

Community in Public Policy: Fad or Foundation?

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Both internationally and within Australia public policy is experiencing a rush back to the idea of community. After 15 years of discourse about the new public management and economic rationalism a much older discourse is slipping back into public policy. It is a normative discourse about changing relations between state democracy, market capitalism and civil society in which the idea of community is a central 'new' relation used to manage both state and market failures. Already new policy tools emerging from this discourse can be seen with innovations based on concepts such as partnerships, place management, and a raft of community consultation mechanisms. Much of the rhetoric about community as a new foundation for public policy, however, remains confused. The result is a muddle of ideas in which this potentially useful concept is in danger of becoming just another public policy reform fad. This article looks at what policy makers are saying about community, identifies problems in this current usage and offers ways of thinking about community with a view to establishing its policy utility.

A 'new' discourse is (re-)entering public policy and management. The new currency includes words such as partnerships, mutuality, social cohesion, solidarity, identity, trust, reciprocity, community building, social capital, and inclusiveness. The idea of community encapsulates much of this discourse, and in this article we ask why this change is occurring, and what the implications might be for public policy and management. More specifically, we argue that the rise of community, as well as being related to the lost legitimacy of states and markets, involves a selective theoretical convergence between neo-liberalism and communitarianism. The 'new' discourse represents a potential shift in relations between the state, the market, and community, as the key systems underpinning liberal democracies. Its public policy implications may be profound.

Fifty years after the post World War II welfare states were designed to structure poverty and social exclusion out of existence, social policy faces a particular crisis. The traditional instruments of social policy have increasingly been found wanting in addressing both old and new social problems (O'Brien and Penna 1998; Offe 1985). While Australia's productivity has

improved, as has general well being, the distribution of benefits and burdens has been uneven. Both the structure of markets and the structure of welfare have contributed to this.

The post World War II welfare states were premised on state intervention to steer markets and communities in the direction of increased growth and equality. The state was in the driving seat. By the 1970s there was a crisis of legitimacy for the welfare state (Mishra 1984), and the 1980s and 1990s saw the influence of markets and public choice reasoning dominate in public sector management and policy through corporate governance arrangements and the use of competitive tendering based on the paradigm of funder/purchaser/provider. While these policies have succeeded in introducing efficiency instruments to public sector management, they have failed in areas in which political rather than economic judgments, and qualitative rather than quantitative instruments, are necessary. This has been particularly evident in social policy areas but may be more generally seen in the disappearance of the concept of 'public interest' providing the rationale and instruments for effective policy making and implementation (Hess and Adams 1999).

With another crisis of legitimacy facing the new institutional mix there is now a shift towards community as a set of balancing institutional relations between the vagaries of the state and the market. The conjoining of elements of community with neo-liberalism is producing some odd coalitions around the discourse of the left and the right. Mutual obligation is an example of a central idea of both contemporary neo-liberalism and communitarianism, but the meanings and policy consequences can vary greatly. Most of the new discourse around partnerships, social coalitions, and community building can be constructed to look like neo-liberalism, communitarianism or some hybrid. It's all a bit of a muddle as the struggle over the new currency of policy ideas is fought out around what Giddens (2000) calls 'structural pluralism'.

Understanding Community

The key to understanding community is *shared identity* and *reciprocity* over time. Community is about groups of people, who create relations based on trust and mutuality, within the idea of shared responsibility for wellbeing. The conditions under which such relations are constructed and reproduced is subject to considerable debate, as is the extent to which governments may help or hinder such relations. Spatial communities and communities of interest are the main forms of communities, but these features (spatial proximity and common interests) are neither necessary nor sufficient conditions for any particular community to be said to exist (Kenny 1994).

In the new discourse 'community' emerges as a normative construct. The ontology underpinning this normative discourse can be summarised as follows. Communities:

- are social actors that cause things to happen;
- have universal features most notably a sense of place;
- tend to be homogeneous with a common identity and set of values;
- tend to distribute benefits and burdens equitably;
- naturally adapt to change;
- build and sustain social capital through trust, identity and mutuality;
- have natural organisational forms, through which they engage with the organisational forms of government and businesses;

- are a form of accountability, as in the phrase 'accountable to the community'; and
- can plan, manage, deliver and coordinate better than governments and markets.

