

# From Complexity to Collaboration:

Creating the New Zealand we want for ourselves, and enabling future generations to do the same for themselves

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# From Complexity to Collaboration: Creating the New Zealand we want for ourselves, and enabling future generations to do the same for themselves

*A provocation for policy process change by Elizabeth Eppel, Girol Karacaoglu<sup>1</sup> and Donna Provoost<sup>2</sup>*

The purpose of this paper is to change how we approach public policy and implementation for complex problems such as child poverty.

The ultimate objective of public policy is to improve people's lives and wellbeing, now and into the future. Traditional environmental, social and economic policies are clearly failing to generate the changes needed to address the persistent and increasing disadvantage facing many people and the communities they live in. This is unacceptable in a country as rich in human and natural resources as Aotearoa New Zealand.

We propose a principles-based policy framework for complex social problems such child poverty. This approach will do more than embellish existing policy. It will help ensure that the intent of policy is realised, through a shared and explicit understanding and a commitment to achieving significant improvements. The government needs to rethink its various roles and consider how it enables local communities to be more transformative for children, their families, whānau and communities.

We arrive at this conclusion through an analysis of how complex problems and uncertainty are best managed, and through considering some promising practices which suggest some common underpinning values and practices we can follow. In essence, we propose that the design and implementation process for public policy should be reconfigured to rest on a new set of principles, built on values of trust between government and other agents of change, and of valuing distributed community knowledge, resources and local solutions.

This paper derives the following set of six principles from our understanding of the complexity of issues like child poverty, and from our consideration of previous attempts to work effectively in complex policy domains. The Government's proposed legislation to set targets for 'significant and sustained' child poverty reduction, and the elevated focus of government agencies on effective interventions and on learning from locally-generated change, make the time ripe for advancing our thinking on these issues.

## **1) Broad agreement on the trajectory of change and desired outcome**

Government might be tempted to impose solutions to child poverty. While the push for change can be initiated by government, it needs to gain local support to be effective. For the Child Wellbeing Strategy, this means including a much wider range of stakeholders: involving them in the decision-making process, allowing different pathways and solutions in different places and using these to set intermediate goals and priorities.

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## **2) Collaboration is necessary**

Government alone does not hold all the means needed to reduce child poverty or improve child wellbeing. There are many organisations actively involved in this work. Harnessing the information and resources of these organisations to achieve more than the sum of their individual efforts requires government to adopt an enabling and facilitating role, which might sometimes mean getting out of the way. Central control and command processes are doomed to delivering only short-term and short-lived gains.

Overall the changes achieved will be the cumulative result of many collective reinforcing interactions. Working with other organisations is not easy and many attempts fail. Therefore there needs to be clarification about each organisation's role and accountability, and more tolerance of risk and failure.

## **3) Facilitation, communication and adaptive leadership**

Ensuring everyone is working to the same goals requires continual communication and facilitative leadership. Supporting and investing in courageous leadership at all levels is needed. This means being able to develop working relationships across organisations, adaptive leadership at every level, and it means taking time to build local capability and leadership. It requires working with the leaders that know their communities, and building trust and commitment to get individuals and organisations involved in bringing about changes that will translate to better lives for children.

## **4) There is no 'one solution'**

In nearly all cases there will be a number of solutions which need to emerge from within local communities. What works in one place might not work elsewhere. Government needs to be more flexible in its commissioning, more trusting of local knowledge, and more accepting of risks and variations in results. It needs to permit different local communities to arrive at different solutions. Government also needs to recognise that communities will be starting at different levels of sophistication in how they collaborate and the strengths they can contribute.

## **5) Agreement on the measures of change**

Collecting data about what is working and why it is working is an important part of the process. It is also an important focus for the conversations being shared among the various stakeholders, because it builds collective knowledge of the problem and of emergent solutions. Asking those at the centre of the issue what success will look like for them will provide an important focus around which all can rally their own actions.

## **6) Persistence – continuing to focus on the goal, not the means, and sustainability**

Complex problems are not solved and results take time to become sustainable. Because a problem like child poverty is complex, it will go on changing. Goals need to be refreshed but ongoing attention and resources are needed to enable individual decision-makers to make the

best decisions for children themselves, family, organisations or sectors for achieving improved child wellbeing.

