Community
and
Local Governance
in Australia

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Localisation in Contemporary Public Management

Michael Hess and David Adams

If contemporary Australian public management is to respond successfully to international trends in the localisation of policy and implementation it will need a new knowledge base and a new set of skills. This chapter outlines the background to the deficits in these areas currently facing our public administrators and suggests ways of addressing them. Other authors in this book have identified many of the factors that are propelling changes to public management. Some of the key features of this changing landscape include:

- the re-emergence of community and its potential policy agency
- the focus on place management
- the importance of networks to knowledge creation
- the convergence of traditional planning with social capital
- the perceived redistributive failures of economic rationalism and market instruments.

While there are broader discussions about the future roles of markets, communities and governments in public policy, we have focused in this chapter on the specific issues of new forms of knowledge in the public

sector and the challenges such knowledge throws up for current instruments and practices – in short, introducing the idea that knowledge has an important spatial as well as temporal element to it.

Following the patterns set in the UK and the USA, Australian public management was dominated in the 1980s and 1990s by instruments and practices based on economic knowledge. Not only did this functionally marginalise social policy, it also had a profound impact on how we viewed the knowledge and skills required for making and implementing good public policy. The 'economic policy lobby', whose knowledge and expertise underpinned this policy revolution, became located in or were closely associated with central government agencies such as cabinet offices and treasuries. This centralisation of knowledge, with the apparent certainty of a unitary frame of reference, was fundamental to the political success of NPM. It was also responsible for the principal deficits under this model of policy and management, which began emerging during the 1990s.

Recognition of the deficits created by an over-reliance on economic instruments has seen public managers (re)discovering alternative ways of making and implementing policy. At the same time, the management of locational factors is increasingly being seen in both public and private sector management as a determinative factor in successful adaptation to changing economic and policy environments (Porter 2000; Florida 2003). So, on the one hand, businesses can be seen attempting to draw together threads of knowledge and networks of relationships available in particular localities to increase competitive advantage and return an investment to shareholders, while on the other hand governments can be observed responding to customers and citizens, who are demanding processes and outcomes more tailored to their particular local needs. In both cases the enterprises and organisations which are able to tap into local knowledge and networks will be advantaged. The decades of dominance by economic knowledge and instruments have left public managers ill equipped to ride this new wave of locality-based innovation. The extent to which Australian governments are able to respond to these trends will be determined in practice by the extent to which public administrators are able to retrain themselves to gain the skills required for developing and implementing location-based policies.

This chapter rests on a logic previously developed in the historical analysis of changes in the ontology and epistemology of public administration (Hess & Adams 2002, 2003). In these works it was noted that such changes have historically taken place more or less constantly but are particularly noticeable during periods in which the role of government is being redefined to fit changing relations in societies. In such periods, the

knowledge frameworks on which public administration rests are also likely to be redefined around questions of what knowledge might be newly relevant to government in general and to specific policy areas in particular. In our previous analysis, referred to above, contemporary changes in public administration were characterised as involving a move from positivist to constructivist knowledge frames. Two aspects of this which have particular relevance to the issues of locality and social inclusion are that centralised expertise is being challenged by local knowledge and that multiple knowledge frames are being simultaneously acknowledged as significant for policy-making and public management.

This movement in knowledge base has the potential to create a policy role for community networks and local governance. It is, however, important to note that neither the success of arguments for this nor the creation of the means needed to enable it to succeed are guaranteed. One cause of potentially fatal barriers is the political process itself. Electorally driven political leaders may well see little beyond the risks of greater exposure to community participation or the advantages of hitching a ride on this latest bandwagon. Either way a narrow focus on the electoral risks and advantages of localisation may prove fatal to an historic opportunity to add to our policy toolkit. The alternative of seeing a move to local governance as an evolution in the capacity to make and administer sound policy certainly requires considerable vision and leadership. There is a great temptation to seize the instruments of local policy engagement, community consultation for instance, for immediate political advantage. Equally great is the possibility of shying away from local engagement because of a perception of its political risks. If either of these reactions dominates policy processes they will not merely fail to grasp the opportunity offered by real localisation, but the whole process may also be discredited. Rhetoric about consultation not matched by performance may also create a significant political backlash. While it may be that such rhetoric is cynical, there is also a strong possibility that it may fail even where it is genuine, because of a lack of appropriate skills among those called upon to implement it. From a public management viewpoint, then, the task of localisation is not a simple one, and if the pitfalls are to be avoided a clear understanding of the context and underpinning concepts is required.