An immediate problem that such 'common sense' propositions pose for those seeking to give them policy utility, is that almost all of them could be rendered by an opposite formulation and be equally true in certain circumstances. Even more uncomfortable is the realisation that, in the recent past, similar propositions were posited for the market (Culpitt 1999).

Nonetheless, in Australia all states and territories have joined the Commonwealth in embracing community as a foundation for policy making and implementation. Manifestations of this are seen in new terminology such as partnership agreement, community building programs (especially place-based activity), triple bottom line planning, the smorgasbord of consultative arrangements, new roles of local government and localised democracy.

Community and the Australian Public Policy Agenda

While community has re-emerged in the political rhetoric of both governments and NGOs (Howard 1999; ACOSS 1998), it has not been a central feature in most recent Australian literature on public management and policy (Weller and Davis 1996). To date, the political statements regarding community provide little clear understanding of what roles community has in public policy, or what policy instruments these might translate into. Various elements of community are embedded in much of the broader social democratic political reasoning about the Australian third way by Emy (1994), Latham (1996), Tanner (1999) and Argy (1998). But again there is limited guidance on substance.

During the 1970s there was a flurry of policy activity around the idea of community epitomised in the Australian Assistance Plan under the Whitlam government. There were numerous publications and national workshops held on 'community' around this time (Dixon and Jayasurya 1983), and community development was a key policy instrument that drove change. The new ideas were fuelled by the American war on poverty, the 'discovery' of poverty in Australia, and the belief in the capacity of governments and the social sciences

to solve social problems (Henderson *et al.* 1970). But the political changes of the 1980s and the emergence of economic rationalism relegated the community development movement to a residual category of social policy.

In the last three years, however, the discourse in Australia has swung back towards community as a central organising idea for public policy. At the level of federal politics this change can be traced through the prime minister's speeches. In March 1998 Howard used the language of the European liberal democrats in declaring to the World Economic Forum that, 'we believe that social capital and the building of networks of trust and understanding in national and local communities are vital if those communities are to respond constructively to the challenges of change' (Howard 1998a). Throughout the year he further developed these themes, culminating in his address to the ACOSS National Conference in November, in which he repeatedly spoke of the importance of 'local communities' and 'community institutions' in policy processes, defining community in terms of 'a web of relationships ... about trust and mutuality' (Howard 1998b).

This was followed up in April 1999, when the prime minister, speaking to the Australia Unlimited Roundtable, proposed 'a mix in public policy which combines liberalism in economic policy and ... "modern conservatism" in social policy' as 'mutually reinforcing' elements (Howard 1999). The prime minister identified the need for 'a new social coalition of government, business, charitable and welfare organisations and other community groups — each contributing their own particular expertise and resources in order to tackle more effectively the social problems ...' of economic reform (Howard 1999).

The problem for those seeking to understand what policy detail may spring from this, however, remains. The Minister for Family and Community Services, in launching the Commonwealth Community Strategy, called for 'cohesion, partnerships and responsibility', claiming that 'solutions that came from the ground up, from communities themselves, are the most effective in making permanent change' (Newman 1999). This strategy was promoted by the minister as 'the vehicle for promoting self-reliant communities', with an emphasis on the role of voluntary contributions to addressing

social problems in place of the expectation of direct government intervention.

This vision of voluntarism combines its role as an instrument for budget relief and the view that communities have greater policy potential than either states or markets, especially on issues of social policy. The re-emergence of community as a policy factor at the conjunction of hard-headed financial management and soft-hearted social orientation clearly requires explanations. We argue that such explanations lie in three historical factors: theoretical convergence, political convergence, and the fall of the paradigm of economic rationalism.

Theoretical Convergence

Our first line of explanation involves the convergence of economic and political theory in which the social capital literature and growing understanding of the importance of policy networks play large parts. The social capital literature has focused attention on the role played by social ties in economic activity. The new understanding of networks establishes the importance of the network of relationships between decision-makers, stakeholders and clients in the policy process. In social policy areas particularly, these economic and political insights converge on the role of relationships within communities in which particular policy is developed and implemented.

In practice, two contending trends have attracted policy-makers and commentators to the idea that community might play a central role. One is that communities can fill gaps in service provision, policy, and particularly social policy created by the shrinking of the state. Voluntarism seems particularly attractive to politicians and administrators whose shrinking budgets make them desperate for alternative sources of service provision. The other trend is the suspicion that communities are not merely a cheaper alternative but offer a qualitatively better source of policy ideas and processes. This 'beneficiary participation' argument is a familiar one from international development theory (Bryant and White 1982:211; Paul 1983:95–96). Its universal proposition is that policy processes that involve those upon whom they will impact are more likely to gain the support necessary for successful implementation. In terms of social policy particularly, the argument is that such

processes are more likely to result in policies and policy outcomes that are relevant to the needs they purportedly address.

Some of the practical implications of this approach are spelt out in Putnam's seminal work on the relationship between economic success and democratic governance in Europe and America (Putnam 1993; 1995). These historical studies conclude that it is those communities that are successful as communities which become wealthy — rather than the other way around. The insight that 'social virtues such as trust and cooperation are not ephemeral qualities but are part of the infrastructure upon which the capitalist economies are built' (Sturges 1997:49) seems at one level to turn the rationalities of market economics upside down. In fact, however, conservative commentators have found much to recommend social capital theory, particularly where communities are seen as filling gaps vacated by the shrinking of the state. In such a case an assumption of the elasticity of community capacity to provide welfare services in particular has been seen as facilitating policies that lead to the withdrawal of state provision of social services.

Political Convergence

The second reason for the re-emergence of community in public policy discourse is the political convergence of radical and conservative commentary and practice. This involves not only the 'third way' approaches evident in the Blair, Clinton and Schroder administrations (Giddens 1998, 2000), but reflects a long history of ideas about how politics should be governed within particular modernities (Taylor 1999).

The political convergence around community may be seen as both a debate within neo-liberalism and as an alternative put forward by the opponents of liberalism. The liberal demand for personal freedom has its philosophical pedigree from John Locke, Immanuel Kant and John Stuart Mill among others. In its application to economic activity it became attractive to the apostles of the free market, such as Hayek and his followers, because it allowed the replacement of collective social obligation with economic self-interest as the central organisational principle of socioeconomic relations. Contemporary philosophers of liberalism such as Rawls and

Dworkin, however, have swung back towards egalitarianism as a guarantor of individual liberty (Guest 1997; Pogge 1989). Added to the classical liberal defense of individual freedom as the best foundation for social stability and collective security, this has given community-based concepts a place amongst pro-market liberals and political conservatives.

On the other hand, the philosophical opponents of liberalism have often based their understanding of human activity on specifically community-based concepts such as cooperation and trust, rather than on the market-based idea of competition. Determinative factors of the likely success of action based on these alternative approaches have included, the size of the group, their level of knowledge about each other, their expectation of the need for future cooperation, and the likelihood of reciprocity (North 1990:12ff). At this philosophical level, then, there is a debate about whether human life is fundamentally communal or whether communities are the product of an acceptance of the necessity of maintaining order. In practice the differences become less pronounced, because in either case community-based values leading to cooperation have a role in the pragmatic politics of making and implementing policy.

While this convergence of views may be observed in respect of the policy value of cooperation, it is even more evident in the literature on that other key community-related social concept — trust. Some of this commentary sees itself as putting forward alternatives to the economic rationalist applications of liberalism (Fukuyama 1995). A more long-term interest in trust is also evident, however, in literature that has its philosophical roots in both liberalism and economic rationalism. Weber's celebrated analysis of bureaucracy included the recognition that the acceptance of rules was a form of social capital within the organisation and between the organisation and its clients (Weber 1968). Observers of private enterprise from backgrounds as different as sociology (Macauley 1963:64), philosophy (Arrow 1972:357) and management (Handy 1995) have specifically identified trust as a vital component in the success of economic activity and business practices.

