CAANZ & ANZSOG present:

SOLVING THE PROBLEMS OF CONTEMPORARY GOVERNANCE

SPEAKER

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Dean (Engagement)
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MODERATOR

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Monday 30 September 2019

CRICOS No. 00233E

Solving the Problems of Contemporary Governance

ANZSOG/CAANZ Thought Leadership Seminar

State Library of Queensland, 30 September 2019

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How bad can it get?
London Review
OF BOOKS
BBC NEWS
BREAKING
The New York Times
WEDNESDAY, SEPTEMBER 25, 2019
PELOSI WILL OPEN FORMAL IMPEACHMENT INQUIRY, ACCUSING PRESIDENT OF 'BETRAYAL' OF THE NATION
A Fighter Ready for the Defense of His Title
Trump Pledges to Release Transcript of Exchange With Ukraine Leader
CHICAGO SUN-TIMES
'NO ONE IS ABOVE THE LAW'
YORK POST
EACHING
CLEAN!
ITS NOT
DENIAL
IS NOT
CHANGE is

Symptoms of democratic anxiety/crisis.

- Voter disengagement (indifference + suspicion of politics)
  - Reduced voter turnout
  - Disengagement from major parties – support & membership.
  - 'Shallow' often temporary activism around specific grievances
- Democratic 'disempowerment'
  - The political system seen as increasingly unable to perform its
  - democratic function.
  - Important decisions are endogenous to the institutionalized democratic process (increasing the widely shared feeling that democratic decision-making has no real bearing on people's lives).
  - Everyday life is dominated by systems decisions that escape the control of individuals and groups.
- Relentless focus on 'failure' – loss of trust in politics and political processes.

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Many of these issues have to do with politics

- Decision-making is too complex, too diffuse, too fast for political processes to be able to exercise meaningful direction and control.
  - Democratic politics requires time, deliberation, conflict expression, mediation and compromise (and arguably rough conditions of background equality) in order to operate effectively and reflexively (hence as a mechanism of collective decision-making with social learning capacities).

Others a consequence of globalisation

- Business, capital and people flow across borders
  - But political systems remain national and local.
  - Increasingly to influence or constrain the behaviour of global firms (e.g. FAANGs), interests (e.g. cyber/other organised crime) and mass movements (e.g. the 'migration crisis').
- Globalisation has created a crisis of inadequate political institutions
  - Reinforces the crisis of political legitimacy and growing distance between citizens and their representative
  - Rise of nationalist movements (e.g. in Scotland, Wales etc) – greater identification with 'local' interests.

Even if…

‘the current level of dissatisfaction falls short of widespread loss of legitimacy, it still constitutes a serious challenge to effective governance. It means not only that citizens hold low expectations of government (which, after all, should be easier to satisfy), but also that the public is less willing to provide government with the authority, support, resources and patience that effective policy-making may require’.

Struck, P. (2014) *Why Government Fails So Often: And How it Could Do Better*. Princeton: Princeton University Press.

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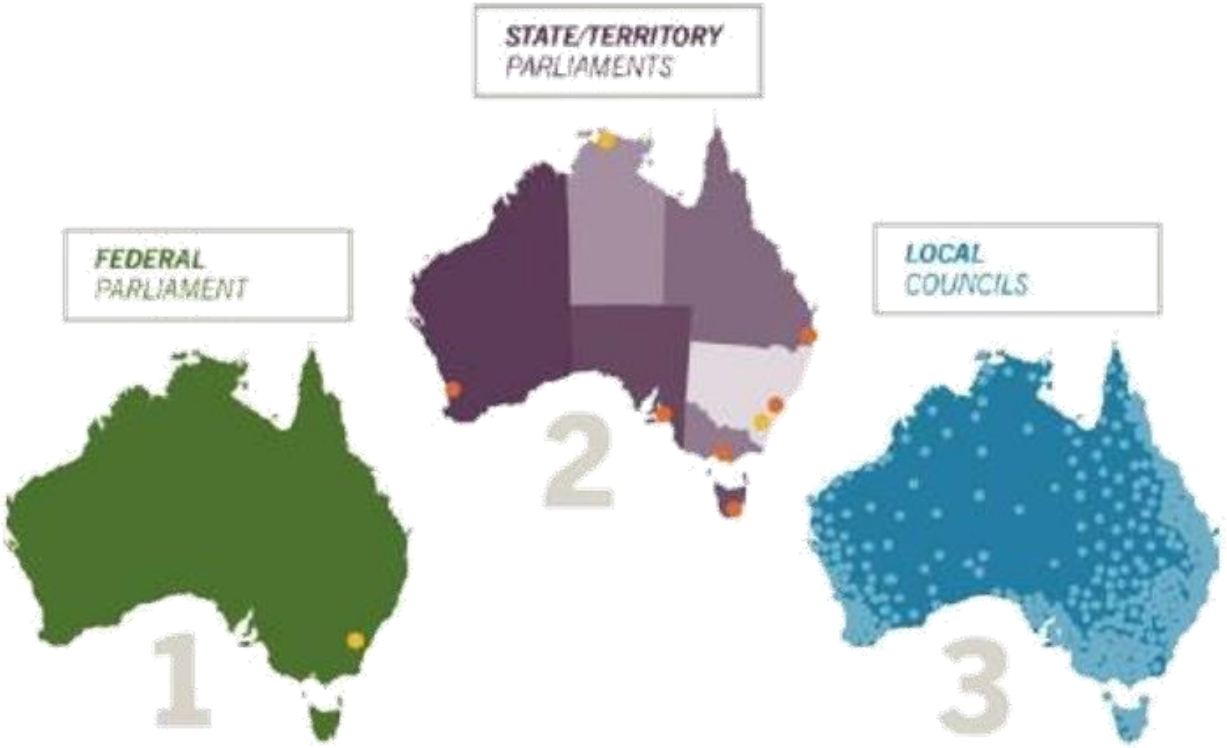
The Australian Context



