The Governance of Recovery and the Recovery of Governance – the promise of localism in the Murray Darling Basin

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Introductions

• Director ANZSOG Institute for Governance since 2009, Professor of Governance formerly Head of Politics, Professor of Government, University of York, UK (1999-2007)
• ANZSOG specialist on public policy design and analysis and community-driven development including in-country experience in Afghanistan, Iraq, Sri Lanka, amongst others
• Specialist in comparative public administration and public policy
• Member IEG, World Bank
• Editor of the international journal Policy Studies
• In the past 2 years he has conducted policy advisory work for the ANAO, Austrade, National Water Commission, ACT CMD, World Bank and the European Union.
Purpose

- To evaluate the promise of localism in the context of implementing the MDB Plan
- A session in three parts: a) what is localism and where does it have promise; b) Identification of obstacles to the achievement of meaningful localism in the MDB context; c) investigation of how localism could enhance the delivery of implementation tasks through governance innovation
Key arguments

- National and international evidence points to localism
- Progress requires a co-produced outcome with citizens
- Localism is a mode of governance for moving from relief to recovery to sustainable development
- It is about integrating community power and resources into a system of development governance
- Localism strategies co-exist – it is the mix that matters
- Different localisms are required for different tasks and require different governance innovations
Afghanistan’s National Solidarity Programme
Scope – from 2003 to 2010

• 24,000 CDCs have been established across 34 provinces
• 25,400 sub projects established
• 18,000 sub projects completed to quality mark
• 54% (from 15%) of the population have access to clean drinking water and sanitation
• 49% (from 12%) have roads to access markets and services
• A per capita income increase of 110% has been achieved
Key ingredients of success

- Recognition that communities have adaptive capacity
- Capacity to share power and let go
- Community ownership
- Never make assumptions
- **Design for outcomes**
What is localism?

- Old wine in new bottles!
- The devolution of power, functions or resources away from central control and towards front-line managers, local democratic structures, local institutions and local communities, within an agreed framework of Commonwealth and State minimum standards.
- By implication there are varieties of localism which reflect different models of democracy and degrees of community involvement in decision-making. These often co-exist.
Three localisms – it is the mix that matters!

<table>
<thead>
<tr>
<th></th>
<th>Managerial</th>
<th>Representative</th>
<th>Community (Local Governance)</th>
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</thead>
<tbody>
<tr>
<td>Defining mechanism</td>
<td>Conditional devolution of functions based on achieving agreed objectives</td>
<td>Provision of powers and responsibility for local government elected on universal suffrage</td>
<td>Rights and support given to citizens in communities to engage in decisions and action</td>
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<td>Delivery mechanism</td>
<td>Intergovernmental networks</td>
<td>Hierarchical delivery networks</td>
<td>Community network governance</td>
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<td>Metrics for judging success</td>
<td>Targets and evidence</td>
<td>Electoral triumph or failure</td>
<td>Cohesiveness and capacity of network arrangements. Attainment of network goals and fairness of process</td>
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## Strengths and weaknesses

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<td><strong>Strengths</strong></td>
<td>Makes sense in the context of multi-level governance and complexity</td>
<td>Delivers clear identification of responsibility and capacity to meet localised needs</td>
<td>Delivers ownership, local knowledge and engagement by citizens in defining problems and supporting solutions</td>
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<td><strong>Weaknesses</strong></td>
<td>Can be too ‘top-down’, lack of downward accountability associated with a ‘government knows-best narrative for change’, ignores locally derived sources of knowledge. Focus in the end is on externally imposed objectives rather than local choices</td>
<td>Resource issues (both financial and technical) may undermine delivery; accountability in practice may be weak</td>
<td>Potential for network capture by local elite interests persists. Uneven distribution of capacity among communities to respond leads to engagement of some but not all. Accountability structures can be opaque with weak democratic control. Minority voices can be silent</td>
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What is localism?

What it isn’t

• Triage
• Local government
• Community engagement

What it is

• A mode of governance for moving from relief to recovery to sustainable development
• Integrating communities into a system of development governance

Constituent elements

• Meta-governance at the local scale – a process of governing
• A container concept for moving communities from relief to recovery to sustainable development under the auspices of Federal relations.
• Harnessing the resources and support of formal and informal institutions of local governance in the ongoing struggle for sustainable development
Assumptions underpinning localism in stressed communities

- In a democracy communities have a legitimate voice in decisions which shape their destiny
- Wicked development problems require co-produced solutions with citizens
- Soft governance – the power to persuade – is the key instrument for winning the war of behavioural change
- Communities have the capacity to adapt – the key is to find and nurture those capacities
- The majority of community members do not experience barriers to participation
- Barriers to participation are constructed by outsiders
Assumptions underpinning the benefits of place

- Trust systems are easier to build at the local level
- Subsidiarity is the key to high quality service delivery
- Place based programmes work well if they are flexible to the needs and lives of the participants and proceed from a philosophy of co-design with genuine choice. Participants respond well to increased choice and responsibility
- Place based programmes offer the opportunity for early intervention
- Place based programmes work well if they are personalized through a key worker model
- joining-up several services (systems change) and the participants’ interaction with those services (system navigation) through place (ACID, UK, US) is a key ingredient of success

(Aus, UK, NZ, US).
The international drivers point to localism

At the level of political discourse
- Global pattern of disaffection with government (except at the local level)
- The merits of deep democratisation for stabilisation/social solidarity in times of crisis
- Perceptions of delivery failure have to be addressed at the local level (subsidiarity)

At the field level
- The potential for broader ownership of policy problems to help manage rising citizen expectations
- Efficiency gains through targeting identifiable needs i.e. capacity to do more with less if you know what people want
- Greater capacity for impact assessment to avoid unintended consequences of action
- Futures thinking can be done at a more meaningful way at the local level
The World’s ‘Best’ public service requires citizen-centred policy-making and delivery!

Recommendation 2.1

‘enable citizens to collaborate with government in policy and service design’
(2010, p.39)
Simon Crean’s and Craig Knowles clarion calls for localism

- Emphasis on the potential role of Local government as the collaborator of first resort in local and regional policy and delivery networks through place-based service delivery
- Highlights the need to build strategic policy capability at the local level
- Highlights the need to build productive capacity at the local level
- Rests on Local governments developing into learning organisations, knowledge brokers and sources of innovation (e.g. applications)
- Highlights the importance of building community planning capability to build a strong base-line of evidence
### What are the major obstacles to inverted localism? The Commonwealth stakeholder perspective

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<th>Behavioural</th>
<th>Environmental constraints</th>
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<td>Path dependency towards a technical rather than developmental problem definition</td>
<td>Institutional layering – crowded policy space</td>
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<tr>
<td>Competing understanding of the local</td>
<td>Public expectations for quick fixes</td>
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<tr>
<td>Anti-local culture (politics and capability)</td>
<td>Prevailing Socio-economic conditions</td>
</tr>
<tr>
<td>Culture of risk aversion</td>
<td>Prevailing Environmental conditions</td>
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<tr>
<td>Limited skills in active risk or change management to create opportunity structures for local innovation</td>
<td>Problems inherent in multi-level governance</td>
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<td>Poor strategic alignment in water governance</td>
<td>Support from sovereigns</td>
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<td>Clear roles and responsibilities</td>
<td>Short-term budgets and planning horizons</td>
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<td>Engagement capacity</td>
<td>Delivery pressures and administrative burdens</td>
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<td>Limited skills in active risk or change management to create opportunity structures for local innovation</td>
<td>Poor rewards and incentives to innovate</td>
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The evidence on governance failure points to localism

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<td>1. Institutional Economics and Political Science</td>
<td>Communication and information failures lead to fears of opportunistic behaviour</td>
<td>Transparent systems and institutional arrangements that ensure mutual oversight. Avoid crowding out of intrinsic or moral motivations</td>
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<tr>
<td>2. Institutional Economics and Political Science</td>
<td>Inability to make credible commitments means that cooperation cannot be sustained</td>
<td>Provide scope for power to be held by arms-length or independent institutions but do not deny role of power and politics</td>
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<tr>
<td>3. Political Science and International Relations</td>
<td>Accountability mechanisms are misaligned and as a result actors lack responsibility to each other and the capacity to join up</td>
<td>Clarify responsibilities and develop new accountability procedures that stress power sharing and joint learning</td>
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<td>4. Political Science and International Relations</td>
<td>Trust and legitimacy are not present in the governance setting and as a result the effectiveness of governance arrangements is compromised</td>
<td>Develop reconciliation measures and practices of representation and participation</td>
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The evidence on governance failure points to localism

