PSA Graduate Network

CANE Conference 1999

20-11-1999

'Does Policy Network Analysis provide an adequate understanding of state-group inter-mediation at the local level?'

By **C. Apostolakis,**

MA in Public Administration and Public Policy, University of York, Department of Politics

This paper attempts to identify if Network Policy Analysis provides an adequate understanding of state-group inter-mediation at local level. In order to do that the paper refers to recent developments of Policy Network Analysis in UK local government towards a network model of policy making. Beginning with the recent enlargements in Policy Network Analysis it argues that Marsh and Rhodes's (1992) and Marsh and Smith's (1996, 1998) Dialectical Approach provide the most convincing response to the topic. Based on this it demonstrates the implications of these theories into British local politics with respect to a developing network model. It tests finally the theoretical considerations empirically using the case of Birmingham City Council regarding housing policy.

THEORETICAL BACKGROUND

Recent developments in Policy Network Analysis

In recent years the concept of policy networks has provided significant additions to the understanding of governance. The first attempt to define what a policy network is

was been in the USA in the mid-1960s, when the literature accepted that policy making occurs in subsystems. According to Thurber (1991; quoted in Smith, 1993:pp 6):

> Policy subsystems can be characterised by networks of actors, their substantive policy domain, and various modes of decision making. They are organised to make focused demands on the political system and to influence specific programs…

In addition, Benson argues that policy networks are the close relationships that emerge between organisations and individuals who are in frequent contact with one another in particular policy areas (Benson, 1982; cited in Atkinson and Coleman, 1992). As Parsons (1995) argues the necessity of defining a new way of policy making compatible with the trend towards seeing the function of markets as more effective than government guides the development of policy networks.

Furthermore policy networks as a model for the analyses of policy making has a number of advantages over traditional approaches to the analyses of policy making such as corporatism, pluralism and marxism because it is much more flexible. It is concerned with interpreting behaviour within particular policy areas. As a meso-level concept it explains specific relations between the state and non governmental organisations (Smith, 1993).

In an attempt to define the different types of policy networks Rhodes (1986a) distinguishes five types ranging from highly integrated policy communities to freely integrated issue networks. Therefore, he identifies five types of policy networks. *Policy communities, Professional networks, Intergovernmental networks, Producer networks and Issue networks* (Rhodes, 1986a; cited in Marsh and Rhodes, 1992).

Rhodes's model (1981) was developed in order to provide 'an explicit application of intergovernmental theory to British central-local relations' (Marsh and Rhodes,1992: 10).

This framework was based on five propositions:

- Any organisation is dependent upon other organisations for resources.
- In order to achieve their goals, the organisations have to exchange resources.
- Although decision making within the organisation is constrained by other organisations, the dominant coalition retains some discretion. The appreciative system of the dominant coalition influences which relationships are seen as a problem and which resources will be sought.
- The dominant coalition employs strategies within known rules of the game to regulate the process of exchange.
- Variations in the degree of discretion are a product of the goals and the relative power potential of interacting organisations. This relative power potential is a product of the resources of each organisation, of the rules of the game, and of the process of exchange between organisations (Rhodes,1981; quoted in Marsh and Rhodes, 1992: 10-11).

On the basis of Rhodes's model, which he has revised, to make it more adequate to the needs of the past decade, Marsh and Rhodes (1992) have developed a typology of policy communities, policy networks and issue networks as types of relationships between government and interest groups (Rhodes, 1997). In this typology policy communities and issue networks are seen ' as the end points on a continuum'. The term 'policy network' is used as 'the generic term encompassing all types' (Marsh and Rhodes, 1992: 249). The typology is represented in the following table.

Table 1. Types of policy networks: characteristics of policy communities and issue networks.