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Reforming the Australian public sector

Successive waves of reform and change to the public sector:

- Traditional public administration
- New public management
- Network governance

Unintended consequences:

- Problems of fragmentation, coordination, consistency and accountability
- Tensions in the political-administrative interface associated with the changing nature of politics: professionalisation, hyper-partisanship, the permanent campaign

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Bringing Ministers into focus

The nature and quality of ministers' relationships with the public service affects the quality of public administration and the effectiveness of public policy

- Despite this and their roles in driving public sector reform, Ministers have been the 'missing link' in reform
  - Virtually no attention has been paid to how they perform their roles as leaders and decision-makers – individually in their portfolios or collectively in Cabinet.
  - This lack of reform is now a significant source of difficulty in the political-administrative relationship.

In Westminster-style systems, political practice has outstripped traditions, beliefs, conventions and accountability arrangements. They do not reflect:

- That the political executive has higher expectations of public service responsiveness
- That the public service is not the only, and often not the dominant, source of policy advice
- That partisan staff have become a central and permanent part of the core executive

Centralisation of policy and service delivery

Commonwealth expansion into areas of subnational responsibility

- Extreme vertical fiscal imbalance and constraints on own-source revenue for subnational governments

Perceived homogeneity of Australia's federation obscures growing territorial, spatial, ethno-cultural, socio-economic and policy-political differences

- Public expectations for quality and uniformity due to high rates of internal migration. Business expectations of consistency across national markets
- Simultaneously: demands for responsiveness to local needs and contexts

Capacity and organisation

In *The End of Whitehall? Government by Permanent Campaign* (2019), academic and former SpAD Patrick Diamond chronicles the blurring of boundaries between politics and administration, and loss of trust in the relationships between Ministers and civil servants.

While noting the need to restore constitutional propriety and principles of accountability, he argues:

> ***"…the central issue is about what the state has the capacity to do and how the system of government is organised to deal with the most pressing social and economic issues of our time"*** (p. 89)

Five propositions to address our governance challenges:

1. The problems that we face are complex and interdependent. They require integrated, interdisciplinary and sustained collaboration and engagement.
2. The knowledge, expertise, capability and resources to address these problems are embedded in and distributed across inter-sectoral and inter-jurisdictional networks
   - There is substantial (often under-recognised and under-valued) capacity and expertise at State and local government levels, in business, not-for-profit organisations, universities and research institutes, local communities and in the lived experience of citizens
   - The public service's role may be to help design arrangements that harness these capacities for public purpose: to convene interests to design and implement contextualised actions that are iterative and adaptive to insights from experience and social learning

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3. Government is one among many actors who share responsibility for responding to complex challenges. Adapting to a changing climate, supporting social cohesion and fostering inclusive growth is a shared task.

   - Hyper-partisanship and declining trust in political institutions and processes presents opportunities for 'unconventional alliances' to achieve outcomes in the long-term public interest
   - There is growing interest in "mission"- or "purpose"-oriented collaborations that harness dynamic capabilities from diverse sectors to address societal challenges, both at the system and the local/place level.
     - Business, community and 'anchor institutions' like universities, hospitals, schools, faith-based organisations and service providers have capacity and potential to catalyse and drive for purpose outcomes.
       - Often they're capable of doing what modern politics cannot.

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4. Collaboration and collective action necessitates that we broaden our understanding of the concept of ‘stewardship’
   - Constitutional Stewardship – Parliament
   - Capacity Stewardship – Public Sector Leaders
   - Civic Stewardship – Anchor institutions, active citizens.
5. Governance and accountability frameworks need to accommodate vertical and networked arrangements

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Why doesn't collaboration just happen?

- Westminster is hierarchical and vertical. Collaboration is horizontal. It requires:
  1. Different skills and capability in politics and the public service
  2. Embracing the tools of network governance
  3. Processes to catalyse and facilitate collaboration (e.g. pooled funding at place level)
- Historically there has been a competitive ethos within and across tiers of government and across agencies. But, distributed, networked arrangements are not new:
  - They work when the authorising environment supports them.