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<td>5. Development Studies and International Relations</td>
<td>Structural inequalities and ingrained power relations block path to effective governance</td>
<td>Move beyond ‘top-down’ principles to engagement with the realities of politics by proving scope for the mobilisation of new political forces</td>
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<td>6. Development Studies and International Relations</td>
<td>The hegemonic influence of key ideas and powers lead to forced agreement rather than shared ownership and commitment of challenges</td>
<td>Provide space for the challenge to hegemonic forces and provide opportunity for a more open exchange</td>
</tr>
<tr>
<td>7. Political Science and International Relations, Development Studies and Institutional Economics</td>
<td>Enforcement and regulation failures mean that agreements when reached cannot be implemented</td>
<td>Strengthen the state or role of regulators, but beware of undermining the voluntary and committed engagement of others in finding governance solutions</td>
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Studying communities under stress – where can localisms be useful?

- Strategic direction refers to the involvement of communities in the introduction of new organisational missions which impact directly on the nature of decision-making (e.g. a Community Priority Setting).
- The second and third sites of decision-making relate to the direct involvement of communities in the design and delivery of policy.
- The fourth site of decision-making involves the co-generation of knowledge about organisational performance or public attitudes on specific issues.
Strategic direction

- Charter of Rights and Responsibilities for Communities (‘3 R Process’ Sri Lanka)
- Participatory budgets linked to priority setting processes (Brazil, the UK)
- Consensus dialogues (Canterbury NZ)
Policy co-design

- Centripetal Action Zone experiments (Afghanistan, Sri Lanka, Tanzania, Sichuan)
- Local economic development partnerships (‘Acting on Essex’ in the UK)
• Place based service delivery (alternative livelihood programmes for ‘hardest to reach’ groups now viral across the world)

• Co-design of new services (Barcelona experiments in accessibility policy)
Strategic learning

- Futures thinking (Jersey, Brazil national policy conferences)
- Utilisation of longitudinal data sets on local knowledge
- Feedback on performance
- Piloting of governance innovations (Denmark, UK, France, NZ, Spain)
MDB Applications: Strategic direction

- Is there the need for Co-regulation (alignment of MDBA-Jurisdictions – Catchment Management Authorities)?
- Is there the need for a Charter of Rights and Responsibilities for MDB Communities?
- Would this clarify or obviate roles and responsibilities?
The environmental watering plan (EWP). The EWP is a principles based watering plan that forms a mandatory element of the Basin Plan and is currently working on policy matters that will help implement the EWP. It involves managerial localism in terms of policy design but requires community localism to embed behaviours (i.e. implementation).

How can localism add value to the EWP?

What tasks could be devolved to community.

How would this be best done?
MDB Applications: strategic learning

Reporting on the effectiveness and impact of the Basin Plan.

How can localism add value to M&E or horizon scanning?

• What tasks could be devolved to community.
• How would this be best done?
Applications

• If Localism is a mode of governance for moving from relief to recovery to sustainable development

• What other ways can localism add value to the implementation of the MDB Plan?

• What tasks could be devolved to community.

• How would this be best done?
Towards localism as public value creation?

• What does this all mean for public managers and the capabilities they require to meet their responsibilities?
• 3 images of the contemporary Commonwealth public servant
The design manager

- Rational
- Strategic
- Optimising capabilities both within and across boundaries
- Creating a learning environment
The deliberative manager

- Participatory
- Open to new knowledge sources that challenge conventional wisdoms
- Ensuring inclusive governance – representative and technical
The strategic manager

• The strategic triangle – understanding and mediating the relationship between the ‘authorising environment’, the ‘task environment’ and ‘organisational capabilities’.
Operationalising the strategic triangle

• How does the MDB plan create public value for citizens?
• What do citizens value when they are well informed about the choices?
John Dewey  
(1859-1952) – American philosopher and education reformer

- *The Public and its Problems* (1927)
- It is the moral responsibility of politicians and bureaucrats to call a public into being whenever considering matters of public interest.
- Quality of democracy is reflected in the political knowledge of the citizenry; ‘fully formed public opinion’.
- By implication the search for public value involves sharing and often delegating power!
Localism – a measure of democratic maturity

- This is the kernel of the case for Deep Democratization! For as Amartya Sen has put it – the quality of democratic life is measured as much by how a public reaches a decision as the decision it reaches.

[Image of a person speaking at a podium]