

# **Networks and policy making: from theory to practice in Australian social policy**

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## **Abstract**

Traditional approaches to policy-making, in Australia and elsewhere, have assumed that policy-making processes are, and ought to be, centralised and hierarchical. However, policy networks have emerged as an alternative model of policy-making, particularly in Europe. Policy networks have been a regular feature of Australian policy-making, though usually under government sponsorship and on the government's terms. Recent developments suggest that governments may be encouraging a more independent and less 'top-down' approach to the use of policy networks. The Coalition Government's engagement of a 'social coalition' in welfare reform, particularly through the Reference Group on Welfare Reform, provides an interesting case study of this trend.

## **Introduction**

It is curious that, although many have written about the increased complexity faced by policy makers, far fewer have had much to say about how governments should respond. Traditional approaches to policy making tended to assume that processes ought to be centralised and hierarchical. This is clearly in tension with greater demand for participation in the development of policy from an increasingly fragmented and sophisticated polity.

Emerging from Europe are some interesting alternative approaches to policy making based on a role for governments in managing policy networks. In various forms engagement of networks has been a characteristic of Australian approaches for some time. However, this engagement has tended to be very much on the government's terms and for the purpose of achieving preset objectives. More recently evidence of something new and interesting has emerged. Some speculate that Australia may be developing the capacity to blend top-down political control with participative mechanisms for policy making. Perhaps the clearest recent example is the Coalition Government's approach to engaging the 'social coalition' in social welfare policy development, in particular, the Welfare Reform process.

This paper reviews the relevant literature to build a conceptual framework for government engagement of stakeholders in the policy process. This framework is then used as a lens for examining developments in Australian policy making with a particular focus on recent social policy processes.

## Policy making under pressure

It is common to speak of governments being under pressure. Writers refer to greater expectations of citizens, reduced capacity of government to achieve outcomes, and the erosion traditional notions of territorial sovereignty. Several factors relate specifically to policy making.<sup>1</sup>

### *Increasing social and political heterogeneity*

A greater variety of interests and needs to satisfy is testing government capacity to integrate the values and interests of citizens. Many more organised interests wish to be involved in policy making processes and governments are finding it more and more difficult to legitimise their actions without active public involvement.<sup>2</sup>

### *Sectorisation, overcrowded policy making and political overload*

Sectorisation and fragmentation of policy making are common themes. Hanf and O'Toole describe "decision systems in which territorial and functional differentiation disaggregate effective problem-solving capacity into a collection of sub-systems of actors with specialised tasks and limited competence and resources".<sup>3</sup> It is arguable the segmentation and specialisation intended to support government management of complexity has, in fact, resulted in greater pressure. Segmentation has mobilised interests and lead to policy growth in each sector, which has fed political overload and "governance under pressure"<sup>4</sup>

### *Less 'bargainable' issues*

Some argue that many issues confronting governments are less bargainable. They refer in particular to post-materialist values and issues relating to race, gender participation and equality that tend to require absolute positions.<sup>5</sup> One is not easily traded off for another, nor necessarily compensated for by redistribution of income.

### *The limits of the individual policy maker*

There is also increased recognition that isolating important decisions from public involvement denies decision-makers (and shapers) relevant information.<sup>6</sup> Kooiman observes "[n]o single actor, public or private, has all knowledge and information required to solve complex dynamic and diversified problems; no actor has sufficient overview to make the applications of needed instruments effective."<sup>7</sup>

Kenis and Schneider reflect these developments in their 'transformation of political reality' summarised in Figure 1.<sup>8</sup>

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<sup>1</sup> This paper is about managing the domestic policy process. There are, of course, a range of pressures flowing from globalisation that I have not addressed.

<sup>2</sup> Peters, B. G. (1996), *The Future of Governing: Four Emerging Models*, (University Press of Kansas: Lawrence), p.47

<sup>3</sup> Hanf, K. and O'Toole, L. J. (1992), 'Revisiting old friends: networks, implementation structures and the management of inter-organisational relations', in Jordan, G. and Schubert, K. (eds) (1992), 'Policy networks', *European Journal of Political Research* special issue, 21, p.166

<sup>4</sup> Jordan, G. and Richardson, J. J. (1983), 'Policy communities: the British and European style', *Policy Studies Journal* 11, pp.603-615

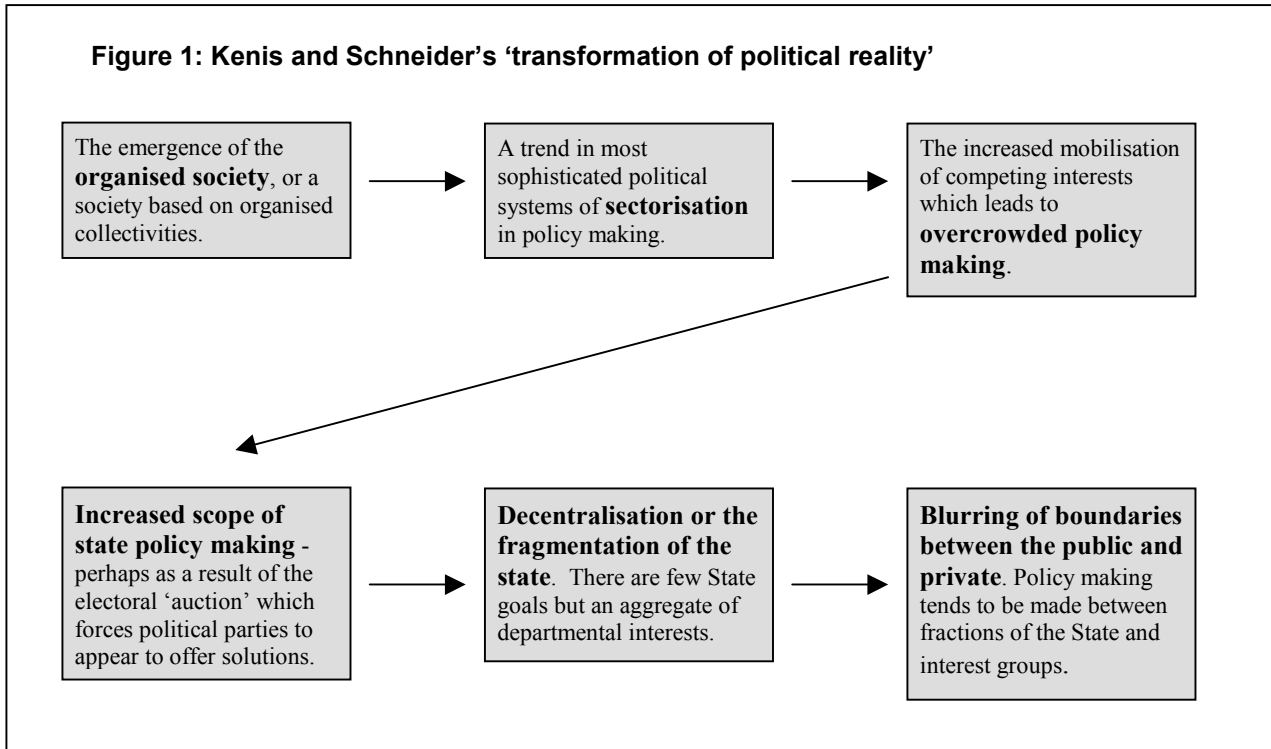
<sup>5</sup> Peters, B. G. (1996), p.15

<sup>6</sup> *Ibid.*, p.55

<sup>7</sup> Kooiman, J. (1993), 'Governance and Governability: Using Complexity, Dynamics and Diversity', in Kooiman, J., *Modern Governance*, (London: Sage), p.4

<sup>8</sup> Kenis, P. and Schneider, V. (1989), 'Policy Networks as an Analytical Tool for Policy Analysis', paper for conference at Max Plant-Institut, Cologne, 4-5 December 1989, pp.6-9

**Figure 1: Kenis and Schneider's 'transformation of political reality'**



Against this background, it is no longer clear that technical and policy knowledge is best marshalled or managed in hierarchies. Particularly in the private sector many rigid bureaucratic structures are giving way to self-organising networks as means of coping with the complexity created by conditions of reciprocal interdependence. Some suggest that “networks and communities are natural conceptual responses to both the limits of markets and hierarchical arrangements, and the enormous expansion in the types of societal actors involved in policy-making and to the dispersion of specialised policy resources.”<sup>9</sup>

Nevertheless, little has changed in the way Australian governments make policy. The past 10-15 years have seen governments struggling with the implementation of the ‘new public management’. This has seen dramatic reforms to the personnel and financial management of bureaucracies and profound changes to the nature and extent of government involvement in delivery of services. However, change to the actual process of making policy has been marginal.

Much public policy theory and practice still seems inspired by the image of government ‘steering’ society from above. Policy tends to be approached from a strongly rational-technical perspective with a strict division between politics and policy.<sup>10</sup> Policy processes are assumed to proceed in stages (policy formulation, decision and implementation). Policy makers first analyse a problem, consider alternatives and then make a rational decision.

Meredith Edwards provided an interesting confirmation of this orthodoxy shortly after her move to university life from the position of Deputy Secretary in the Department of the Prime Minister in Cabinet. In an article titled ‘Australian Social Policy Development Processes’ she describes

<sup>9</sup> Atkinson, M. M. and Coleman, W. D. (1992), ‘Policy Networks, Policy Communities and the Problems of Governance’, *Governance: An International Journal of Policy and Administration*, Vol.5, No.2, p.162

<sup>10</sup> Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (1997), ‘Introduction: A Management Perspective on Policy Networks’ in Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (eds) (1997), *Managing Complex Networks* (Sage Publications, London), p.4-5

Bridgman and Davis's policy cycle approach as "a useful organising framework which provides discipline to the policy process."<sup>11</sup>

Bridgman and Davis's cycle has the following stages:

1. Define and articulate the problem and gain its acceptance
2. Collect and analyse relevant information
3. Clarify objectives and distil issues
4. Develop and assess options and proposals
5. Undertake consultations
6. Refine policy
7. Implement
8. Evaluate<sup>12</sup>

There is a lot to be said for this kind of approach. It has a logical problem-solving thread to it – defining the issue, drawing together and synthesising information, and weighing up options. It brings a degree of structure and certainty to policy making. However, it is also built on the idea that government steers society from an elevated central position.

This sits at odds with the pressures described earlier. Various writers have commented on this ...

"government is not able to steer society as a *deus ex machina* from a position above and detached from society; government itself is part of the social system and is only one of the many social actors influential in public policy processes."<sup>13</sup>

"it is unlikely, if not impossible, that public policy of any significance could result from the choice process of any single unified actor. Policy formulation and policy implementation are inevitably the result of interactions among a plurality of separate actors with separate interests, goals and strategies."<sup>14</sup>

"Instead of emanating from a central authority, be this government or the legislature, policy today is in fact *made* in a process involving a plurality of both public and private organisations."<sup>15</sup>

Nevertheless, in Australia orthodox policy making tends to treat stakeholder engagement as an add-on (perhaps briefly at Bridgman and Davis's steps 1 and 2, and then at step 5) rather than an integrated part of the process. This ignores the reality of political fragmentation and diversification of interest groups and issue movements. Arguably it has contributed to increased dissatisfaction with governments and a growing perception they no longer effectively integrate societal interests.

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<sup>11</sup> Edwards, M. (1998), 'Australian Social Policy Development Processes', *Canberra Bulletin of Public Administration*, No. 90, December 1998, p.115

<sup>12</sup> Bridgeman, P and Davis, G. (1998), *Australian Policy Handbook*, (Allen & Unwin)

<sup>13</sup> Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (1997), p.5

<sup>14</sup> Scharpf, F. W. (1978), 'Interorganisational policy studies: issues, concepts and perspectives', in Hanf, K. I. and Scharpf, F. W. (eds) (1978), *Interorganisational Policy Making: Limits to Coordination and Central Control*, (Sage: London), p.346

<sup>15</sup> Mayntz, R. (1993), 'Modernisation and the Logic of Interorganisational Networks', in Child, J., Crozier, M. and Mayntz, R. et al (eds), *Societal change between market and organisation* (Aldershot: Avebury), p.5

## An alternative framework - interdependency and networks

Since the 1970's academics have been using the concepts of policy networks and communities to explain the influence of government and non-government actors on specific decisions or policy positions. The concepts emerged from debates about the best way to describe political and societal processes. Box 1 summarises some of these related concepts.

### Box 1 – Related concepts from political science<sup>16</sup>

The following describe a variety of models for the interaction between societal interests and government:

**Pressure pluralism/competitive pluralism** – Open process of competition among a large number of interest groups. Government action reflects the outcome of the competition rather than its own predetermined goals.

**State corporatism** – Closed process for a limited number of privileged participants. Government avoids competition by granting membership only to selected peak groups, and so maintains considerable control over the policy agenda.

**Societal corporatism** – Closed process for limited number of groups with hierarchical control. This is obtained through representational monopoly based on inter-associational arrangements and spontaneous cooperation rather than State imposition.

**Group subgovernment** – Clusters of individuals that effectively make most of the routine decisions in a substantive area of policy (a mixture of bureaucrats, academics and interest group members).

**'Iron triangles'** – A closed and stable relationship between an interest group(s), a Government agency and a US congressional committee.

A 'policy network' connects public policies with their strategic and institutionalised context: the network of public, semi-public, and private actors participating in a policy field.<sup>17</sup> It connotes a "a set of relatively stable relationships which are of non-hierarchical and interdependent nature linking a variety of actors, who share common interests with regard to a policy and who exchange resources to pursue these shared interests acknowledging that cooperation is the best way to achieve common goals."<sup>18</sup> Interdependency is central to the network approach. Actors in networks are interdependent because they need the resources of other actors to achieve their goals. "Public and private actors form networks to exchange the resources on which they are mutually dependent for the realisation of common gains (policies)."<sup>19</sup> So the network can be viewed as a solution to coordination problems typical of complex modern societies.<sup>20</sup> It may also alter the relationship between society and state, blurring the boundary between the two.<sup>21</sup>

<sup>16</sup> Jordan, G. and Schubert, K. (1992), 'A preliminary ordering of policy network labels', in Jordan, G. and Schubert, K. (eds), 'Policy Networks', *European Journal of Political Research*, Special Issue 21, p.20

<sup>17</sup> Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (1997), p.1

<sup>18</sup> Borzel, T.A. (1998), 'Organising Babylon – on the different conceptions of policy networks', *Public Administration* 76, p.254

<sup>19</sup> Ibid., p.263

<sup>20</sup> Ibid., p.260

<sup>21</sup> Ibid., p.260

The literature describes a variety of policy networks which can be viewed as a continuum. At one end are open issue networks where self-selecting actors with common interests exchange information and resources. At the other end are closed and close policy communities, with limited and stable participation.<sup>22</sup> Policy communities tend to emerge from exchanges of information, goals and resources that have been institutionalised over a period of time. Shared perceptions, participation patterns and interaction rules develop and are formalised.<sup>23</sup> A policy community may include ministers, parliamentarians, staff of statutory authorities, independent consultants and journalists. They may have served together or at least interacted around advisory committees and councils. Often they will have a common professional and education background. There may even be some movement of employment between them.<sup>24</sup>

For present purposes the finer points of difference between policy networks, communities and issue networks are not important. In any case, attempts to synthesise the literature around these themes have proved difficult. Jordan and Schubert explain the “the sketchy quality” of their summaries as “not caused by the compression of the literature to manageable proportions but because the literatures are themselves, almost without exception, vague.”<sup>25</sup> What is important is the idea of an alternative (or at least a complement) to hierarchical, rationalist, scientific policy making that better reflects the new political reality.

### **A network approach – advantages and criticisms**

Network approaches tend to emphasise the dependency of government upon individuals, groups and organisations in its policy environment. Commonly analysis focuses on the actions of vested interests in a network frustrating government attempts at reform. This leads to a rather negative view of the impact of networks - that they are closed subsystems dominated by established interest groups which lead to institutional sclerosis within the public sector. Networks are said to be responsible for:

- governments neglecting or compromising the interests of the ‘silent’ majority;
- stifling of policy innovation by established procedures and vested interests;
- non-transparent policy processes – informal interaction and complex consultation mechanisms make it difficult to tell what and who has influenced specific decisions; and
- insufficient democratic legitimacy – interaction between public servants and private interest groups lead to policy agreement that is difficult for elected government to alter.