The paper develops these principles, taking social complexity and uncertainty into account, through three steps:

1. It makes a case for public policy addressing such complex social problems as child poverty to embrace the implications of complexity, and identifies what that entails for its design and implementation.
2. It acknowledges that there have been many attempts to do this in the past, in various ways, in a variety of programmes. We identify some common design elements in these programmes so that we might learn from them.
3. It weaves together the essence of the common design elements identified in the alternative approaches and suggests some guidance for designing policy and interventions likely to have a positive impact on child poverty.

We acknowledge that there are many levels at which transformation needs to occur. This paper focuses on developing a principles-based policy framework for complex social problems. We believe these principles may have wider application across the operation of the public sector. Testing how they might apply to the various roles of government, such as developer of policy, legislator, regulator, contractor, enabler, services delivery agent and monitor, extends beyond the scope of this paper.

## 'More of the same' is not working

On child poverty, the facts speak for themselves. New Zealand has high and enduring rates of child poverty relative to other age groups, and relative to rates in other comparable nations. But this paper is not intending to repeat the analysis of the problem, well-articulated elsewhere (e.g. Boston & Chapple, 2014). Nor will the paper suggest and prioritise solutions – areas also well traversed in a considered way by experts in the field (e.g. Expert Advisory Group on Solutions to Child Poverty, 2013). Instead, we focus on the frameworks for policy design and implementation processes that will generate the change we all seek for New Zealand children, their families and their wider communities.

## Traditional policy responses have limited impact

Simply doing 'more of the same' – considering government's levers, assessing economic cost-benefits, using central command/control accountability – is not going to generate the needed change to reduce child poverty or bring about other desirable complex changes. Traditional policy approaches assume a level of control over change that is impossible in a complex and uncertain world. While current policy approaches sometimes acknowledge that changes are sought in complex environments that are constantly changing, they then assume the fundamental implications of this observation away, rather than incorporating complexity and uncertainty into the design.

In contrast then, we need to acknowledge the reality that children's wellbeing is created not by policies alone but through the interactions they have with family, communities, teachers, and many others; and the investment that all these contacts make in terms of time, resources, and care for the child. We propose an alternative framework for designing and implementing public policy, including addressing child poverty, suited to a complex and radically uncertain world. As well as drawing on the best evidence we have of how complex change has been planned for and achieved in the past, our framework also leaves room for future interactions to create positive changes in ways we can not currently predict. This approach acknowledges that no one person or organisation has sufficient information or resources to address a problem like child poverty. It draws on experiences and experiments from New Zealand and from around the world where particular processes have been used to capture the benefits of locally generated knowledge and resources to bring about desired change trajectories. The approach places communities at the centre of the design process and uses implementation processes to encourage positive change, not all of which might have been envisaged at the outset.

Effective public policy, then, involves government providing the right enablers so that individual decision-makers can make the best decisions for children themselves, family, organizations or sectors to enable improved child wellbeing. This is a socially complex environment and one where government does not have all the necessary knowledge or the levers. Successfully addressing child poverty and improving wellbeing will test our policy design and delivery. Collaborative approaches with leadership and ownership within communities will provide more effective, efficient and enduring solutions (Inspiring Communities, 2017). We note that the New Zealand Productivity Commission reached a similar conclusion in their consideration of 'More Effective Social Services' (NZ Productivity Commission, 2016) although we might differ from them on the role of government in such processes.

There is a wide body of literature supporting a more holistic yet local approach to wellbeing. The OECD, in constructing their Better Life Index (BLI) (see Durand, 2015; van Zanden, *et al.*, 2014), have categorised the main influences on wellbeing as: *quality of life* (health status, work-life balance, education and skills, social connections, civic engagement and governance, environmental quality, personal security, subjective wellbeing) and *material conditions* (income and wealth, jobs and earnings, housing) indicators. These broadly correspond to what Arrow *et al* (2012) refer to as ‘comprehensive consumption’, which they relate to wellbeing.

We have the benefit of numerous studies, covering a large variety of countries and cultures across time, which provide empirical support for this broader formulation of the main influences on wellbeing. In other words, based primarily on robust, survey-based, empirical work, we have a broad sense of the common elements individuals value (Boarini *et al*, 2014; Smith, 2015). Similarly, the Social Reports produced by the New Zealand Ministry of Social Development (MSD, 2016) identify ten domains of wellbeing: health, knowledge and skills, paid work, economic standard of living, civil and political rights, cultural identity, leisure and recreation, safety, social connectedness, and life satisfaction (earlier versions also included an environment domain). Stats NZ (2009) also refers to three domains in its Framework for Measuring Sustainable Development: environmental responsibility, economic efficiency, social cohesion.

