

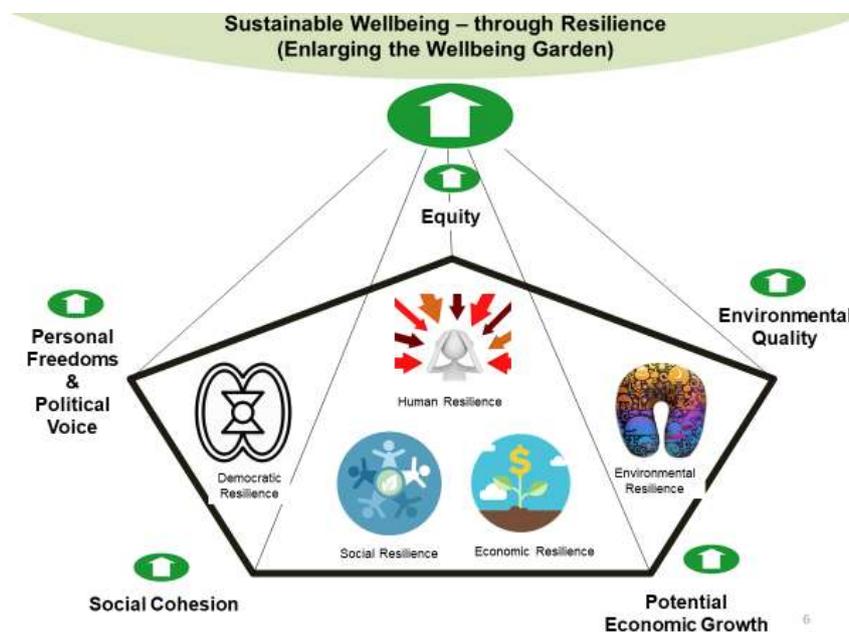
The role of local governance in governing for intergenerational wellbeing¹

The wellbeing of citizens is a central tenet of effective governance at national, regional, and local levels. This document provides a framework for how this might be achieved, by answering the following question: if the core objective of good governance is to safeguard the wellbeing of current and future generations, how can governance systems be better attuned to reach these goals? In the process, we provide some specific suggestions that will assist in ensuring that councillors and staff have the appropriate skills and knowledge to implement such a governance arrangement.

Framework

Wellbeing is defined as a condition in which individuals and communities are living the lives they value – now and in the future.

The distinctive role of public policy is to provide the broader environmental, social, political, and economic conditions which makes the pursuit of valued lives (i.e., wellbeing) possible. We conceptualise these conditions, collectively, as a “wellbeing garden”, which can also be considered to have the attributes of “a place to stand” – a *tūrangawaewae*.²



¹ This document, authored by Peter Hodder and Girol Karacaoglu from Victoria University of Wellington School of Government, is provided as a submission to *Ārewa ake te Kaupapa | Raising the platform*. Interim Report of Te Arotake i te Anamata mō ngā Kaunihera | Review into the Future for Local Government, September 2021.

² This requires thinking of “organizations not only as strategic enterprises in a global economy, but as buildings and grounds peopled by humans with bodies who live in communities that have complex, ecological, social and political histories” (Guthey *et al.*, 2014).

The Figure conceptualises the primary systemic purpose of a wellbeing-focused public policy as the enlargement of a “wellbeing garden”, in which social life takes place, now and into the future. Imagine the perimeter of the garden as defined by five posts that are tied together by a ribbon that surrounds them. Moving clockwise, the first four posts represent the environmental, economic, political/legal and social/cultural outcomes that underpin wellbeing. These are the key dimensions of the social and individual *reference narratives*, as Kay and King (2020) refer to them.

The fifth post to which the ribbon is tied represents the moral imperatives, in terms of equity and fairness (achieved by universal access to these outcomes), on which a wellbeing garden would be founded. It is important to recognise that it is not only the *availability* of these first four outcomes that underpin sustained social wellbeing, but also the need for *universal access* to them by all members of society – this represents the aspiration of leaving no one behind.

All these pillars or posts that surround the wellbeing garden, and thus define its boundaries, represent the foundations of sustainable collective wellbeing, and are strongly interdependent. By way of examples, if social cohesion collapses so too does potential economic growth. If we cause serious harm to the natural environment, we end up compromising our economic growth potential. And so on.

Focus of Public Policy

Suppose public policy is genuinely wellbeing focused – the wellbeing of the current generation as well as future generations.

Note the fact that the future, and especially the distant future, is *radically uncertain* – we have no idea what the world will look like or how people will wish to live their lives (i.e. how preferences will evolve).

Let us also assume that the policy makers respect individuals’ and communities’ rights to live the lives they value – they have no desire to pass judgement on or control people’s lives.

We suggest that, under these circumstances and assumptions, a wellbeing-focused policy maker would adopt the mentality and approach of a *gardener* – rather than that of a *social planner*. As a gardener, the focus of the policy maker would be to look after the garden to keep it fertile, and to expand it if at all possible.

This requires the policy maker to be aware of, and responsive to, the evolving needs and aspirations of citizens through the adoption of inclusive decision-making processes.

Approach of Public Policy

A public policy that accepts the realities and adopts the attitude outlined above would seek an answer to the following question: what set of (complementary) long-term investments need to be pursued and prioritised with a view to looking after, and indeed expanding, the wellbeing garden?

Such a public investment decision environment would be strongly aware of the interdependencies between the systemic outcomes that surround the wellbeing garden and the complementarities between the investments required to expand it. It would deliberately exploit these complementarities in designing the full public investment programme.

The key focus of such a public investment strategy would be on building *systemic resilience* to potential threats to the key pillars that define the periphery of the wellbeing garden and define the essential ingredients of how we wish to live – i.e. our reference narratives.

In this context, we define *resilience* as the ability to prepare and plan for, absorb, recover from, and more successfully adapt to adverse events (National Research Council, 2012). Two key dimensions of resilience are highlighted in this definition: the ability to absorb shocks (i.e., to *survive*), and the ability to bounce back following shocks, to continue living the lives we value, albeit possibly in newly imagined ways (i.e., to *thrive*).

This is achieved through appropriate investments in ecosystems that support environmental, social, political, human, and economic resilience. If selected and implemented well, such investments would contribute to the expansion of the wellbeing garden – i.e., they would contribute to the *opportunities* to live better lives. And if we can also somehow make sure that everyone has a stake in such an expansion, and contributes and benefits from it, then we would have also enhanced the *capabilities* of individuals and communities to live the lives they value.

In a local context, that ‘stake’ is best achieved by ensuring that the system for electing councillors takes account of the diversity of each community and its needs. The introduction of Māori wards is a good example of how the representativeness of the community on councils can be enhanced, but this needs to be complemented with strategies to ensure councillors give to and receive respect from one another in their deliberations and decision-making.

In addition, the commonly used ‘single transferable vote (STV)’ system for local government elections, which was intended to reduce the role of political parties in the electoral process and corresponding partisanship in the resulting governance, has failed to achieve this outcome. It should be replaced by a variant of MMP, which in the 1992 referendum was the most preferred option for national elections.

Governing for Intergenerational Wellbeing

How could we succeed in this endeavour – i.e. in ensuring the selection, prioritisation, and effective and efficient implementation of the appropriate investments? The answer to this question is good *governance* (Kjaer, 2004). In all contexts, national, local or corporate, *governance* involves developing a shared vision (or a shared narrative), and a strategy (including rules of conduct, their application, and their enforcement) to achieve it.

There are two major traditions relating to governance as it concerns public policy. The *old governance* model envisages steering by the national government, from the top down. In contrast, the *new governance* model focuses more on how the centre interacts with society and encourages and supports self-steering in networks. These networks include central and local entities, iwi, scientists, businesses, the young and the elderly, representatives of all genders and ethnicities, NGOs, and others.

Central to such new governance models is the statement by Needham and Mangan (2014, p. 3):

“... It is no longer relevant or acceptable for public sector leaders to promote, let alone deploy, the concept of benevolent municipalism in which the ‘great and good’ believe they know what’s best for the citizen. Hierarchical power is, rightly, giving way to networked authority the roots of which are firmly in the community. We do not exist in our own right. The political leadership is elected and the officers are appointed by the democratically mandated. We are all here to serve others – and that is the only kind of power we are entitled to wield: we rule only in order to serve.”

Equally important is the need to both recognise and address councillor-candidates’ miscomprehension of the concept of representation. Rather than slavish adherence to their own views, representatives have:

“... the duty to ‘deliberate upon matters of common concern, and to decide according to the best of their judgment’, and not merely be messengers carrying out the wishes of the electorate” (Grayling, 2018, p. 140).

Specifically:

“Those elected have to be fit for the purpose of acquiring information, examining it, listening to arguments relating to it, forming judgments, submitting their judgments to the scrutiny of others, changing their minds if they encounter evidence and reasons that compel a change of mind – and reaching decisions that responsibly address the interests of more than their own partisan loyalties” (Grayling, 2018, p.154-155).³

³ The classic New Zealand example is fluoridation of public water supplies. The benefits to dental health of adding fluoride to water was first demonstrated by a comparative study of Hastings (which had fluoride added to its water supply) and Napier (which had not) in the mid-1950s (Taylor, D. 1955. Fluoridation comes to Hastings. *New Zealand Medical Journal* 54 (299), pp. 23-25; *Appendices to the House of Representatives*. 1953. H-31, p. 54.). Subsequent studies reinforced those conclusions (e.g., de Liefde. B. 1998. The decline of caries in New Zealand over the past 40 years. *New Zealand Dental Journal* 94, pp. 109-113), but sceptics remained (e.g., Colquhoun, J.; Mann, R. 1986. Hastings (New Zealand) fluoridation experiment: science or swindle? *Ecologist* 16, pp. 243-248; Wrapson, J. 2005. Artificial fluoridation of public water supplies in New Zealand: ‘magic bullet’, ‘rat poison’ or Communist plot? *Health and History* 7 (2), pp. 17-29). With the Royal Society of New Zealand and the Chief Science Advisor firmly ‘on-board’ with fluoridation (Gluckman, P.; Skegg, D. 2014. *Health effects of water fluoridation: A review of the scientific evidence*. Royal Society of New Zealand and the Office of the Prime Minister’s Chief Science Advisor), a firm rebuttal of much of the counter-‘evidence’ (Broadbent, J.M.; Wills, R.; McMillan, J.; Drummond, B.K.; Whyman, R. 2015. Evaluation of evidence behind recent claims against community water fluoridation in New Zealand. *Journal of the Royal Society of New Zealand* 45 (3), pp. 161-178), and the reluctance of Christchurch Council to fluoridate its water despite children having 24% higher caries incidence than comparable cities probably all contributed to the eventual decision in March 2021 to remove decision-making on this matter from local authorities and transfer responsibility to the Director-General of Health.

Moreover, councillors (and even mayors, on occasion) need to be aware that their role is one of governance, whereas it is the role of Council staff - under the delegated authority of the Council's Chief Executive - to manage the operations and services of the Council.

Trust is the glue that binds the process together.

National governance model for intergenerational wellbeing

In the context of a wellbeing-focused public policy, there are five institutional building blocks that underpin good governance (Frieling, 2021, p. 49):

- *Multidimensional wellbeing monitoring* - using a multidimensional wellbeing lens to monitor societal progress and measure policy outcomes, including current and distributional wellbeing outcomes as well as resources for future wellbeing.
- *Evidence-informed priorities* - prioritising policy objectives based on multidimensional wellbeing evidence.
- *Long-term focus* - embedding a long-term focus in governance systems and prioritising prevention.
- *Integration and collaboration* - strengthening horizontal and vertical policy coherence to enable an integrated and collaborative approach to addressing multiple wellbeing priorities.
- *Actively connecting* - to private and civil society stakeholders in defining wellbeing issues and identifying and implementing ways to address them.

Applying this broader framing to New Zealand, while also taking into account existing institutional structures, we suggest the following key constituents of a good governance model for intergenerational wellbeing, at a national level:

- 1) On behalf of the New Zealand public, current and future, Parliament unanimously specifies intergenerational wellbeing as the core objective of public policy.
- 2) To give effect to this commitment a cross-Parliament, Parliamentary Governance Group (PGG) is formed as the governance body for intergenerational wellbeing.
- 3) A compelling narrative is developed by the PGG as to why it is imperative to look after the environmental, social, and economic health of our country in a coordinated way, for our collective wellbeing now and into the distant future. This implies that matters that affect the whole nation (e.g., climate change) or which are deemed to require a standard provision for all communities (e.g., certain types of infrastructure such as 'three waters' or the digital network) may be better handled at a national level (perhaps by a separate ministry or department of Government) than being devolved to local government.

- 4) Every government, whichever part of the political spectrum it comes from, is held accountable to Parliament to present a coherent programme of initiatives to give effect to this shared narrative.
- 5) The PGG is advised by an Independent Office of Wellbeing (IOW) on whether the Government's programme of work is consistent with intergenerational wellbeing, with its reports being made public. In its advisory role, the IOW should be mandated to acquire the best scientific, environmental, social information from the public service, international institutions, and specialist entities (such as universities) on what types of interventions work and what does not in improving wellbeing.⁴
- 6) The measure of effectiveness, efficiency and equity of the policy programme proposed by the government is the "area and shape of the wellbeing garden", constructed from indices of environmental quality, potential economic growth, social cohesion (based on trust), freedom, and equity (Karacaoglu, 2021, ch. 7).
- 7) An Infrastructure Commission (IC) acts as the governance group for all major infrastructure projects (with infrastructure including environmental, social, and economic infrastructure) that require public funding, and reports to the PGG.
- 8) The assessment of proposed infrastructure projects is based not only on cost-benefit analyses in terms of outcomes, but also on the additional criteria of:
 - a) Just and viable transitions – i.e. transitions that do not cross vital environmental, social, and political boundaries.
 - b) Inclusive engagement with all stakeholders – i.e. attention to democratic processes.
 - c) Appropriate public and private funding arrangements.
 - d) Detailed implementation plan – "transition engineering" (Krumdieck, 2019).

Local governance model for intergenerational wellbeing

All the steps listed above can be suitably applied to regional and local governance as well.

The Local Government Act review provides a unique opportunity to ask and seek answers to the following questions, which we address below:

- 1) What are the distinctive (and mutually reinforcing) roles of national and regional/local governance towards enhancing intergenerational wellbeing?
- 2) In areas where regional/local governance has comparative advantages, how can the centre play a supporting/enabling role?
- 3) What are complementary/supporting funding arrangements?

⁴ A current parallel situation is the various epidemiological groups advising the Government during the current global pandemic.

It is pointless to address the question of what specific investments need to be undertaken to enhance intergenerational wellbeing. This will be answered by following the inclusive processes identified above – and it will vary across regions and localities. However, at a generic level, the following table from a presentation given by Professor Paul Spoonley (Spoonley, 2021) highlights the areas where local governance would appear to have a comparative advantage in contributing to expanding the wellbeing garden:

What can local governance achieve - what works?
(from Professor Paul Spoonley)



Improving Local Governance – top priorities

Local and Central Government Relations

As far as the integration and coordination of local and national governance towards supporting intergenerational wellbeing is concerned, the main missing piece is the absence of an infrastructure that links communities to intergenerational policy making. Creating such an infrastructure through the establishment of appropriate institutions should be a major priority for the local governance review.

The health reforms which the current Government proposes to introduce, which abolishes the district health boards and centralises equitable provision of health services through the Ministry of Health, but mandates local delivery of health services is perhaps a step too far in respect of local government. However, as mentioned earlier, there is a good case to be made for a central agency (whether a Ministry or a variant of the IOW referred to earlier in this document) that is charged with obtaining and sharing with councils the best available technical information available for addressing major issues.

In this context, there is plenty we can learn from other countries. Examples from other countries can be found in OECD (2021, chapters 1, 4, 7, and 10).

Effective Local Political Leadership

Other reports have noted that the variability of Council performance across the local body sector is at least in part a reflection of the effectiveness of local political leadership, and the extent to which that leadership is able to attract and retain community support for Council activities. The introduction of Māori wards and the commitment to improved relationships between councils and iwi are obvious and appropriate ways of increasing the 'voice' of Māori in deliberation and decision-making, but these are not the only voices in the community that remain unheard or faces that remain unseen.

Strategies are needed to improve the consultation with the community before plans are promulgated, better opportunities need to be provided for engagement with the community when such plans are being discussed, and better feedback mechanisms need to be provided so that the community can be reassured that decisions were made in the best interests of the whole community rather than appeasing a particularly vocal or well-resourced minority [i.e. the standard "collective action problem" (Olson, 1971)].

The 'Interim Report' acknowledges that the ethnic and cultural diversity of New Zealand's communities is likely to increase in coming decades. This means that effective leadership, community involvement, and responsible decision-making will be more important for Councils than it is now.

The increasing complexity of the roles of mayors of district and city councils and of chairpersons of regional councils suggests that appropriate professional development should be required of people in these roles, and recommended for councillors.⁵ There also needs to be greater accountability for mayors: the adoption by district and city councils of the current system for regional councils in which the Chair is elected by members of the regional council, rather than elected by the community at large, would ensure the accountability of the mayor.

Community Regeneration

Examples include:

- The Mayors' Taskforce for Jobs. They have partnered with the Ministry of Social Development and developed the 'Community Recovery Programme' which provides up to \$500,000 to 23 rural councils (population of 20,000 or less) with a national aim to get 1,150 young people to engage in a sustainable employment pathway. The focus is rural. The partnership is targeted towards supporting young people not in education, employment or training (NEET) or those who have been displaced due to the economic impacts of COVID-19.

⁵ See Appendix 1

- Various arts-based community initiatives funded jointly by philanthropists as well as local government, for which current financial disincentives could be minimised by reducing charges for the use of Council facilities, removing unnecessary and excessive requirements for traffic control in the vicinity of venues, and some of which could be designed in a way that encourages community involvement as participants rather than merely as spectators.
- A greater use of co-governance and co-management of facilities (e.g., museums) and resources (e.g., environmentally sensitive reserves), that involve citizens with relevant knowledge and skills in such areas, and can take a broader and people-focused view of how these facilities and resources can best serve community needs and aspirations.

Environmental Quality

The maintenance of environmental quality is an important part of New Zealanders' perception of wellbeing: we cherish access to waterways and coastlines at which water quality is high, and we want landscape with heritage and scenic values to be recognised and protected. It is hard not to reach the conclusion that in recent decades councils have been too willing to grant consents both for the development of vulnerable land for farming and for extraction of water (both surface and groundwater). The oversight afforded by the 'three waters' re-arrangement potentially offers one solution to these issues. National legislation to: (i) better control the sale and use of sensitive land, and (ii) prohibit the export of water and limit its 'take' for farming operations might have been more suitable to achieve similar outcomes.

There is an urgent need for a better understanding by councils of the soil and water regimes of the land under their jurisdiction; in particular, their decision-making in respect of land-use consents and water 'take' should be based on sound scientific knowledge. This is another example of the need for councils to have improved access to central government and specialist information, as mentioned earlier.

Attracting and Retaining Key People

The 'Interim Report' cites the Productivity Commission's finding that some councils have difficulty attracting and retaining people with the community building skills and/or specialist knowledge. We are aware that there are councils which address this issue through joint appointments and other resource-sharing arrangements and, while applauding such initiatives, we suggest that complementing these with secondments of those with specialist skills and knowledge from Government ministries, departments, and agencies, as part of the professional development of public service personnel would be of mutual benefit to both local and central government sectors. Such an interchange of staff would also improve the ability of both local and central government to respond to the national challenges posed by – for example – climate change, sea-level rise, and resetting the energy agenda.

Harnessing New Technologies

It is tempting for councils to avail themselves of 'new technologies' to consult and communicate with their citizens and other stakeholders, and we are aware of the Taituarā | Local Government Professionals Aotearoa⁶ awards that reward success in such activities. However, as the response to the current pandemic has made obvious, the so-called 'digital divide' is rather more pervasive than the purveyors of information technology would have us believe. Accordingly, just harnessing new technologies may be counter-productive, further alienating those in the community, who by reason of age, educational achievement, type or absence of employment, or financial circumstances, are unable to access or use the current IT network.

It may appear regressive, but we suggest that local bodies establish bureaux in all towns of reasonable size at which both Council and selected non-Council transactions (including banking and payment of utility charges, etc.) can be effected. Some of the costs of providing this service could be recovered (either voluntarily or legislatively) from banks, utility companies, etc., and in most cases, the bureaux could be set up in council offices or associated with Council facilities (e.g., public libraries).

⁶ Formerly SOLGM, Society of Local Government Managers

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Appendix: Professional development for local government

Professional development of councillors

There is currently no professional development requirement for councillors either before or after election. The former could be addressed by a short series of webinars, developed by an appropriate registered tertiary education provider, with expertise in the distinction between governance and management, the role of councils and councillors, and in interpersonal communication, in which all candidates standing for election would be expected to participate.

The latter could be addressed by a formal programme – in which councillors should be highly encouraged to enrol – that advances their knowledge of the purpose, roles, and procedures of governance in local authorities, including awareness of new models of local government.

Professional development of council staff

For a variety of reasons staff in councils frequently do not have the requisite knowledge and skills to compile scientific and technical information in a way that enables either managers or councillors to make effective decisions. Professional development to address relevant knowledge gaps should be a mandatory requirement for continued employment with councils, and could be achieved by the staff undertaking existing knowledge-based courses that form part of a formally assessed tertiary education qualification, or in instances where there is no existing appropriate programme, staff could undertake a tailored programme developed and offered by an accredited New Zealand tertiary education provider.

The use of online and blended learning would reduce the constraints of time and travelling on both the provision and uptake of professional development programmes.

Funding of professional development

One of the best investments central government could make in enhancing the capability of local government would be to fund professional development opportunities for (i) councillors and (ii) senior staff in councils. This could be done either directly or through a philanthropic partnership similar to that which has been instrumental in fostering the development of postgraduate certificate in public policy in which some Members of the New Zealand Parliament have already completed and in which others are currently enrolled.