On the other hand, networks are also thought to have a number of advantages:

- incorporating additional knowledge and information in the policy making process;
- participation by a range of individuals, groups and organisations means that a variety of interests and values are considered. This is favourable from a democratic perspective;
- participation can increase social acceptance of a policy and make it easier to implement; and
- improving the problem solving capacity and therefore the effectiveness of government.

Borzel concludes networks “reduce costs of information and transaction and create mutual trust among the actors diminishing uncertainty and thus the risk of defection. Because of these functions, networks serve as an ideal institutional framework for horizontal self-coordination between public and private actors, on which policy-making is relying in an increasingly complex,

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<sup>22</sup> Smith, M. J. (1993), *Pressure, Power and Policy: State Autonomy and Policy Networks in Britain and the United States*, (Harvester Wheatsheaf: Hertfordshire), p.7

<sup>23</sup> Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (1997), p.6; Jordan, G. (1990), ‘Subgovernments, Policy Communities and Networks – Refilling the Old Bottles?’, *Journal of Theoretical Politics* 2 (3), p.327

<sup>24</sup> Davis, G. and others (eds) (1993), *Public Policy in Australia*, 2<sup>nd</sup> edn, (Sydney: Allen and Unwin), p.144

<sup>25</sup> Jordan, G. and Schubert, K. (1992), p.18

dynamic and diversified environment where hierarchical coordination is rendered dysfunctional.”<sup>26</sup>

Either way, the bottom line is that networks exist and impact upon policy making. At a minimum governments need to be able to deal with them effectively. Ideally, government ought to be able to turn networks to their advantage. More recently greater attention has been given to using policy networks for public problem solving and societal governance.<sup>27</sup> This has perhaps mirrored broader adoption of the network concept across management and scientific literature. To Borzel “[t]he term ‘network’ seems to have become the new paradigm for the architecture of complexity.”<sup>28</sup>

### **The important role of the State**

In theory, networks are non-hierarchical and self-organising. Rhodes describes networks existing in an environment in which government is no longer supreme. They resist government steering, develop their own policies and mould their environments. “We don’t live in unitary states but in ‘the centreless society’; in the polycentric state characterised by multiple centres.”<sup>29</sup>

But, do we really live in ‘the centreless society’?<sup>30</sup> Pluralist approaches tend to downplay the importance of the State because they view it as simply the focal point for the contest of societal interests. According to this view the best organised, resourced and expert interests prevail and government does not pursue its own goals. Of course, the reality is governments remain very well organised and resourced, and accordingly very powerful.<sup>31</sup> In many cases the policies that emerge reflect the decisions of state actors to adopt a particular policy or to consult particular groups. At times governments will simply ignore views they do not agree with.

Often the power of particular interest groups will have more to do with politics and ideology than resources, skill or leadership.<sup>32</sup> The values and beliefs of the government of the day invariably narrow the range of policy options. Often there will be processes and policy making institutions to which the government will invite only those with compatible values and beliefs.

This is not to suggest that governments are never dependent on interest group support or indeed forced to integrate interests different to their own. Government may regard the political costs of enforcing its will as too great. What is at stake on particular issue may be far important to the affected interests and often the resources they can put into debate (specialist personnel, research) will be greater than government can afford.<sup>33</sup>

Much depends on political context, broad and narrow. By broad I mean the overall relationship between government and the rest of society. A brief comparison of the United Kingdom and the United States will illustrate. In the UK political power is highly concentrated. Subject to a range of conventions the party with a majority in the House of Commons rules absolutely between elections. Consultation is seen as important to legitimise political decisions, but consultation status is not seen as a right. It is only conferred if groups agree to comply with the rules of the game, including secrecy, that keep policy-making closed. In this environment, government is less dependent on the cooperation and political resources of organised interests.

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<sup>26</sup> Borzel, T.A. (1998), p.263

<sup>27</sup> This is evidenced most strongly in the European literature referred to herein.

<sup>28</sup> Borzel, T.A. (1998), p.253

<sup>29</sup> Rhodes, R. A. W. (1997), Forward in Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (eds) (1997), *Managing Complex Networks* (Sage Publications, London), p.xii

<sup>30</sup> This expression was coined by Luhman. See Luhman, N. (1982), *The Differentiation of Society*, (Columbia University Press, New York).

<sup>31</sup> Smith, M. J. (1993), pp.1-2

<sup>32</sup> Ibid., pp.4-5

<sup>33</sup> Jordan, G. (1990), p.333

By comparison in the US political power is highly fragmented. Not only is there a federal system, but also within the national government, Congress, the Executive and the judiciary all have significant independent power and there is 'weak' party system. With many more political players competing for legitimacy there is much greater scope for interest group influence. Government is far more dependent on the support of organised interests.

Australia lies somewhere between these two extremes. Political power is distributed in a federal system and between two houses of parliament at a federal level. At the same time there is a strong two-party system that concentrates considerable power in the hands of the party with a majority in the House of Representatives (and the Prime Minister).

The narrow political context within each sector or policy area is also important. Different conditions may prevail depending on the relative resources of public and private actors. For example, where significant financial interests are at stake or the impact of a policy is focussed on a smaller number of interests who are able to organise effectively, then non-government actors are likely to have greater influence over policy.

It seems though, that even the 'strongest' governments still rely on the support of interest groups to legitimise decisions and to facilitate implementation of policies. Productive relations with the network of interests in particular policy area may facilitate the reaching of a consensus for change. The network can be used a bridge between government and the individuals represented by interest groups. In other words, the network can be used influence public opinion. For example, participation of interest group leaders on advisory committees may help convince them of the wisdom of the government's preferred approach. If they are persuaded then they may spread the word.<sup>34</sup>

### **A key trade-off for government - participation vs control**

Government will often seek to strike a balance between participation of stakeholders in policy making and retaining overall control.

"For modern states, the problem has become one of maintaining ultimate control yet sharing the exercise of public authority. Public officials want to escape blame, but also to claim credit. They want to husband political power, but they must mobilise social forces to obtain it in the first place."<sup>35</sup>

Engagement with networks can fulfil the important purpose of coopting specialised knowledge into the policy process. It can also grant initially hostile groups a role and in doing so effectively socialise them into the norms of behaviour in the policy process.<sup>36</sup> By working within a network government may effect change without confrontation and conflict.<sup>37</sup>

On the other hand, there are advantages in pursuing policy-making in relatively closed arrangements. It facilitates "development of a common language and understanding of what is at issue (even if there is disagreement over policy preference)."<sup>38</sup> Public participation mechanisms may also be designed to "screen out 'ill-formed', 'irresponsible' or 'unrealistic' views, and to insulate public policy outcomes from destabilising or distorting political influences."<sup>39</sup>

A distinction is often drawn between insider and outsider groups. Insider groups have working relations with the ministers and departments. "Their concerns are an established and continuing

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<sup>34</sup> Davis, G. and others (eds) (1993), p.146

<sup>35</sup> Atkinson, M. M. and Coleman, W. D. (1992), p.155

<sup>36</sup> Jordan, G. and Richardson, J. J. (1983), pp.607-608

<sup>37</sup> Smith, M. J. (1993), p.75

<sup>38</sup> Jordan, G. and Richardson, J. J. (1983), pp.607-608

<sup>39</sup> Dunleavy, P. and O'Leary, B. (1987), *Theories of the State: The politics of liberal democracy*, (London: MacMillan), p.313

part of the agenda. Their members sit on government committees and are involved in the implementation of government policies and programs.... Their leaders would know ministers and senior bureaucrats personally and could be guaranteed quick access to them or their staff by telephone or in person if requested.”<sup>40</sup> Outsider groups do not enjoy this access and are effectively excluded from the policy process.

Jordan and Richardson describe a ‘logic of negotiation’ that can emerge in closed arrangements in which there are benefits to professional policy makers in bureaucracies and interest groups in regularised relations.<sup>41</sup> To maintain the closed relationship there is mutual cooperation to avoid demands the other side cannot meet because of their accountability to members or Ministers. They also recognise common goals and share an interest in ‘organising out’ groups which do not share such a world view.<sup>42</sup>

Typically Australian governments balance these factors by engaging networks only so long as it remains in control – governments use networks in an instrumental fashion to achieve established goals.

### **Beyond the instrumental approach**

The instrumental approach supports the steering function of government associated with a conventional view of the State’s special roles and powers in a democratic system. The network is used to facilitate the achievement of government goals, including bringing into range goals that might not otherwise be achievable. Very little significance is attached to values and goals of non-State actors except to the extent that they are consistent with the State’s.

