6. Risks, opportunities and challenges

Where to next? There are, evidently, many engagement contexts in which practice has evolved and consolidated over time and policy makers are comfortable using fairly standardised techniques. As for innovation, there is no one ‘cutting edge’, but a number of possibilities for further development.

People are experimenting with numerous new modalities, particularly in relation to deliberation—that is, where engagement does not aim simply to elicit what is already there, but to actively involve citizens and groups in discussion and change. For public managers, there are many options to be tested. Equally, however, there are problems in reconciling the world of collective decision making with the world of engagement. Issues of power and control, risk and challenge—the dilemmas of engagement—need to be teased out.

As with many innovative processes in governance, going further requires a good understanding of the risks involved. The case studies assembled for this volume, as well as others from the literature, suggest three types, or dimensions, of risk:

- risks relating to context
- risks relating to motivation
- risks relating to operations.

Understanding context

We have seen that, overwhelmingly, the specifics of the situation define the parameters of engagement. For most public servants, most of the time, the menu of choice is restricted by the requirements of the job to be done. A particular outcome is required—such as a usable piece of legislation or delivery of a program to a particular group—and engagement flows from that.

So, context shapes engagement. What, however, determines context? Clearly, the level of government is important, as is the history of governance in the particular area under consideration. Whether we ‘consult’—that is, gauge reactions or opinions—or engage participants more directly depends largely on the nature of the situation. In theory, consultation is the ‘freest’ mode because it can be undertaken wherever consultees can be identified. By contrast, participation, in any meaningful sense, cannot simply be conjured out of thin air.

In general, though, participatory processes are less risky than consultative ones. This might seem counter-intuitive until we remember the key importance of context. Participation will not be on the menu of choices unless there has been some progress made towards governance. Participatory decision making in natural resource management demonstrated the importance of evolved
governance together with clear warrants for action. Our case studies show what can be accomplished in these settings—for example, in the use of participatory decision making to resolve conflicts over access to resources in the tuna fisheries off the eastern and western Australian coasts.

Consultation, on the other hand, often takes place in situations of high conflict, high ambiguity and uncertain or wavering political support. These problems can be particularly acute at state and territory levels. Issues requiring consultation are those that affect significant groups, as well as those that affect the natural environment and/or citizens’ rights and entitlements. These are also areas where risk is likely to be highest (Government of the ACT 2004).

Equally, however, there are risks in not consulting in these situations. Decisions might be wrong (because of a lack of information) or they might have little support from affected groups (for a variety of reasons). Potential political penalties should be considered as a major factor. Politicians and their advisers want public servants to alert them to danger. They do not want to be caught out by unexpected opposition.

**What’s your motivation?**

Consultation manuals stress being clear about the purpose of the consultation: what might (or might not) happen as a result of it. This view of purpose relates to the content of consultation—the policy, practice or decision that is its object. Beyond these purposes, however, lies the Realpolitik of motivation. What does the government hope to gain? Is it support? The neutralising of opposition? None of the above?

The will to consult does not always translate into the will to make policy change. Reviews are frequently used to defuse opposition and to disarm alternative views, rather than to deal with them. Some issues, such as innovation policy, are visited and revisited over the years, without ever penetrating the policy agenda. Recommendations are made—for example, to deal with a lack of commercialisation of Australian research and development—without action being taken.

Using consultation in this way—that is, to rationalise inaction—can be frustrating for those involved, but it is relatively low risk. Using consultation to claim legitimacy for a decision that has already been taken is a higher-risk strategy, because disappointed communities are likely to express their dismay politically. In these cases, consultation can damage trust, rather than helping to build it up.

Public servants are right to be wary of consultation when issues are too ‘raw’ or when value conflict is high. In these instances, governments prefer to distance themselves from the arena, by using royal commissions or creating special commissions of inquiry. A prominent figure is appointed to head the inquiry, with public servants providing secretariat and back-up resources. Even so, the
result can be predetermined. More often than not, values or guiding orientations are either assumed or are inserted politically.

In other situations, governments are often not quite sure what they want to achieve when they consult. As we know, when the objective is unclear, it is difficult to find the ‘right’ technique. There is often a trade-off between blandness and engagement. Information can be gathered without arousing alarm if the questions are sufficiently innocuous. A planning ‘strategy’ for part of a town or city might elicit few responses. When it comes to abrupt changes to cherished neighbourhoods, the result might be quite different.

It could be argued that a sense of the Realpolitik of engagement is inherent in the arts of bureaucratic and political judgment. As the demand for engagement grows, however, so does the need for more explicit risk assessment. The strategic motivation for the engagement should be carefully thought through.

