Strategic Policy-making and Consultation: A Second Wave in New Public Management?

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Can consultation and strategic policy-making be conceived as a second, arguably even more challenging, wave of new public management? The first wave focussed on public sector organizations and their environments. It extended the role of markets and quasi-markets in the public sector. It focused on deregulation and agency performance, and it emphasized the role of citizens as clients. One unintended consequence has been the extensive development of network relationships (Rhodes, 2000).

Independently, economic globalization and the so-called knowledge economy continue to require adaptation by states. Together, network management, economic globalization and information technology have led some governments to become more proactive in identifying strategic issues. Some, with little tradition of collaboration, have also sought more integrative approaches to mobilizing responses. Further, governments that have a tradition of collaboration have been discovering new ways to mobilize support for strategic agendas.

The new or extended linkages between consultation and strategic policy-making distinguished contemporary activity from earlier, often separated, and more narrowly based, treatments (see for example Davis, 1996). Linkage is driven by two basic factors. First, effective governance now requires capacities to identify emerging issues, and to consider them in perspectives that cross established departmental boundaries. Second, authority increasingly requires a foundation in consent. Together, these factors establish the case for new scanning, evaluating, seeding and mobilizing approaches by public managers.

By contrast, in earlier understanding, strategic policy-making often involved primarily technical analysis. In new areas, governments might appoint a committee made up of experts, or of individuals who would produce acceptable findings. For its part, consultation often involved no more than an invitation to respond to a set of proposals—with only limited time allowed for response, and often only perfunctory attention to responses. Three assumptions underlay this approach. Purposes or objectives could largely be taken for granted. Calculation of means was the central technical or analytic requirement. And traditional norms of authority would be sufficient to legitimize executive action. Such assumptions are increasingly problematic in many communities. Purposes are now more fluid and ambiguous. Potential ends and outcomes need to be identified and evaluated—and desired outcomes need to be specifically selected. Authority for such processes, and for change, has become problematic.

Further, in more interdependent contexts, older approaches do not deliver the kind of policy early warning system that is required. They do not seed appropriate strategic
conservations among elites. They do not sufficiently spread understanding or ‘ownership’ of relevant issues.

The emergence of these pressures has coincided with new opportunities to institutionalize scanning and outreach activity. The so-called knowledge economy creates numerous new opportunities for more extended interaction and linkage. Hence, in diverse policy areas, and by diverse means, public managers are experimenting with new ways of building state capacities.

This article explores these varied issues through an unsystematic survey of recent developments both in the environment for public management, and in the practices of individual states. It has four specific purposes: first, to sketch the forces driving a new priority for strategic policy-making and consultation; second, to review examples of recent state practice in selected dimensions of these activities; third, to consider some examples of how these activities are being embedded in public sector organizations; and fourth, and more briefly, to canvas the associated roles of parliaments.

The following survey does no more than sketch a wide and variegated terrain. It is a work in progress. It crosses a variety of political systems, and covers states with widely differing social and economic orientations. A broad survey does however suggest trends. The paper is based on a selected review of relevant literatures, recent Overseas Economic Cooperation and Development (OECD) studies and an unsystematic survey of individual country practices. Its aim is not to evaluate impact—it is too early for that task—but rather to point to the experiments that are underway—experiments that suggest not only the new importance of consultation and strategic policy-making, but also the varied policy domains that are involved, and the varied ways these activities are being pursued.

The Public Management Environment

The forces reshaping public management are by now familiar. There are three central drivers: economic globalization, information technology, and a more active citizenry. These three forces are evident in varying degrees, and in varying mixes, in individual states. Together, they are reshaping the environment within which public managers operate.