However, the instrumental approach is only one of three approaches Kickert and Koppenjan describe for governments engaging policy networks in joint problem solving or policy development.<sup>43</sup> Two other approaches - interactive and institutional - offer a different and challenging perspective that does not give primacy to preset state goals. In both instances the problem of collective action is central – no single actor can bring about a policy solution on their own.

Under the interactive approach government is involved in ‘game’ management within the network (managing interactions – brokering, facilitating, mediating and arbitrating). It is not a case of the controller and the controlled, rather a collection of actors who exercise mutual influence. Strategies and goals can change as interaction between the actors draws out common interests and clarifies points of difference. Government plays a central role in mediating and negotiating outcomes, helping to identify new solutions.

Under the institutional approach government is less directly involved in the interactions between actors and less interested in specific goals. Instead government focuses on the rules of interaction and organisational frameworks that set the stage for strategy formulation and interactions. The objective is to develop the right structures and set of rules to facilitate interaction rather than engaging in the interaction itself.<sup>44</sup>

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<sup>40</sup> Davis, G. and others (eds) (1993), pp.139-141

<sup>41</sup> Jordan, G. and Richardson, J. J. (1982), ‘The British Policy Style or the Logic of Negotiation’, in J. J. Richardson (ed.), *Policy Style in Western Europe*, London: Allen & Unwin, pp.80-81

<sup>42</sup> Jordan, G. and Schubert, K. (1992), p.16

<sup>43</sup> Kickert, W. J. M. and Koppenjan, J. F. M. (1997), ‘Public Management and Network Management: An Overview’ in Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (eds) (1997), *Managing Complex Networks* (Sage Publications, London), p.43

<sup>44</sup> Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (1997), ‘Managing Networks in the Public Sector: Findings and Reflections’, in Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (eds) (1997), *Managing Complex Networks* (Sage Publications, London), pp.183-185

Thus, the interactive and institutional approaches emphasise process. Policy making in networks is seen to be about cooperation or non-cooperation between interdependent parties with different and often conflicting rationalities, interests and strategies. Policy processes are not viewed as the implementation of ex ante formulated goals, but as an interaction process in which actors exchange information about problems, preferences and means, and trade off goals and resources. A successful outcome is establishing a common purpose and taking steps towards it.

### **Mutual adjustment of perceptions**

The interactive and institutional approaches also emphasise the importance of mutual adjustment of actors' perceptions. Conflict based on different perceptions (or 'world views', or 'mental models') is a common difficulty for policy processes. Where actors are unable or unwilling to adapt their perceptions 'fixations' occur that lead to policy processes becoming 'dialogues of the deaf'. "Actors talk at cross-purposes, arguments are constantly repeated in a ritual way and none of the participants is willing to reflect on their own arguments."<sup>45</sup>

An absence of shared perceptions can contribute to the evolution of enduring policy controversies. The mutual adjustment required to resolve these controversies may be very difficult to achieve. Perceptions are related to the basic beliefs of the actors involved, which define their identity and guide the processes by which they select information. For shared perceptions to emerge three things need to happen – actors must recognise the differences between their own perceptions and those of others; they must experience the differences as problematic; and, they must be willing to reflect on their own perceptions.<sup>46</sup>

Government can facilitate this process. The objective is not convincing others that one problem formulation is better than another, or more likely to be true. Instead mutual adjustment of perceptions improves the conditions for collective decision making and joint action by redefining the problem situation as an opportunity for improvement.<sup>47</sup>

### **Conclusion: A new conceptual framework**

Drawing these elements together provides a conceptual framework for government action summarised in Figure 2. In essence the new pressures on policy making and special role for government in managing policy networks come together in some fundamental choices of approach. Government preferences as well as the political context influence these choices.

Atkinson and Coleman suggest that the approach government will take to engaging with networks may depend on its 'strength' (particularly in the narrow political sense described earlier). "In sectors with strong state characteristics, task forces, coordinating committees or working liaison groups encourage independent thinking and broader perspective required for longer-term policy planning. By contrast, in sectors with weak state structures, a wide range of politicians and bureaucrats can claim some jurisdiction, no institutions exist to link their activities, and a more traditional division of labour prevails. Such 'bureaucratic pluralism' encourages incremental, short-term decision making that is based on lowest common denominator criteria and always vulnerable to the introduction of a partisan political calculus."<sup>48</sup>

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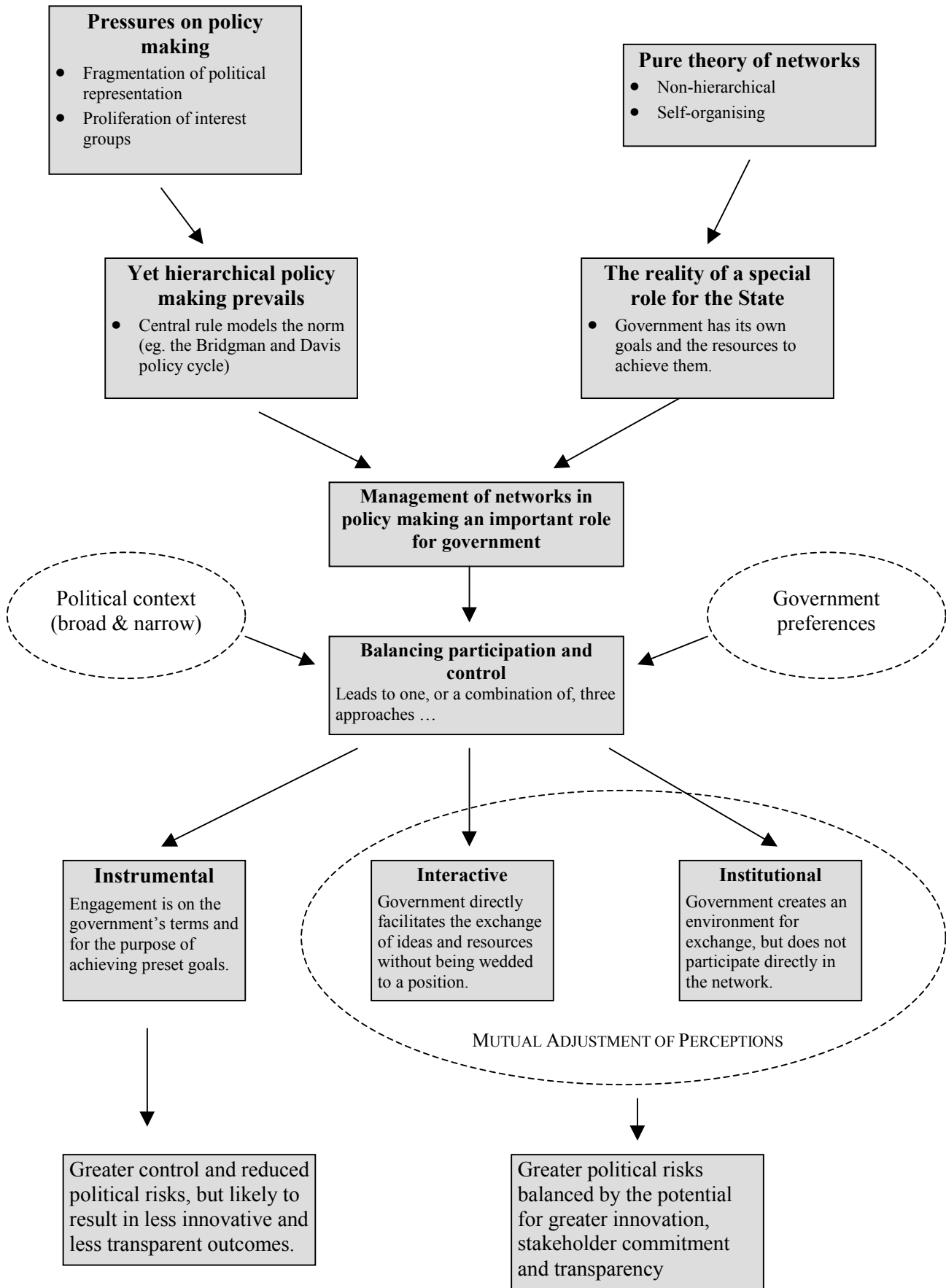
<sup>45</sup> Termeer, C. J. A. M. and Koppenjan, J. F. M. (1997), 'Managing Perceptions in Networks' in Kickert, W. J. M., Klijn, E-H., and Koppenjan, J. F. M. (eds) (1997), *Managing Complex Networks* (Sage Publications, London), pp.79-81

<sup>46</sup> Ibid., p.84

<sup>47</sup> Ibid., p.87

<sup>48</sup> Atkinson, M. M. and Coleman, W. D., 'Strong States and Weak States: Sectoral Policy Networks in Advanced Capitalist Economies', *British Journal of Political Science* 19, p.51

**Figure 2: A new conceptual framework**



This suggests an interesting paradox. In sectors where the government feels more in control it may rely more heavily on the interactive and institutional approaches (effectively relaxing its grip on the policy agenda). Whereas if government lacks confidence in a particular sector it is more likely adopt an instrumental approach to network management that manipulates network relations to achieve preset government goals.