**Operational risks**

Context and motivation shape the parameters of risk, so understanding these factors is clearly crucial. There are, however, also operational risks that should be identified and dealt with. These risks derive largely from flows of information that might not be understood or anticipated.

Clearly, consultation is meant to improve information flow, but there are dangers in becoming ‘captive’ to information from some consultees, particularly those with political power. As a seasoned regulator put it, ‘You make sure you have input from all the players. If you don’t get them, you go and find them. They themselves are the checks and balances that prevent capture.’

What happens when there is a parallel process—that is, interests are lobbying ministers and advisers as well as taking part in consultations? Experienced managers stress that it all depends on whether you can find out what is going on or not. Acquiring this intelligence depends on developing and maintaining good relationships with ministers’ offices. If this is not possible, the best safeguard is your professionalism in what you are doing.

How to reduce the risk of disappointed or angered consultees wreaking vengeance on the government? Two of the few saving graces in these situations are transparency and fairness. Sometimes, being prepared to take the public into one’s confidence might be the best form of risk management. Being prepared to listen is of key importance here. As one consultee put it, ‘I did not like the outcome, but at least I felt I had been heard.’

**Engagement and program implementation**

Perhaps because of the influence of policy cycles, there is a tendency to think of engagement as taking place when policy is being formulated, well before the phase of ‘implementation’. From a public management point of view, however,
the real opportunities and rewards might lie after implementation. Making decisions about difficult issues is a job for politicians. Implementation, on the other hand, is acknowledged as the domain of public managers, and public servants, not politicians, are blamed when it goes wrong.

Despite a large academic literature on implementation, there is little agreement about the nature of the processes involved. I want to suggest that there is much to be gained by seeing implementation from an ‘engagement’ point of view. There are certainly some leads in this direction that might be taken from the literature. Indeed, Nakamura and Smallwood stress communication as being the pre-eminent implementation activity. By communication, they do not simply mean deliberation, but the activities through which policy choices—such as a new program or a change in regulation—are turned into organisational actions (Nakamura and Smallwood 1980).

Traditionally, agencies implemented policy and programs through hierarchical forms of communication. With the advent of outsourcing and a greater emphasis on partnerships, this communication takes place within inter-organisational, rather than intra-organisational, contexts. Depending on the types of relationships that are involved, and the degree of cooperation required from partners, communication can involve consultative elements. Collaboration (combining with other agencies or groups to achieve jointly defined purposes) and co-production (producing outputs with the involvement of other agencies or groups) each imply spaces, opportunities and, on occasion, requirements for consultation. It is not just service delivery that is involved. We saw that the ACCC, a statutory body in the regulatory field, consulted extensively in the implementation of its work.

It is true that the relationships involved in partnering have been extensively studied; however, the communicative dimensions of these relationships, and their practical implications, remain relatively unremarked. There are many issues here—for example, how can the distinctive attributes of partnering be retained, while conforming to public sector criteria relating to due process, reporting and planning? Can partners in delivery also be partners in policy? How should partners be consulted when issues to do with the overall purpose and configuration of relationships are under discussion? The dilemma here is how best to reconcile the needs of government with those of governance. As an experienced community worker put it, ‘Consultation often tries to be cooptation. Governments talk about collaboration when they mean coordination.’ Coordination, however, as an activity of power that allocates priorities, cannot readily be reconciled with the give and take of genuine collaboration.
Networking

Successful public managers are good networkers, in the sense that they can bring circles of influence to bear on particular problems. We saw evidence of these networks in policymaking situations, but they were less apparent when it came to implementation. As formal implementing mechanisms, networks in Australia are less developed than in other jurisdictions—for example, regional development networks in some of the states of the United States, social inclusion networks in the United Kingdom and planning networks in the Netherlands. The Australian Job Network contains many ‘co-production’ relationships, but offers few opportunities for cross-organisational networking.  

As ‘silhouette-busting’ mechanisms, networks tend to fail because they lack incentives for the participants to continue to exchange information (see Keast and Brown 2006). Outputs/outcomes budgeting and reporting can make these problems worse, because of measurement difficulties. The return of forms of evaluation that recognise cross-portfolio contributions can provide a way forward here, but equally, senior managers should recognise networking as a form of communication within an overall context of engagement.

Collaboration

Collaborative arrangements involve entities working together to achieve mutually agreed goals. From a public sector point of view, collaborations commonly involve other agencies, NGOs and, on occasion, business. Collaboration is also a type of engagement or, to put the matter around the other way, engagement techniques are required for successful collaboration. There are many examples of successful collaborations in which participants have complementary skills—for example, research collaborations and collaborations to achieve health outcomes. There could, in the future, be collaborations designed to achieve greenhouse-gas reductions, in the sense of facilitating information exchange.