The context

Attempts by public administrators to balance an over-reliance on economic ideas and data by bringing different forms of knowledge into public policy and administration have involved two sets of epistemological

implications, each with their own impacts on the skills that are likely to be required of public administrators.

First there are those skills required for deploying the particular alternative areas of knowledge that may be used to address the deficits evident after two decades in which markets have been seen as containing the secrets of good government. One way of thinking of these alternative sources of knowledge is to add the non-financial 'capitals', human, social and natural, to the public policy equation. While not all of the knowledge this makes available is new, a lot of it is new to today's public administrators, whose conceptual focus has been narrowed by their formal training and two decades of reliance on economic knowledge.

The second set of implications is about the need to simultaneously value the various alternative knowledge frames relevant to particular areas of public policy and administration. A contrast can be drawn here between the relatively unitary nature of economic knowledge and the variety of factors brought into play by the inclusion of knowledge arising from other forms of capital. Some of these alternative knowledge frames are inaccessible to centralised policy and administrative procedures and thus pose operational difficulties for people who are trying to use this 'new' knowledge while working within traditional public organisational structures. One difficulty is that attempts to use other sources of knowledge to balance economic ideas and data create compatibility problems in the structures and skills required for community or state engagement on policy and its implementation.

The period of dominance of economic knowledge built upon a strong history of positivism in public administration. This tradition had two great advantages for governments in periods in which their societies expected that policy-makers would take the lead in planning and executing economic growth and social development. The first was that this knowledge was directed at solving problems. In democracies this had electoral importance because it enabled governments to address the issues of the day. In administrative terms it facilitated a focus on specific policy areas for which apparently discrete and highly specialised organisations, with different and highly specialised forms of knowledge, could be developed. The second advantage of a positivist approach was that this knowledge was owned by the experts who, until recently at least, were government employees with careers (and lives) structured within the organisational silos, which institutionalised the knowledge needed for particular policy areas. Among the results were an inability to address specific problems arising within communities of location or interest and an inability to manage locational factors as drivers of innovation in policy-making and implementation.

A constructivist approach to knowledge provides an alternative. Such an approach implies a focus on iteration and learning in which knowledge is not owned by the experts. Rather, it is something which is developed during policy and management processes. The positivist approach has experts searching for the 'right' ideas and applying objective expertise to solve specific problems. The constructivist approach suggests that it is within a policy discourse that the appropriate knowledge develops. Public administrators and politicians, traditionally the sources of policy, are certainly parties in that discourse. So, however, are communities based on both location and interest. It is here that an epistemological discussion may meet a concern with local governance because, under a constructivist approach, it is in the relationship between government and communities that the knowledge appropriate to particular issues is created and legitimised.

This relationship (re)emerged in Australian public administration in the late 1990s with the rise of community consultation mechanisms as a suddenly mandatory part of policy processes (Adams & Hess 2001). Among the concerns about the wisdom and effectiveness of community consultation is the old problem of participation summed up so famously in the French student slogan of the late 1960s: 'I participate; you participate; we participate; they decide'. Without wishing to get into a critique of consultation processes, it is clear that in Australia they have covered a wide range. The worst have tended towards window-dressing. Many have, however, been seriously undertaken but have still not improved policy or its implementation. At a knowledge level these more genuine processes have often seen public administrators setting forth Columbus-like from their organisational structures in the hope of finding the missing pieces of particular policy jigsaws. The point for analysis is that the assumptions have remained positivist and so the skills employed have been those familiar from older patterns of policy-making based on centrally owned expertise. It is difficult to see how such a knowledge and skills base can facilitate the push to localisation, and easy to see how it might undermine such initiatives.