Either way, network management can be judged to be effective when it results in win-win solutions for members (although all members may not achieve their desired outcomes to same extent). Other yardsticks will be the extent to which actors and resources are activated with minimum interaction cost, the commitment of stakeholders is procured and the resulting decisions are transparent. Against these criteria there are several reasons for concluding that at least some reliance on the interactive and institutional approaches is desirable:

- (a) It is likely to secure greater commitment (and resources) from network members.
- (b) The potential for new and innovative solutions to old problems.
- (c) The greater prospect of win-win solutions.
- (d) Solutions that are more politically robust.
- (e) Greater transparency.

## Policy making in Australia

What can we say about the Australian experience? What is the fit with our conceptual framework? Where have we been and where are we heading?

It is possible to make some general observations, particularly on where we've been. Specifically, I will review previous use of committees and inquiries to manage interest group participation in the policy process. I will also review Ian Marsh's account of recent developments and his prescription for the future, seeking to place these within the conceptual framework developed above. However, it is also easy to fall into generalisations that gloss over the differences between sectors.

As Atkinson and Coleman warn "[m]ost students of the policy process want to generalise. They may be experts in one or another policy area, but they typically aspire to say something about policy making in general, ideally something that applies to a number of different political systems. Hence the search for 'magic bullet', a concept or image that travels across policy domains and political systems yet retains some measure of relevance and distinctiveness."

The reality, as noted earlier, is that the narrow political context (and the distribution of resources between government and stakeholders) can vary across different policy areas within the same overall political system.<sup>49</sup> The sector I will explore in more detail is social welfare policy, and in particular, the emergence under the John Howard's Coalition government of the 'social coalition' concept.

### The use of committees and inquiries

For many years Commonwealth and State governments have long used various advisory mechanisms to bring together interests and expertise. From the mid-1950s Menzies expanded the involvement of representatives of pressure groups on advisory bodies. Successive governments on both sides of politics have maintained and built on this approach, expanding from the economic and industrial portfolios to all areas of government. Inquiries and committees have been a way of 'contracting out' policy advice as well as a mechanism for engaging interest groups.<sup>50</sup>

Nevertheless, the use of committees and inquiries in the policy process can appear to be ad hoc. There is no particular time in the policy process when such mechanisms are required, nor are there rules regarding membership. This contrasts with other countries, such as Sweden, where commissions of inquiry are integrated into the policy process and are established (and expected to be established) at key junctures of policy development. In Australia membership of these advisory bodies has typically included a mixture of ministerial, bureaucratic, group and individual representatives. Nevertheless, membership has been at the discretion of governments. Often it has been used to secure cooperation of interest groups and as a form of patronage to reward or admonish individuals and organisations.<sup>51</sup> Sweden, on the other hand, is typical of countries where membership of such inquiries or committees is determined within well-defined rules reflecting a commitment to consensus decision-making.

Nevertheless, the sustained use of committees and inquiries suggests a special place in the Australian political system. "Although inquiries have no formal constitutional standing and by

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<sup>49</sup> Atkinson, M. M. and Coleman, W. D. (1992), p.156

<sup>50</sup> Weller, P. (ed) (1994), *Royal commissions and the making of public policy* (Macmillan Education Australia: Melbourne), pp.xi-xii

<sup>51</sup> Davis, G. and others (eds) (1993), pp.147-148

definition are appointed at the whim of governments, they are part of our institutional architecture.”<sup>52</sup>

The reasons for establishing advisory bodies, committees or inquiries, include:

- to gather authoritative and comprehensive statement of relevant facts and expert opinion on a particular issue;
- to provide the government with a broader range of policy options than is being suggested by the public service or even to ‘second guess’ public service proposals;
- to allow an expression of grievances, or an opportunity for all interested parties to ‘have their say’, and/or to secure a peaceful synthesis or adjustment of conflicting interests;
- to resolve public controversy and promote public participation and consensus about key issues through the process and membership;
- to educate the public, mobilise support for a determined course of action or legitimise policy directions;
- to assist governments in managing the policy agenda by the illusion of actions, deflection of criticism, or co-option of critics;
- to define policy problems in either more precise or more acceptable (politically or ideologically) terms; and,
- to create links between policy advisers and academics undertaking relevant policy research.<sup>53</sup>

A common criticism of committees or inquiries is that the gathered facts and expert opinion fails to influence actual policy decisions. This is linked to a general criticism of governments that, while information is collected in ever-increasing amounts, it rarely seems to be central to policy decisions<sup>54</sup>. Instead it is often used “to support or moderate policy already preferred for broader reasons”<sup>55</sup>. Information generated by social science and institutions is considered to be ambiguous, partial, contradictory and complex.<sup>56</sup> Governments pick and choose the information that suits their case<sup>57</sup>. Some argue, therefore, that successful policy-making is not about collecting information and empirically testing it, but rather “the ability to provide acceptable reasons for one’s choices and actions”<sup>58</sup>. Referring back to the conceptual framework, this suggests a strongly instrumental approach to the use of advisory mechanisms.

Policy-making is sometimes viewed as “a political process concerned with reconciling interests...not with implementing the truth.”<sup>59</sup> Committees have a lot to offer in this respect. Some suggest their ultimate policy effectiveness is likely to be found not in their alleged disinterested expertise, but in their capacity for orchestrating negotiating and bargaining between stakeholders.<sup>60</sup> Their contribution to social harmony may be as important as their contribution

<sup>52</sup> Prasser, S. (1994), ‘Royal Commissions and Public Inquiries: Scope and Uses’, in Weller, P. (ed) (1994), p.1

<sup>53</sup> Smith, R. F. I. and Weller, P. (eds) (1978), *Public Service Inquiries in Australia* (St Lucia: University of Queensland Press), p.3; Woodward, E. (1984), ‘An Insight into Royal Commissions’, *Law Institute Journal* December, pp.1459-61; Prasser, S. (1994), pp.7-8; Edwards, M. (1998), p.119

<sup>54</sup> Feldman, M. S. and March, J.G. (1991), ‘Information in Organisation as Signal and Symbol’, *Administrative Science Quarterly* 26(1), March, pp.171-186

<sup>55</sup> Coleman, D. A. (1991), ‘Policy Research – Who needs it?’, *Governance* 4(4), pp.450-451

<sup>56</sup> *Ibid.*, p.427

<sup>57</sup> Stromsdorfer, E.W. (1985), ‘Social Science Analysis and the Formulation of Public Policy: Illustrations of What the President “Knows” and How He Comes to “Know It”’, in J. A. Huasman and D. A. Wise (eds), *Social Experimentation* (University of Chicago)

<sup>58</sup> Majone, G. (1989), *Evidence, Argument and Persuasion in the Policy Process* (New Haven: Yale University), p.23

<sup>59</sup> Weiss, C. H. (1977), *Using Social Research and Public Policy Making* (Lexington: Lexington Books), p.10

<sup>60</sup> Degeling, P., Baume, P. and Jones, K. (1993), ‘Staging an Official Inquiry for Policy Change’, *Policy and Politics* 21(4), p.43

policy formulation.<sup>61</sup> Reflecting again on our framework this suggests greater reliance on interactive and institutional approaches.

On the other hand, another criticism of inquiries and committees is the way in which their membership has been manipulated for political purposes. In these circumstances the purpose of establishing the committee is not to reach consensus, but rather to impose a solution. Through careful appointment of members it is suggested that governments do not get "... impartial advice but rather the advice that was publicly and symbolically wanted."<sup>62</sup> Some then dismiss them as "props of political theatre."<sup>63</sup> Prasser observes that this is 'description, not analysis'. Committees and inquiries are part of the political system and so subject to its vagaries.<sup>64</sup> Once again, back to greater emphasis on instrumental approaches.

The reality is that inquiries in Australia serve a variety of overt and covert political purposes. This does not diminish either their role or importance in the political system or the policy-making process. On the contrary, their ongoing use underlines their importance to policy-makers and the political system. "To dismiss inquiries because they are neither totally effective research institutes independent from the political system nor have much impact on policy misses the point about the nature of policy-making in a democracy."<sup>65</sup>

Just as for network management in general, the balance of participation and control is an important issue for government dealings with committees and inquiries. There are a range of measures governments tend to use to maintain control:

- nipping them in the bud by giving an inquiry limited terms of reference unreasonable deadlines, poor resources and, at times, appointing inappropriate members;
- ignoring them – no formal response;
- finding flaws which, while not condemning the report outright, lead to recommending or initiating further investigations;
- openly attacking the veracity of the inquiry report and in some cases the chair;
- bureaucratising them by establishing the committees or task forces within the bureaucracy, ostensibly to make an inquiry 'happen', but with the knowledge (or hope) that normal interdepartmental rivalries and professional jealousies will either strangle or slow down the implementation process;
- adopting a strategy of fully accepting, 'we are doing it', or 'we have done it', by which a government removes demand for action over an inquiry report by repeatedly stressing how implementation was or is in the process of occurring.<sup>66</sup>

So the use of advisory mechanisms in the Australian context can be viewed as the adoption of a mixture of the three approaches described earlier. On balance, however, the dominance of the two party system has seen instrumental tendencies prevail.

## How is Australia responding to the new pressures?

Perhaps the best exploration of how Australian governments might deal with the recent challenges for governance is set out in Ian Marsh's 1995 book *Beyond the two party system: political representation, economic competitiveness and Australian politics*. Marsh starts from the perspective that Australian policy making faces the same pressures experienced elsewhere. It has

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<sup>61</sup> Sheriff, P. (1983), 'State Theory, Social Sciences, and Governmental Commissions', *American Behavioural Scientist* 26(5), pp. 672-673

<sup>62</sup> Prasser, S. (1994), p.12

<sup>63</sup> Ibid., p.13

<sup>64</sup> Ibid., p.2

<sup>65</sup> Ibid., pp.19-20

<sup>66</sup> Ibid., p.14

been complicated at a normative and organisational level by the proliferation of interest groups and issue movements. A pluralisation of political representation sees these organisations now sharing this role with the political parties.<sup>67</sup>

In the future Marsh would like to see government at the centre of building a collaborative and competitive society. It would formulate a vision of Australia's medium term future, identify competitive opportunities in conjunction with private interests and orchestrate action to facilitate their pursuit. Interest groups and issue movements are viewed as potential partners and collaborators with government.

To make this happen "[t]he structures and norms of policy making need to be recast to permit relations with interest groups to be managed in a manner consistent with actual public interests.... The political challenge is to craft a policy-making system which is capable of integrating a newly differentiated society in a manner consistent with the requirements of competitiveness."<sup>68</sup> He describes a 'virtuous circle' between the leadership role of government and the demands for participation that characterise contemporary society that "... holds out the prospect of strengthening government-interest group-community relationships to realise higher levels of integration, collaboration and flexibility."<sup>69</sup>

### **The 'strong' two party system: a barrier to change**

The 'strong' two party political and policy making system is viewed by Marsh as the most significant barrier to change. In this system parties are the only legitimate champions for general interests and the competition for office, not issues and ideas, is the basis of inter-party contention. Formal power is concentrated in the hands of ministers at the expense of Parliament.

Related to this is a disconnect between policy making and politics. The separation of opinion mobilisation and the technical activity of policy making has narrowed the scope of the policy learning that occurs through the political process. This learning is now largely focussed on competing statements of general interests (the rival general programs of the two parties). Because of the focus on the leadership elites of the two parties, specific issues are rarely considered on their merits but subsumed into larger opposition claims about the incompetence of the current executive. Electoral incentives and concentration of parliamentary competition on rival elite teams leaves little capacity for bipartisanship. Furthermore, political learning takes place in a horizon broadly defined by the life of the parliament.<sup>70</sup>

### **'Bargained consensus' under Hawke and Keating**

Despite the dominant influence of the two party system, governments have still had to come to grips with pluralised political representation. Marsh was writing at the end of the Labor's last period in power and described the 'bargained consensus' approach that emerged under the Hawke and Keating governments. This granted privileged access and considerable power to some groups (normally those negatively affected by the government policy agenda). It was strongly hierarchical, engaging peak and interest group leaders, but not creating new policy communities or broadening public understanding of strategic issues.

Interest groups were not considered to be legitimate actors in policy making. They normally participated with the indulgence of ministers and their advisers or because they had waged a sufficiently threatening political campaign. Often they were not privy to official thinking and did not share the privileged access to ministers and cabinet enjoyed by the public service. The

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<sup>67</sup> Marsh, I. (1995), *Beyond the two party system: political representation, economic competitiveness and Australian politics*, (Cambridge University Press: Cambridge), p.101

<sup>68</sup> Ibid., pp.1-2

<sup>69</sup> Ibid., p.9

<sup>70</sup> Ibid., p.35

ultimate power of policy choice resided in the private forum of cabinet, not in the public forum of parliament which was recognised to possess largely ritual or formal power.<sup>71</sup>

This is hierarchical as opposed to participative approach to policy making. Power is concentrated in ministers who are the bridge between the representational sub-system embodied in the parliament and the policy making sub-system embodied in departments and agencies. “Many aspects of policy making remain closed. The rituals of politics usually require the opposition to differ from the government – any other course would (usually) appear flaccid. Further, organised interests are more often regarded as selfish and irritating, if sometimes necessary participants in policy making.”<sup>72</sup>

Reflecting back on the different approaches to network management, the ‘bargained consensus’ model seems fairly firmly lodged in the instrumental approach. Government engagement with interest groups was carefully controlled and limited to that which would further its own interests.

### **Marsh’s alternative**

By contrast, Marsh would incorporate features of the interactive and institutional approaches. A dismissive attitude to organised interests would be replaced with recognition of their legitimate representational function. Government’s role is to mobilise a wide range of interests and to ‘create’ relevant interest group and policy networks. To do so it builds understanding among all protagonists of links between sectional aspirations and wider national interests. It also identifies relevant values that are widely shared and builds understanding of the relevance of differing values.<sup>73</sup> It focuses on building majority coalitions with shared values, rather than just getting the best decision from the bureaucracy.

A feature of Marsh’s approach is a greater role for parliament. It requires “augmented political infrastructure, a different sequencing of the phases of policy making, and a different division of policy making task between the legislature, public service and executive.”<sup>74</sup> He suggests a move away from a largely ritual role for Parliament in policy making with renewal of its deliberative capacity.

The critical feature of the Marsh model is a central role for Parliamentary committees. They gather factual information and provide an opportunity for relevant groups to give evidence. The drama of an inquiry helps mobilise public and political support for regulatory reform. The inquiry also provides an opportunity for departments and ministers to assess positions of stakeholders and begin the process of negotiation. The fact that the process is public and under the auspices of parliament is symbolically significant.

Marsh considers a “committee’s work will be well done if its deliberations provide a focus for national and interest groups’ discussions, contribute to broader awareness of the issues, and if its conclusions identify the three or four central strategic issues which then become the framework for debate and (later) electoral competition between the major parties.”<sup>75</sup>

For committees to do this work effectively, they would need to have the right skills and sufficient funding as well as being appropriately plugged into the system.<sup>76</sup> The public service would also need to adapt. The present system rewards technical analytical skills and often discourages outreach and stakeholder management. People working the new environment would need greater sensitivity to different values, flexibility and nimbleness in issue definition, negotiation tactics

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<sup>71</sup> Ibid., p.219

<sup>72</sup> Ibid., p.238

<sup>73</sup> Ibid., p.221

<sup>74</sup> Ibid., p.5

<sup>75</sup> Ibid., p.243

<sup>76</sup> Ibid., pp.234-236

and strategies. These kinds of skills would need to be spread more broadly among departments and committee staff.