The maintenance of collaborative relationships depends on shared understandings and values. For these reasons, they require longer-term commitment than do networks (see Head 2007). Such concord can be difficult to achieve when the participants are very diverse and when the funding, as it often does, emanates mostly from government. In funding NGOs, governments might not be looking for collaboration as an outcome—they want other benefits: access to the speed of the NGO, its dedicated workforce, and so on. Identifying and acting on these value conflicts can be the key to unlocking the potential of these forms.

Co-production

Co-production is more than contracting. It refers to modes of joint governance between government and the private (usually not-for-profit) sector, particularly in fields such as child care, care of the elderly and, increasingly, education. Good
contract managers know the value of talking with providers ‘around’ as well as ‘about’ the contractual relationship.

There is, however, a need, and an opportunity, for broader consultative arrangements involving contractors. The ‘feedback’ loop to policy making can be poorly articulated when delivery, implementation and policy advice are separated. Arguably, when information is disrupted in this way, the need for consultation increases proportionately. Oddly though, in practice, consultation for co-production can be poorly developed. Contractors—particularly those outside the community sector—might not be admitted to the inner circle of policy making: they are regarded simply as hired guns. For their part, agencies are required to maintain a level playing field between providers and to conduct ‘open’ conversations about tenders.

Formal compacts are one way of reducing misunderstanding. Through compacts, some governments have shown that they are sensitive to the need not to use their market power as buyers and as contract managers to silence the advocacy role of partner organisations. Undertakings to consult in relation to bureaucratic decision making might also be in order here. It might, however, be equally productive for contract managers to get ‘out and about’ a bit more, to exploit the opportunities for consultation and feedback that can be experienced only in less formal contexts.

Challenges

As we have seen, there are many opportunities for the development of engagement practice. Identifying these opportunities comes as much from seeing existing processes and structures in new ways and developing potential that is already there as it does from trying new forms. There are, however, a number of fundamental challenges to be surmounted—and dilemmas to be addressed—before opportunities can be embraced.

Flexibility

One of the abiding problems of government is getting departments and agencies to work together. Much has been written on the subject, and the Commonwealth Government’s Management Advisory Committee (MAC) has produced one of the definitive practitioner-oriented documents on the subject, Connecting Government (MAC 2004).

The term ‘whole of government’ has been used to describe the problem and the solution. ‘Whole of government’ can, however, be more hindrance than help in coming up with answers. The dilemmas of engagement suggest that the challenge is, rather, one of overcoming the disincentives that prevent sensible communication.
When a public servant from one department rings another seeking information, the immediate response is to find reasons for not giving it. Stances in IDCs are often competitive, rather than cooperative. Competition, however, tends to dry up flows of information. Collegiality should be a ‘spirit for all occasions’, not just when crisis strikes (Shergold 2007).

The growing importance of minister’s offices—and of networks operating from the Prime Minister’s office—might be as much a reaction against over-zealous bureaucratic politics as a result of overweening adviser power. There is certainly evidence that former Prime Minister John Howard, when he wanted change, would bypass conventional ways of working—for example, by using task forces that brought those who were normally outside government into the heart of the decision-making process (Stewart and Maley 2007).

It would be wrong, however, to assume that blockages to information flow occur predominantly at the most senior levels. We know, for example, that departmental secretaries are in regular contact with each other, in formal and informal ways. The problem of inadequate information flow might be more apparent in the middle of agencies—where power might be perceived as deriving from withholding information—rather than at the bottom or the top.

How to counter this kind of defensiveness? Our case studies suggested the importance of senior-level support and flexibility. Giving additional flexibility at the lower levels might not be as difficult as some might think. For these boundary riders, communication becomes a raison d’être. Agencies must, however, be prepared to allow information to flow more freely in order to make this happen—to empower people to make decisions about what to say and what to withhold and to trust them (with appropriate training) to make the right choices.

Inclusion

Consultative forums offer opportunities for floating new ideas. Program evaluations provide a broad canvas for listening and observing. There is, however, more room for free-flowing forms of discussion that bring together participants who do not normally talk to each other. Such innovative forums might fail, but they might also be a much-needed source of good ideas and practical steps towards change.

There are signs that agencies are at least thinking about how to open up communication pathways in order to more effectively engage the community. An AusAID study commissioned in the context of the 2006 White Paper on Australian Aid stressed the importance of bringing researchers, public servants, NGOs and development contractors together in ways that bypassed the expected channels of communication and the relationships they implied (Hart and Shipley 2005:6).
Inviting ‘in’ those who are normally left out can be the most exciting challenge of all. The mentally ill, drug users, homeless people and disadvantaged communities exhaust the patience of many helpers. Using engagement in ways that help to empower communities is often a last resort. The rewards here, however, can be much greater than the risks.