In all cases, the identification of the main influences on wellbeing is based on extensive consultations with the wider public (Watson *et al.*, 2016) and/or informed by empirical work (Di Tella and MacCulloch, 2008; Au *et al.*, 2015; Benjamin *et al.*, 2014). A very useful survey of the empirical literature on wellbeing is provided by Smith (2015). The New Zealand Living Standards Framework (Gleisner *et al.*, 2012), originally developed in 2011, is currently inspiring renewed interest and consideration as a framework for guiding work on the government’s child wellbeing strategy (Robertson, 2018).

Taken together these sources provide guidance on what elements to consider. They provide a holistic view of the range of elements or domains that will take us beyond the fragmented approach of standard policy levers. A fundamental assumption underpinning the wider concept of wellbeing is that, in addition to their individual incomes and consumption of private goods (including leisure and good health), individuals and communities also value social cohesion; equity across society and generations; resilience to the types of systemic shocks that have the potential to cause serious damage to various capital assets and through that to our way of life; potential economic growth; and through all these mechanisms, sustainability as a channel to intergenerational wellbeing.

The purpose of public policy is to decide what sets of capital assets to invest in, and how to enhance opportunities for individuals and communities to live the lives they value. The ultimate sources of wellbeing (the capital assets), sitting in the middle in Figure 1, are surrounded by the domains of public policy that collectively define the wellbeing frontier. Think of this frontier as defining the perimeter of the world within which individuals and communities play, create, and live their lives safely.

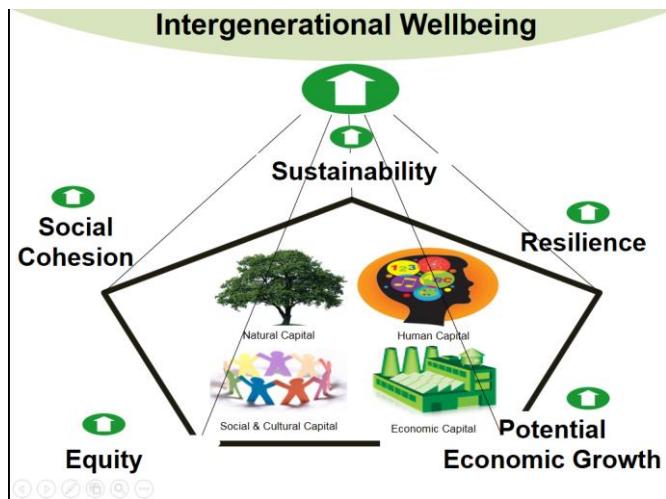


Figure 1: Intergenerational Wellbeing

We need child wellbeing policy to work in a complex and uncertain environment

Generally our past efforts to solve complex policy problems have been too fragmented. They have not been built on an understanding of the complex social systems they must work in. A complexity-informed approach builds on an understanding of how the world works and came to be the way it is and, more importantly, of how individual and collective action will create our future world (Bolton, Allen & Bowman, 2015).

This means embracing, not minimising, the complexity we face. We must accept the nonlinear interconnectedness of people and institutions and their reflexive interactions with each other and the policies we create. We draw heavily on an understanding of the implications of complexity for public policy (e.g. Allen, Maguire & McKelvey, 2011; Ansell, Trondal & Øgård, 2016; Boulton, et al., 2015; Cairney & Geyer, 2015; Eppel, 2008; Klijn & Koppenjan, 2016; Room, 2011, 2016) and the Cynefin framework<sup>3</sup> (Kurtz& Snowden, 2003; Snowden, 2010) in this paper to provide an understanding of the complexity of interrelationships between actors and institutions and how change occurs in complex adaptive systems. Three guiding principles underpin this approach (adapted from Beinhocker 2017; and see also Eppel, Turner and Wolf, 2011; Room, 2016).