From the perspective of public management, economic globalization is a process with at least three implications. First, it can alter the economic role of the state. In the first wave of public sector reform, this was taken to require a general extension of the role of markets. More recently, this has been supplemented by recognition of the importance of the institutional settings in which markets are embedded. For example, what John Dunning terms location specific assets are a key influence on the investment and location decisions of firms, and on the capacity of states to attract Multi National Corporations (MNCs) (Dunning, 1997a). These assets include infrastructure (such as airports and telecommunications systems), intellectual property regimes, education systems, business services capability, etc. The state is the principal steward of such assets.
Regulatory arrangements can be a key influence on investment, technological adaptation and profitability. This is particularly important in systems where technology creates convergence between hitherto discrete activities (e.g., financial services, multi-media). Regulations and informal practices are the biggest single influence on so-called transaction costs—the costs of doing business, gaining information, securing property rights, etc. (North, 1992). State institutions dominate. Further, at a sectoral level, clustering has been identified as an approach that can leverage firm level performance—and also as an outcome that states can seed and nourish (Porter, 1999). The management of location specific assets and the development of clustering can reframe patterns of public-private interaction.

A second consequence of economic globalization concerns the policy instruments that governments have available to influence expectations and behavior. The capacity of states to fund new initiatives has generally diminished. Public budgets are more constrained—and they are less effective as instruments of influence. In this context, other instruments have been sought. What is termed ‘learning’ is the principal alternative approach (Reich, 1990; March and Olsen, 1995). This can involve efforts to build a consensus amongst policy makers and stakeholders more generally. Consultation and strategic policy-making are key dimensions of this activity. There is a parallel focus in the literature on private sector management—albeit many more complexities surround the development of learning in public sector settings (Mintzberg, 1998; Senge, 1990: 7-23; Garvin, 1993: 78-91).

Third, economic globalization creates new pressures for repositioning whole policy systems, or community-wide strategies. To facilitate nimble responses, more intelligence is required concerning emerging issues, externally as well as internally. Issues cross established departments, thus creating new needs for more flexible and coordinated responses. Further, states need to develop the understanding of their citizens if they are to respond effectively. Hence governments may want to scan more thoroughly and they may want to build their early warning capacities. To buttress adaptability, they may also want to build community understanding of longer-term issues.

Information technology is another driver of new approaches to strategic policy-making and consultation. This creates an array of new opportunities for gathering environmental information. In the private sector, the potential to refine and target marketing strategies has been identified as the greatest longer-term benefit of IT (Cohen et al., 2000: fn 2). Analogous possibilities open up in the public sector.

The final driver of renewed attention to strategic policy-making and consultation derives from changing citizen and interest group attitudes. Many states have witnessed the emergence of a more active or more skeptical citizenry. The symptoms are varied. One is a proliferation of organized interests and NGOs. This multiplies the stakeholders around programs. The expansion of the public agenda is another symptom—for example, attention to women’s or consumer’s or refugee rights, or the emergence of the environment as a new arena for state action. A more active media is a third symptom. A more active citizenry is a particularly significant development. Older norms of authority underwrote a primarily technical approach to policy development. Where an active citizenry prevails, technical analysis may need to
be supplemented by more participative approaches. One response is to make the strategic aspects of policy development more transparent. This can create a consensus around the definition of issues. A second, more complex, response is to associate decision and implementation with coalition building. Executive authority can be buttressed by majoritarian coalitions.

This is the general context in which consultation and strategic policy-making are attaining a new prominence in the approaches of public managers. The next section surveys some practical approaches.

Approaches to Strategic Policy-making and Consultation

Strategy involves systemic, cross-cutting and even whole community purposes. In ‘old’ public management, broad policy purposes in particular areas typically changed sufficiently infrequently to allow ad hoc, often top down, responses. Overlap between areas was not seen to be a major issue. Wholly new agendas were relatively infrequent. The developments discussed in the last section undermine these premises. They create the need to review purposes routinely and from broadened perspectives.

The approaches reviewed here involve efforts by states to respond to these needs—to embed scanning and review routine processes, and to do this in ways that broaden engagement. The policy domains in which this occurs, and the scope of such efforts naturally vary. This is partly a reflection of historically based roles of particular states, and partly a reflection of their current priorities. But the pressures arising from network management, economic globalization, information technology and more active citizens are ubiquitous, if differentially experienced. These pressures are increasingly, and variously, forcing public managers to deepen their attention to strategy and consultation. The following paragraphs survey particular developments in the two dimensions of strategic activity: agenda entry and agenda setting. A later section will explore the way strategic attention is being embedded in organizational structures.