**Language**

Engagement is about communication and communication is about language. There is, however, a language of engagement that might itself be impeding progress. The consultation forum convened for this research returned a number of times to this theme. As one expert expressed it: ‘Language can be a real blocker. Words like “partnership” need to be replaced by something else—“reciprocity”, for example. Words like “consultation” and even “participation” imply processes that people may (or may not) be invited into.’

Governments can be too focused, too binary in their thinking. As one seasoned cross-bench politician put it, ‘There are two kinds of consultation: when governments want to know, and when governments want to tell.’ Often, however, this kind of determination to structure the communication in a particular way sells the process short. ‘Governments should try to understand, not persuade or decide.’

Traditional forms of engagement revolve around official types of language. The community is ‘invited’ to put in a submission. Once the terminology becomes set, there is a risk that it precludes the fluidity that should result from these relationships. Or alternatively, relationships can be construed in very prosaic terms, without any sense of the reciprocity they should imply. Most of those delivering services under contract, for example, do not believe they are engaged in ‘co-production’, still less collaboration.

The challenge of language is about flexibility and having the willingness to listen. It also comes down to having more time. Public servants (and professionals generally) have too few opportunities to simply ‘chew the fat’, or even to get out and about without having a key performance indicator hanging around their necks. They need more time—to experience, to savour and to learn.

**Settings**

Suggesting, as I have, that more time is needed for policy making is all very well. Ultimately, however, public policy is about making choices. Deliberation might be extensive, even around the cabinet table, but at some point, a preference for one option rather than another must be determined. The necessity to make a decision does not always fit with the time (or the timing) that is most conducive to the kinds of information that are furnished by engagement.
There might be a pre-election rush or events suddenly bring to the fore an issue that has been quietly simmering away on the backburners of government. There is simply no time to engage in a systematic way. Nevertheless, the effectiveness of the choice will depend on the information on which it is based and decision makers must rely on the quality control of their advisers in this respect.

Politics necessarily reigns in these situations. These circumstances, however, also highlight the value of informal consultative networks resting on more formal structures—such as consultative committees. In addition, the opportunities created by implementation-related consultation—provided they are recognised as such—can give the confidence that is needed to respond quickly.

**Control**

From the Public Service perspective, consultation must be carefully managed, so that governments do not cede control over processes for which they are accountable. Formal accountability works vertically: up to the minister and from the minister to the Parliament. Public managers are wary of processes that might lead to a loss of control.

Collaboration, in particular, poses problems of accountability, because standard accountability arrangements depend on a specified agency spending appropriated funds to achieve an agreed output (or objective). The Australian National Audit Office (ANAO 2007) cautions that alternative arrangements should be established only when the complexity of the situation warrants it. Moreover, there should be a lead agency, so that accountabilities are clear.

A number of possibilities suggest themselves as answers to this challenge. Flexibility within participatory contexts—without the need for formal machinery—has already been mentioned. Trust—where it can be engendered and sustained—is crucial in overcoming communication deficits. More radically, encouraging a measure of accountability to communities—as well as of communities to government—might be the only way of overcoming the top-down bias of centralised governance. If these processes empower communities, that might be the best result of all.

**Summing up**

The rewards of engagement are enhanced legitimacy and better information. The risks lie in capture, backlash and confused accountabilities. Managing these risks means having a good strategic perspective—that is, an overview of the costs and benefits of different courses of action and an understanding of the Realpolitik (knowing the stakes for politicians, agencies and communities).

At the same time, there are opportunities for the development of engagement in areas of lower risk, notably in relation to the implementation of policy. Implementation is traditionally the domain of public managers, and the
continuing use of contracted service providers gives space and opportunity not just for negotiation in individual instances, but for continuing interaction at the policymaking level—that is, where the policy of implementation is under discussion.

The principal challenge for public servants in charting a forward course is to balance formal and informal ways of communicating with stakeholders. The protocols of accountability and control prescribe formal conversations: where what is said, and to whom, are on the public record. On the other hand, public business would grind to a halt without the informal conversations that establish context and hopefully clarify intentions. Effective engagement seems to require the experience, judgment and confidence to know which modality is appropriate and when to make the switch.

**Endnotes**

1 Consultation forum, University of Canberra, 22 August 2008.
2 Consultation forum, University of Canberra, 22 August 2008.
3 Consultation forum, University of Canberra, 22 August 2008.
4 The Howard Government established the Job Network in 1998. It is a national network of not-for-profit and for-profit agencies, which compete for contracts to deliver services to unemployed people, including training and job placements.
5 Barbara Pamphilon, Consultation Forum, 22 August 2008.