



state of **AUSTRALIAN CITIES**

national conference >03

Carlton Hotel, Parramatta

3-5 December 2003

## Overview: Governance, finance and accountability

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## INTRODUCTION

This short paper an overview and partial synthesis of the papers presented in the sessions of the conference dealing with the theme of Governance, Finance and Accountability. It is intended to contribute to the process of identifying the critical policy and research issues that are a major intended outcome of the conference, along with the papers themselves.

A caveat applies to the following – I have never lived in a big city and get lost when I am in one. Moreover, I do not work specifically on urban issues, but on policy and institutional dimensions of sustainable development and natural resource management in the non-urban domain. Perhaps the idea of those who asked me to perform this synthesing task was to have a fresh perspective or, to put that differently, that something useful might come from a position of relative ignorance. Whatever the reason, in reviewing the papers and thinking about this presentation, I felt justified, given my ignorance of cities, to draw on some other perspectives. So, my comments are based on three sources:

- The papers, for all but one of which I have had access to either a draft or a summary;
- My more familiar research domains of largely non-urban resource and environmental management; and
- The general field of institutional theory and design.

The sequence of this presentation is as follows. First comes an overview of the papers. Second comes an identification of some recurrent themes across those papers, or at least the ones I recognized as suggesting important questions about governance. Third comes the identification of some policy-oriented research priorities. Finally, I offer some reflections on these recurrent themes from the perspective of my more familiar domain of natural resource management.

But to begin, a reflection on the title of these sessions and the meaning of some core terms. I will not get into semantics, especially about the term “governance”, but just clarify the meaning as I will use it. On the basis of the papers, I will take governance simply to reflect the fact that management of, policy about and the institutional arrangements in our cities is about more than just “government”, but about a complex

set of interactions between government, communities, private sector and knowledge-based communities.

“Accountability” is not a term used in the papers much, but the issue of participation and transparency in the governance of cities recurs and so accountability can be viewed as an attribute of governance interdependent with participation. “Finance” is not an issue directly tackled in the paper, but the perennial issue of resources is.

## **The papers, grouped**

We have thirteen papers in these sessions that provide us with valuable perspective in their own right, and are our feedstock for identifying research and policy priorities. My first reaction was to group the papers in terms of the kinds of perspective and evidence offered, and although this categorization is questionable, it does give us a mechanism to note the nature of the contributions we will hear in the sessions today and tomorrow:

### *Three longer views of governance and policy change*

Tim Reddel examines the changes in policy and governance style favoured by Australian governments from the 1940s to 90s, and the shifts to and away from utilization of the market, government intervention, localism and participation over that time. He proposes a set of “governance technologies” to better structure analysis and inform policy choices.

Nicole Cook’s paper is historical and theoretical but also empirical, using the ADI St Mary’s site to explore long standing issues in the planning and management of urban development. She identifies the generic nature of issues such as constraining the scale of development and empowering people, and places emphasis on the fine scale variation we must comprehend to understand these issues in specific contexts, resulting from a complex interplay of individuals, community groups, firms, local governments, state agencies, and so on.

Shahed Kahn and Awais Piracha look at an example of something that Australia is particularly good at – major, comprehensive and integrated policy reforms that are quickly dissembled and diminished and becomes, at least in the public domain, the

subject of confusion, in this case NSW's "planFIRST" reforms, and the inherent tensions between planning and neo-liberal anti-planning styles in urban policy.

The paper by Elaine Lally and Tiffany Lee Shoy, which was unavailable when this discussion was written, also seems to fit into this category.

*Three empirical papers drawing on models and experience*

Don Munro explores the record of the Office of Western Sydney, as a thinly resourced and barely empowered institutional mechanism with a nonetheless impressive record, and identifies the strategy of dynamic network creation and utilisation that allowed positive changes to be achieved in developing and diversifying local and regional economies.

Bronwyn Cushing-Sullivan explores the complex question of how to evaluate local and city governance, first through a critique of the neo-liberal, managerialist UK "IDEAL" model, and through identification of the components of a more comprehensive approach. Like Reddel's identification of "governance technologies" this paper's identification of such components offers some much-needed advance toward common ground for analyzing and prescribing governance approaches.

