A Question of Balance: Reflections on the Public Sector Management of Whole of Government Issues

There is no silver bullet for successful multi-agency work. Given the variable definition and scope of whole of government activity and the potential associated risks and costs, it is prudent to base any adopting of joined-up working on rigorous analysis and design. Tim Farland

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INTRODUCTION

Whole of government solutions to pressing social, economic and environmental issues has been an elusive goal of most OECD jurisdictions for at least the past decade.

Whole of government modes of addressing challenging public issues would seem appropriate in a country like Australia with its 634 governments (Federal, State and Local), nine State and Territory public sectors and 625 local councils.

There is prolific literature articulating the benefits of and tools for successful joint agency working, eg: APSC 2004; Barrett 2003; Boyle 1999; Cabinet Office UK 1999 and 2002; Hopkins et al 2003; IPAA 2002; Mulgan 2001; Pollitt 2003; Rounce and Beaudry 2002; SSC 1999, 2002 and 2004; and Vincent 1999. This article explores aspects of the whole of government genre that have received less attention from bureaucrats and commentators: i.e. definitional issues, risks, costs, analysis and design.

Critique and deconstruction of the whole of government rubric, can enhance our understanding of the strengths and limitations of multi-stakeholder service delivery and issues management. We need to peer behind the veil of rhetoric and assess the specific benefits, cost and risks of particular approaches.

TERMS OF ENGAGEMENT

The term whole of government has elastic and multiple meanings. Before assessing the utility of the approach, we should define its components.

The recent Australian Public Service Commission report *Connecting Government: Whole of Government Responses to Australia's Priority Challenges* states that:

Whole of government denotes public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. They can focus on policy development, program management and service delivery. (2004:1)

Vincent (1999) offers a shorter definition:

Whole of government means collaboration between all relevant government agencies to achieve better outcomes for clients. (1999:50)

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Any critical reading of the litany of terms associated with "whole of government" reveals a semantic lucky dip where words like: co-ordination, collaboration, integration, integrated governance, horizontal management, cross-cutting or joined-up can often be substituted for each other without substantial variation of meaning.

Joined up government or joined up working is the UK equivalent of whole of government. Pollitt states that explicit definitions are hard to find and concludes that:

Joined up government has emerged as a fashionable term of art, rather than a precise scientific or technical concept. Joined up government denotes the aspiration to achieve horizontally and vertically co-ordinated thinking and action. (2003:34-35)

Integrated governance is another variation and refers to:

the management of government services through integration within government (to include internal departments, as well as other levels of government such as local government, State and Commonwealth) as well as collaboration with other sectors outside government. (IPAA 2002:8)

In Canada, horizontal management is the preferred term:

Horizontal management is about working collaboratively across organizational boundaries. Horizontal management is about more than interdepartmental cooperation. Horizontal initiatives often involve provincial and municipal governments, non-governmental organizations (NGOs), community groups and leaders, academics, and the international community. (Hopkins et al 2001-2)

Perhaps the most accurate definition comes from New Zealand, describing whole of government as:

a term of considerable elasticity, intended to describe a subject applying to a large section, if not the entirety, of the State sector. In practice, it can mean anything from "the entire State sector" to "a lot of Public Service departments". (SSC 2002:44)

Layer upon layer of meaning and usage render whole of government, a term that covers any multi-agency activity where "two or more are gathered".

THE WHOLE STORY

In every country, practicing administrators, politicians and academic political scientists can be heard bemoaning the failures of their national administrative systems in horizontal co-ordination and integration. (6, 2004:2)

While many commentators write as if the whole of government discourse is a recent development; designing effective multi-stakeholder approaches to the requirements of governments and citizens has challenged bureaucrats since the formation of nation states.

Perri 6 writes: 'the challenge of improving co-ordination horizontally within government is an eternal one' (2004:2). This is echoed by Chris Pollitt: 'Joining-up is the latest manifestation of one of the oldest preoccupations of politics and public administration' (2003:1).

Mulgan reminds us that problems around co-ordination: 'led to the creation of multi-functional local government in the late 19th century as a joined up alternative to the separate boards for sewage, water, gas and education' (2001:3).

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Meanwhile in 1832 in Sydney, Australia, Governor Burke declared what is perhaps Sydney's first whole of government metropolitan strategy:

> the time has arrived when Sydney citizens could be expected to administer to their own convenience and comfort, by providing by means of a body elected from among themselves, for the repairing, cleaning and lighting the streets, the construction of flagged footways and the introduction of water into public fountains and private houses. (Larcombe 1973:26)

Wiltshire referring to Encel (1958) states, 'for years it was lamented that in Australian Governments there was no particular body formally charged with the task of oversight with the whole machinery of government' (1975:33).