1. Take an evolutionary approach to policy that encourages experimentation in communities and at place-based local levels – i.e. when local initiatives, aimed at addressing local problems, are having locally desired outcomes, reinforce and support them, (rather than imposing new solutions and outcomes).
2. Make policies and institutions as adaptable as possible by creating rules that provide general frameworks, but then allow adaptation to specific circumstances.
3. Have the government's role be that of system steward to create the conditions of trust in which interacting agents in the system are able to adapt towards socially desirable outcomes (rather than directing or engineering specific outcomes).

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<sup>3</sup> See Appendix for how the Cynefin framework might be used for working with complex situations.

In the next section we provide examples of policy processes that embrace, rather than minimise, complexity and uncertainty, and where similar principles have been applied. We then consider further design elements that will be instructive in addressing child poverty and improving wellbeing.

### Learning from our past experiences and exploring alternative approaches

In approaching policy with complexity and uncertainty in mind, we are not starting from scratch. There have been many efforts over the years to incorporate a holistic understanding of complexity principles into policy design and practice (see for example, Innes & Booher, 2010; Westley, Zimmerman & Paton 2007). Some attempts to address complex social issues in the past (including improving child outcomes) have common design elements. Their successes have been limited because we have not paid enough attention to understanding how they work. Too often, they have been considered as competing approaches rather than as examples of shared features we should be seeking to replicate. Over the years, New Zealand has generally wasted the social and collaborative capital these projects have generated in favour of starting on a fresh quest for the perfect solution. It is time to acknowledge that continuing a pattern of episodic search for the holy grail of a perfect policy intervention will continue to be fruitless.

Instead, in this section, we examine a number of programmes and approaches in order to learn from them. In common, the chosen programmes have embraced complexity and uncertainty, and are underpinned by values of mutual trust between government and non-government actors and the valuing of distributed community knowledge, resources and local solutions. We can learn from this. They are:

- i. Community-led development initiatives
  - a. Underlying principles and theory of change
  - b. CLD in action in New Zealand
  - c. Global examples of CLD
- ii. Cluster-based social and economic development
- iii. Collective impact research from Stanford University
- iv. New Zealand central government led initiatives aimed at complex social issues
  - a. Whānau ora
  - b. Social Sector Trials and Place-Based Initiatives

We examine these examples in order to distil some common features that could improve public policy efforts to reduce poverty and improve child wellbeing. Our examination draws on an understanding of complex adaptive systems and what this has to tell us about the way our world behaves and how we can work in those systems to generate desired changes.

## Community-led development (CLD) approaches

CLD initiatives all are grounded in a collaborative approach to working together in a place to create locally-owned visions and goals. CLD is underpinned by the belief that sustainable social and economic change should include strengthening communities, and putting the community at the centre of the change process. Valuing and engaging the local community perspectives, and helping support and engage people in determining the change they are seeking are essential to effective change. CLD has a long history of application and success in rural and regional development, lesser-developed countries, in alleviating poverty and generating social development around the world.

### a) CLD principles and theory of change

The essence of the CLD approach is working together in a place to create and achieve locally-owned visions and goals. Rather than being a model or service, CLD is a planning and development approach, underpinned by principle.

Inspiring Communities (see <http://inspiringcommunities.org.nz/>) is a New Zealand organisation that promotes the principles of CLD and shares practice and knowledge about what works and why. Inspiring Communities identify five principles, which are consistent with the global literature and practice, but adapted to the New Zealand context. These are:

1. Shared local visions drive action and change.
2. Using existing strengths and assets.
3. Many people, groups and sectors working together.
4. Building diverse and collaborative local leadership.
5. Working adaptively, learning informs planning and action.

There are a number of CLD models of change, all with many common elements. Malcolm (2014) states that for lasting transformation to happen within communities, there are four key dimensions of change to consider: personal, relational, structural and cultural (See Figure 2). Over time, these inter-related dimensions must all be influenced as part of any successful and enduring community change process. Power also has a significant impact on what, and how, things happen in communities and this can be seen as tightly woven into all four quadrants in Figure 2.

# Transformation within Communities

## - Dimensions of Change -

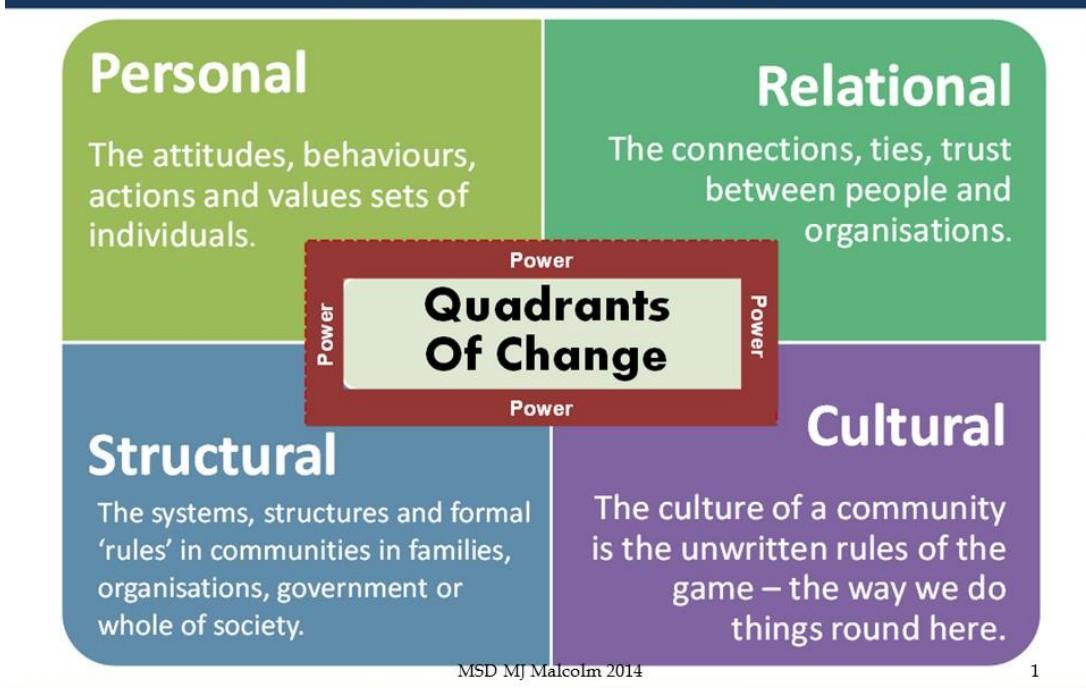


Figure 2: Community-led Development model of change

This CLD model incorporates an understanding that a future improved reality will be created through the diverse interactions of many. It also allows for understanding that the structures of government, the community and families themselves are contributors to what is happening now; it creates room for local insights as to how these will need to change or adapt to produce a different set of outcomes in keeping with the desires and aspirations of the local community, the government agencies and individuals themselves.

Inspiring Communities has also developed a theory of change (<http://inspiringcommunities.org.nz/our-theory-of-change/>), based on the international literature and practice, and grounded in the New Zealand experience. This model (Figure 3) illustrates how sustainable change happens using a CLD approach. It incorporates complexity and an understanding that effective change is dynamic – there is no perfect 'straight line' plan. It takes into account the different starting points of a particular community, and illustrates the pathways to building a community's capability over time.



Figure 3: Inspiring Communities CLD Theory of Change

#### b) CLD in Action in New Zealand

No one ‘owns’ CLD in New Zealand, other than the communities involved. Inspiring communities, as a network-based organisation, has a role in New Zealand to promote what works and to help people understand why it works – to help more communities do it. They support key CLD stakeholders to know how to recognise, support and celebrate effective practice and approaches. To that end they have worked alongside a number of communities and recorded their approaches. A range of case studies of CLD can be found on the Inspiring Communities website.

<http://inspiringcommunities.org.nz/stories>

#### Example details

*Ōpōtiki was once considered one of New Zealand’s most deprived communities.*

*Over 2 decades of shared local vision and using community strengths and assets, many people and sectors have worked together, they are rebuilding a vibrant local community and improving their wellbeing.*

<http://inspiringcommunities.org.nz/opotiki-using-their-taonga-to-harbour-a-dream/>

One further interesting example underway in New Zealand is Auckland Council’s The Southern Initiative (TSI). TSI is an ambitious, place-based practical programme, taking a holistic approach to integrating community and economic development, and bridging social and economic policy. The culture of the people and the place of South Auckland is central to TSI’s approaches, which are people-centred and also focused on systems change so that transformative outcomes can be achieved.

Culture is central to the work TSI is undertaking, and this is reflected in both the methodologies and the engagement of people around the work. Linking TSI and the Auckland Co-design Lab enables the constructive combination of an innovation engine with the institutional structure needed for implementation.