These resourcing and skills issues are relatively straightforward compared to the changes required to the norms and institutions of the political system. Marsh explains that the development of a ‘strong’ parliamentary committee system would require modification of present arrangements that concentrate formal powers of initiative and authority in the hands of ministers (including the doctrines of confidence, ministerial responsibility and collective cabinet responsibility). He notes that the major parties are unlikely to freely concede any erosion of formal executive prerogatives. Hence change is likely to depend on the strength and political imagination of minor parties and independents. “The political success of these actors is itself presumably symptomatic of the new aspirations for representation and participation on the part of organised interests and the electorate. If minor parties and independents fail to achieve continued electoral success, the case for the developments reviewed in this and earlier chapters – to the extent it rests on the changing aspirations of electors – is weakened.”<sup>77</sup>

The Marsh approach holds out the promise of more effective policy making through better integration of stakeholders into the policy process and closer connections between opinion mobilisation, consensus building and the technical activity of policy development. The role he describes for parliamentary committees resonates most strongly with the institutional approach - the committees would set the rules of the game and provide the environment for bringing together competing interests. The result would be more effective problem definition, identification of new solutions, and clearer understanding of points of agreement and difference.

The problem with Marsh’s approach is the magnitude of change it requires. While there is evidence of ongoing disenchantment with the major parties and fragmented political representation in the Senate, Marsh’s institutional upheaval would require a far greater easing of the stranglehold of the two party system.

Nevertheless, there is emerging evidence of incremental (as opposed to revolutionary) adaptation of policy-making approaches.

### **Developing the National Competition Policy**

One example is Elizabeth Harman’s examination of the development of the National Competition Policy between 1994 and 1995 that draws heavily on Marsh’s work. Harman suggests that at that time Australian policy making was already beginning to show signs of evolving a new capacity to blend a ‘top-down’ state-directed agenda with inputs promoted by a wider community of stakeholders. In the case of competition policy this community accommodated not only the interest groups and issues movements Marsh describes, but also powerful federal institutions (eg. the federal Treasury and Industry Commission), together with State and Territory Governments.

This network “carried the marks of interest group politics, together with bureaucratic institutionalism and federalism.” Some newly emergent collaborative strategies were seen alongside more traditional competitive and confrontational relationships. To Harman this suggested that Australia may have been developing “a capacity for structured forms of consensual and negotiated policy making with some of the hallmarks of the more complex forms of European corporatism.” At the same time there seemed to be some distinctly Australian features. The alliances and network relationships that emerged were less formal and potentially more fluid than is implied by the European literature on corporatism. At the same time, the policy process was too deliberately constructed and too structured to be called pluralist.

Harman also observes that the opposition political parties were relatively invisible and ineffectual in this process. She agrees with Marsh’s view in concluding “adversarial party politics played out

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<sup>77</sup> Ibid., p.269

through the media and Parliament are at odds with ‘stakeholder politics’, to use the phrase coined by the UK Labor leader, Tony Blair.<sup>78</sup>

### John Howard’s ‘social coalition’

More recently, under the Coalition government of John Howard there have been further interesting developments, particularly in the area of social welfare policy. This was an area Marsh considered in urgent need of attention. He believed that the system encouraged dependency and reduced incentives to work. It encouraged geographic immobility, skill/occupational immobility, job immobility and preservation of wages above market clearing levels. He acknowledged that ideas for change were plentiful but “political attention and will remains conspicuously absent.”<sup>79</sup>

With the commencement of its second term of office in October 1998 the Coalition signalled its intention to take on these difficult issues. It began with the establishment of the Family and Community Services portfolio which incorporated social security, family and disability services (from the Health and Family Services portfolio), and relationships support (from the Attorney-General). This amalgamation reflected a concern to better integrate social support for individuals, families and communities.

In November 1998 when John Howard addressed the ACOSS National Congress he offered a glimpse of his vision of a partnership of individuals, families, government, community organisations and business to build strong families and communities and to secure social and economic participation for all Australians. He singled out community organisations for particular mention.

“Organisations such as the Salvation Army, St Vincent de Paul, the Wesley and City Missions, supported by committed volunteers and professionals, demonstrate their capacity to improve the welfare of those in need on a daily basis. They have a special insight and understanding of local circumstances and the very personal impact of social problems. They also have the skills to address these problems in the most practical, commonsense and effective way.”<sup>80</sup>

This partnership theme emerged the following year as the ‘social coalition’ which harnesses “the resources of those four sections of our community – the Government, individuals, the business community and volunteer organisations, each contributing those resources and talents they can best contribute towards tackling social problems.”<sup>81</sup> Government is only one player in the ‘social coalition’ and is not able to solve society’s problems on its own. Instead Howard describes “a limited but strategic role in our community ... acting as a facilitator, drawing together contributions of the welfare sector, of business and of individuals.”<sup>82</sup>

Also foreshadowed in Howard’s 1998 ACOSS speech was a desire to better involve stakeholders, and in particular community organisations, in the policy making process. He referred to the *Tough on Drugs* program and the *Youth Homelessness Pilot Programs* as models for a new kind of engagement. These were policy processes that began in the Coalition government’s first term and were based around the establishment of a reference group with participants drawn from the range of relevant stakeholders.

<sup>78</sup> Harman, E. (1996), ‘The National Competition Policy: A Study of the Policy Process and Network’, *Australian Journal of Political Science* (Vol. 31, No.2), pp.205-206

<sup>79</sup> Marsh, I. (1995), pp.206-207

<sup>80</sup> Howard, J. (1998), Keynote address to the ACOSS National Congress, Adelaide, 5 November 1998

<sup>81</sup> Howard, J. (1999), Address at National Breast Cancer Pink Ribbon Day Breakfast, 25 October 1999; see also, Howard, J. (2000), ‘Quest for a decent society’, *The Australian*, 12 January 2000

<sup>82</sup> Howard, J. (2000), Opening address of the Liberal Women’s Conference, Convention Centre, Melbourne, 14 April 2000

“I want to find ways to better involve such groups in the decision making process. Already we have encouraged community organisations to be heavily involved in the design and implementation of our Tough on Drugs programme and Youth Homelessness Pilot Projects... The Government will be looking at extending the principles underpinning [the Youth Homelessness Pilot program] in other areas of policy – the principle of involving community-based agencies in the design and implementation of services, of an emphasis on prevention, and of partnerships between the community, business and government.”

Further examples of this approach to policy development include:

- the Reconnect program (formerly Youth Homelessness Early Intervention Program). An ongoing Reference Group has provided critical advice during the program’s development and implementation phases. The group is made up of representatives from a range of community organisations which have an interest in early intervention services for young people and their families, as well as welfare and education portfolios. This ensures that the program is administered in a way that reflects the partnership relationship between community organisations and government;
- the Youth Pathways Action Plan Taskforce, chaired by Captain David Eldridge of the Salvation Army, established earlier this year, to develop and scope a five-year national action plan focused on improving support for young people and their families during young peoples’ transition to independence. The Taskforce comprises representatives from all sectors of the community and government and held consultative workshops across the country, including rural areas. The Departments of Family and Community Services and Employment, Education, Training and Youth Affairs established a joint secretariat to service the Taskforce, reflecting collaboration between government departments;
- the Family Law Pathways Advisory Group, chaired by Des Semple, Director of the Public Sector Management Group at KPMG, established to find ways to improve the pathways for families through the family law system.

## Welfare Reform

The most significant concrete expression of the government’s approach has been the Welfare Reform process that commenced towards the end of last year. The process has many of the same features as those just listed, but was policy making on a grander scale. Closer examination of this process permits a useful comparison with the conceptual framework developed earlier.

The announcement of a high level reference group to advise the government came during an address by the Minister for Family and Community Services, Senator Jocelyn Newman, to the National Press Club entitled ‘The Future of Welfare in the 21<sup>st</sup> Century’.<sup>83</sup> Only the chair, Patrick McClure, CEO of Mission Australia, and deputy chair, Wayne Jackson, Deputy Secretary in the Department of Family and Community Services, were announced at that time. The Minister’s speech contained some overarching principles to which the government was favourably disposed, but left the development of detailed policies to the reference group. The group’s initial report was expected early in the new year, with its final report by the mid-2000.