Agenda Entry

Overlap between policy areas, technological opportunities and international interdependence can create new needs to register new developments, scan new policy-thinking, and filter, evaluate, package and disseminate information. Further, these needs arise on two planes: an expert or technical plane where new thinking needs to be monitored and new approaches evaluated; and the plane of public opinion and community attitudes where community responses need to be gauged and opinion development seeded. The latter involves approaches supplemental to opinion surveys and focus groups. Whilst such intelligence remains important, it is sufficiently textured or open-ended to meet the needs of strategic policy development. Information technology changes the context for all these activities. It also creates opportunities to broker information between geographically dispersed individuals.

A Canadian initiative exemplifies an elaborated approach to scanning and evaluating innovative thinking (see www.policyresearch.gc.ca). Attention to emerging and strategic
issues has been institutionalized through what is termed the Policy Research Initiative (PRI). This program was conceived in 1995 through the work of a Task Force on Strengthening the Policy Capacity of the Government of Canada. This was succeeded the following year by a task force on the Management of Horizontal Issues. These efforts led to the establishment of the PRI. It monitors relevant developments; spots informed individuals; and disseminates information. It thus functions as a kind of think tank—but its location as a separate unit within a central agency gives it direct access to officials. Its mandate explicitly includes building the information base of government policy managers.

In its first phase, the unit sought to identify medium term pressures relevant to the government’s overall agenda. Two reports followed: Economic Growth, Human Development, Social Cohesion in 1996, and Canada 2005, Global Challenges and Opportunities in 1997. The Secretariat then sought to create an on-going research and scanning network and to extend this to include a third theme: Knowledge-Based Economy and Society. A cycle of regional and national conferences is organized yearly culminating in the annual National Policy Research Conference. Six annual Policy Research Awards have been instituted. The network now engages some 7,000 policy researchers. A number of knowledge products has been developed including:

- www.policyresearch.gc.ca: the PRI website which offers links to 600 other sites and has attracted approximately 1,000 information requests daily;

- Horizons, a bi-monthly newsletter, also available on the PRI website; and

- Issuma, a new journal published by the University of Montreal under contract to the PRI and also available on the PRI website.

The Canadian activity is primarily focussed on elites. A parallel exercise has been launched in Norway. This project is entitled Norway 2030 and is designed to improve strategic planning. Interdepartmental teams have been set up to create five scenarios on the role and functioning of public administration. Both these exercises involve top-down scanning and evaluation (OECD, 1999: 6; see also www.oecd.org/puma/focus).

Britain and Finland provide examples of citizen-focussed or bottom-up initiatives (see www.otakantaa.fi or www.number-10.gov.uk). All these states have introduced programs to engage citizens via Internet conversations. In the UK, the Prime Minister’s Office has established an electronic Policy Forum. A discussion document is posted on the site, which outlines the issue and invites public views. The discussion is sustained for a defined period. The views of contributors are then summarized and the appropriate minister or official responds. Seven subjects have been reviewed in this way, for example, transport, pension reform, the status of women, crime, and electronic delivery of government services. Finland has recently launched a similar program with three initial topics: the project itself, the quality of public services and electronic service delivery.
Agenda Setting

Agenda setting is a more complex activity—moving from scanning and information evaluation, to an attempt to create consensus about longer-term priorities. At best, this creates a framework, which assists more immediate decision-making. Agenda setting can involve activity at a broad, long-term level touching national strategies, or policy development in discrete sectors. Both are illustrated in the following examples.

Further, approaches that seek to build national consensus behind longer-term goals themselves come in three broad patterns. The most ambitious involve attempts to build a consensus across whole communities; at another level, consensus might be sought between key interests, particularly the principal social partners, business and labor; at a third level, the so-called developmental states of East Asia have sought to create a consensus, particularly with business, concerning developmental and technological priorities.

Whole Community Approaches

The Australian state of Tasmania is currently embarked on a comprehensive agenda setting exercise. This is designed to achieve two purposes: first, looking in a twenty year frame, to identify a broad developmental vision and an agenda of issues; and second, to build a community wide consensus about the vision and issues. The exercise was launched in 1999 with a discussion paper canvassing key issues. The three major political groups endorsed the exercise. At the same time a community leaders group was created. This is a group of 24 people, all of whom enjoy strong local profiles. Their role is to facilitate local meetings with community and citizen groups and to encourage the development of citizen views.