This political convergence of radical and

conservative commentary establishes, from different perspectives, the value of community as a fundamental category for understanding the pre-conditions for progress and also provides some clues as to the instrumental potential of community-based concepts. It is hardly surprising then, that Australian versions of the 'third way' all have a key role for community (Emy 1994; Latham 1996; Argy 1998; Tanner 1999; Self 2000; Stilwell 2000).

Failure of Economic Rationalism

The third reason for the re-emergence of community in the policy debate may be seen in the perceived failures of economic rationalism and the new public management, which have so dominated thinking in western market democracies over the last 15 years. This domination was itself a result of the changes wrought by economic globalisation that turned orthodoxies of public policy upside down. Much of the support for economic rationalism was derived from the lost legitimacy of the state. The support for community is now partly a response to the lost legitimacy of both the state and the market. Many of the claims about community are normative claims, about community giving meaning and a sense of self in a world of increasing dislocation and precariousness. In this image, community becomes a source of coherence and a bastion of stability in a world of change and uncertainty.

Under economic rationalism public interests were seen to be served by a general reduction in the role of government (Hughes 1994:128). The thrust of public management practice became cost containment, with governments demanding ever greater efficiencies from their agencies. This has combined a reduction in the size of the public sector with the introduction of private-sector management practices focusing on competition and contestability. The theoretical foundations of these reforms are found in the new institutional economics and public choice theory, which so informed the political resurgence of conservatism beginning in the 1980s in Britain and the USA. The general assumption of this approach is that, once the constraints of regulation are removed, institutions will act in an economically rational manner pursuing self-interest through mutual exchange. The end result will be a maximising

of utility. The mechanisms for achieving this were the introduction of elements of market-oriented competition. Bureaucratic monopolies were removed, with programs of corporatisation and privatisation seeing contestability become part of the daily operations of previously rule-bound organisations.

The resultant down-sizing, out-sourcing and flexible modes of employment have transformed the public sectors of western market-oriented democracies. At one end of the spectrum, much needed reforms, such as the reduction of red tape in bureaucratic processes, achieved the status of international success stories (Osborne and Gaebler, 1992:8–11; Halligan and Turner 1995:54, 122). In Australia, other reforms have had quite ironic consequences with the assumed efficiencies of competitive tendering and contracting out being seen as problematic in terms of social-policy objectives (Adams and Hess 2000), and often constituting transfers of costs to employees (Quiggin 1995:49) or the poorer sections of communities (Nevile 1999).

A particular aspect of the perceived failures of economic rationalism as a policy base which has fuelled the re-emergence of community as a concept in social policy discussion has been the apparent ever-increasing gap between the provision of services in urban and rural areas. In a more general sense, this is seen in the increasing evidence of 'clustering' of disadvantage around specific groups and places (Vinson 1999). In fact, the ultimate economic rationalist policy of selling our major public institutions has itself given rise to a re-emergence of the ideas and policy instruments of community.

State Democracy, Market Capitalism and Communities

The failures of state intervention and the negative impacts of the subsequent capture of public policy by market-based rationality have created the political space for the (re-)emergence of community-based ideas. This involves a changing set of relations between states, markets and communities, as the underlying systems of liberal democracy. A consideration of the ontological features, the core elements, of each is used here to clarify the basis of these relations.

While the modern democratic state relies on *legal authority* to regulate relations, and the

developed market relies on *voluntary monetary contracts*, community relies on *shared values* as the 'glue' that explains and reproduces social relations. It is the moral mandate and authority of the shared values of communities which identifies and gives confidence to members that their contributions, and the contribution of others, will benefit both the individual and the community. This reciprocity is premised on a non-exploitative value system and a sense of solidarity. Here, commentators have identified a symbiosis, under which reciprocity generates trust, and shared identity and trust and identity generate reciprocity. This type of analysis is exemplified in the work of Richard Titmuss, a 'founding father' of social policy, who used the reciprocity of 'the gift relationship' to explain why people donated blood (Titmuss 1958). He concluded that the altruism of giving becomes a form of social insurance, based not on simply covering one's own potential future needs but on a genuine empathetic concern for others.