According to a formative evaluation of its early work, further attention to the agenda of creating transformative outcomes in the region The Southern Initiative is likely to make a significant difference not only for and with South Aucklanders, but for Auckland as a whole (Burkett, 2017).

c) Global examples of CLD

Internationally, there are many examples of CLD-inspired projects that have been in place for two to three decades, and demonstrate successes over time. We present examples here from two countries with significant track records in CLD we can learn from, and that share many commonalities with New Zealand – Canada and Scotland.

**Vibrant Communities Canada** (<http://vibrantcanada.ca/>) is an umbrella structure aimed at creating a connected learning community of 100 Canadian communities and cities with multi-sector roundtables addressing poverty reduction. Their goal is aligned poverty reduction strategies in cities, provinces and the federal government resulting in reduced poverty for one million Canadians. Vibrant Communities shares tools, supports local communities on their journey, advocates for the interests of communities in policy and monitors activities and successes across the country.

*Example details*

*One example of the many TSI activities is the Early Years Challenge.*

*This initiative is a joint project between TSI, Auckland Council and the Auckland Co-Design Lab, exploring how to improve outcomes for young children, families and whānau in South Auckland.*

*Taking a whānau centric approach to co-design means they understand the lived realities of parenting and puts their participation at the heart of the work. This is empowering families and whānau to create innovative ideas that build on local strengths.*

*This and other case studies are available at:*

*<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/place-based-plans/Pages/southern-initiative.aspx>*

*Example details*

*The vast evidence and resources, including provincial poverty reduction strategies that are incorporating CLD approaches, provide a foundation for us to learn.*

*(<http://vibrantcanada.ca/resource-library/provincial-territorial-poverty-reduction-strategies>)*

In Scotland, the Scottish Community Development Centre (SCDC) (<http://www.scdc.org.uk/who/>) supports best practice in community development and is recognised by the Scottish Government as the national lead body for community development. The organisation works across sectors and with a wide range of professions to support community engagement and community capacity building in any context and at strategic and practice level.

SCDC has developed resources that can be used to support community development. Examples include:

*Building Stronger Communities: A practical assessment and planning tool for community capacity building in Scotland is an important new resource for practitioners and planners working within a range of sectors to help make Scotland's communities better places to live. Resources can be found at:*

<http://www.scdc.org.uk/what/building-stronger-communities/>

### Cluster-based social and economic development initiatives

In his 1990 book *The Competitive Advantage of Nations*, Michael Porter advanced the notion that individual businesses are likely to be more competitive and innovative when they operate as part of a cluster of related firms. He modelled the effect of the local business environment on competition in terms of four interrelated influences: factor conditions (the cost and quality of inputs); demand conditions (the sophistication of local customers); the context for firm strategy and rivalry (the nature and intensity of local competition); and related and supporting industries (the local extent and sophistication of suppliers and related industries). His theory stresses how these elements combine in a particular context to produce a dynamic, stimulating, and intensely competitive business environment. Proximity—the colocation of companies, customers, and suppliers—amplifies all of the pressures to innovate and upgrade.

Porter's theory and approach has broadly underpinned much of New Zealand's national and regional economic development policy over the last 25 years. The results of the approach are seen in the way various industry sectors have flourished over that time through a combination of national enabling policy settings and locally-led and industry or sector-led initiatives.

A global network of organisations, researchers and practitioners collaborate and share resources and successes related to competitiveness, clusters and innovation (see the TCI Network, <http://www.tci-network.org/>). Through the TCI network we are now seeing a significant shift to apply the cluster-based approach that builds on individual communities' unique sets of assets and strengths, and integrates social and economic goals.

#### Example details

*There will be many examples of successful cluster implementation on show at the upcoming 21st TCI Global Conference, "Collaborating to Compete: Clusters in Action". Special focus will include regional economic development and inclusive prosperity.*

<http://www.tci-network.org/tci2018>

## Collective impact

John Kania and Mark Kramer from Stanford University have commandeered the term ‘collective impact’ to advance an approach to large-scale social sector change requiring broad cross-sector coordination at multiple levels of scale (Kania and Kramer, 2011). Broadly, their approach to making a positive difference in complex problem areas is built around five principles for collective success discerned from their analysis of hundreds of successful projects:

- 1) A common agenda – this does not require agreement on every aspect of the problem and its possible solutions but is more agreement at the level of a big, hairy, achievable goal (BHAG). The full detail of both problem and solution does not need to be known or completely understood by any one organisation or person, and in fact cannot be.
- 2) Shared measurement systems – as well as agreement on what needs to change, there needs to be agreement on measures of success.
- 3) Mutually reinforcing activities – working together to achieve a change does not require all the actors to work together or do the same thing. However, actors’ actions should be mutually reinforcing.
- 4) Continuous communication – trust between all actors is needed and supported through regular communication. Sensemaking about small changes and how these might be reinforced or not as appropriate is also important, as is identifying the resources available. Lack of initial success might not necessarily be ‘a lack of resources and solutions, but our inability to accurately see the resources and solutions that best fit our situation.’ Leaders of successful collective impact initiatives embrace ‘a new way of seeing, learning and doing that marries emergent solutions with intentional outcomes’
- 5) Backbone support organisations – are important for making the governance of the outcomes of the project and the collective outcomes. They provide project management, measurement, and communication support for the organisations involved.

*‘In the best of circumstances, these backbone organizations embody the principles of adaptive leadership: the ability to focus people’s attention and create a sense of urgency, the skill to apply pressure to stakeholders without overwhelming them, the competence to frame issues in a way that presents opportunities as well as difficulties, and the strength to mediate conflict among stakeholders.’ (Kania & Kramer, 2011,*

### Example details

*Central Iowa, USA, faces significant challenges — including inequity in health, education and housing. United Way of Central Iowa has made a long-term commitment to reducing poverty in the community, and in 2014 has begun a Collective Impact strategy. With December 2017 announcements of the first decline in the rate of poverty in the community in recent memory, this is seen as early evidence that the collective impact approach to community development is having a positive and measurable impact.*

<http://www.tamarackcommunity.ca/>

The collective impact research and findings are based on analysing the common elements of community development initiatives where success was apparent, so naming and identifying these

elements was done retrospectively. The true test of this model is how applying it will help fast-track a community's success. Case studies are now emerging demonstrating early successes (see box). Cabaj and Weaver (2016) have further refined the thinking on the collective impact framework, calling their evolution 'Collective Impact 3.0'.

New Zealand central government-led initiatives aimed at complex social issues

In recent years, New Zealand social sector agencies have been testing a number of approaches to addressing complex social issues that are more innovative and locally adapted than traditional national policy programmes. In some ways, this can be seen as government recognising the benefits of community-led change (Provoost, 2017), but unsure how to progress in this foreign territory.

a) Whānau ora

Mason Durie argued that Māori should be able to thrive and develop in both the Māori and the global world, and lead fulfilling lives as Māori and as New Zealand and global citizens (Durie, 1998). Durie's argument for positive Māori development approaches, as opposed to focusing on the deficit side of the statistics, were strongly supported by Māori leaders. So it happened that when National formed a parliamentary alliance with the Māori Party in 2008 a window of opportunity was created for its leaders to champion a new Māori development focused approach called Whānau Ora, launched in 2011. Whānau Ora has brought with it a whole new approach to the provision of social services that in 2018 has the potential to go beyond services for Māori.

In essence, Whānau Ora is focused on outcomes where whānau and families become self-managing and empowered leaders; lead healthy lifestyles; participate fully in society; confidently participate in te ao Māori (the Māori world); are economically secure and successfully involved in wealth creation; become cohesive, resilient and nurturing; are empowered to be responsible stewards of their living and natural environments (Te Puni Kokiri, 2016). According to the first independent formative evaluation published in 2016, the first phase of Whānau Ora (2010–13) focused on building provider delivery capability to design and deliver whānau-centred services. From 2013, Whānau Ora focused more directly on initiatives designed to build whānau capability using non-government agencies to 'commission' activities to support whānau/family capability (Heatley, 2016).

The successes of Whānau Ora to date lie in its processes for building an understanding of needs at the local level, and for generating local and enduring solutions by marshalling national and local resources to bring about permanent and ongoing positive changes. Resources and information to bring about change come from a mix of local and government commissioning sources focused more on learning from doing to achieve outcomes than pre-specified services. A question arising from the Whānau Ora experience is whether too much emphasis has been placed on building the systems and not enough on delivering the wrap-around and holistic services to families.

