Public Policy Implementation Innovation; mapping new models of implementation involving third sector organisations

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IRSPM XVI: CONTRADICTIONS IN PUBLIC MANAGEMENT

Rome, April 2012

PANEL STREAM 46: THIRD SECTOR SPECIAL INTEREST GROUP

“PUBLIC POLICY IMPLEMENTATION INNOVATION; MAPPING NEW MODELS OF IMPLEMENTATION INVOLVING THIRD SECTOR ORGANISATIONS”

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Abstract

The increasing utilization of third sector organisation in public service delivery has changed public policy implementation models. This paper explores innovations in public policy implementation. Such innovations have come about as a result of the increasing utilization of third sector organisations in partnership with government. This paper begins by reviewing literature exploring government / third sector relationships. It moves on to explore public policy implementation models. The paper concludes by present a new model of public policy implementation involving third sector organisations. This paper aims to stimulate further empirical research exploring the public policy implementation models involving third sector organisations, by providing a conceptual platform to compare organisations and relationships.
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1. Introduction

There is a confluence of literature exploring the increased role that non-government/third sector organisations play in delivering public services and policy. Thus, Jung et al. (2009) have explored what they call ‘collaborative governance’ and compared partnerships involving NGOs and governments in the United States and South Korea. Brandsen & Karre (2011) have explored ‘hybrid organisations’ and the increasingly dynamic role of third sector organisations in public service delivery. In an Australian context, Keast (2011) has explored what she terms ‘joined-up approaches’ which are partnerships involving horizontal and vertical integration of government departments, third sector organisations and the public in the service delivery process. Finally, in public policy literature, the term ‘devolved government’ is used in England and Australia to describe implementation of policy and public service provision through government/third sector partnerships.

There is however gaps in the literature, particularly in relation to how these new third sector/government relationships are changing public policy implementation models (see Ryan, 1996). This paper explores the concept of public policy implementation involving third sector organisations and government in partnerships. The authors draw from the literature to contend that third sector organisations are not simply public service deliverers, but can also be considered to be part of the policy implementation process. The degree to which these organisations can be considered as being part of the implementation process depends on the type of relationship they hold with government.
This paper begins by reviewing literature exploring third sector/government partnerships in public policy implementation and service delivery. It moves on to explore public policy implementation frameworks. The paper concludes by presenting and analysing a conceptual model of public policy implementation involving third sector organisations. The authors argue for the need to establish cross-the-board terminology and frameworks for third sector/government partnerships.

2. **New Sector: New Roles**

Government outsourcing is not, by any means, a new concept or recent phenomenon. Despite this, novel socio-political and economic changes that have come about through neo-liberal agendas in government have radically changed government outsourcing. Indeed, as is posited in ‘Policy Implementation through Devolved Government’ (Kamarck, 2007), ‘Government by Network’ has emerged as a model of public policy implementation between ‘Government by Market’ models (full privatisation) and ‘Direct Public Sector Delivery.’ Structural societal changes in the past 30 years have also seen the rise of the third sector. Organisations within this sector can provide dynamic and altruistic capacity for social, economic, environmental and cultural development in communities.

The emergent nature of the third sector, and a lack of a unified research field has led to a diffusion of similar research in the different spheres of public sector management, third sector research, and policy studies. Further different research fields have given rise to different focal points of analysis of third sector/government partnerships, thus hybrid organisation research explores the gap between third sector and government; network research by Keast (2011) explores the connectivity of these two conceptual entities; and the ‘devolved government’ perspective explores the phenomenon from the view of government.
The third sector is commonly referred to as being neither public nor private. Comprising of nonprofits and not-for-profit organisations, social enterprises, volunteer organisations and charities, firms within this sector are sometimes wholly or partly subsidised to deliver public goods. The ‘Policy Implementation through Devolved Government’ paper (Australian Government, 2009) notes the increasing role that third sector organisations play in contractually based public service delivery within Australia.

Hybrid organisations, according to Brandsen & Karre’ (2011) ‘mix the characteristics of state, market, and civil society’. Such organisations cannot always be considered as being a part of the third-sector, as Van de Donk’s (2001) model captures. Thus organisations with private, individual, market-based tendencies, although perhaps linked, or originally created by government can exist as wholly independent organisations, and not-withstanding altruistic characteristics usually associated with the third sector. Despite this Brandsen and Karre’ (2011) argue that previous stigma attached to hybrid organisations is largely unfounded. They argue that risks and limitations associated with hybrid organisations can be largely mitigated, and such organisations can fill important structural holes that exist between private and public sectors.

Figure 1: Societal Triangle
In relation to third sector/government partnerships in service delivery, Helsley & Strange (1998) explore what they perceive to be a shift from ‘government to governance’ and through this, an emergence of a kind of ‘private government’. Thus these authors suggest that governance structures in third sector organisations allow for services to cater more directly and transparently for members of such organisations. However Helsley & Strange (1998) also argue that while this may be beneficial, there is the possibility of exclusion as such organisations are typically set up to serve members.