The 'new' knowledge

So what would a constructivist approach to policy knowledge look like and what are the skills needed for public administrators to take part in contemporary knowledge creation involving community networks?

The policy and administrative knowledge traditionally developed, protected and acted on by organisations mandated to look after particular policy areas has no natural meeting point with local knowledge devel-

oped in community networks. In Australia the realisation that this is the case has seen governments taking specific steps to create structures which will 'look after' alternative processes and specifically bring community considerations and processes into the operation of government. The establishment of the Department for Victorian Communities is one institutional attempt to acknowledge the importance of community skills and energy as drivers bringing the local knowledge of community networks into public administration (Hess 2003). While these initiatives are laudable as attempts to redress the balance in policy-making, our point is that they run the risk of failure at a practical level because the skills required of the bureaucracy and the community have not been part of our national life for some time. While academic discussion of the virtues of social capital may claw back some intellectual legitimacy for a focus on non-economic policy outcomes, we will need skills of engagement and cooperation, unlike anything we've previously attempted in non-emergency situations, to make community participation work.

This concern is not based on making guesses about the future. Rather, it arises from an analysis of contemporary trends in which the knowledge frames in public management are already changing. Nor is such change a new or alarming phenomenon. It may in fact be seen as part of a continual process of adaptive practice as public administration moves with the times. Table 12.1 is revisited here from earlier work (Hess & Adams 2002). It establishes a conceptual context within which to place the discussion of skills by considering how the relationships between worldviews, knowledge frames and the conduct of public administration has changed over time. In discussing the following table, some depth is added by choosing a commentator whose work characterises the periods which seem to be watersheds in change to produce a set of stereotypes of public administration in these periods. This is used to show how particular views of the world of public administration (ontologies) have been related to what has been constituted as good knowledge (epistemologies) in given historical policy environments.

The first column characterises 1930s public administration. In developing this we were struck by just how foreign a contemporary description of the character and activities of our earlier counterparts now sounds. Subsequently colleagues working in some areas of public management in which vocational motivation has survived, like health and education, have remarked on the affinities they feel with the earlier stereotypes. In any case, commentary on the 1930s public administration emerges as being based on a combination of faith and reason (Finer 1932). Under such an approach the stereotypical Civil Servants must believe that the public welfare is their sole end, and that they are not

Table 12.1 Ontological and epistemological change in public administration over time

	1930s	1960s	1990s	2010?
Caricature	Manuals and forms	Planning and policy	Management and contracts	Knowledge and energy fields
Core subject	Constitutional law	Policy analysis	Management	Brokering meaning systems
Discipline	Political science, law	Policy studies	Management and economics	Governance
Body of knowledge	Law, history	Social science	Public choice (deductive positivist)	Interpretive (inductive empirical)
Unit of resourcing	Functional sphere	Programs	Individuals outputs	Public service outcomes
Problematic	Administration	Poverty, employment	Legitimacy	Coherence of economic, social and human capital
Main tool types	Regulatory, budgeting	Planning, management	Competition, productivity	Sustainability, deliberation
Organising focus	Bureau	Programs	Output groups	Networks
Public servant	Bureaucrat	Public administrator	Public manager	Knowledge facilitator

entitled to spiritual and material adventures which conflict with this end. If our stereotypical Civil Servants receive orders which are unsound, or are reprimanded unjustly, their sense of obedience must not be weakened, and (without animus) they must honestly state what seems to them unfair and inefficient. Their use of leisure would need to be such as not to render them unfit for the best performance of their duties. Their inventive faculties must be continually kept at their fullest natural stretch. Their imagination must, as far as it can, see through the bureaucratic forms and the oral and written reports to the human realities they represent. The representative political assembly and its organs will lay down the limits within which they may act officially, and they owe obedience to these decisions.