Dimension	***Policy community***	***Issue network***
Membership Number of participants	Very limited number, some groups consciously excluded	Large
Type of interest	Economic and/or professional interests dominate	Encompasses range of affected interests
Integration Frequency of interaction	Frequent, high-quality, interaction of all groups on all matters related to policy issue	Contacts fluctuate in frequency and intensity
Continuity	Membership, values, and outcomes persistent over time	Access fluctuates significantly
Consensus	All participants share basic values and accept the legitimacy of the outcome	A measure of agreement exists, but conflict is ever present
Resources Distribution of resources (within network)	All participants have resources; basic relationship is an exchange relationship	Some participants may have resources, but they are limited, and basic relationship is consultative
Distribution of resources (within participating organisations)	Hierarchical; leaders can deliver members	Varied and variable distribution and capacity to regulate members
Power	There is a balance of power among members. Although one group may dominate, it must be a positive-sum game if community is to persist	Unequal powers, reflecting unequal resources and unequal access. It is a zero-sum game

Source: Marsh and Rhodes, 1992: 251

Marsh and Rhodes make the following assertions on the basis of their typology, which has been developed from empirical evidence. Firstly, they argue that policy networks are not exclusive. Secondly they point out four categories of exogenous or network environment changes which were identified in the case studies used by them:

economic/market, ideological, knowledge/technical and *institutional.* Thirdly, change in policy networks can be endogenous. Lastly they argue that economic position and knowledge have a considerable influence upon policy networks (Marsh and Rhodes, 1992).

In an attempt to integrate policy networks (aiming to provide an explanation of continuity and change within them), Marsh and Smith in *Understanding Policy Networks: Towards A Dialectical Approach* (1996, 1998) focus on the interactive relationship between structure and agency (Evans, 1998). Marsh and Smith adopt Rhodes' classification of policy networks, and Marsh and Rhodes's point (that policy networks is a meso-level concept which needs to be integrated with macro- and micro-level of analysis), in order to have more explanatory power (Marsh and Smith, 1996, 1998). Policy networks are dynamic because agents can choose the policy options they wish to apply. As a consequence, structure and agency co-exist in order to produce outcomes that satisfy all of the network's actors. As Marsh and Smith argue:

> …in order to provide a grounded, but dynamic, account of how networks affect policy outcomes, it is essential to recognise that policy networks are structures within which agents operate. Agents are, in a sense, 'bearers' of those positions, but they interpret those structures; in this way the relationship between structures and agents is dialectical (Marsh & Smith, 1998).

These particular approaches to policy networks have been chosen for this paper as they are the ones that match more to the present needs of local government in the UK to the greatest extent. This is because of the fact that today there exists an increasing interest in the problems of conceptualising and comprehending central-local relations as well as inter-governmental relations. Policy networks play an important role in this because, according to Rhodes (1997), function-specific networks that combine

central departments, professions and other interests dominate policy making in Britain. The particular approaches attempt to explain, in an accurate way, policy communities and issue networks, and local government consists mainly of policy communities and issue networks. Moreover, Marsh and Smith's Dialectical approach might be useful, when applied to local government, being capable of producing a precise picture of the nature of change in the policy networks being established in this sensitive field of policy making. As Rhodes (1997: 45) points out, the debate about policy networks has a 'straightforward and simple' objective: ' *to define policy networks as a prelude to describing and analysing the new government structures of the 1990s'.*

Implications of Policy Networks' recent developments at the local level- Towards a network model?

In 1991, Cochrane suggested that there were indications that corporate structures were developing within the broader framework of the UK capitalist political economy. Different groups at the local level appearing through a variety of organisations, including, not exclusively, elected local government, could represent these structures. In addition he mentioned that a new set of power relations were appearing in local politics, reflected by an increased emphasis on private/public partnership (Cochrane, 1991). Stoker mentions that a substantial active base of local groups exists in many areas of Britain, reflecting the British tradition to… form a club and elect a committee in every possible occasion! He refers to a study by Newton in 1976, which identifies, only in Birmingham, some 4264 local organisations (Stoker, 1991).