Feiock & Andrew (2006) explore the roles of the third sector in service delivery. They suggest that nonprofit firms take up one or more of the following roles in relation to government; autonomous service provider, coordinated service allies, subsidized service provision, contractor/agent, strategic competitors, partnership and advocate/lobbyist. Such diversity in positions is important to note, further it is important to acknowledge that a single nonprofit organisation may inhabit more than one of these spaces simultaneously, and may also deal with more than one arm or level of government (vertical integration). Further, these firms may combine/partner with one or more other nonprofit organisation in delivery (horizontal integration).

Jung et al. (2009) empirically explores ‘negotiated policymaking and service delivery’ in what they term collaborative governance. They present four institutional forms of policymaking and service delivery, these are; Authority-based arrangements: government hierarchies; Authority-based arrangements: outsourcing; Collaborative Governance Arrangements; Market-based arrangements. This is an elaboration of the (three) ‘Modes of Policy Implementation’ as presented by Kamarck (2007). Jung et al. (2009) compare instances of collaboration in cases across the United States and South Korea. Jung et al.
(2009) note that in some instances a collaborative approach in public policymaking and service delivery can be advantageous, as clearer, more democratic pathways between the end-user and government policy can be achieved. There is however risks associated with a blanket rule of partnership utilisation, as cultural and historical factors can, in some instances, highlight the need to retain established hierarchical structures.

Turning to the context of Australia a national discussion paper entitled ‘Policy Implementation through Devolved Government’ was released in 2009 with a foreword by Lynelle Briggs, the then- Australian Public Service Commissioner. The paper is significant in that it does note that third sector organisations are currently involved in the implementation of public policy. This raises the questions relating to the difference between public service delivery and public policy implementation, i.e. when is an outsourced organisations involved in only public service delivery? And, when would such an organisation be considered to be a part of the public policy implementation? Can both situations-applied to an organisation exist simultaneously or, perhaps on a paradigm with service delivery on one end, and policy implementation on the other? These questions are explored more deeply in section three.

In academia significant work by researchers exploring inter-governmental, and inter-organisational partnerships in service delivery (see Keast, Brown & Waterhouse, (2005); Keast, (2004, 2011); Mandell & Keast (2008); Brown, Mandell & Keast (2007)), has explored multi-actor partnerships in what can be termed ‘dispersed network governance’ (Waterhouse, Keast & Brown, 2011). Although potentially more holistic as a concept, the dispersed governance perspective provides a framework to understand the impacts of things like power (agency), and trust (social capital) impact in collaborative network arrangements involving governments. Any model displaying public policy implementation involving third
sector organisations ultimately needs to be able to reconcile the dispersed network governance framework offered by the above listed researchers.

3. Models of implementation

While the role of third sector organisations in public service delivery is clearly established in the literature, the notion of the third sector involvement in the public policy implementation, though recent in development, is not entirely recent. Despite this research exploring this theme has remained largely hidden. However early work by Van Slyke (2003) suggested that third sector organisation be considered as part of the public policy implementation process. In this way he wrote:

Nonprofit contracts are the new *de facto* street-level bureaucrats and pose complex challenges for the public managers responsible for managing these contract relationships.

Van Slyke (2003; pp33)

The following section explores public policy implementation models, and how third sector organisations (including nonprofits) can be seen to be taking on novel, public policy implementation roles.

In the ‘Devolved Government’ discussion paper (Australia Government, 2009) the notion of policy implementation utilising third sector organisations is present. This paper suggests that presence is indicated by the existence of communication involving ongoing feedback loops. However, the document does not specifically account for the required origins of such communication, i.e. third sector organisation initiates policy development discussions with government (bottom-up), government initiates policy feedback with third sector (top-down),
or a combination or variation of both. Thus, it is important to turn to detailed frameworks of public policy implementation processes. Ryan (1996) provides a significant review of policy implementation approaches. He, (Ryan, 1996) finds the following variables common to implementation frameworks:

- **Policy formulation**
  - consistency and clarity of objectives/ directives;
  - valid theory of cause and effect.

- **Structures:**
  - Adequate resources;
  - Integrated policy delivery system.

- **Relationships:**
  - Commitment of implementing actors;
  - Conflict between implementing actors.

- **External influences:**
  - Conflicting environmental factors;
  - disruptions to the policy environment.