This approach involves a view of public administration as having stewardship of the public interest. Good public sector knowledge was therefore seen as coming from a clear mind acutely tuned to the laws and procedures passed down from central authorities. Where these authorities derive their legitimacy from a democratic constitution it was

assumed that they would, as long as due process was followed, arrive at the policy outcome which best served the public interest. Faith in hierarchy and the application of 'generic' reason flow through this thinking. In the UK and those nations where government was modelled on the British system, this was the mainstream ontology and epistemology of public administration until well into the 1950s.

The general administrator under this stereotype was a cultured and cultivated man (!), whose knowledge of society was historical and institutional or legal. The main arguments about the desirable education for such public administrators revolved around the significance of law, and the claims of modern as against ancient history or philosophy. An extension of this education to take in modern social structure or economic institutions could be accommodated within this tradition, but instrumental techniques of social science fell outside it. This exclusion rested on a subtle distinction between 'administration', as concerned with high affairs of state, and 'management' as concerned with the routine operation of public services, a distinction long expressed in the relationship between the administrative and executive class in the UK.

The second column considers a public administration stereotype of the 1960s. By this period the historico-institutional knowledge frame was outdated and the exclusion of quantitative and managerial techniques from administrative education was no longer practicable (Self 1972). Although these instrumental techniques were to be performed mainly by various specialists, the administrator needed at least to understand their relevance for the tasks of analysis and appraisal. Conversely, of course, a heavy concentration on the study of quantitative techniques, to the exclusion of institutional and historical studies, was seen as dangerous because it would turn the administrator into a technician who was uninformed about the structural and historical setting of the problems public administration must address.

The cultured and cultivated public servant now needed an injection of quantitative and managerial techniques. This was, not coincidentally, the high point of the claims of the social sciences to understand the social world in the same way that the physical sciences were apparently able to understand the physical world. The laws of social relations were about to be discovered and this knowledge would, for instance, enable poverty to be structured out of existence.

In the third column the changes wrought in 1990s public administration under the impacts of economic rationalism are evident (Kemp 1998). In this new era public administration was called on to balance three quite complex issues. First, it was called on to view policy from the perspective of choice. Strategies which assumed limited choice or monopoly in the

consumption of service by citizens became unacceptable for many activities of government. Second, the process of policy development and strategy demanded greater sophistication. Choice-based policy options called for more transparent, more creative and more subtle processes than those based on either administrative regulation or planning procedures. While this involved the consideration of many new dimensions, the primary one was determining how the citizen could have the maximum freedom within a market of services. Public administration needed to comprehend both supply and demand issues. The third set of new issues to intrude themselves into public administration under the impact of economic rationalism was the centrality of the clear identification and articulation of outcomes. This required quantitative measurement of a high degree of detail and was fraught with problems of both method and process. Methodologically, the failure to cope with qualitative factors was a major problem because processes involving freedom of choice introduced variables with which centralised agencies using a narrowly economistic knowledge base had difficulty coping.

So in the 1990s the assumed objectivity of the social sciences was supplanted by a more specific endorsement of public administration as being like a market. In this conceptualisation, good knowledge is knowledge driven by public choice reasoning. Price signals and competition become the currency of good knowledge. From an epistemological viewpoint, the owner/funder/purchaser/provider model represents a high point of how to create a particular form of knowledge which becomes self-referential: because it is market-type knowledge it is 'good' and because it is good it is likely to be based on market practices. Under this approach, altruistic and non-market ideas began to struggle to make an impact on policy or its implementation (Stillwell 2000).

In the final column an attempt is made to bring contemporary movement in public administration together into a picture of possible futures for public administration. This draws on insights into the impact of postmodernism on views of where public administration might fit and on what knowledge it might be based (Fox & Miller 1996). In this period it appears likely that the ontology of public administration will be deconstructed (no more departments, for example) and an attempt made to construct a new reality based on another type of language and action. The Fox & Miller work on this is as dense and as odd to read as Finer's description of the public service of the 1930s. Because it is hard to understand, the first response may be to treat it as nonsense (as many do). But then one of the reasons it is hard to understand is that currently prevailing ontologies and epistemologies make it difficult to comprehend alternative views of possible futures.