The outreach effort was a notable feature. Community input to the process and comment on the draft, Our Vision, Our Future (OVOF), was sought through a variety of channels, including through a reply paid postcard distributed to every household, individual and group/company submissions, responses to position papers, on-line/web input, responses to expositions/exhibitions, and through a School’s kit. Some 80 community consultations were conducted around the State. Awareness of the program was heightened through media reports and advertising. The project web site includes discussion documents on project building blocks—covering education, economic development, public safety and health (see www.tastogether.asn.au).

By the end of 2000, consultation will be complete, and a draft vision and benchmarks will be produced. These will document desired developments in five-year blocks. These benchmarks might cover economic and employment outcomes, education participation by age, segment and performance, public safety, health, etc. These will then provide a basis for monitoring progress, and/or for refining directions.

This exercise builds on similar approaches in the North American states of Oregon, Minnesota, and Alberta. It has been introduced as a kind of circuit breaker—in an effort to stem continuing economic decline. Earlier similar approaches were marred by an attempt to
set too many, and too definitive, benchmarks. The Tasmanian effort will seek to set
directions—but not as to constrain government flexibility and capacity to respond to
exigencies.

The project is one response to the new requirements for building political consensus and
for mobilizing communities for action. This is clear in efforts to mobilize both a multi-
partisan political consensus, as well as broad community and interest group support. It is too
early to judge if this effort can provide a platform for policy innovation. It is also too early
to know if opposition political groups will accept the broad terms of the strategic vision—
thus focussing immediate political conflict on alternative means. This is a particularly
ambitious effort: it aspires to transcend the normal political process, and to shift the local
political conversation to a different basis.

INTEREST GROUP ENGAGEMENT

An alternative approach involves creating structure to engage selected interest groups directly
with government. Such non-market coordination, if it works, can make more ambitious and
integrated policy outcomes achievable. This so-called corporatist strategy for mobilizing
stakeholders was common in European states in the 1970s. Its failure in the 1980s in the
paradigm states, Germany and Sweden, was held to mark its demise. Corporatism was
judged unable to cope with the pluralization of interests and the erosion of norms of authority.
Peak groups no longer provided adequate representation and they were demonstrably less
capable of delivering their members.

More recently, interest in corporatist approaches has revived as a result of the successful
economic performance of three small states: Ireland, Denmark, the Netherlands. Their
success has been based on a mutation in approach. Deliberation formerly focussed primarily
on distribution and equity issues within wage frameworks that were centrally determined.
Now, productivity and distribution issues were linked, and deliberations have been established
in more flexible and open-ended frameworks (Rhodes, 2000; Schmitter and Grote, 1997).

The Irish Economic and Social Council brings together representatives of labor, industry
and social policy groups to establish broad, three-year guideline for economic and social
policy. The fifth in this series was completed in 1999. The preceding framework, Partnership
2000, engaged a broad array of stakeholders and a broadened scope of issues. A similar
approach was adopted in framing education policy. Representatives of stakeholders meet for
two weeks to discuss the policy and issues papers that are prepared for the meeting. The
government is not committed to accepting the outcome, but there is an expectation that it
would provide substantial guidance.

In Holland, collaboration is deeply embedded in the political system (Lijphart, 1998).
After its failure to stem unemployment in the 1970s, the role of concertation diminished. It
was reestablished on a more flexible basis through the Wassenaar Accord on 1982. Flexibility
was extended in 1993 when a new accord was framed. This has allowed much greater
decentralization of wage bargaining, but within an overall framework that permits a focus on
all aspects of employment including training, social security, entry level opportunities, low
skill and part time workers, etc. The Dutch case has been described as a system of ‘corporatism and the market, in which monetary stability, budgetary discipline and competitiveness have been achieved, while also reforming social security and boosting employment’ (Rhodes, 2000: 19).

The Social and Economic Council constitutes the apex of the interest representation system. The body was established in 1950. It currently has forty members of whom one-third are from trade unions, one-third from employers and the balance independent representatives appointed by the government. The Council has a staff of around 200. It has some twenty-six internal commissions, which evaluate policy issues, and it has limited authority to create regulations. Government departments and agencies are obliged to seek the Council’s advice on all important social and economic measures. Approximately three hundred opinions are sought each year. This process itself involves successive meetings and drafts. A second non-government body plays a key role in conjunction with the Council. This is the Foundation for Labor; it facilitates private and informal consultations between employer and labor interests.