In European history, social commentary concern for community emerged in part as a response to industrialisation and the ideas of the 'Enlightenment'. Industrialisation brought with it a focus on limited associations of rational individuals motivated largely by self-interest and bound by contract. In the context of this new world based on economic activity some social commentators posited an alternative conceptualisation of people as essentially social beings seeking intimacy, emotional depth, moral commitment, social cohesion and continuity over time (Pinker 1971:8). To some extent this involved a harking back to a more communitarian age. Tonnies (1955) and Durkheim (1982) both developed typologies contrasting the shift from communal relations based on values (*Gemeinschaft* for Tonnies, mechanical solidarity for Durkheim) to more impersonal relations based on contract, rationality and self-interest (*Gesellschaft* for Tonnies, organic solidarity for Durkheim).

Attempts to identify historical usages of community as a guide to policy applications are, however, almost as problematic as the tendency to rely on common sense assumptions about the nature of community and its potential instrumentality. The attraction of the historical approach is that it builds on a history of ideas traceable to the foundations of social science, with contributions from early modern luminaries

such as Hobbes, Locke, Mill, and Rousseau, as well as classical giants in Socrates, Aristotle and Plato (Rosenblum 1989). It is hardly surprising, therefore, to find community-based ideas emerging through various of the social science disciplines with sociology (Offe 1996), political philosophy (Plant 1974), social work (Titmuss 1958), and especially the community development literature (Kenny 1994), all having things to say about it. The weakness of attempts to solve the problem of clarifying the public-policy role of community by reference to historical usages is that, for all the mentions of community, western political philosophy and practice has not developed a systematic coherent body of literature which encapsulates community-based policy approaches.

There is, however, a literature on communitarianism, which picks up many of the community-based ideas. The defining characteristic of this approach is seen in the conceptualisation of individuals as simultaneously embodying and embedded in community. This differentiates communitarian approaches from both liberalism, in which individuals are disembodied abstracts, and structuralism, in which individuals are determined by historical context. These philosophical differences flow through to policy. So, the neo-liberal policies of economic rationalism assume that individuals will be focused on their own interests as utility maximisers, and the structuralist policies of state-centered development assume that individuals will act out group interests which are determined by historical forces. Communitarianism, by contrast, suggests that public value, understood in terms of community needs, will be a better guide to policy than either market rationality or historical determinism.

Contemporary communitarianism is the subject of considerable theoretical controversy, being attacked as a mask for conservatism (MacIntyre 1988; Taylor 1989) and defended as 'an alternative to both individualism and authoritarianism' (Tam 1998:7). Henry Tam's prolific writing seeks to position it precisely between 'the two wrongs' of modern policy: 'the neo-conservative mix of economic individualism with social authoritarianism [and] ... the state socialist combination of social individualism with economic authoritarianism' (Tam 1998:28).

Much of the contemporary literature on

community comes from the social capital writers and the writers promulgating communitarianism as a distinctive social and political philosophy (Putman 1993; Tam 1998). Tam (1998) identifies three key principles of this European communitarianism: co-operative inquiry, mutual responsibility, and citizen participation. Each of these principles involves a claim to legitimacy that arises from quite different bases to those approaches to public policy based on the market or the state. Cooperative inquiry involves an epistemological claim that true knowledge can only be constructed through iterative processes where all in the polity choose to engage in deliberations. As with the *communicative rationality* of Habermas (1989) and the *discursive democracy* of Dryzek (1990), it is a view that privileges deliberative processes through a free exchange of a community of enquirers to validate knowledge claims (Tam 1998:228).

The principle of mutual responsibility involves a moral claim that values such as love, justice, wisdom and fulfilment form the basis of the responsibilities of all members towards each other. Under this principle all community members would be expected to apply resources and influences at their disposal to protect and enhance their common values (Tam 1998:31). Far from being forced by state-based regulatory regimes or encouraged by market-based personal incentives, community members are seen as acting out a deeply moral social solidarity. Trust, reciprocity and identity are key bonding ideas.

The principle of citizen participation involves a political claim that power relations be structured so that all members can participate as equal citizens in influencing the way the power that affects them is exercised in practice (Tam 1998:31). Processes congruent with this principle, as well as those of co-operative inquiry and mutual responsibility, can be seen in the growth of community consultative mechanisms, ranging from highly structured sub-committees of Cabinet and parliamentary committees, through selective focus groups and community, cabinets to open community fora and rolling tours.