Enabling collaboration: New thinking

- Acknowledging systems, networks, interdependencies and people
- Inclusivity, fairness, addressing inequality and “left behind” people and places
- New and emerging paradigms:
  - The circular economy
  - The impact economy.
  - Social innovation and entrepreneurship alongside tech and start-ups
  - Wellbeing, ‘capitals’ and other frameworks that transcend traditional economics and account for a wider range of capacities, impacts, distributional and co-benefits

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Enabling collaboration: Policy leadership & policy craft

To remain relevant, public sector organisations need to demonstrate their capability to:

- Contribute new ideas and support rigorous policy development
- Build confidence and trust through disciplined processes and routines, including consultation.
- Develop robust assessment of risks, impacts and consequences
- Understand that policy advice is contestable and government is just one (and not necessarily the dominant) player within often complex policy and delivery networks
  - Learning to work in and navigate networks is a critical, but under-developed skill.
- But political actors must support long-term policy. Citizens must hold them to account if they don't.

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Towards integrative governance

We need to cultivate approaches that:

- **Identify shared motivation:** strategy might be to foster trust, mutual understanding, internal legitimacy and shared commitment among network actors
- **Offer principled engagement:** where network actors develop confidence that planning and decision-making will occur through transparent, fair and civil discourse; open and inclusive conversation, balanced representation of stakeholders, equal relative power
- **Build capacity for joint action:** procedural arrangements, leadership, knowledge and resources, convening and facilitation skills; empower execution.

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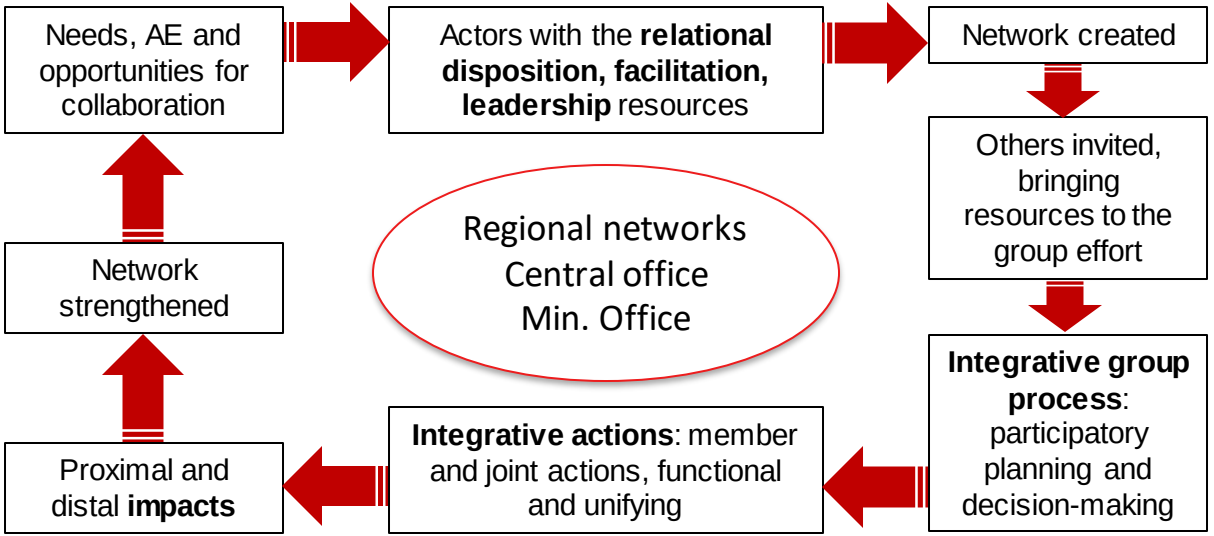
Network/collaborative governance: integrative actions and progress



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Why I’m cautiously optimistic…

- Our challenges are complex, but we have navigated complexity successfully in the past (e.g. two World Wars, economic shocks, frequent and severe natural disasters, etc.)
- Those efforts combined capabilities and resources drawn from diverse sectors; they were collaborative and purpose-oriented and reflected a willingness to embrace collective leadership and responsibility
- They were also relational rather than transactional, reflecting the best traditions of Australian democracy and governance:
  - Political and parliamentary leadership at all levels
  - Trusted and respectful partnerships between governments and their public services
  - Respect for knowledge, expertise and experience, and for alternative perspectives from the networks outside of government
  - Willingness to debate, compromise, and make decisions in the national (rather than the narrow sectoral or self-) interest, and to experiment and learn

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‘Do not despair of our present difficulties but believe always in the promise and greatness of America, because nothing is inevitable here’.

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THANK YOU

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– **Dinesh Palipana**
Griffith graduate and Adjunct Research Fellow
Queensland's first quadriplegic graduate doctor

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Questions?

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- **Upcoming National Regulators Community of Practice Events**

The Intelligent Regulator Annual Regulators Forum	Deakin Edge, Federation Square, Melbourne	Friday 4 October 2019

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