At a second glance, however, the key concepts of a postmodern approach have a lot in common with elements of current public administration debates. So the 'public energy fields [of] all those activities and recursive practices currently conceived as agencies and institutions in organisational chart boxes' (Fox & Miller 1996: 100) seem to be something like the networks we talk about as being central to new and open forms of knowledge construction. The demise of the department might well sort out many of the 'silo' problems frequently experienced in current structures. Similarly, an approach in which knowledge is seen as residing in 'a public sphere with multiple sources, like sunspots potentially flaming up from any and all points' (1996: 101) also sounds familiar. The idea of privileging knowledge from multiple public sphere sources over technical and pressure group interests seems entirely consistent with what most governments want to do at the moment. The image of pulsating sunspots brings people and emotions back into the picture and also resonates with the primeval policy soup of Kingdon (1984) and the post-positivists of the 1990s (Farmer 1995). The sunspots metaphor may also resonate with recent thinking about the episodic (rather than linear) nature of time, rules and policy (Bauman 2001a,b). The point is that an apparently unlikely postmodern future has many knowledge, and therefore skill, connections to issues faced by public administrators attempting to come to terms with contemporary realities.

A summary of earlier changes in the knowledge framework of public administration might be that despite changes, up to and including the introduction of contestability, public administration knowledge has been drawn from functional areas using institutional approaches. This made sense when administration was a matter of applying the statutory rules or the economic model. But what happens to the operational needs such as skills and institutional structures, when the public administrator must be not only a bureaucrat, public servant, public administrator, social planner and public manager but also a knowledge facilitator? One set of answers lies in the epistemology discussed above. Another lies in a 'new' set of skills which the changing epistemology demands of public managers.

The 'new' skills

The knowledge base of the New Public Management revolution was located firmly in the market where the skills of economics facilitated policy based on deductive logic. The necessary knowledge was largely quantitative and could be sought and applied by the experts within or contracted to bureaucratic agencies. The necessary skills were learned in universities, during in-service training courses, or on the job within the

institutional structure. Aspects of current trends are rendering such skills incomplete. Rather than applying well-known knowledge to which they have privileged access, contemporary public administrators spend increasing amounts of time on the processes by which meanings and values are created and embedded in policy. This is especially the case where these processes involve locality issues in general and require community engagement in particular.

The skills base of public administration needs to reflect this shift. Strong law and economics graduates were well equipped to understand the underpinning and legitimising concepts of NPM and to use its tools, such as cost–benefit analysis and contracting. The strength of these skills lies in their normative nature. In some cases they may be reduced to a set of formulae which are readily taught in formal pre-service training and can be applied in many situations to bring order to, and provide direction in, complex situations. The skills of governance, networking and cooperative enquiry are more difficult to package and seem unlikely to be as readily picked up in undergraduate courses as are those of statistical and legal interpretation. In some senses the difference is almost like that between science and craft. The former, with its well-developed set of disciplinary tools based on logical and deductive thinking and its focus on measurable outcomes, seeks patterns and certainty. The latter may be both more pedestrian in its methods and ambitions but may also involve more intuitive thinking, with inspiration and flair playing greater roles. In this sense at least, the recent trends in accessing and using local knowledge as part of policy processes might be seen as a revisiting of the old definitional debate about the extent to which public administration is rightly seen as a science or a craft (Dunshire 1973).

In any case, the skills needed for dealing with the new sources of knowledge and translating them into appropriate administrative mechanisms will include some familiar ones but also some that are quite different from those required under regulatory or market-oriented public administration. Table 12.2 relates the features of better public administration as identified in Canadian and UK experience of the post-NPM era (CCMD 2000; UK Cabinet Office 2001) to the knowledge base these assume, the disciplinary sources which validate them intellectually, and the competencies they require of public administrators. As with Table 12.1, the attempt to reduce a complex web of interaction to a two-dimensional table is inevitably flawed. Despite this, the table is useful in showing the multiplicity of knowledge frames assumed in the emerging practices and how the competencies required under the constructivist approach vary from those needed by public administration in the past.