More recently Podger stated that 'The debate about vertical or horizontal management is age old and the pendulum swings back and forth between devolved and centralised approaches' (2004).

The fact that whole of government exhortations are a perennial feature of the politico-bureaucratic milieu across all jurisdictions, points to that fact that institutional fracture is a given and natural element of most large organisations; as Perri 6 states, lack of coordination is:

> eternal because any of the basic institutional forms of organisation, and all of them working in coalitions, will throw up different aspects of the problem through their own basic organisational weaknesses, and through their conflicts and rivalry with each other. (2004:32)

RISK AND COST

In the mid-1990s it was difficult to find sources that provided a solid critique of the inherent risks of joined-up or cross-agency work. There is now a growing body of contemporary literature and research that is taking an analytic and discerning view of the efficacy of whole of government approaches.

Huxham has undertaken extensive research on collaborative organisational behaviour for over 10 years. Much of her work is of direct relevance to assessing the risks and benefits of joined-up working, eg:

> Joining up brings its own set of problems...public managers at the receiving end of collaborative policy drives often express extreme frustration, partly because little guidance is given on how to prioritise the initiatives being promoted and partly because difficulties... in gaining agreement to act arise out of difference between parties on organization purpose, procedures and structures, accountabilities and power. (Huxham and Vangen, 2000:2)

The Demos publication, *Governing in the Round, Strategies for Holistic Government,* offers a useful critique of all things "joined-up", and advises:

> Pooled budgets, co-locating staff, one-stop shops, integrated electronic consumer information services and the panoply of specific activities are, on their own, neither necessary nor sufficient to achieve holistic working...Holistic working is not a panacea. It is not risk-free or costless. (6 et al 1999:10-11)

The Australian Public Service Commissioner, Andrew Podger, issues a similar warning:

> not everything requires a whole of government approach - the intent is not to mire routine straightforward issues in costly or time-consuming cross boundary work. (2004)

The proliferation of initiatives has emerged as a risk of not 'joining-up' the joined-up efforts.

Referring to the UK government, Perri 6 comments : 'It has been criticised for excessive centralisation, rococo proliferation of targets, "initiativitis", and conflicting policy goals' (2004:23).

Richards and Smith believe that the UK Labour government:

> has attempted to address the fundamental problem of co-ordination which exists within British central government but, in a contradictory style, they have further fragmented the state with the creation of new institutions. (2002:13)

Van Gramberg adds in a similar vein:

> The nature of 'whole of government' is reactive and piece-meal in its application. It does not seek to apply a uniform solution to problems caused by service gaps. It merely seeks to fill the gaps on a case-by-case basis. (2003:9)

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Hopkins (et al) outlines how horizontal initiatives multiply accountabilities:

> Managers of horizontal initiatives need to maintain contact with vertical structures for the sake of securing accountability, authority and resources….Indeed, the need to reconcile individual accountability with a collective sense of purpose and responsibility is one of the most significant tensions to be resolved in the management of a horizontal initiative. (2001:vii)

James echoes this concern:

> Responsibility for shared targets has been particularly difficult to allocate, calling into question the desirability of ….. 'cross-cutting' accountability arrangement as suggested by proponents of 'joined-up government. (2004:20)

New Zealand's State Services Commission (SSC) takes a stronger view:

> Managing for shared outcomes involves joint decision-making and shared responsibility. The threshold for entering into these arrangements is a high one: it must be the most cost effective intervention that the agencies can make. This means it must be more effective at achieving/contributing to an outcome than any intervention an agency could make on its own. (2004:7)

IN THE BALANCE

The core tenet of this article is that we need an "eyes open" balanced and critical approach to multi-agency work. Governments, agencies and communities need the benefits of function specific agencies, e.g.: health, education, police, transport; and successful whole of government initiatives.

Perri 6 (et al) stresses that:

> The choice is not between joined-up working or retaining a silo-based approach. The agenda demands appropriate forms of integration and differentiation at different levels and for different goals. (1999:10)

Whole of government aspirations should not be at the expense of the inherent strengths of departments:

> Silos, ironically are an apt metaphor, they store grain; agencies store technical capacity and institutional and intellectual capital. The ubiquitous criticism of government services, as vertically isolated should not detract from the importance of the essential specialist roles of departments. (Farland 1998:14)

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Pollitt in a survey of joined-up activity reminds us that, 'The existence of well-defined organizational boundaries—both horizontal and vertical - should not be regarded as obsolescent thinking' (2003:39). He draws on guidance from the UK Cabinet Office to expand this advice:

> External boundaries define an organisation and give it shape; internal boundaries provide a way of organising work and helping people to know what job they are supposed to do.

> Internal boundaries enable organisations to exploit the basic concepts of comparative advantage and division of labour—dividing an organisation into sections with defined responsibilities means that staff know what job they are expected to do, and can acquire the knowledge, skills and experience to do it well. (2000:42)

Donald Kettl offers insightful commentary on the same issue:

> The fundamental dilemma is that government is, by nature, constructed around boundaries.

Boundaries between administrative agencies shape clarity of purpose. Boundaries within agencies, through hierarchy and authority, promote efficiency. These boundaries are essential for defining administrative responsibility and, ultimately, democratic accountability. (2001:6)

Kettl goes on to state that:

Governments are not about to abandon the considerable merits of a functionally organized government for the advantages of organization-by-place. That would improve co-ordination at the local level but weaken government's ability to build administrative capacity. But governments do face the challenge of doing a better job of co-ordinating place-based issues within a functionally organized system. (ibid)

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ANALYSIS AND DESIGN

In a 2003 survey of joined-up Government initiatives Pollitt concludes that it is:

wise for proponents of Joined-up government to regard it as a .. selective project… because the balance of risks and likely benefits may not be sufficiently positive to disturb existing structures and procedures. (2003:15)

The NSW public sector was an early adopter of a discerning approach to the use of co-ordination. In 1996 the following questions were being asked:

At what level do we integrate service planning and budgeting? At the area, neighborhood or individual level?"; "What tools do we need to make this a reality: common data sets; common priority statements; common procedural policies; common planning protocols? How can we pool funds while ensuring accountability back through each agency's hierarchy? If decision-making and accountability tools such as business plans are used to solve the accountability problem, does this create new costs? Do the benefits justify the costs?" (Department of Housing NSW, 1996)

New Zealand's State Services Commission (SSC) was one of the first jurisdictions within the OECD to trial a management tool for 'making decisions on integration of government service delivery' and 'includes an integration spectrum ranging from high integration to high specialisation, and an evaluation matrix with criteria for evaluating alternative arrangements'. (1999:6)

In a later paper the SSC issues the following warning:

More joint working is not the answer – only work together when it adds value In any situation where some form of collaboration is proposed, agencies must weigh up the costs and benefits of working together towards an outcome against the cost and benefits of working alone towards the same outcome. (2004:6)

The SSC recommends that agencies undertake multi-agency initiatives by 'choice not chance'. They outline an assessment covering four prerequisites:

1. **Impact** – outcomes for citizens will be improved by better co-ordinated government
2. **Value** – the benefits to New Zealanders will outweigh the costs
3. **Accountability** – all agencies are accountable for their actions
4. **Rationale** – there is a clear rationale for including all participants. (SSC 2004:2)

Farland (1998) offers a framework to assess the viability of multi-agency initiatives. This approach maintains that the framing of sustainable and effective services is contingent on the presence and alignment of the following factors:

1. A clear ministerial and corporate mandate (policy base); to achieve
2. Measurable objectives and results; using
3. Appropriate capacity and resources (Budget, people, IT); to deliver
4. Citizen centred services.

The January 2000 UK Cabinet Office report: *Wiring it up: Whitehall's Management of Crosscutting Policies and Services* recommends action in key areas to improve the formulation and management of crosscutting policies and services. The report stresses that:

the solution in any particular case needs to be tailor made and based on a thorough analysis of the problems in that particular case, and that

the signals which Ministers give civil servants about the priority they wish to be given to crosscutting approaches is the key to it all. (2000:5)

CONCLUSION

Harold Seidman maintained that:

> The notion of co-ordination is the twentieth century equivalent of the medieval search for the philosopher's stone, and that

> If only we can find the right formula for co-ordination, we can reconcile the irreconcilable, harmonise competing and wholly divergent interests, overcome irrationalities in our government structures, and make hard policy choices to which none will dissent. (1999:179)

This article has tried to demythologize the implied magic of joined-up working; to balance the polemic with an appraisal of its risks and costs.

We note Huxham and Vangen's warning that:

> 'unless the potential for real collaborative advantage is clear, it is generally best, if there is a choice, to avoid collaboration. (2003:11)

. . . carefully designed whole of government efforts can reap substantial benefits for government, agencies and citizens, . . .

It is precisely because carefully designed whole of government efforts can reap substantial benefits for government, agencies and citizens, that we need to enhance the capability of the public sector to build and sustain successful joined-up working.

> It is one thing to suggest the need to move away from governments' stovepipes. It is a different - and more difficult - thing to devise effective strategies for linking related programs to provide effective services and to organize by function but deliver co-ordinated services effectively in each community. (Kettl 2001:12)

The ongoing challenge for the Australian public sector across all jurisdictions is to:

1) enhance the valuable and specific functions of Departments; and

2) craft sustainable "high yield" multi-agency responses to major cross-cutting social, economic and environmental issues. ∎

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