Eight years later, in 1999, a study carried out by a joint team from the Universities of Brighton and Lincolnshire-Humberside finds that a compact between local government and the voluntary/community sector is developing. The study finds that 'the most successful policies and agreements are emerging in areas where there is a history of dialogue between the voluntary and community sectors and the local authority' (Developing 'local compacts' between local government and the voluntary sector, Febr.1999: p.1 of 5). The document also recognises the existence of such a process in Scotland and Wales, beginning to appear in 1996. On the basis of this it could be argued that a new phase of policy networks in the UK local government has already begun.

After establishing the approaches under consideration raise some crucial questions with regard to the structure and agency of such policy networks. The first point concerns the main aspects of policy networks in the UK local government. Ranson and Stewart (1994) acknowledge the existence of policy communities in local government which are involved in a decision making process. Moreover, there exist certain types of policy networks at the local level, such as professional networks (e.g. local branches of the National Societies of Architects, Chartered Accountants), intergovernmental networks (e.g. local branches of Secretaries and Administrators), and producer networks (e.g. local Chambers of Commerce, local branches of the Confederation of British Industry) (Stoker, 1991).

According to Stoker, issue networks (which come out from group activities which he names 'cause') as well as community and voluntary groups (which constitute the policy community networks) may be considered differently because they promote

particular sets of ideas and beliefs rather than immediate interests (Stoker, 1991). This is due to the fact that there is a direct interest in particular problems arising each time. This is not the case with regard to the other types of policy networks defined above. Stirling District Council provides an example of this sort of conjunction between day-to-day problems and community development. As part of a wider 'Going Local' programme, the Council promotes the setting up of decentralised housing offices, and the creation of consultative area committees with the participation of local representatives (Gyford, 1991).

In terms of resources and the distribution of resources, policy communities have moved from the traditional system of annual grants-in-aid to a more rigorous contractual relationship over the last years. For example in Bromley, in 1990, Age Concern were awarded a three year £650,000 contract in order to provide meals, recreational activities and personal care services at five day centres in the borough (Gyford, 1991).

It is thought that the dominant model of local government within UK has been the institutional one, and that this had a considerable affect upon policy making. The question arises: What type of policy making has been developed in UK local government? Following from this the further question arises: How policy networks affect policy making in local government? Within an institutional system, elected councillors are expected to make decisions regarding the main directions of policy, which are then implemented by professional specialists. It seems, however, that the traditional way of policy making has never been a very helpful way of explaining what is going on in local politics within the UK. This is due to the fact that it under-

represents the role of the professional specialists; and it does not take into account the significant role of policy networks or the importance of power relations within policy networks.

According to Stoker, during the past decade and until the middle 1990s, the conservative governments passed over 50 major acts with significant implications for local government. Their intention was to reorganise local authorities. The impact of these reforms upon policy networks was substantial. For example, the idea of partnership in education between central government, local authorities and teachers has been challenged and instead an emphasis has been placed on an administrated system (Stoker, 1991). On almost every occasion privatisation has challenged the rationale of policy making. Rhodes, (1997: 133) refers to this period of time in relation to policy networks as follows:

> These [policy] networks, especially the professions, were 'handbagged' by the Thatcher government; castigated as selfish producer interests impervious to the needs of parents and patients alike.

After 1997 the labour government has attempted to introduce an innovative process of change in partnership with local government. However it is too early to examine the consequences of this change. Initiatives such as Best Value, Health Action Zones, and New Deal for Communities have emphasised the need for 'inter-agency' partnerships based on social and economic issues at a local level. Agreements or policies combining the voluntary sector and the communities were a much less common phenomenon in the past than they are today. These strategies reflect the development of new types of policy networks combining the macro-level (i.e. government's strategic vision), the meso-level (i.e. reformed policy networks) and the micro-level (i.e. the implementation stage in each case of the existence of policy networks).

The actual implementation of policy making through a network model, however, is not always easy. This is going to be explained in a more precise way through the case study of Birmingham City Council, specifically in relation to Housing policy.