Media and interest group reactions to the announcement were mostly positive. However, there were concerns about the tight timeframe and that membership of the group should include experts in the operation of the income support system as well as those with first hand experience of the problems facing Australians living in poverty.<sup>84</sup>

<sup>83</sup> Newman, J. (1999), ‘The Future of Welfare in the 21<sup>st</sup> Century’, address to the National Press Club, Canberra, 29 September 1999

<sup>84</sup> Australian Council of Social Service, (2000) ‘Minister’s welfare Green Paper welcome – but what about jobs?’, Media Release, 29 September 1999

In October full membership and the Terms of Reference for the group were announced. Members were drawn from the non-government welfare sector, the bureaucracy, academia and business. Within a framework of guiding principles the group was to consult with the community and develop advice to government on comprehensive welfare reform.

#### **Box 2: The Reference Group on Welfare Reform**

**Patrick McClure** (Chair)  
Chief Executive Officer  
Mission Australia

**Professor Peter Dawkins**  
Director  
Melbourne Institute of Applied  
Economic and Social Research  
University of Melbourne

**Dr Mark Lyons**  
Director  
Centre for Australian Community  
Organisation and Management  
Sydney University of Technology

**Wayne Jackson** (Deputy Chair)  
Deputy Secretary  
Department of Family and Community  
Services

**Jane Schwager**  
Chief Executive Officer  
Benevolent Society of New South Wales

**Jim Longley**  
Chief Executive Officer  
Anglican Retirement Villages

**Elizabeth Morgan**  
Social Policy Specialist  
Morgan, Disney and Associates

At face value this seemed like the government turning to the ‘social coalition’ for advice. However, at the time the government was under pressure to reveal more detailed plans. The Minister’s speech had already been postponed following rumoured intervention from the Prime Minister and his department. There was speculation that a detailed discussion paper was withdrawn and a sanitised version subsequently produced following intense parliamentary pressure.

One can only speculate as to the motivations of the government in establishing the reference group. More details may emerge over time. However, it appeared to have as much to do with managing the political agenda as it did with finding policy solutions. Establishing a group to provide advice created the appearance of action, while at the same time buying time and creating a mechanism for deflecting criticism. In other words, there was a lot about the commencement of the process that was strikingly familiar (and firmly lodged in the instrumental approach).

The membership of the committee can also be viewed from an instrumental perspective. Certainly members were drawn from each of the ‘social coalition’ partners. But, these were all very safe choices. No strident critics were being invited into the process. ACOSS was not included, nor were representatives of more critical non-government organisations such as the Brotherhood of St Laurence or the St Vincent de Paul Society. Academics with long histories of relevant research were also passed over. Of course, a group of this size could never hope to be entirely representative of the interests and views involved. And, it is the government’s prerogative to choose from whom it wishes to receive advice. Nevertheless, formation of the group itself was clearly not an exercise in bringing the full diversity of views together. Many would argue that the insider/outsider distinction described earlier was well illustrated in this instance.

On the other hand, the reference group was asked to consult widely and it did so. Not only were submissions sought (and 360 received), but reference group members held formal and informal meetings across the country. There is no doubt that the full diversity of interests and perspectives were available to the group in reaching its findings.

During the process concerns were expressed that policy decisions were being taken in advance of the group's findings being delivered. For example, the Catholic Social Services described the review as "a bit Mickey mouse" when the Minister for Employment Services, Tony Abbott announced a widening of the work-for-the-dole program in December 1999, well in advance of the reference group report.<sup>85</sup> There were also concerns that the meetings held by the group around the country were not public forums. Only individuals and organisations who had made submissions were invited.<sup>86</sup>

However, with the group's interim report released 11 April 2000 a curious thing happened. A report proposing sweeping reforms to Australia's system of social support received enthusiastic endorsement from all sides of politics and most stakeholders. The reference group process appeared to have been successful in shifting the philosophy of welfare away from traditional notions of income support to becoming a vehicle for achieving a more inclusive society.

The same broad support was voiced when the group released its final report in August 2000. In terms of the theoretical framework described earlier it seems that the Reference Group had been able to formulate a definition of the problem and a broad blue-print for solving it that virtually all stakeholders could support. One journalist suggested "[t]here are few occasions in politics that can be characterised as win-win for politicians on all sides and punters alike. This is one of them."<sup>87</sup>

### **Box 3: A brief comparison – the Henderson Commission of Inquiry into Poverty**

In 1972 the Whitlam government appointed Professor Ronald Henderson to undertake an inquiry into poverty in Australia.

Professor Henderson used the following mechanisms in conducting the inquiry:

- two national surveys by the ABS covering incomes, household data, running down of assets;
- 34 research studies on selected topics, for example, organisation of services, the aged, families, migrants;
- advertised in the press for submissions – funded ACOSS to support client groups in making submissions;
- travelled for public and private hearings, inspections and visits;
- seminars and conferences;
- media and public involvement encouraged to stimulate debate; and
- an interim report was published with press conferences and media releases.<sup>88</sup>

There are three striking differences between Henderson's approach and the process of the Welfare Reform Reference Group. Firstly, Henderson had more time. He did not deliver his report until three years later in 1975. Secondly, partly as a result, his report was much more of an academic piece (very thorough and much longer). Thirdly, although he drew on the perspectives of others, in the end his was the advice of one person. The Reference Group, on the other hand, provided advice that had been agreed to by all the members of the group – members who were, in essence, representatives of a variety of interests in society.

<sup>85</sup> Martin, L. and Horin, A. (1999), 'Catholics hit out at 'Mickey Mouse' review', *The Sydney Morning Herald*, 20 December 1999

<sup>86</sup> Gray, D. (2000), 'Welfare groups want open meetings', *The Age*, 30 March 2000

<sup>87</sup> Gordon, N. (2000), 'Something rare – some enthusiastic support', *The Age*, 17 August 2000

<sup>88</sup> Henderson, R.F. (1975), *Poverty in Australia*, First Main Report of the Australian Government Commission of Inquiry into Poverty, (AGPS, Canberra)

## Conclusions

The real question is whether there really is anything new in these developments. Are examples such as development of National Competition Policy or the welfare reform process an exploration of a different approach (drawing on the interactive and institutional approaches described earlier)? Or are we really only seeing an evolution of instrumental approaches to managing the relationship between government and other organised societal interests? Is Harman correct when she suggests that we are seeing the emergence of a capacity to blend a 'top-down' state-directed agenda with inputs promoted by a wider community of stakeholders?

In relation to welfare reform the Coalition government argues "for the first time we have more heavily involved many of the welfare organisations at the policy making end as well as at the compassion end of delivering social policy."<sup>89</sup> There is also evidence that the new approach to engagement is becoming the part of the modus operandi of at least one key Commonwealth portfolio, Family and Community Services. A special section in the Department's 1999-2000 Annual Report noted:

"Engaging the social coalition more effectively in policy development is a theme the Department will continue to pursue. As policy advice becomes even more contestable, our capacity to bring together those with useful knowledge, skills and perspective to focus on policy priorities will be a key competitive advantage."<sup>90</sup>

The Welfare Reform Reference Group process is interesting because, although there were some apparently highly instrumental features to it (most particularly the selection of members), it resulted in a report that achieved a broad consensus in the community. It is worth noting that the recently released government response to the report has not inspired the same stakeholder confidence. It has been heavily criticised for a lack of detail and in particular for the absence of a financial commitment. Nevertheless, the government appears to be persisting with engagement of the social coalition by establishing a new Consultative Forum to provide advice on detailed policy development and implementation. In a particularly interesting development membership of this group includes some more vocal critical critics of government policy.

Time will tell just how substantial and enduring these changes are. Closer examination of other policy sectors will also help to clarify how broadly the changes are being felt. However, I believe there is room for cautious optimism that a distinctly Australian approach is emerging. This approach marries some new network-based mechanisms for problem definition and solving with the reality of a hierarchical political decision-making system buttressed by the 'strong' two party system. It can be viewed as a pragmatic response to the pressures on policy making described at the beginning of this paper - an approach that holds out the prospect of policy making that is more innovative, rigorous, transparent and consensual.

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<sup>89</sup> Howard, J. (1999), Address to the National Press Club, 8 December 1999

<sup>90</sup> Commonwealth Department of Family and Community Services (2000), 'Insight: Partnering with the social coalition to develop policy', in *Annual Report 1999-2000* (AusInfo, Canberra), p.230

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