writers such as Frances Hutcheson and Adam Smith. In his final annual address to

Congress (1796), Washington offered advice on “make versus buy” decisions. He preferred that the government purchase, rather than make, those things that private manufacturers are capable of manufacturing. But Washington’s experience with the poor performance of private contractors in the war for independence led him to prefer direct government manufacturing of defense goods.

ALIGNING INCENTIVES

David Hume (1711–1776), a Scottish academic who ranks among the greats of philosophy, described the difficulties of aligning self interest with public interest.

Political writers have established it as a maxim that, in contriving any system of government, and fixing the several checks and controls of the constitution, every man ought to be supposed a knave, and to have no other end, in all his actions, than private interest. By this interest we must govern him, and, by means of it, make him, notwithstanding his insatiable avarice and ambition, co-operate to public good. (1748/1777, p. 42).

The essential challenge and perennial responsibility of public procurement professionals is to create arrangements in which sellers with self interests are induced to “cooperate to public good.” In the above quote, Hume provided one of the earliest descriptions of what contemporary scholars call the principal-agent problem. Also called agency theory, principal-agent theory provides a theoretical framework for creating contractual arrangements as well as studying the participants in those arrangements (Van Slyke, 2006). The theory assumes that agents, those who contract to undertake work, know best what they are capable of doing. In their own self-interest, they might surreptitiously take advantage of their situation and do less than they are capable of doing. The shortchanging of a principal is called “moral hazard.”

Enlightenment thinkers understood the principal-agent dilemma. Some eighteenth century practitioners, influenced by the Enlightenment, understood that their essential challenge was to align self interest with public needs. In the USA, the new nation’s Superintendent of Finance Robert Morris tried to establish a contracting system during the Revolutionary War to accomplish this

alignment. “Morris sought to harness economic self-interest to the public good” (Card, 1984, p. 214).

Adam Smith (1776), in creating the foundation for modern economics, explored extensively the implications of the pursuit of self interest. To induce better performance, Smith recommended the use of what we now call performance contracting. But Smith did not think things through in this matter. Smith (1776) recommended that professors be paid solely on the basis of the number of students they could attract. Doing that might encourage good teaching but it could also cause professors to neglect other things, such as research and technology transfer, that are now known to be essential in knowledge based economies. Performance contracting only works when incentives are carefully aligned to encourage all important aspects of contractor performance. Consequently, public procurement professionals need to study performance measurement carefully.

CONCLUSION – STEWARDSHIP ORIENTED PROFESSIONALISM

Washington deeply believed that the long term survival of democratic governments depends on the qualities and actions of the public employees who implement policy and who actually provide services to citizens (Cook & Klay, 2015). Public procurement officials are agents of the public. According to Washington’s logic, where procurement officials are seen as agents who strive to serve the public well, democratic governments are likely to be better supported and longer lived. On the other hand, if the public perceives procurement officials as being essentially self-serving, democracies might be weakened and the efforts of those officials to become accepted as professionals are likely to be rejected.

Principal-agent theory assumes that people will always be primarily self serving in their motivations. In many ways, procurement officials must act upon the assumption that self interest is what is likely to primarily motivate potential vendors. But, *if* procurement officials want to enhance the legitimacy of their governments *and if* procurement officials want to become recognized as professionals, then they need to become stewards, not merely agents. Stewardship theory is based on the belief that some persons will act primarily in the interest of a greater community to which they belong (Davis, Donaldson, & Schoorman, 1997).

True professionalism is based on stewardship. The Hippocratic Oath is an affirmation of the obligation of physicians to be stewards. Frances Hutcheson's 18th century advice fits well the needs of the public procurement profession in the 21st century. He advised that it must be assumed that self interest is a powerful motivator in contractual relationships. But he also reasoned that there is a higher form of self interest that leads persons to perform acts of benevolence for others. Each public procurement official is presented with the opportunity to be a steward who acts on behalf of the well being of fellow citizens. If George Washington was right, each time a public procurement official in a democracy acts like a steward, the long-term prospects for that government might be enhanced, if only by a smidgen.

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