IMPLEMENTATION

Birmingham City Council: The case of housing policy

Birmingham's Housing Department is the largest in England and Wales with almost 95,000 homes (including some 365 multi-stories). This represents nearly one third of the city's households. About 26% of Birmingham's one million citizens are Council tenants, 60% owner-occupiers, 6% housing association tenants and 5% private tenants. In addition, the Department -in partnership with the other departments of the City Council- operates a 'one stop approach', delivering a wide range of services from about 50 Neighbourhood and Housing Offices spread across the city. It employs 4,500 people, it repairs and maintains on a huge scale, and they are about to begin remodelling estates through joint ventures (Birmingham City Council, Housing Department Remits, 1998).

Looking at the general framework of Housing policy in the UK, which reflects on the macro-level of policy network analysis, we could outline the overall situation as follows. Conservative housing policy was a sustained attack on local government housing. The clear intention was to switch the resources away from the public sector to owner-occupation. As a result public expenditure on local authority housing fell from £4.5 billion per annum in 1980/1 to £1.4 billion in 1991/2. At the same time

local councils continued to build houses and sold over 1 million dwellings, however, the unsuitability of owner-occupation for many people, especially for those who live in the inner city with low incomes, has been clear for some time. As a result stagnation occurred in the 1990s property market because the inner-city home-owners were unable to take advantage of rising house prices (Atkinson and Moon, 1994).

Since 1997 the Labour government has attempted to finalise a Best Value in Housing (BVH) framework in order promote a different approach in housing policy. According to this framework local authorities could have the major responsibility for promoting framework's goals, in partnership with tenants, residents and the wider local community. Moreover, local authorities *'should actively and meaningfully involve tenants and residents an the planning and delivery of their housing strategies and services'* (UK Department of the Environment, Best Value in Housing Framework, 1999, p. 3 of 4).

After examining the political situation with regard to Housing policy in the UK, the Birmingham City Council case will be explored. It could be argued that policy communities and issue networks co-exist in Birmingham, which have the main characteristics of Marsh and Rhode's conception of policy networks. **Housing associations** constitute a classic example of policy communities. This is due to the fact that they are organisations with the appropriate resources to play an important role in city's day-to-day life. They mainly provide unfurnished accommodation for rent –usually for people in need of housing. Housing associations can offer rented properties in almost every area of Birmingham. They cater for single people, couples

with children, elderly people as well as people with specific needs (Birmingham City Council, Housing Associations, 1998).

The **Birmingham Model** is a potential collaboration between the City Council and the voluntary sector in operating as a learning model to inform future policy and national legislation about housing policy. The procedures for its establishment started last year. It is going to be a policy network between the local authority and a range of housing agencies and industry bodies. It will have the characteristics of an issue network because it encompasses a range of affected interests. In addition, the value of resources and power fluctuates between the participating interest groups (Birmingham City Council, The Birmingham Model, 1998).

Moreover there exist other types of policy communities and issue networks in relation to housing policy in Birmingham as we can see in the next table.

Table 2. Policy Networks in Birmingham City Council in relation to Housing: Types and characteristics

Type of interest	Economic interests (Housing Liaison Boards) or professional interests (Housing Associations)	Different interests (e.g. Housing Boards or Tenants Management Organisations between tenants, Council's staff and elected members)
Resources	£25 million worth from the collaboration between the City Council and Housing Associations	Some participants such as the City Council have resources, some other such as tenants do not.
Power	Hierarchical because of their structure	It reflects the availability of the resources
Ruler of the network	Committees and Boards depending on the nature of the community	Mainly the City Council
Future of the network-Tend for change	Increasing activity- £75 million worth of investment for Estates Renewal Challenge Fund	Increasing activity-new initiatives such as The Birmingham Model

Considering the existence of these policy networks in Birmingham it could be suggested that considerable success has been achieved in different aspects of housing policy. For example, in terms of homelessness a team (based on the policy network between the Council and Housing Associations) can provide 24 hours cover and aims to re-house homeless people within 28 days. Furthermore, Birmingham City Council has a first rate reputation for involving tenants and residents in policy making. The Housing Committee has agreed that five tenants could joint them as non-voting members. Now the Housing Department supports well over 100 residents' groups, 35 Housing Liaison Boards (HLB) and ten Tenant Management Organisations (TMOs) (Birmingham City Council, 1998, Housing Department Remits).