Table 12.2 Knowledge and skills for contemporary public administration

Features of better public administration	Knowledge (disciplinary source)	Competencies
Forward-looking clear on outcomes and criteria for evaluation; contingency planning	Government policy aims (political science, history, management)	Strategising; forecasting
Outward-looking Aware of: practices in other states; regional variation; public and agency relations	Other governments' policies and administrative practices (organisational theory, political science, geography, IT)	Research; communication; information-gathering
Evidence-based review existing research; commission new research; consult experts; consider and cost options	Research methods (economics, public administration, demography)	Quantitative and qualitative data collection and analysis; cost-benefit analysis
Learning Identify and publicise lessons learned	Media, advertising (history, journalism)	Narratives; storytelling
Innovative Using alternative ways of working, organisational structures, outside expertise	New ideas and methods (psychology, philosophy, sociology)	Managing change; presentation; risk assessment and management
Inclusive Consult service deliverers and receivers; assess impact; monitor feedback	Good governance Networks (organisational behaviour, public administration, sociology, psychology)	Listening; communication; building trust
Joined up Identify cross-cutting objectives and barriers to cooperation; set up joint working arrangements	Policy intersections; implementation processes (management marketing)	Establishing partnerships; developing support
Reviews Establish performance measures and feedback mechanisms; identify failures in policy and implementation	Evaluation (management)	Interviewing; judging; mentoring

Source: CCMD 2000; UK Cabinet Office 2001.

The possibility of certainty may be seen as a key conceptual difference between the ideas validating the previous skill sets and the skills required for the emerging practices. In organisational silos applying health, education, agriculture or transport policy, the specific skills of qualified experts could be applied using known information and tested methods. The skills required in the 'better public administration', far from being

about given information and tested instruments, involve being able to identify and construct meaning systems which can be made into instruments of public administration. These skills are quite untypical of traditional public administration.

One way to demonstrate this is to consider what happens to consultative processes where they are conducted under positivist assumptions about knowledge. Where the knowledge base seen as relevant to the particular policy area is assumed to be accessible primarily by experts applying a given set of tools, consultation is likely to be reduced to a communication exercise. The experts already know most of what they feel is needed before consultation takes place, and the aim is to increase public awareness of what is well known to the experts. On the one hand this limits the degree of genuine community or stakeholder participation and on the other it turns public administrators and policy-makers into salespersons, with the task of effectively communicating that of which they are already convinced. Either way consultation is likely to be characterised by frustration and to do little to improve policy outcomes.

Under a constructivist approach knowledge is not a given but really does need to be constructed. Where this is done best it will take the form of a cooperative process of discovery. The potential benefits in terms of knowledge are twofold. First, there is the issue of knowledge in itself – especially local knowledge – which is simply inaccessible to expert-centred processes. Second, there is the issue of reaching shared understandings regarding the value to be placed on that knowledge. So there is not just a process of discovering a set of facts but also a process of appreciating and mediating often conflicting ideas about those facts. The appeal of constructivist approaches is therefore in the degree to which they can produce usable knowledge in the dual sense of knowledge relevant to and shared by those communities of location and interest with specific experience of particular policy areas.

The sources of knowledge required for public management continue to include policy aims of both home and other governments, while established research methods providing basic socio-economic data remain essential. A glance down column 2, however, indicates how rapidly these knowledge sources need to be complemented if public administration is to fulfil the aims captured by such overworked expressions of contemporary commentary as 'learning', 'innovative', 'inclusive' and 'joined-up'.

The distance between what we have until recently seen as best practice and the directions in which the new trends are taking public administration is even clearer when it comes to the skills needed to access the newly significant knowledge sources. The competencies required for producing usable knowledge from constructivist approaches are set out in

the right-hand column of Table 12.2. In this column, two types of skills changes can be identified. The first type relates to bringing new ideas into public administration. The second relates to how the organisation of public administration needs to change to facilitate this. The first group of skills arises from those changes identified in international practice as public administration which is forward and outward-looking, based on evidence and oriented to learning. The second are the skills relating to the organisational changes necessary to achieve the aims of innovation, inclusivity, joining up and reviewing practices.