Reflecting a more problematic context for such activities, both Denmark and Holland have recently embarked on a review of citizen participation and strategic policy-making. In Holland, a Forum for Democratic Development was established in November 1999 as a platform for debate on such subjects as interactive forms of government, economic globalization and democracy, the new significance of education and the role of political parties. The Forum is independent of the government and its Board members are recruited from a broad spectrum of social categories and activities. The Forum had been given funding for an initial five year period through the Interior Ministry (see www.forumdemocratie.nl).

A similar project was initiated some years earlier in another corporatist state, Denmark. A Democracy and Power study was established in 1997 by the parliament. This study has a six-year life and is funded with 50 million Euros. Its purpose is ‘to illuminate the function of democracy in broad terms, including the influence of organizations, movements, and economic power structures in society, as well as the consequences of internationalization as far as transparency of decisions, influence and power in society is concerned (see www.ps.au.dk/host/magtudredningen/Engelsk/frame.htm).

Distinct strategic approaches have also been adopted in East and South East Asia. Here the focus has been on economic development and technological upgrading. An extensive literature documents the catalytic approaches individual states have adopted. Efforts have been most elaborated in East Asia, notably in the Japanese influenced states of Taiwan and Korea, and also in Singapore. By contrast, in South East Asia, bureaucratic and integrating capacities are less developed. The financial crisis is a further complicating factor (Marsh, et al., 2000: Chapter 4).

Catalytic or transformational activity by governments is best exemplified in Taiwan, Korea, and Singapore (Weiss, 2000; Hobson, 1997; Evans, 1995). In all these states, there is
also evidence of a move from directive relationships between the state and business, to more collaborative relationships. This responds to such factors as business internationalization, and the need to seed indigenous technological development. In addition, the financial crisis is generating more industry policy. All these factors lessen the capacity of the state to impose its will by fiat.

Finally, both Taiwan and Singapore provide perhaps the most elaborated examples of a state role in seeding cluster development. Singapore was the first state anywhere to adopt this framework as a basis for policy development. This occurred in its 1992 study *Towards a Developed Nation* (RoS, 1992). This is a model of the use of cluster analysis to identify gaps in particular industry groups. John Matthews has described the approaches of both Singapore and Taiwan to the development of their electronics industries (Matthews and Cho, 2000). These could be regarded as paradigm examples of catalytic state roles.

Hong Kong, which has always been less *dirigiste* in approach than Singapore, Taiwan and Korea, has recently gestured to the need for more strategic and collaborative patterns. A Commission on Strategic Development was established in 1998 to explore broad future directions. The Commission was composed of sixteen members drawn from business, academia and public service. It was chaired by the Chief Executive and its findings informed his annual major policy statements in the 1999 and 2000 (Commission on Strategic Development, Hong Kong, 2000). The Commission took evidence from the official and representative bodies, departments and agencies, industry and trade associations and the media. Its findings concerned the ‘branding’ of Hong Kong in the region and more widely, and the substantive implications in terms of technology, infrastructure, business development, language competence, environment and recreation opportunities. The translation of these broad purposes into particular programs would require a sustained effort not only at the level of policy-making, but also in mobilizing interest and community groups. These latter were largely absent from the Commission’s outreach—suggesting the scale of the dissemination and mobilization task if the recommendations were to be further translated into action.

**SECTORAL STRATEGIES**

A current OECD project covers approaches to strengthening government and citizen connections in sectoral policy-making. Three case studies have been published—covering development of the health policy in Canada and Denmark, and disseminating information about environmental issues in the USA (available at www.oecd.org/puma). The Canadian case records an effort to ground attention to current issues in a strategic framework and to broaden the range of interests engaged in policy development. This was based on a National Forum for health, introduced in 1994 as a deliberative body with a fixed four-year life and a budget of C$.10 million. The Forum was composed of twenty-four individuals selected for their personal standing. Its deliberations were conducted through two phases. Initial issues documents provided the basis for 71 community meetings and discussion groups involving some 1,300 people. At the end of this round of consultations a draft document covering directions and options was prepared. This was then discussed at a series of regional conferences. In 1997, the Forum presented its findings. The case study concludes that three years after its report, the most politically contentious recommendations remain to be addressed.
It does however find that the process contributed both to broader awareness of the issues, and the quality of the dialogue between the major governmental and private protagonists.

The Danish case study describes the use of what are termed ‘consensus conferences’ to evaluate citizen reactions to new medical technologies such as fertility treatments, human genome research, gene therapy and risk assessment thresholds. The approach involves up to twenty randomly selected ‘lay persons’ meeting over a four day period first to hear expert views, and then to deliberate among themselves. This is effectively an elaborated focus group—with the findings allowing informed citizen’s views and reactions to be assessed. The case study documents the problems of integrating the findings into broader policy-making processes.

The American case includes an account of the development of a database, Envirofacts Warehouse, to make available a consolidated array of information about environmental developments. Information of waste sites, drinking water, air pollution, toxic releases, hazardous waste and water discharge permits is included. The site receives more than 50,000 daily requests.

**Institutionalization**

Consultation and attention to strategic issues lie at the heart of governance—a recently popularized term. Its currency reflects the new challenges to statecraft arising from more decentralized approaches to service delivery, from overlap and interdependence between policy domains, and from new needs for scanning and for gauging and/or seeding citizen and interest group views.

Think tanks have been one organizational vehicle for undertaking this activity. But such bodies are often too separated from the day-to-day workings of government. Both the Canadian approach to issue scanning (discussed earlier) and the UK provide examples of the extension of the role of central agencies in these activities.

**Central Units**

Attention to issues that cut established departmental boundaries has been given particular priority by the Blair government. The Cabinet Office is the primary driver of policy development (see www.cabinet-office.gov.uk). Their web site lists issues across government as one of the six major activities of the agency. The others all involve traditional Cabinet Office functions. Ten issues are listed under the cross cutting heading. Seven of these are emerging policy issues such as genetically modified products, better opportunities for older people, local business partnership, etc. But two entries lead to sub-units with on-going responsibilities.

- Modernizing Government: This unit explores novel ways of enhancing citizen services and access to government, particularly through EDS. It seeks to document best practice and seed general awareness.
Public Sector Team. This unit is focused on regulatory practices with the object of improving efficiencies and lowering transaction costs without jeopardizing wider public interests.

Principal responsibility for managing cross-cutting issues lies with another new group, the Performance and Innovation Unit. This is now headed by Geoff Mulgen, formerly director of an iconoclastic think tank, Demos. The unit has a Chief Economist. Otherwise its staff works through ad hoc project teams or task forces, which can be composed of individuals from both public and private sectors. These teams work full time on particular issues for a period of between six and nine months. There are five current task forces. For example, one major completed study is entitled Strategic Challenges (www.cabinet-office.gov.uk/innovat/2000/strategy). This offers a general overview of emerging issues and of their implications for government. Five issues are specifically explored: economic and technological shocks; future of national government; sources of competitive advantage; social cohesion; technology and attitudes. The report includes an associated document entitled The Future and How to Think About It. The authors comment ‘the process of thinking about the future may be more important than the result.’

Other projects currently under review include Trade, Social, Health and Environmental Objectives which is reviewing the stance the UK government might take to the linkage of these in future WTO negotiations; also electronic commerce; active ageing; the roles of central, local and regional governments; and accountability issues and incentives for joined-up government.

Corporate Affairs Managers

At the level of operating departments, novel activity in relation to outreach and strategic management might be expected to be reflected in the duties of officers with broad responsibilities for Corporate Affairs or Public Affairs. A recent survey of eighty-two national level agencies in Australia indicated nearly 90 percent of respondents had units with such responsibilities (Allen Consulting Group, 1999). This survey also showed the distance, at least in this one country in 1997, between the activities described above and the approaches of operating departments. It found the typical affairs unit was responsible for major publications and for media relations. It supported line managers with specialist advice on communications and issue management strategies. The major roles of such units were:

- Marketing services and programs offered by the organization either directly, or as a consultant to business units;
- Providing specialized communication services (e.g., employee relations; community relations);
- Preparing materials for marketing and communications campaigns, other external publications and media relations. Marketing and communication were split in public agencies with commercial activities.
The study further found that when issues became politicized, ministerial staff took over active management. The agency would reposition itself once government direction was re-established. Preparing for crisis management was not common.