Sheridan Dudley provides observations on the attributes of more successful urban developments in the USA, emphasizing the tension and balance between strictness and flexibility in urban design.

**Four papers dealing with participation and inclusive governance**

Melissa Permezel explores tensions in the idea of citizenship from a theoretical stance and from a perspective anchored in the local experience of neighbourhood houses, and reminds us that being a citizen engaged in governance of a place is more difficult, located and complex than the much more common and simpler – or simplistic – notions of citizen as political slogan or legal identity.

Glen Searle discusses the flexibility and discretion in development control that is partially understandable and necessary, but which nonetheless allows routine over-development that is not in the interests of or at least is resented by local residents, and the inclusive planning-versus-liaise faire policy styles that collide in this domain.

John Wiseman discusses the different imperatives behind moves in recent years towards inclusive or participatory policy, planning and governance, and the exposes the possible contradictions between genuine empowerment and deceitful abrogation of government responsibilities. He identifies the increasing range of participatory approaches available, such as citizens' juries and deliberative polls, and opens the way toward a more sophisticated and difficult but ultimately more effective approach to selecting participatory strategies.

Peter Herborn looks at the participatory and democratic potential of one of the most powerful and influential spatial tools to emerge in the past two decades – geographic information systems. Although sophisticated community use of GIS is as yet rare, the potential is emphasized and encouraging examples are profiled.

### **Two papers looking at cities through the lens of “meta-issues”**

These two papers are those by John Handmer on risk, very broadly defined and linked to other issues, and by Kendal Hodgman on biodiversity in the urban context. These authors identify important issues and problems, but also evidence the value of viewing a familiar topic through a less familiar lens. Broadly scoped, risk is such a different lens, forcing attention toward society-environment-economy linkages, and to the resilience and vulnerability of communities at highly local as well as more extensive regional scales, and the interactions with political and institutional systems. Biodiversity is a cross-scale issue also, and takes environmental consideration well past the traditional planning concern of end-of-pipe environmental protection and discrete fights over local remnant habitat patches. Both risk and biodiversity are arenas where much emphasis has been placed on community-based policy and management approaches. The value of such other issues as a way of viewing cities suggests the value of cross-disciplinary, cross-sectoral and cross-problem perspectives to invigorate thinking and debate.

#### *Recurrent themes*

The grouping above is somewhat arbitrary, but it was useful as a way to look for recurrent themes across the diverse set of papers. The groupings are only partially valid mainly because there are recurrent themes despite that diversity. Or at least there were themes that I recognized, and the following should be taken as both general and tentative and intended to prompt rather than pre-empt discussion.

First, a comment on two themes that did not recur, or even get much coverage. The first of these is the implications for governance of demographic, social and local economic shifts likely to flow from the ongoing and seemingly inexorable rise in property prices in Australian cities. If the socio-economic structure of locales within a city changes then local politics and governance can be expected to change also (the time lags and diversity of local context-specific manifestations of this proposal are interesting topics for investigation).

Second, although finance is a theme of the session, this is not taken on directly in the papers. However, finance – or more precisely *resources* – is a recurring underlying issue. So, onto the recurrent themes that at least I perceive running through the papers:

- The first theme is resources. Even where we head away from “traditional” regulatory approaches in urban policy, in the direction of market-based or participatory approaches, policy success does not come cheap. Hands-off managerialism and “leave it to the market” policy styles cannot work in the absence of a proper – and properly maintained – statutory framework, high quality and widely distributed information, close monitoring of policy interventions, and an empowered community. That equals not just financial resources, but human and informational as well. Yet it seems that innovative programs on a short shoestring are the norm.
- That brings out another issue, that of *persistence* of what we try to do – whether policy programs, local management initiatives, changes to planning processes, and so on. The urban landscape appears littered with short-lived policies and programs, many not around long enough for lessons to be drawn and communicated, whether from their positive or negative features. A lack of persistence condemns us to policy ad hocery and amnesia. Related to this is an apparent lack of coherent, broader framework policies for urban governance and social and economic development, maintained and evolved over time, within which specific programs can be located and given direction.
- Central to the themes of persistence and resources is the most pervasive theme underlying these papers – the tensions between modern neo-liberal policy styles and managerialist approaches to governance, and the perceived need for both inclusive and intensive collective approaches to managing

complex urban systems. At one level, this is an ideological issue; at a slightly more tractable level it is about broad policy styles; and at a very specific level it is about choosing policy instruments and designing policy mixes in specific contexts.