These communitarian ideas are now remerging as policy practices and represent an attempt to find new relations that can better mediate the preferences of the polity.

Preferences in the market are expressed through capacity and willingness to pay, with money being the currency of exchange. In governance preferences are expressed through policy ideas and law, with votes as the currency. Both markets and government provide a clear and measurable way in which preferences are expressed. Both, however, have been seen in recent years as failing to adequately reflect genuine public interest. The Weberian assumption that bureaucrats would be competent and willing to identify and act in the public interest is no longer tenable. The mantra of neo-liberal economics, that open markets will produce the best possible result for the largest number of people, is also under attack. In instrumental terms both votes and prices have been tried as mechanisms for determining people's preferences, and both have been found wanting. In community preferences are expressed through values and engagement, with reciprocity as the currency.

Table 1 sets out the central features of public policy ideas arising from states, markets and communities. One simple contrast is in the area of the key regulator. In instrumental terms the move towards community may be seen as a move away from votes and prices, both of which are currently seen as failing to produce good policy, and towards values as an alternative source of policy practice. This is paralleled in the dynamic upon which each approach rests. The ideas arising from state democracy revolving around representation include authority and accountability. Those reflecting market realities are focused on competition and profit. The logic of community, however, gives rise to a dynamic of reciprocity and trust.

The point is that there is a very real contrast here. Unfortunately for this exercise of attempting to understand what community might mean in practical policy making terms this contrast is between relatively easily understood processes and outcomes of state- and market-based ideas and the much less readily measured processes and outcomes of community based concepts. Rather like a sporting contest, the end results of elections and bureaucratic processes on the one hand and market competition on the other, are at one level fairly clear. At other levels, however, the fact that a due process has been followed or a profit made does little to clarify the 'rightness' of the outcome. It is in this area of 'rightness' that community has its potential

Table 1: Ideas Shaping Public Policy

	State Democracy	Market Capitalism	Community
Institutions	parliaments governments public service	markets businesses	families associations
key regulator	votes, law	prices	values
dynamic	representation	competition	reciprocity
focus	order redistribution	efficiency productivity	equity cohesion
people	citizens	customers	members
tools	programs	contracts	networks

contribution, with the dynamics of trust, the *focii* of equity and cohesion, and the tools of networks providing an altogether softer more people-centred approach than is possible under either state intervention or market realities.

Conclusion

In general, this article has argued that community is re-emerging as a publicly powerful idea. The emerging failures of economic rationalism, particularly in social policy, may, however, lead to a thoughtless substitution of the mantra of the market with that of the community. This may be especially tempting for politicians seeking to rapidly re-label or change policy directions. In fact, so many claims are now being made for community that it is in danger of becoming self-referential, to the point that the boundary between the objective and the subjective is blurred. Where this occurs the concept is likely to lose its policy utility, because it will be impossible to provide clear guidelines for what community means in practice. This muddle over community does not help those making or implementing policy.

If the reading of contemporary policy trends presented above is correct, one would expect to find an explosion of activity reflective of policy-makers' desire to give community instrumental functionality. This is just what can be observed in the upsurge of interest in 'community building'. While this phenomenon presents a major topic for research in itself, it is used here, in a limited way, as a practical focus upon which to conclude this discussion. In particular, the contrast between the ideas upon which

community building is based and those underpinning the policy activities it is replacing may be used to sharpen appreciation of the nature of the shift in ideological basis and potential outcomes involved in the (re)emergence of community as a fundamental underpinning of public policy. This re-emergence also needs to be seen in the light of new forms of communities, such as virtual communities and highly mobile and transient communities, which challenge traditional views of community as based on stable place-based relations.

Specific areas in which policy making and implementation are likely to be under challenge as a result of efforts at community building can be grouped under the following headings:

1. *Temporal.* Policy making time frames which have been dominated by budget (generally yearly) or electoral (2–3 yearly) cycles would be challenged by an approach to time frames for thought and action based on the human life course. This may even become inter-generational.
2. *Spatial.* The contemporary focus on the program as the major form of policy implementation would be challenged by a focus on people and places as providing the central organising maps for policy making and implementation.
3. *Sustainability.* A focus on short-term service delivery would be challenged by a desire to produce new forms of dynamic state/market/community relations. Increased capacity for flexibility in these relations, giving rise to the possibility of innovative policy initiatives, would be seen as a touchstone for policy sustainability.

4. *Planning and innovation.* Contemporary *focii* on market-based supply and demand considerations, which isolate policy processes from many of their consequences, would be challenged by a 'joining-up' approach. This would integrate the people and places upon which particular policies impact with the policy process itself.
5. *Organisational interdependence.* The silo structure of seemingly stand-alone, monolithic government departments, with clearly demarked internal levels, would be challenged by governance systems reflecting anti-hierarchical cultural shifts. Internally, these would be marked by integrated structures with participative management practices. Externally, they would involve positive engagement on social, economic and environmental issues.
6. *Local and organisational knowledge.* The centralised knowledge base of stored data, departmental files, and institutional memory would be challenged by an iterative (learning) approach to the organisational knowledge base. This would privilege co-operative inquiry and governance as means by which knowledge is constructed and verified. It would acknowledge the significance of knowledge 'owned' by policy localities and establish ways of integrating this into policy processes.
7. *Localised democracy.* The changing knowledge involved in community-based policy making would also have implications for changes in the locus of democracy. This would involve a shift in focus from the centre to the parts of politics, requiring changing forms of representation and new forms of federal relations between national governments and their local components.
8. *Equity.* The contemporary policy considerations of efficiency and wealth generation would be challenged by a focus on fairness in the (re-)distribution of the benefits of productivity. This would involve a recognition that the economic instruments of market forces and compensation have not succeeded in addressing equity issues, and that specific interventions with their own purposely designed instruments are required to achieve equity in policy outcomes.
9. *Identity and belongingness.* Efficiency instruments, which replace social with market relations, such as contracts, would be challenged by a focus on the value people and places bring to policy making and implementation. Both people and places would be seen as significant for their contribution to producing the social fabric and the growth of social capital, which are of lasting public benefit.
10. *Mutuality.* Rules-based objectivity and (economically) rational self-interest would alike be challenged by a desire to share risk for altruistic reasons. This would be seen as a social form of corporate responsibility.
11. *Investment and enterprise.* Current budgeting based on risk aversion would be challenged by ideas of security and prevention based on social venture capital, in which investments in social fabric, as well as social and human capital, are seen as necessary and in the public interest.

These shifts in practice, which can be discerned in the upsurge of activity around community building, indicate how the fundamentals of the relations between states, markets and communities are being reconsidered. The key issues are about roles and capacity in relation to political agency, accountability, policy-making, substitutability, efficiency, learning and change, redistribution, productivity, sustainability, wealth generation, and equity.

Because good public policy and management is hard work, puzzling, complex and frequently frustrating, fads often become a simpler alternative to this reality. Hilmer and Donaldson (1996) have recently warned us off latching on to new fads — where policy ideas and instruments are uncritically adopted as normative truths and simply 'applied'. Because it is being widely used with neither clarity of definition nor instruments to make it functional, community risks becoming another public policy fad. If it is to be rescued as a workable concept for policy making and implementation, then we must be wary of assuming that the community is a blunt instrument to solve intractable social problems. We are in the midst of learning the same lessons about the market and must be careful that reaction against that approach produces better processes rather than simply new labels. In short we should assume that we are on a sharp policy learning curve and therefore approach community in a heuristic manner with a view to policy-oriented learning

rather than quick-fix solutions (Sabatier and Mazmanian 1989; Sabatier 1999).

Nonetheless it is argued in this article that community has at least some of the formal preconditions and characteristics that have been identified as good indicators of the likely 'power' of a public idea (Reich 1988; Parsons 1995). For those of us, who believe that the emergence of a reconstituted idea of community represents an important historical moment, the challenge is to shape the meanings of the idea so that it can become a foundation for a re-balancing of values and for new forms of organising democracy which realign relations between governments, markets and communities.

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