However, in respect to the case of Birmingham City Council it could be argued that some indications appear, which weaken the central argument of the paper. Firstly, in terms of who has the power in the policy networks, appearing in the case, it is clear that the members of the Council have most the power. As a consequence, there does not exist precisely 'a positive-sum game', which is one of Marsh and Rhodes' arguments.

Secondly, the case does not elaborate in a precise manner on the continuity of policy networks existing within Birmingham. According to theories under consideration membership, values and outcomes within policy communities are constant over time. This does not reflect accurately in the case of Birmingham City Council.

Finally, the case seems to sustain Evans' argument (1998), in respect to Marsh and Smith's Dialectical approach, that there is no accurate empirical evidence of

interactions between the participants of the policy networks within the context of the broader political system (macro-level). According to the case, only the Council only is capable to integrate the relationship between the different levels of analysis. As a consequence, this weakens the role of the other interest groups, which leads to policy network's inability to moderate its integration.

CONCLUSION

On the basis of what has already been stated above, I argue that within Birmingham City Council there exist trends for a change towards a network model because:

1. The Council, following current government's attempts for a Best Value in Housing, tries to meet the needs of the city tenants and residents, and pioneers innovative ways to provide good quality of life. In order to do this, they attempt to involve local citizens into policy making as much as possible. As a result the City Council has been awarded with a first-rate reputation (Birmingham City Council, Housing Department Remits, 1998). This leads to the creation of policy networks under an innovative face.
2. In addition, the Council agreed for a type of parity to citizens' participation in policy making regarding housing issues (Birmingham City Council, Housing Department Remits, 1998). This indicates that other interest groups, apart from the Council, can 'formally' participate in the policy-making procedures.
3. Policy communities such as the Housing Associations have the adequate resources and the nominative power by the Council to act in a different manner compared to the past. This makes them an important player in the policy arena (Birmingham City Council, 1998, Housing associations). As a consequence, a trend for

integration between policy networks (at a meso-level), governmental strategic visions (at a macro-level) and implementation of actual policies (at a micro-level) seem to have begun to be formulated within Birmingham' politics.

4. Issue networks exist within Birmingham such as Housing Liaison Boards. Tenants, staffs of the Council, and elected members meet monthly across the city to decide policies, practices and priorities for Housing. They monitor the progress of the Best Value in Housing framework which was introduced by the government this year. As a result the City Council was selected as one of the national pilot authorities (Birmingham City Council, 1998,Housing Department Remits; UK Department of the Environment, Transport and Regions, 1/1999, Best Value in Housing Framework). This indicates (as it is has been stated in the above paragraph) a new trend for an integration between the different levels of analysis at the local level.

Despite all the above-mentioned the new trends are not completed yet into the way of integrating policy networks. There are signs that weaken the euphoria, which the supporters of this approach might feel. Firstly, there does not exist precisely 'a positive-sum game', according to policy networks' theorists, in terms of who has the power in a policy network. In the case of Birmingham City Council it is still obvious that the Council rules almost exclusively the policy networks within Birmingham. Secondly, the continuity of values, membership, and outcomes is not persistent, as the policy networks' theorists would wish it to be. Thirdly, there is not enough empirical evidence to prove accurately the recent developments in policy network analysis.

Concluding the paper I argue that policy networks analysis as a theoretical framework has the potential to interpret in an adequate manner the state-group inter-mediation at the local level. Despite their lack of precision so far, recent developments in the policy network analysis seem to have the capability to elaborate an acceptable understanding of the new trends involved in local politics in Britain. This is due to the fact that today *'local government is not just about local services; it is also about the expression of local political views and priorities, about helping politicians to frame and implement manifestos, about helping communities to express their views and channel them to achieve the resolution of issues'* (Kelly,1996: 26).

