



Institute for
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The Purpose of Public Policy

Thomas Clarke
Occasional Policy Paper 1

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Introduction

Concluding his well-received 2023 annual budget speech, Treasurer Jim Chalmers, binding together the foundations of the substantive finance policies he had announced said, "... What brought this country together was a belief that the future could belong to Australia and that we would be stronger, safer, and more prosperous if we worked to seize its opportunities and share its rewards," and then he deployed the resounding commitment to "A *Commonwealth of common purpose*."

It is some time in the complex dialogue of Australian politics that such appeals have been made with conviction. Somehow in the savagery of contemporary political in-fighting the grand purpose of democratic governance is often forgotten. Mere survival in a demanding and rapidly changing world becomes an achievement in itself. The result is often directionless political parties and a disillusioned electorate. This adds to a general sense of malaise in wider society, often overwhelmed with economic insecurity and social inequity.

It is not just politicians that have lost the trust of the public, many civic and corporate institutions and their leaders are no longer trusted, as the global reports of the Edelman trust barometer reveal annually there is a widespread crisis of trust: "A lack of faith in societal institutions triggered by economic anxiety, disinformation, mass-class divide and a failure of leadership has brought us to where we are today – deeply and dangerously polarized" (Edelman 2023).

The coherence and commitments of institutions require greater clarity and conviction if they are to regain public confidence. There is a need for a more convincing sense of purpose and direction, built upon values that are inclusive and inspiring. Often politicians aspire to such worthy ideals, but in the heat of battle, or through sheer exhaustion, they settle for less. An Australian political leader who achieved a lot in public policy was celebrated recently in the drama *Julia!* that received five-minute standing ovations at each performance at the Sydney Opera House. As with Jacinda Ardern in New Zealand though, it seems we lose our most gifted political leaders sooner than we should.

What is Purpose?

All intelligent organised human activity is guided by purpose, whether consciously conceived and rationally explained or forgotten in the mists of time, or the complexity of the moment. Purpose places *meaning* at the heart of the policy formulation of democratic governance, answering the question, "why do we do what we do?" Purpose is the enduring reason for an organisation to exist. Over time the certainty of purpose often begins to weaken, and the underlying rationality may wear thin. New and more vibrant policies will compete and ultimately a new purpose is defined. In fact, the process of redefining institutional purpose is continuous, but there are points of more dramatic and compelling changes in thinking with the adoption of more transformative strategic policy change.

The essential principles of purpose are:

- Purpose is a core and enduring motivation in democratic governance
- Purpose inspires the vision and guides the mission and resulting strategy.

Yet as the concept of purpose attracts more attention in defining institutional intent, the definition of what it is becomes more elusive. In their survey of business purpose, the EY Beacon Institute (2018) recognise the important elements of purpose as:

- *Purpose instils strategic clarity*

With continuous transformation, intense competition for resources, and rising expectations, governments regard purpose as a North Star, offering guidance and inspiration.

- *Purpose channels innovation*

Focusing innovation on a compelling bigger picture, purpose encourages all members of government to think beyond incremental improvement towards a longer-term perspective.

- *Purpose is a force for, and response to change*

Purpose motivates people through meaning, not fear, providing a more effective basis for driving change by allowing people to better understand the need for change.

- *Purpose taps a universal need*

Purpose appeals to fundamental human nature encouraging a common understanding of direction beyond narrow performance metrics.

- *Purpose builds bridges*

Purpose makes it easier to create alliances, creates common ground, with a compelling wider vision and bigger aims (EY Beacon Institute 2018).

Purpose integrates and focuses other existing concepts such as mission, goals, and values. Purpose has always existed in democratic governance as a source of understanding and dynamism, but is often unarticulated, inconsistent, or misconceived. In fact, purpose has always been part of an enlightened philosophy of leadership, and for example was inherent in the work of pioneers such as Mary Parker Follet in the 1920s.

The Historical Commitment to Purpose in Public Policy

Contemporary public policy was created to address signal failures in the market economy. While early 19th and 20th century industrialisation, and the financial institutions that sustained the new economy, provided a dynamic means for technological transformation and wealth generation, this did little for improvements in health, education, social or environmental provision. It was the early commitments of national and local governments that recognised these desperate problems and began efforts to remedy them.

At the end of the second world, democratic governments were inspired to mobilise the political resources they had utilised in the defeat of fascism, to the service of their own people. In the UK a coalition Conservative and Labour government published the *Beveridge Report* (1942) proposing widespread reforms of social welfare to address the “five giants of reconstruction”: want, disease, ignorance, squalor and idleness (unemployment), providing the blueprint for social policy in post-war Britain. Similar ambitious and determined efforts were made by governments across the world to alleviate mass poverty, including in Australia.

Laying the foundations of the welfare state was a major achievement of social democratic governments in the 20th century. However, as prosperity increased in the West, and governments visibly were spending a larger proportion of national income, questions were asked inevitably about the efficiency of government and the contribution government was making.

(The sense of an enveloping paralysis in post-war public administration is accurately captured in the recent Bill Nighy film *Feeling*, where he plays the Head of the Public Works Department for London County Council. A new junior administrator on his first day in the office has the temerity to suggest, “I think I can make a difference,” and receives a silent knowing response from his colleagues. The main work of the Department appears to be not the grand objectives of post-war reconstruction, but in the absence of the energy, inspiration - and most importantly funds - to do anything of substance, was devoted to shuffling papers between Departments to eventually find the one that would take responsibility for denying the proposal in question.

Even the dogged persistence of a group of ladies from the East End of London, concerned at their children playing in raw sewage in front of their homes, and petitioning to turn the site into a safe playground, at first meets resolute indifference from the bureaucrats in question. Until the Head of Public Works is informed he has a terminal illness by his doctor. Suddenly, determined to achieve something of significance, he uses his expert knowledge of the system to push through the proposed playground, and at last achieves true happiness...)

Reform of the Public Service

It is rare that governments, busy with the tasks at hand, take time to reflect on purpose and performance. One of these rare occasions in Australia was the comprehensive Royal Commission inquiry launched by the legendary civil servant Dr H C “Nugget” Coombs (the first Governor of the Reserve Bank) into “the purposes, functions, organization and management of Australian Government Departments, statutory corporations and other authorities and the principal instruments of Australian Government administration and policy...” (Australian Government 1976).

The Royal Commission was called by the administration of Gough Whitlam, and reported in the very different sentiment of Malcolm Fraser’s Government. A considered view of the Inquiry was that it was the most thorough and enduring reform of the Australian Government apparatus and direction, and that it

influenced thinking about governance and the practical performance of government for decades to come (Hazlehurst and Nethercote 1991).

The objective was “not simply to bring public administration up to date but to build into it a continuing responsiveness to the changing demands of government and the community” (1976:3). The context of the Australian Public Service (APS) described in the report of the inquiry is not unlike the LCC portrayed in the film, “like many other large organisations, excessively centralised, excessively rigid and inflexible, and excessively resistant to organisational change.” (Donaldson 2018). But Coombs (1976:49) later defended his colleagues “(The APS’s) defects lie principally in the way in the way in which it is organised, in the impersonal style which has been imposed upon it and in the lack of scope for talent and initiative of those men and women who compose it.”

More than four decades went by before another comprehensive review of the Australian public service took place in 2018, as an expression of the quixotic genius of Prime Minister Malcolm Turnbull’s government, with the lively report and evidence subsequently ignored by the fleeting attention span of his successor Scott Morrison. While the Coombs (1976) report was very much a product of senior enlightened public servants, the *Our Public Service, Our Future, Independent Review of the Australian Public Service* (2019), though published by the Office of Prime Minister and Cabinet, was very much the product of business leaders drawn from the higher echelons of the private sector. The contrast between the 1976 Royal Commission and the 2018 Inquiry into the APS was clear:

“The Coombs Royal Commission into Australian Government Administration delivered an effective, long-term template for a reformed APS. It did so by exercising its full powers, consulting widely and investing in thorough research to inform the public of the complexity and breadth of issues involved” (Lester 2018). In contrast the 2018 Inquiry although announced “as an ‘independent inquiry’ into the future of the Australian Public Service” and though it also consulted widely with public meetings, conveyed a sense that this was part of the “fascination with ‘small government’ and its ‘re-engineering’ in favour of ‘the market’ and ‘managerialism’... At its core it elevates ‘efficiency’ over ‘equity’. It privileges private interest over public interest, vested interests over communities, and individuals over society. Ultimately it holds up the reified ‘economy’, ‘market’ and money over broader social values and goods, let alone any concept of ‘the public good’” (Lester 2018).

Before any serious effort was made to implement aspects of the *Our Public Service, Our Future* (2019) review of the Australian public service was attempted, the Morrison government became discredited by the extensive distribution of public funding towards political vested interests.

The Continuing Search for Relevance in the Public Sector

Yet rather than bowing to disillusion with the capacity of the public sector to deliver, and succumbing to the polarization of political discourse, there is internationally a renewed sense of reviving and redirecting public policy. Reflecting this renewed focus and energy the OECD is evolving a democracy initiative to “design and implement strategic evidence based and innovative policies to strengthen public governance, respond effectively to diverse and disruptive economic and social and environmental challenges and deliver on government’s commitments to citizens” (OECD 2022). This initiative is dedicated to combating disinformation; strengthening representation, participation and openness in public life; embracing the global responsibilities of governments while building resilience to foreign influence; gearing up governments to deliver on climate and other environmental challenges; and transforming public governance with digital democracy. The OECD boldly states:

“Despite compounding challenges, governments have been able to adapt and innovate to transform their societies and economies, and to transform themselves and how they design and deliver policies and services. If anything, recent and ongoing crises have catalysed public sector innovation and reinstated the critical role of the state” (OECD 2023).

The OECD (2023) highlights new forms of algorithmic accountability; re-orientating and revolutionizing care eco-systems; sustaining identity and strengthening equity; deliberative approaches to engagement and re-imagining communities.

There is wide resonance to this call for rethinking the direction of public sector policy. For example, with the motto “entrepreneurial societies need entrepreneurial states” the Institute for Innovation and Public Purpose at University College London has an extensive portfolio of research dedicated to:

- *Rethinking value* – co-creating public value, collective intelligence and common goods;
- *Shaping innovation* – not only the rate of innovation but the direction towards public purpose;
- *Directing finance* – directing quality capital development towards challenge-oriented innovation;

- *Transforming institutions* – to open, purposive institutions capable of responding to complexity and uncertainty and able to promote dynamic collaboration across the economy.

Imaginative approaches to the purpose of public policy are being advanced in Australia too, as demonstrated at the Centre for Policy Development (CPD), where the commitment is to public policy that expands the well-being of current and future generation. This includes active and effective government towards a clean, innovative and productive economy; and a society that expands opportunity and social justice. The CPD is working towards a fair, sustainable and inclusive future for Australia helping policy to sustain well-being in the Federal Budget, helping to bring about mandatory climate disclosure rules and the Net Zero Authority, and with the Early Childhood Development Initiative helping to drive State and Federal funding towards the well-being of children (CPD 2023).

Conclusions

The lack of a clear and convincing definition of public purpose in recent decades has undermined the process of government policy formulation and implementation. This lack of clarity and conviction has proved part of the motor of the creeping privatisation of public sector, as revealed in Australia in the fiasco over PWC advice on international taxation. As potentially the most impactful of institutions it is especially important the purpose of the public sector is understood and engaged in by the public it is intended to serve.

The boldness of vision and purposive action of the pioneers of public policy are not lost forever. The regeneration of public policy is occurring around the world with vision, imagination and energy. Vibrant policies to achieve compelling purposes can enliven the public sector itself, and more importantly the economies and societies public policy is there to serve.

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