Further, Ryan (1996) notes that in relation to a Winter (1990) model of policy implementation; ‘implementation is achieved by compromise, bargaining and negotiation’ with ‘interest groups, organisations, “street-level” bureaucrats and target groups.’ Although such implementation stakeholders are important to iterate, Ryan (1996) goes on to suggest that the policy implementation model offered by Hasenfeld & Brock (1991) adequately address power concerns through mechanisms including ‘competition, bargaining, coalitions and Interorganizational networks.’
In relation to delivery systems Ryan (1996) suggest that implementation models employ feedback loops between implementing organisations in programme monitoring and evaluation. He notes that the context of implementation has influence on the implementation design. This, he argues, is more complex than top-down, or bottom up systems, but instead may involve co-operative and co-ordinating structures as in Winter’s (1990) model of implementation; and/or co-operation, coalitions or compliance as in Hasenfeld & Brock’s (1991) framework. As discussed above, research by Waterhouse, Keast & Brown (2011) has explored network arrangements involving public and non-public institutions. In earlier research they (Brown, Keast & Waterhouse, 2005) offer the following table displaying horizontal relationships and network arrangements:

![Figure 2: the 3Cs; Horizontal Relationships and Network Arrangements](image)

Keast (2011) further explores “top-down” and “bottom-up” models of integration in relation to the themes of cooperation, coordination and collaboration and offers the Multi-dimensional Integration Framework. Although, not specifically capturing third sector organisations within this

![Figure 3: Multi-dimensional Integration Framework](image)
framework, this model is useful for understand vertical and horizontal relationships, and their affect on integration (i.e. the 3Cs) in relation to public policy.

4. A new model: implementation of public policy by third sector organisations

Drawing from the work of Keast (2011) and Ryan (1996) then, and the empirical work of Jung et al. (2009) and others (Bryce, 2009; Osborne et al, 2007) a horizontal continuum displaying degree of integration, and a vertical continuum displaying the degree of regulation placed on third sector organisations can be created (see figure 4).

Figure 4: Public Policy Implementation involving Third Sector Organisations Paradigm
This dual-axis paradigm is useful in conceptualising whereupon a third sector organisation may sit within the public implementation framework. Thus a degree extending from the highest form of integration within government (typically at the ministerial level – furthest left on the above X-axis) to the most dispersed degree of non-government organisations (loose collectives, organised social groups – furthest right on the above X-axis) can be plotted. Within this model, hybrid organisations as claimed by Brandsen & Karre` (2011), occupy the centre of the x-axis, and can sit either within government half of the paradigm or within the non-government half. Hybrid organisations residing on the government half may include integrated government departments that are profit driven, or act with a degree of independence. In contrast, independent nonprofits, set up by government, often with government funding (sometimes economic/ tourism development agencies take on this governance form) would reside in the non-government sector.

The Y-axis shows the level of regulation placed on organisations. For example a third sector community services organisation may receive high levels of government funds to provide services as outlined in public policy. To ensure the policy is implemented effectively the Government may place a highly intense regulation including repeated phase reporting, evaluations and acquittals (feedback-loops). In contrast a third sector organisation may already be providing publicly accessible services that could be, after the fact, written into public policy. In this instance high levels of regulations are not required to continue ensure the implementation of public policy. Typically arts and community organisations occupy this space. In most cases third sector organisations that receive government funds (in forms of subsidies ranging from small grants to large grants and tenders, service contracts etc.) will reside in the upper half of the Y-axis. It should be noted however, that in many cases the
feedback loops required in small grant funding for arts organisations can be almost negligible compared to that of large grants, tenders and service contracts.

The degree of regulation (Y-axis) can also be influenced by the relationship between government department and third sector organisations. For example when trust is high the feedback loops between these organisations may not be as intense. However, accountability can also have an affect this relationship, and the degree of trust between the organisation and government department may not affect the reporting when high degrees of accountability and transparency are required. Accountability may more readily be associated with organisational culture, and position within government hierarchy (further to the left of the X-axis on the above model) than relationship strength.

5. Conclusion

The Public Policy Implementation Involving Third Sector Organisations paradigm provides a platform to start comparing types of third sector organisations involved in public policy implementation. As stated above variable such as trust, relationship with government, funding sources and membership may have significant impact on where an organisation is placed within the dual-axis continuum. To this end further research is needed to uncover how coordinative, cooperative and collaborative network relationships involving third sector organisations and government impact on the placement of organisations on this scale.

At any rate the change that is occurring in public policy implementation is, in effect, perceivably changing the image of government as a hierarchical power. The model present in this study places government hierarchy horizontally, however growing research in the field of service design (see Krippendorff, 2006) may warrant future development to place the highest
level of governments at the lowest end of the vertical spectrum. Thus, in user-centred models, the client (public in this instance) is the recipient of the final product, and thus the highest in terms of importance. Although conceptually uncouth at this stage, this perspective is highly interesting particularly in understanding why third sector organisations may be considerably more important, and more effective in public policy implementation. The reason for this, as an extension of Helsley & Strange’s (1998) notion of private governments, is that third sector organisations occupy contexts and spaces more aligned to that of the end users of public policy (i.e. the public). This relationship is more complex than simply the ‘independent/government bound’ and/or ‘free-market/subsidy dependant’; it involves complex socio-political dynamics and relationships. Finally this paper also highlights the need for a convergence in the use of terms research exploring government/non-government relationships.

References:


