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Making Sense of Public Policy in a Fragmented World: the Search for Solutions and the Limits of Learning

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Introduction

This paper explores innovation, learning and change in an environment where the historical moment of 'New Public Management' (NPM) has given way to unprecedented fluidity in public policy and decision making. To begin, we examine key elements of the post-NPM environment, where foundational approaches (in theory and practice) can be challenged either by innovation or by default to previous positions: both trends are evident in the incoherence of policy responses to the global economic crisis. We then consider the search for meaning and sense-making by policy actors who seek new solutions to cope with intractable problems. This can generate innovative responses, including the growth of Third Sector (voluntary organisation) involvement in public policy and public services, or the rediscovery of a public service ethic amidst the banking crisis, including citizen withdrawal from multi-national banks in favour of ethical or mutual providers. We will then suggest that although there is a certain inevitability to the process of change in an era which has moved beyond modernist and foundationalist solutions, this does not necessarily generate positive and desirable innovation. Change may instead involve a retreat to failed responses of a previous era. It is as though a familiar script is still recited by policy actors even though the overall storyline has fundamentally changed. In this sense, entrenched learning may produce negative results even though 'reverse organisational learning' (ie organisational amnesia) may accord a superficial appearance of novelty. This may be readily illustrated by examples from recent European public policy. Finally, in an era where the modernist conception of gradual mastery (of the world, and of theory) has fallen away, the discussion considers the kind of analytical tools that may assist in the theoretical understanding of a changed public policy environment. This paper advocates an anti-foundationalist position, drawing from sense-making perspectives that eschew grand narrative but are rooted instead in both historical Weberian approaches and contemporary critical perspectives which recognise the failure of previously learned responses.

Beyond New Public Management

The New Public Management (NPM) arose from a specific historical moment as old patterns of centralist public administration in Europe gave way to an ostensibly flexible public policy and management characterised by competition, managerial devolution, performance measurement and public participation. We make the assumption that this moment has gone and that the currency of policy solutions offered under NPM has passed. The global economic crisis continues to last much longer than its (now rather touching) description as a temporary economic 'downturn' suggested. To invert a term used in the UK by 'New Labour' in its election campaign of 1997, things cannot 'only get better'. They may get worse, for us all, for a long time. The policy assumptions and prescriptions of NPM have nothing to say to this state of affairs.

We live in postmodern times. This proposition does not denote a contemplative withdrawal from the messy world of policy choices, nor a fruitless discussion of pastiche and reinvention, nor does it deny the real hardships currently being suffered by real people in Europe and beyond. By postmodern times, we mean, first, that, on a theoretical level the certainties of the old foundationalist paradigms have given way to an era of flux and fluidity in which there is no convincing dominant explanation of the changing nature of public policy. Any attempts at theoretical understanding must henceforth be based in a recognition that this state of flux has become the norm. NPM is now wholly inadequate as either theoretical tool or descriptive category. Secondly, the political and policy implications of living in a postmodern era are that 'modernisation' as the basis of international public sector reform has outstayed its welcome as a policy framework. Thirdly, at the level of public sector practice, the consequence of living in a postmodern era is that individual actors – public servants and citizens – can no longer access any plausible coherent explanation of the changes going on around them (especially at a time of global economic crisis) or any clear guide to action. Hence policy actors increasingly employ their own methods of sense-making, based upon the tools of understanding at their disposal.

We argue that actors now make sense of the public policy environment through the practical and anti-foundational responses available to them. With no simple policy tools or answers, the future (if it is go beyond the stock remedies of the IMF and the EU) will derive from the lived experience of policy actors and the meanings and interpretations they assign to events. The stated desire of national governments to provide Plan A for public service reform is wholly misconceived. It is understandable that governments in troubled times do not stand before their electorate proclaiming that they, as a government, have no idea what to do, and it may be that such governments have members who have insight into the fact that - post NPM and post-modernisation – there is no plan. Our argument is that this is a policy opportunity not a problem. It propels us back toward actors' sense-making.

But, in making sense, from where do actors *learn*? We suggest that learning is central to the processes of sense-making and practical non-foundational responses, but the sources of learning are numerous and unpredictable. "Private sector experience, overseas examples,

personal contacts or local networks are all possible sources of learning. A senior strategic manager in local government suggested that the council learns "from all these", and yet from "none" "(Fenwick and McMillan 2005, 44). What is meant here is that the potential sources of learning are everywhere but the policy organisation may not take advantage of them. Learning cannot be managed – it is an essentially creative unbounded process. That is both its promise and its challenge.

How then could actors be supported in finding their own solutions to complex problems? Centrally imposed reform programmes, even when carried out by self-defined progressives in Europe or the global South, essentially offer a variant of foundationalism, a guide to how it 'must be done'. This is most depressingly evident in the advocacy of 'policy transfer', whether from rich to poor countries as in the sorry history of neo-liberal interventions, or from one Western economy to another as in the chaotic attempt to transfer financial arrangements for child support in the case of absent fathers from the USA to the UK. These are just further versions of the modernist notion of one best solution in a world where things are only getting better. The task for practice is not to provide a grand plan of 'how to do it', but to arrange governance in such a way that 'it' – public policy – can be done. Here, learning is crucial: it is central to the process of translating actors' sense-making into practical action.

In the United Kingdom, the election defeat of the Labour Party in 2010 was the point at which the discourse of modernisation – a concept and practice which was, at once, optimistic, progressive, managerial, centralist, and modernist – came to an end, accompanied by unprecedented economic uncertainty. The British state had already been `hollowed out` (Rhodes et al, 2003) from above, below and sideways. No UK core executive had the capacity to act effectively. The `differentiated polity` (Bache and Flinders, 2004), characterised by, amongst other things, heterarchy, central government steering, multiple lines of accountability, a fragmented civil service, multi-level bargaining and shared sovereignty should have alerted us to the impossibility of centrally prescribed processes of macro-reform, notwithstanding the significant role of the centre in retaining control of resources compared to other actors in the system (Bache, 2003).

Parsons' discussion (2010) of the work of key thinkers including Lindblom, Wildavsky and Rittel provides us with a powerful historical context for understanding this dominant paradigm of modernism - and its ultimate deficiencies. An essential concern with problems and policy has propelled academic enquiry toward a model based on rationality and predictability. Following the return to modernism of the managerialist responses of the late 1990s and the early twenty-first century – something he sees as a 'remix' of old solutions presented as new and fresh – he now discerns a new criticality in challenging policy conventions in a world which has transcended the old wisdoms and critiques of Left and Right.

Making Sense

Henrik Bang (2010) has provided a convincing account of everyday makers and expert citizens: the sense-makers of civil and political society. He argues that in a policy context where the old approaches and solutions have failed, there are creative ways of making sense located in the expertise and activism of lay people. In terms of practice, this focuses upon lived experience. In terms of theory, it revisits the question of whether public administration is art or science. In a discussion which takes in Aristotle, the Obama presidential campaign, globalisation and public participation, Bang shifts our attention to the central theoretical issues: the eclipse of old habitual ways of working, the choices facing scholars and practitioners, and an optimistic emphasis on 'everyday' sense making by active individuals who cannot fall back on the foundationalist solutions of modernism.

Central to the sense-making process is the domain of values, as the process is really a search for meaning. In European public policy, voluntary and community organisations – the 'Third Sector' – have long had a role in public provision. Third sector provision has expanded in the UK, reaching areas formerly covered by the local state. This is an example of where local people and local policy actors may find their own solutions to local needs, supported by (not commanded by) local or national state organisations. On an individual level, at a time of economic crisis, there has also been a move away from depositing savings in the old untrusted banks toward a greater use of mutual and co-operative financial institutions: another example of action led by a search for a better individual solution to a common problem.

Positive Innovation or Default to Habitual Responses?

Foundationalism has been the core of both theory and practice in public policy, offering a theoretical account of the world around us and a guide to action for policy actors. However, the many instances of policy failure and well-documented policy disasters in western democracies (see for example Gray and 't Hart (1998)) point to the negative impacts of foundationalist understandings of the world and the assumed causal relationships that go with them. Our definition of foundationalism is the one offered by Bevir and Rhodes (1999). It is a positivist perspective that "adopts some variant of the natural science model; tries to discover `pure facts`, and strives after successive approximations to given truth" (Bevir and Rhodes 1999, 216).

If we follow Jacobs (2009) in suggesting that people have a preference for narrative as a way of making sense of the world around them, it is not surprising that public policy has suffered from the discourse of foundationalism. However, the status of learning and knowledge within such foundationalist perspectives has largely remained implicit and unchallenged. It is such assumed knowledge that has provided problems for public policy. There needs to be a recognition of the status of different types of knowledge and, in particular, the fundamental differences between tacit and explicit forms. According to Nonaka and Takeuchi (1995) knowledge-creation depends on complex interactions between tacit and explicit knowledge, mediated through individual and organisational learning. In

their analysis, tacit knowledge is uncodified, subjective, difficult to record, dependent upon the individual, context specific, not widely understood, difficult to pass on, difficult to emulate and only accessible through experience: in short, it is rather elusive. In contrast, explicit knowledge is codified, objective, documented, independent of the individual, context free, widely understood, easy to communicate, codified and can be learned through study and emulated. Knowledge of either kind is predicated upon learning.

In foundationalist perspectives the interactions identified here as central to knowledge creation are minimal. Hence the resultant 'knowledge' is either unchallenged or is positivistic in nature, creating given truths - for instance in the knowledge and policy solutions generated by governments. This kind of knowledge has underpinned historic understandings of public policy. It is antithetical to innovation.

To illustrate our perspective, we have elsewhere discussed how the foundationalist tradition has compounded the recurring problem of English sub-national governance in a devolved UK. We have argued that "the solution to English governance cannot reside in a top-down government imposed solution, but, if it is addressed at all, will be built up from the local level through those perspectives seen as important by local actors" (Fenwick and McMillan, 2008, 3) and, further, that this approach "can be subverted by the systems of governance themselves propelling actors back toward known foundational positions. Current governance systems cannot match the rhetoric of third-way pragmatism and associated systems. Governance itself imposes a foundational logic on patterns of public policy and management" (Fenwick and McMillan 2008, 2). We suggest that this perspective has a wider application.

At present, European governments, especially in the Eurozone, are locked into the old policy solutions partly through lack of innovation, but also, in more concrete terms, through international institutional constraints. European governments receiving 'bail out' funding are quite explicitly required to adhere to policy solutions specified by other governments and by financial institutions. This permits of no learning and no innovation, only of habitual responses based on assumptions – for instance about the relationship of austerity measures to growth – which increasingly appear to be based on faulty maths as well as sheer lack of imagination.

There may of course be negative consequences of abandoning the certainties of modernism and foundationalism. Centrally-defined public policy solutions certainly generate negative impacts, not least in the currently unproven governmental response to the Euro crisis, and there is no reason to suppose that a 'letting go' in policy terms will always produce positive and successful results. Actors may default to the old habitual responses instead of coming up with innovative new ones. Things can be un-learned as well as learned: alongside organisational memory, there may well be organisational amnesia.

Learning and Change in a Fragmented World

Bevir and Rhodes's (1999) response to foundationalism in the study of British government was through notions of traditions, narratives, decentering and dilemmas. We locate possible innovation in the story-based narratives of the actors concerned.

There is now no single coherent narrative about public policy – theory and practice – and the task is therefore to capture this theme of constant unrelenting change, and to assess its importance for all the actors involved: citizens, scholars, managers and employees. Yet there is still a tendency to fall back on the old assumptions. As practical actors, we tend to take refuge in reification and the search for realist explanations and rational planning.

This search for order and predictability is understandable. Policy-makers (and academics involved in training, consultancy or management development programmes) like to give the impression (to themselves and others) that there is order not chaos. It is a way of making sense of our professional lives. On the political level it would be entirely reasonable, in response to the global economic crisis, to say that we have no idea what will happen next and don't really know if a particular policy response will work or not: let's see what happens. Yet it is entirely unlikely that it could be articulated in this way. This applies to academics as well as politicians. We are all bound to pretend that we know.

Weberian thought has a part to play in giving theoretical substance to this position. Weber has of course been read in many different ways: the (critical) exponent of modernist thought, the advocate – and critic – of rational bureaucracy, the exponent of interpretive understanding. Gregory (2007) explored aspects of Weber's continuing relevance, seeking to reconnect Weberian thought to the understanding of public sector and governmental reform, arguing that NPM was itself a stage in Weber's process of rationalisation - part of the continuing search for "greater calculability and precision in the management of human affairs"(2007, 222). Gregory suggested that NPM embodied a separation of means and ends, and of facts and values, reflected (for example) in the practical separation of 'funders' and 'providers' or 'owners' and 'purchasers' central to the public sector. He considers that the link between NPM and the political context of its formulation resembles Weber's 'problematic relationship' between instrumental and substantive rationality. What contribution then can be offered by Weberian thought in a post-NPM environment? Guy Peters (2010) has drawn attention to the relevance of a neo-Weberian approach in understanding the post-NPM environment. If we are to accept that Weber retains an immediacy in helping us to comprehend both NPM and post-NPM developments then our focus on individual actors' ways of making sense becomes crucial in an era beyond foundationalism.

The narratives offered by the powerful - such as those provided by policy makers – gain power if we have no narrative of our own. They become the dominant narratives, framing the 'problem' and its possible solutions through definition of the language we are obliged to use. This has long been the case in public policy. For instance, debates about the UK's 'independent nuclear deterrent' are already framed by the terminology provided by the powerful. Yet the first and the third word of that term are themselves contestable – they

embody assumptions and already limit the possible terms of debate. They open the illusion of a debate and already through language close down that debate. Much the same could be said of current discussions around austerity and growth and the range of policy solutions constructed for Europe by powerful actors.

It is puzzling that politicians and other dominant policy actors are still surprised that what they do has so many unintended consequences, when the reasons why events should not turn out as intended are so numerous. It seems that predictability is assumed, and aberrations from that predictability are seen as highly unexpected. Yet of course it is predictability itself that is unusual. Policy outcomes can hardly ever be predicted, but, again, there are strong reasons why this is rarely articulated. There are some parallels here with Geyer's chaos theory. Geyer (2003) described how the linear paradigm in post-Enlightenment natural science was based upon assumptions about rationality and progress that promised a limitless control of the natural world. This began to be questioned in the twentieth century as probability superseded certainty within scientific method, which is still the case today. Yet there remains a tendency in everyday life, and in social science theory, to default to a linear rationalist model. Geyer explores complexity theory - "a simple title for a broad range of non-linear, complex and chaotic systems theories" (2003, 238) – as an alternative to rationalist models, noting that the failure of rationalist and reductionist approaches in social science led to a questioning of linear models, whether from Freud, Weber, Habermas or the post-modernist movement (2003, 242).

It was not only that the linear model was technically failing to do what it claimed (ie, predict, control and explain), it was also that the bases of this way of looking at the world were being questioned. Yet in public policy we still seem to yearn for impossible dreams of mastery of the policy process and its outcomes, for instance in a recurring but largely pointless emphasis upon evidence-based policy making, that adjunct of the rational model (see Hallsworth et al 2011).

It is not our intention, in discarding rational models, foundational approaches and modernist assumptions, to merely inhabit a fruitless contemplative world, devoid of practical relevance. On the contrary, we suggest that received approaches based on dominant policy models are the ones that have deserted the real world of practice. The approach we advocate is intended to inform both theory and the practical world of sense-making and policy initiatives. Some of the ways it might do this are:

- *An emphasis upon active learning*: going beyond the platitudes of the 'learning organisation' to develop ways in which public policy organisations can gain from the learning, knowledge and creativity of their members. This includes cross-cultural and international learning but not the crude notion of simple policy transfer.
- *Sense-making*: basing practical policy solutions on the ways in which actors have themselves developed effective responses and found new solutions, whether in the policy organisation or in wider civil and political society (see Bang, 2010).

- *Using practical actors' perspectives*: exploring the creative solutions and ways of working of public sector employees in an environment where traditional bureaucratic structures have given way to new ways of working.
- *A narrative approach*: based upon tacit knowledge and actors' own stories.
- *A recognition of different solutions for different times and places*: sometimes there is nothing wrong with "muddling through" (Lindblom 1959).
- *An emphasis upon values*: upon the normative foundation of public policy activity and of the values of those active within it; a rediscovery of a genuine public service ethic, particularly in a greater role for community, voluntary and 'Third Sector' organisations.
- *An approach based on agency*: on the activism of practical actors, not on determinist foundational models of theory and practice. This activism is based consciously in uncertainty, within which we perceive the prospect of creative sense-making and practical action rather than the existence of a problem to be eliminated.

In Conclusion

The managerial target setting of NPM may have represented the last stand of modernism. It is the opposite of the actor-driven approach proposed here. Global economic crisis has exposed the vacuity of modernist thinking. 'Pulling the levers' or 'tending the machine' are the macho metaphors of modernism that never quite convinced, and they now seem absurd.

Yet a concern with innovation alone may be the wrong focus for making sense of public policy in a fragmented world. Looking at innovation may tend to default to a concern with what governments are doing in policy terms, especially if such policies display novelty, but this may just lead to a *cul de sac* (as in 'modernisation' or NPM). Such an approach to innovation tells us little about imaginative solutions or the voice of actors.

In place of innovation we would advance the argument for focussing upon the prior condition, creativity. Creativity is the necessary basis for meaningful innovation. Simply to look at innovation without creativity is to focus upon a process which may remain managerial and centrally-imposed. In short we advocate a focus upon the axiology of innovation which allows an analysis of its component parts, its creative core, and its underlying value (also see Bessant and Tidd 2007; Davila 2005; Rae 2007). If this is not done, any new management fad, without substance, may masquerade as innovation.

An approach based upon individuals' own sense-making, learning, diversity and values can be placed at the heart of a perspective on creativity and innovation that discards modernism and foundationalism. The NPM phase has gone. The old dualisms that preceded NPM – Right and Left versions of steady progress toward the sunlit uplands of a good society – have for the most part passed into the history of modernism. Thus we (as policy actors) are left with the challenging but empowering task of constructing theoretical and practical sense from what we have. The specific roles occupied by policy actors, including public

employees, may vary. For instance, Peters (2010) notes that while bureaucracy has retreated as a paradigm for the public sector, it has not been replaced by any coherent alternative. Both scholars and practitioners therefore have to cope with uncertainty and with *ad hoc* solutions, one of the themes of the present paper. The specific role of public employees becomes ever less clear in these changing conditions. Peters offers an empirical typology of choices available to practitioners, including the options of 'bureaucrat', 'manager', practical everyday 'policy maker', 'negotiator' in a mixed economy of providers and partnerships, and 'democrat', aware of competing political pressures. These roles, we suggest, imply a underlying creativity based on learning. This in turn underlies practical innovation.

We would thus suggest:

Learning does not necessarily generate innovation, for several reasons: international constraints (including the EU, IMF and ECB) prescribe and proscribe the available policy choices. Learning may also fail to challenge past practice, thus reverting to old foundationalist solutions.

Innovation is not necessarily positive in its effects: it can open-up old problems, undo previous fixes, and, especially, generate *unintended consequences* – the great weak link within rational policy models. Policy innovations can take us backwards (and produce the opposite of what was intended), for instance in English Higher Education where the introduction of tuition fees has greatly increased rather than decreased the level of public spending, or the current management of the Euro which has increased fragmentation rather than integration.

Innovation without creativity may be process rather than substance, focussing on novelty alone without engaging the policy actors involved such as the managerial 'modernisation' of local government in the UK and elsewhere in Europe from the 1990s onward.

We cannot necessarily determine where either learning or innovation will take us: in fact it lies within the very definitions of learning and innovation that we cannot predict the course of events to follow. It is the fatal conceit of modernist and rationalist views of policy making that we can somehow define the destination as we begin the journey – we cannot, because the predictive claims of modernist thinking are based on false assumptions.

Ultimately, innovation based upon individual learning and creativity, rather than the policy prescriptions of government, can unlock the potential for solutions based on actors' own expertise and lived experience.

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