While the disciplinary sources required to bring new ideas into the mainstream are quite familiar in public administration (political science, history, management), their application takes on an altered focus because of the increased risks of forward-looking policy-making. Adding an outward orientation takes this a step further and increases the risk because it moves public administration into unfamiliar territory in which it is more difficult to control processes and outcomes. Evidence-based policy may be seen as an attempt to provide some insurance against this by making the unknown the subject of focused research. Taken together, the call for forward and outward-looking policy processes based on verifiable evidence will rely on a breadth of disciplinary knowledge across many social sciences spanning economics, political science, sociology, history, geography, demography, organisational theory and management.

In the international commentary tabulated in Table 12.2, identifying the key features of better post-NPM public administration, the key skills difference is the nature of the focus on information-gathering and research. The research and information needed to address the complexity of policy issues is seen as requiring a combination of quantitative and qualitative data. Public administrators will need either to have the skills to collect and analyse this data or to understand how to get others to do this in ways that make it usable for policy work. Here the NPM revolution has laid a strong foundation with its promotion of economic research as the key to policy-making and the use of tools such as cost–benefit analysis as fundamental to public management. Evidence neglected under NPM included areas of social research and thus we should expect that sociology in general and its applied areas such as demography and social policy will receive increased attention.

Where the constructivist approach becomes significant is in the second area of skills called for as organisations struggle to meet the demands of innovation and inclusivity. Here it will be particularly the skills of communication that become vital. In a positivist approach, communication is primarily about the techniques of getting an established message across to a target audience. In a constructivist approach, however, the

skills needed are those that allow technical knowledge to evolve within an environment inclusive of the relevant communities of interest and/or location. It is precisely this approach of bringing community into public administration which has the potential to drive innovation and overcome the barriers posed by organisational silos.

A way to think of the basic difference in the nature of the learning required to move public administration beyond NPM is to consider the basic questions public administrators need to ask. Under a traditional bureaucracy of the Westminster type these were: 'What is the policy?' and 'What is the procedure?' Under NPM they were augmented by a focus on economic data: 'What is the cost?' or 'What are the numbers?' In a constructivist approach, however, the starting point is the question 'What is the story?' After years of getting used to the hard data of economic measurement this seems a soft question unlikely to lay a firm foundation for policy. Its subtlety lies in the way in which it opens up the policy process. Public administrators asking 'What's the story?' are likely to be addressing both their own and the relevant communities' narratives. Such an approach may allow them to understand and evaluate the knowledge and views embedded in those stories. This engagement with values had the potential to open up new knowledge and new ways of doing things.

The idea that such a soft and open-ended approach can be a valuable addition to our public policy and management toolkit is likely to meet structural resistance from public organisations based on the creation of proprietary knowledge focused on discrete policy areas. So the second area under which changed skill requirements might conveniently be discussed has to do with reorganising public administration to facilitate the integration of new knowledge areas into public management. The issue is the constraints structural rigidity in public organisations places on the capacity to respond flexibly to complex policy issues. The principle here might be seen as innovation to achieve an inclusive and joined-up approach. Many of the skills of innovation have already become common in some areas of public administration because of changes under NPM. In particular, public administrators have become adept at presenting new ideas. As these become more complex, and under a constructivist approach involve more variables, there will be an increased need to manage change and particularly to assess and manage the risks it brings with it. Structural rigidities create particular problems where aims include the development of community-based policy-making and service delivery. Some commentary and advocacy has implied a normative role for 'community' – perhaps replacing 'market'. This runs the dangers of replicating the epistemological problems of the market focus. In the post-market

orientation an assumption that the invisible hand of the community will provide policy solutions would not be sustainable. In any case, the management skills required to engage successfully in such new forms of public administration would be different from those needed under either NPM or traditional bureaucracy.

Among them will be the requirement that public administration become inclusive. This would require the old skill of communication but also the newer skills of listening and building trust. Without the listening skills, attempts at consultation are likely to be counter-productive; without the trust-building skills, inclusiveness may be shallow. This area of trust-building has obvious implications for placing public administration in the context of communities. It is also significant within government as structural rigidities between and within public organisations need to be addressed. Inter-departmental committees may be seen as a step in this direction but political manoeuvring rather than trust may be their defining characteristic.

Finally, the new skills would include those necessary to genuine reviews of performance. The human resource management orthodoxy, to which all public organisations pay lip service, has introduced the mechanics for the evaluation of performance. For many public managers, however, this remains a task rather than a tool. The basic competencies involved in interviewing and providing feedback have been included in training courses for years, but the actual practices still seem uneven. The situation is even worse in respect of the development of judgement. This seems to be assumed to be an accessory of innate ability and experience.

How are we doing?

Chapters 2 and 3 of this volume set out some of the very significant structural changes taking place in Australian governments in response to the needs for locality-based input into the making and implementing of policy. Governments and the public sector have developed instruments over the years that are best suited to the rationalist idea of knowledge as an objective entity that is 'tapped', for example through consultation. That knowledge is then fed into the mainstream policy processes and juxtaposed with other knowledge by experts and other resource allocators. In doing so the concept of local knowledge is devalued and reduced to metrics.

Valuing of local knowledge could mean radical changes to public administration, one of the most obvious being the need to revitalise local institutions such as local government and the community sector. These have the capacity to be the key nodes in the co-production of local

knowledge while simultaneously providing sufficient organisational stability and reach to work with most community groupings.

Governments around Australia and internationally are now revisiting the significance of local institutions as a key source of network creation and support for strengthening local communities. Investments in institution-building may well be as productive in the longer term as investments in service delivery.

Essentially, the evidence emerging from localisation pilots undertaken by the Commonwealth and the States suggests a series of learnings requiring further analysis. These learnings can be summarised as:

- Pilots tend to work because they are well resourced and governed; what is much less clear is the capability of governments to scale up local pilots and/or replicate them.
- Local leadership is critical to success.
- Increased connectedness (for example arts, recreation, learning, sport) is strongly correlated with improved social outcomes.
- An enterprise focus (for example skills, jobs) is critical to sustainability.
- Local institutions are critical but variable in terms of capacity and agency.

There are many other broader theoretical questions emerging and these can be summarised as:

- The policy agency of community remains contested.
- Social capital theorising is now so loose and fast that it lacks coherence.
- Networks remain critical to the link between theory and action but their agency is also contested.
- There is little evidence to suggest that localisation can address structural inequalities.

Conclusion

As governments move beyond the New Public Management, multiple knowledge frames, significantly involving community and local knowledge, are entering public administration. This chapter has provided a brief overview of those issues in order to identify the implications of these changes for the skills required of public administrators.

Debates about place and localisation are complex. Often they collapse at the first hurdle in being able to address issues of equity – treating like places alike and unlike places differently. Paradoxically, of course, democracy itself is organised around place (electorates) but plans and delivers public administration through other mechanisms (most starkly through departments and programs). These in turn are highly dependent on the dominance of centralised functional expertise to achieve objectives of

equity and coordination. Until recently the dominance of central expertise was also thought to be the locus of knowledge production. This is now under challenge from local knowledge.

An immediate problem for those seeking to understand the potential of alternative forms of public administration based around local knowledge is the absence of spatially and temporally located theory in public policy and management literature. We have sought to make progress in this area by indicating the importance of understanding community capital. Among the key building blocks in the development of spatially and temporally sensitive public management theory could be:

- *endowment:* the stock of capitals at any time in a community including historical capital (such as rules and mores)
- *knowledge:* how such endowment is valued and prioritised over time; what matters and why.
- *efficacy:* the ability of people to mobilise and create agency and shape knowledge stocks
- *governance:* organising to give effect to efficacy.

The point is that such knowledge frames are not yet in scope in public management, but the interactions between these four elements at any historical conjuncture could well be the key to new forms of knowledge which could address current gaps in our capacity for making and implementing policy.

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