Only 25 percent of respondents saw themselves as having significant involvement in senior executive committee. Seventy (70%) percent reported at levels below that of Chief Executive. Just over 50 percent of respondents had a background in journalism and communications, 14 percent in line management and seven percent in political or ministerial staff roles. The report commented that very few practitioners were deeply involved in strategic stakeholder relations, in issues management and strategic or scenario planning. This was often reflected in different badging—for example, ‘Strategic Development,’ ‘Relationship Management,’ and ‘Account Manager.’ Such approaches were, however, the exception.

Parliament

Parliament is the institution in many political systems which routinely attracts most media and interest group attention, and which is best placed to generate publicity, seed opinion formation and make policy development transparent. The Danish initiative, noted earlier, is an illustration of the role parliament’s can play in strategic policy-making and consultation. The following sections illustrate developments by reference to the Westminster style systems of New Zealand and the UK. In the former case, the move from a two-party to a multi-party political structure has resulted in a tilt in the balance of power from the executive towards the legislature (McLeay, 2000). In the latter case, the committee system is the most elaborated in any legislature outside the United States Congress (Longley and Davidson, 1998).

Committee Systems

The UK committee system was fundamentally repositioned in 1979. A committee structure was then introduced which mirrored the executive structure. Twelve departmentally oriented committees monitor the activities of the major departments. The annual pattern of inquiries of each committee has typically covered each phase of the policy cycle: agenda entry, issue refinement, current issues and budgetary issues. The ‘typical’ committee stages one or two major strategic inquiries each year, several shorter operational inquiries and hearings on the estimates and departmental budgets. Committee reports are published electronically. Inquiries routinely engage relevant stakeholders and interest groups as well as officials and outside experts.

On matters that are not the subject of immediate political controversy, these reports offer comprehensive overviews of options and the views of key protagonists. A substantial specialist staff support the committees—although not on the scale of the US congress. Current proposals to further develop committee powers seek to extend their role to include approval of appointments to statutory offices, to create greater independence from the executive for committee assignments, and to develop committee work as an alternative career stream for MPs (Winetrobe and Seaton, 2000). In a two party (majoritarian) political
system, it is well nigh impossible for committees to have other than tangential roles—although the UK committee system demonstrates the substantial contribution that is possible within such constraints.

Legislation

New Zealand has recently moved from a two-party to a multi-party, and there has been a parallel tilt in the balance of power between the executive and parliament, towards the latter. According to one member: ‘It is clear (multi-party politics) has put a brake on speedy law-making. More consultation is required before urgency can be taken to rush legislation and the government cannot expect to control the select committees (Quigley, 2000: 58-67). Further, the scope for introducing non-government bills has been extended. Such committees are typically established to review major legislative proposals. Submissions are generally invited. Significant variation in legislative proposals regularly results from committee hearings and recommendations. The same MP also pointed to the expressive contribution of committee hearings: ‘The process of committees seeking direct submissions from the public gives access to their laws in raw, undiluted and often passionate forms. In having a dialogue with the public, committees are exposed first hand to their concerns. This helps put a human face on the issues. It keeps members of parliament in contact with the electorate in ways a filtered process cannot.’

Budget Process

The OECD has surveyed the practices of its 29 members in relation to committee hearings surrounding the budget process. The survey included only two Asian states, Japan and Korea. In 24 of the 29 states, ministers testified to committees about budget matters. In 20 countries senior officials and heads of departments also gave evidence before committees. Interest group evidence was however taken in only ten countries, including Japan. Committee hearings are open to the public and media in 20 cases.

Again, the UK House of Commons Treasury Committee illustrates the important roles committees can play in exposing policy issues to wider scrutiny, attracting interest group attention, and seeding publicity. This committee takes regular evidence from the Chancellor, the Governor of the Bank of England, the Secretary of the Treasury and Senior Treasury staff. Committee hearings provide the most detailed public exposure of official thinking. The hearings are widely reported.