- The appeal of simplistic neo-liberal policy styles of market dominance and/or leaving communities to fend for themselves under the guise of under-resourced community empowerment is precisely that they are simple – Australian policy makers often seems comfortable only to twiddle one knob at a time. Yet the papers show the complexity of managing environmental, social and economic aspirations across multiple scales. That complexity requires sophisticated policy responses, utilizing multiple instruments in interdependent policy packages, linked to a responsive institutional system.<sup>i</sup> Desires for instant policy gratification, or simple policy answers, are not tenable but are all too common.
- A strong theme is the need for, but lack of expertise and experience in, participatory modes of governance broadly, or participatory planning and policy making more specifically. Below the general need and call for participation lies an array of subsidiary issues – how genuine participation is, the multiple forms participation can take, the skills and knowledge needed on the part of citizens and policy makers, and the predictability and longevity of participatory processes.
- Participatory planning and policy approaches is but one area where we need to learn more about what works and what does not. Something that strikes me strongly about the papers is the value and strength of fine scale or intensive empirical analyses of policy and institutional experiments – which is what they are, experiments, or at least could be – in testing and extending theory as well as in informing practical policy. The supply of good case studies, and even more so the ability to draw and communicate lessons from them, is an important issue.
- Issues of spatial and administrative scale recur – in terms of understanding environmental, social and economic phenomena that do not contain themselves within existing administrative boundaries, and in terms of designing policy and governance responses to cope with cross-scale issues.

In the absence of consistent framework policies, local governments in particular are left in a difficult position.

- Cross-scale integration in research and policy is likely more easy to attend than the other integration challenge – to integrate social, environmental and economic issues – a core challenge of sustainable development. While only some of the papers refer to policy integration directly, the sum of the papers indicate the need to attend not only one issue at a time.
- Finally, in several papers, there is recognition of the need for – and some prescription of models for – a more common understanding of governance. Clearly the topic is of wide interest, but understanding of what governance is or could be, and how we can fruitfully analyse or prescribe modes of governance in a mutually informing manner, are not so widely shared.

### *Research priorities*

Other themes than these will occur to other people, and validly so. But, in line with the intent of this conference I will propose some areas for policy-oriented research that attend these themes. These are tentative and selective, and stated to indicate things that, if we knew more about them, could help us manage and govern cities in a more sustainable and equitable manner.

- Improved methods for designing, and empirical analyses of, mixed policy packages (eg. combinations of regulatory, market-based, community-based), including critical evaluation of the transferability of policy lessons to other contexts.
- Better definition and evaluation of the wide array of participatory approaches and methods, against the different purposes of participation in planning and policy, and the varying contexts of locale and dominant issues. Importantly, a subsidiary task is to make more explicit the non-inclusive as well as inclusive choices that are inevitably made when one approach is used (for example, up-scaling catchment management and thus disengaging local interests, or local government amalgamations that have the same effect).

- Relatedly, better understanding of the skills and resources required by both agencies and community groups to effectively employ different participatory methods in different contexts.
- Better understanding of cross-scale phenomena such as risk, social process, biodiversity, local and regional economic flows, and institutional arrangement more capable of handling cross-scale issues. This includes both vertical (ie. intergovernmental) and horizontal (ie, cross-portfolio) policy integration.
- Development of better understanding and evaluative and prescriptive models of urban (and non-urban) governance, both requiring and enabling better communication and understanding across disciplines and policy sectors.
- Improved capacities to translate lessons arising from empirical studies, whether Australian or international. Policy learning works best at either the level of broad policy style, or the detailed level of the sub-components of a specific policy or planning initiative – whole programs are rarely suitable as transferable blueprints.

These general propositions can be variously deleted, amended to or expanded as the discussion proceeds at and after this conference.

#### *Reflections from policy and institutional R&D in NRM*

To close this discussion, I would like to sketch a few of the major research and policy issues in the domains with which I am more familiar – natural resource management and sustainable development in non-urban regions.<sup>ii</sup> This is not a complete list, but would be recognizable to most people active in that domain, and I suspect that it would account for the greater proportion of the attention of both social science researchers and policy officials in Australian natural resource management. The reason for doing this is that I was struck by the similarity of some of the issues in the urban papers for this conference.

- Policy integration – environmental, social and economic – is much advocated, stated as a statutory and policy goal, only lightly researched and almost completely under-realised.<sup>iii</sup>
- Participatory approaches to on-ground natural resource management are popular and have increased hugely over the past decade – for example

landcare. But participation in higher-order policy formulation, and genuine empowerment of local community-based efforts, are less apparent. The limits of volunteerism, on some accounts, have already been reached. Especially topical is achieving predictability and persistence in participatory programs, rather than turning participation on and off like a tap at the convenience or whim of government.

- Cross-scale issues, especially the need for whole of catchment and cross-landscape approaches to water, land and biodiversity management, and in terms of intergovernmental coordination.
- Policy instrument choice is still mired in unproductive claim and counter claim about the relative merits of broad instrument categories such as regulatory, educative and market based. Market instruments are being strongly advocated currently. However, advocacy and actual policy choice and design, is rarely based on rigorous analysis against either criteria for instrument choice, or informed by empirical analysis of existing applications of the favoured instrument.
- Recognition of the need for, but little evidence of, institutional reform to enable policy integration, community-policy links and better policy formulation and implementation, recognizing that current, historically defined institutions are one of the drivers of unsustainable use of resources and environments. Especially fashionable at present are “regional” arrangements, but rarely are regional organizations or processes given legal or administrative competence, ongoing resources or sufficient guarantee of longevity.

These issues are clearly relevant in cities as well. Such similarities suggest two things to me. First, they underscore the themes that recur in the papers, across topics, sectors and issues, as important generic issues in governance in contemporary societies. Second, they suggest that there may be some value in exploring common ground for policy-oriented research that cuts across the very real divide between research and researchers – and policy communities – concerned with urban and non-urban issues. Working on such common issues – be they more theoretical or more applied – might offer theoretical and methodological advance and

a stronger purchase on pressing policy issues, as well as, much more pragmatically, perhaps a higher likelihood of research funding.

The final reflection on the issues that recur across the urban and non-urban domains is that of interdisciplinarity and integrative research. Understanding the phenomena of linked social-ecological-economic systems across multiple scales, and coping with these interconnections in policy and management, beg closer connections between disciplines and other knowledge systems. No significant issue identified in any of the papers in these sessions could believably be said to be largely within the competence of one discipline. Interdisciplinary or integrative research is widely viewed as necessary but is scarcely developed as an art and craft, and challenges traditional disciplines.<sup>iv</sup> As with policy experiments, intellectual experiments in interdisciplinary research are not uncommon, but we could do better at consolidating and profiting from the lessons they offer in a more coordinated manner.

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<sup>i</sup> The dynamic interactions between policy interventions, policy learning and institutional change are discussed in Connor, R. and Dovers, S. 2004. *Institutional change for sustainable development*. Cheltenham: Edward Elgar Publishing.

<sup>ii</sup> For a broad review of policy issues and achievements in this domain over the past three decades, see Dovers, S. and Wild River, S. (eds). 2003. *Managing Australia's environment*. Sydney: Federation Press.

<sup>iii</sup> Connor and Dovers, op cit.

<sup>iv</sup> For a discussion, see Barnett, J., Ellemor, H. and Dovers, S. 2003. Interdisciplinarity and sustainability. In: Dovers, S., Stern, D. and Young, M. (eds). *New dimensions in ecological economics: integrated approaches to people and nature*. Cheltenham: Edward Elgar Publishing.

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SYDNEY, 2003

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