References

Atkinson, M. & Coleman, W. D., (1992), 'Policy Networks, Policy Communities and the Problems of Governance', *Governance*, Vol 5, No 2, pp 154-180

Barnett, N. & Chandler, J., (1997), 'Local Government and Community', in P.Hoggett, *Contested Communities*, (Bristol: The Policy Press)

Birmingham City Council, (1998), Housing Associations, [cited 14/04/1999], Available from the Internet,
http://www.birmingham.gov.uk/epislive/housing.nsf

Birmingham City Council, (1998), Housing Department Remits, [cited 14/04/1999], Available from the Internet, http://www.birmingham.gov.uk/epislive/housing.nsf

Birmingham City Council,(1998), The Birmingham Model, [cited 14/04/1999], Available from the Internet,

http://www.birmingham.gov.uk/epislive/housing.nsf

Dowding, K., (1995), 'Model or Metaphor? A Critical Review of the Policy Network Approach', Political Studies, Vol 43, No 1, pp 136-150

Evans, M., (1998), Policy Networks: A British Perspective, University of York, Department of Politics, Working Paper No 16

Filkin, G. et al, (April 1999-Ref. 419), 'Modernising Local Government', [cited 12/04/1999], Available from the Internet,

http://www.ayork.ac.uk/depts/spw/spguide/modernisinglocalgovernment.htm

Gyford, J., (1991), Citizens, Consumers and Councils; Local Government and the Public, (Macmillan Education Ltd)

Hampton, W., (1987), Local Government and Urban Politics, (Essex: Longman Group UK Limited)

Hoggett, P., (1997), 'Contested communities', in P. Hoggett, ed, *Contested Communities,* (Bristol: The Policy Press)

Kelly, J. R., (Autumn 1996), 'Managing in local government in modern times', *Public Policy and Administration,* Vol 11, No 3, pp 18-28

Marsh, D. & Rhodes, R.A.W., (eds, 1992), Policy Networks in British Government, (Oxford: Clarendon Press)

Parsons, W., (1995), Public Policy; An Introduction to the Theory and Practice of Policy Analysis, (Edward Elgar Publishing Limited)

Ranson, S. & Stewart, J., (1994), Management for the Public Domain, (The Macmillan Press Ltd)

Rhodes, R.A.W., (1997), Understanding Governance; Policy Networks, Governance, Reflexivity and Accountability, (Open University Press)

Rhodes, R.A.W. & Marsh, D., (1992), 'New directions in the study of policy networks', *European Journal of Political Research*, 21, pp 181-205

Smith, M.J., (1993), Pressure, Power and Policy, (Harvester Whatsheaf)

Stoker, G., (2nd ed, 1991), The politics of Local Government, (Macmillan Education Ltd)

Taylor, M., (1998), 'Partnership between government and voluntary organisations', [cited 14/04/1999], Available from the Internet,
http://www.york.ac.uk/depts/spw/spguide/fs.htm

UK Department of the Environment, Transport and the Regions, (30/07/1998), White Paper about Modern Local Government, [cited 13/04/1999], Available from the Internet,

http://www.york.ac.uk/depts/spw/spguide/whitepaper-summary.htm

UK Department of the Environment, Transport and the Regions, (1999), 'Housing: Key Figures', [cited 13/04/1999], Available from the Internet,

http://www.york.ac.uk/depts/spw/spguide/housing-keyfigures.htm

UK Department of the Environment, Transport and the Regions,(22/01/1999), Best Value in Housing Framework; Consultation Paper, [cited 14/04/1999], Available from the Internet,

http://www.york.ac.uk/depts/spw/spguide/housingandlocalgovernment.htm

UK Department of the Environment, Transport and the Regions, (01/03/1999), 'Housing Statistics Summary; No 1; Preliminary Results from the Survey of English Housing 1997/98', [cited 12/04/1999], Available from the Internet,

http://www.york.ac.uk/depts/spw/spguide/researchabouthousing.htm