Conclusion

The foregoing is an unsystematic survey of approaches in a variety of regimes, characterized by differing political structures and ideological orientations. In most cases, it remains too early to evaluate impact. The surveyed activities are only facets of wider processes of analysis, mobilization and engagement. Evaluation of impact in any particular case would require assessment of much wider policy-making processes. In any case, the purpose of this
present exercise is only to point to developments reflecting the new priority for consultation and strategic policy-making, to point to the varied forms that these activities can take, and to the varied policy domains that are involved.

As noted at the outset, a first wave of public management change sought to expand the role of markets and competition, to build efficiency and improve performance. These efforts were largely focussed on departments and agencies, and are ongoing. One consequence has been the development of network relationships. Other drivers of public management change include economic globalization, information technology, and more active citizens. Together these developments have nourished attention to strategic policy-making and consultation. This is evident in efforts to build state capacities in such areas as:

- Identify cross cutting and emerging issues; drive awareness of significance and adaptations to established programs from the center;
- Identify desired longer term economic and social outcomes and build appropriate capabilities at systemic or cluster levels; and
- Engage interest groups, stakeholders and citizens in these activities in new frameworks and by new means

Through such activities, public managers have adopted enabling or facilitating roles. Public managers are now cast as stewards of policy systems. The developments surveyed here show systematic attention extending to a pre-policy-making phase, covering scanning, information evaluation and dissemination. These activities were once mostly the preserve of think tanks.

There is also evidence of governments experimenting with new approaches to consultation and interest mobilization. More open-ended approaches have been adopted, extending, so to speak, both horizontally and vertically. The “horizontal” dimension involves seeking more creative solutions by broadening the range of relevant variables, by seeding deliberation over longer time frames and with more information, and by making this activity more open ended. The ‘vertical’ extension of collaboration involves introducing outreach and collaboration to earlier phases in the policy development cycle. Formal channels, web sites and other virtual links are being used.

The Internet is the single most important new instrument for scanning and outreach. A recent Economist survey reviewed the dimensions of service delivery that might be affected, but omitted any reference to strategic policy development and collaboration. The examples cited earlier suggest its potential is no less powerful in these areas.

Of course, there is no easy imitation of institutions or approaches across states. Institutional patterns are decisively influenced by historical and local factors. Nevertheless, the examples surveyed earlier suggest general trends— with the responses of individual states depending on their particular circumstances. Current OECD studies of citizen
consultation and internet use are another symptom of broader interests (www.oecd.org/puma/citizens/aboutwork.htm).

Every example of strategic activity reviewed earlier was associated with consultation. Coalition building is less widely institutionalized as a buttress for policy-making. It is most developed as a practice in corporatist European states. There are examples of its application in other systems—but these are not institutionalized as part of ‘normal’ policy-making routines.

Is there a second wave of new public management? It is too early for firm judgement. But the stakes, in both economic and social development, are considerable. The scholarly literatures point to the way states, working with the grain of markets, can buttress their effectiveness, and yet augment equity. Consultation and strategic policy are core elements of such action. If a market metaphor was appropriate to describe the first wave of public management change, a learning metaphor might best describe the emergent phase. The approaches described here seek to enhance the learning of policy makers, of key interests and of citizens. They do this through deliberate attention to scanning, and to strategic issues; and through deliberate attention to outreach, information dissemination and opinion formation. Such steps offer to enhance the effectiveness of policy-making. These are the varied means by which states might respond more nimbly, more adaptively, and perhaps more wisely, to their newly volatile environments.

ENDNOTES

1 On economic globalization see for example, Held et al., 1997; on the ‘knowledge economy’ see Cohen et al., 2000.
2 For a comparison between institutions and approaches in the UK, and Canada, see Doern and Wilks, 1999; for international developments, see Braithwaite and Drahos, 2000.
3 On the systemic role of the state, see for example, Dunning, 1997b and 1997c; on the ‘transformational’ role of the state, see Weiss, 1999.
4 There is a large international literature on the proliferation of interest groups and the rise of social movements, or NGOs. More recently this has also been part of the exploration of what is termed ‘social capital.’ These developments and their impact in one political system are explored in Marsh, 1995.
5 The work of committee is surveyed in Marsh, 1985.

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