## b) Social Sector Trials and Place-Based Initiatives

New Zealand social sector agencies acknowledged the need for more innovative and locally adapted approaches to complex social issues in 2011, with the implementation of Social Sector Trials in six communities experiencing poor outcomes for youth. (This was later expanded with 10 more communities). Improving outcomes for ‘at-risk youth’ was a key goal. The overall goals and terms of reference for the initiatives were centrally developed, with communities selected by Ministers; many of the communities involved first heard about the plans through media announcements.

Each Trial community took a different approach to their Action Plans, using a ‘local solutions to local problems’ philosophy, but with clear accountability to a central agency board. While the design and operation of the Trials differed in each location, the goals and measures in these experiments were centrally mandated.

In all of the trials conducted and evaluated, there were common features. The need for leadership and good governance within each project was important but not always sufficient for a successful outcome. There was a need for national and local community agreement on an issue of concern, and general agreement was needed about what might constitute a better outcome. However, greater likelihood of success followed when the precise nature of the problem and available solutions were not prescribed but rather were allowed to emerge from interaction around the precise local dimensions of the problem. Understanding how issues manifest locally and which local people are capable of contributing solutions should ideally include those closest to the issue, including the at risk youth themselves.

### *Example details*

*Kawerau was one of the original six Social Sector Trial locations. They focused on youth engagement at school and truancy. Some of the ways they used additional resources include: hire a full-time truancy officer, hold more after-school activities for youth, a cross-agency forum to establish better case-management, more careers guidance and mentoring, and activities at the school like breakfast club, more sports electives. In the first two years they saw a remarkable turnaround in the number youth re-connected to school, increase in school attendance and drop in youth offending.*

<http://www.cobop.govt.nz/vdb/document/277>

The evaluation in 2013 (MSD, 2013) identified a number of positive outcomes. The Trials:

- improved community collaboration
- increased community responsiveness to issues faced by young people
- created a broader base of services aimed at young people in each Trial location
- made progress in achieving outcomes for young people and the wider community

However, a number of challenges with this model were also identified:

- barriers to collaboration during the establishment of the Trials (transparency, leadership and timeframes)
- the narrow scope and focus of the Trials
- ensuring joint governance and ownership of the Trials

- multiple government initiatives and priorities caused operational confusion
- integration of funding activities
- drawbacks of the NGO and CI operating models
- difficulties in obtaining relevant outcome data

Reflecting on the principles of good community-led development leads us to consider the design elements of the Social Sector Trials that worked well and what was missing. While the Trials did not start with shared local visions to drive action and change, in many instances they were able to build support for the government-identified issue. Little attention was paid to using existing strengths and assets of the local communities in the original planning, but in some cases this emerged during the progress of the trials. Benefits were recognised in building the level of collaboration in the communities by having many people, groups and sectors working together. The leadership models tested were not established on the basis of building diverse and collaborative local leadership, and much focus appeared to be on maintaining the communications and accountability to Wellington. The trials were not allowed to work adaptively, using learning to iteratively inform planning and action. Also it was not clear that there was any local ownership of the need for the outcome to sustain the initiatives without central funding and drive.

From our analysis of this mixed result example, we suggest greater explicit attention to a principled, locally-led and trust-enhancing approach might have generated greater success for the investment.

Having the Social Sector Trials experience to learn from, government announced three place-based initiatives (PBIs) in 2015. (SIA web <https://sia.govt.nz/our-work/placed-based-initiatives/>). Their main point of difference was stated as a desire to:

- draw on data and evidence to better understand the outcomes and resourcing required for a local population
- combine this with local intelligence and engagement to make evidence-based investment decisions about services and interventions that deliver better outcomes for the local population.

This later model could be summarised as a move to a tight-loose-tight accountability model (with tight central control on the outcome set, loose central control on how outcomes are achieved and again tight central control on monitoring and accountability for achieving results. In all the examples we see complex social change emerging from the sum of many local and self-organised actions and resulting in a trend towards a desired goal.

### Insights for addressing child poverty and improving wellbeing

We began this paper with the challenge that we want public policy to be more effective in improving people's lives and the wellbeing of New Zealanders. The political climate provides us a once-in-a-lifetime opportunity to shift not only the content of public policy, but the basic underlying model for achieving change. A broadened policy design and implementation approach is needed to make a step-change to address persistent and increasing child poverty and improve wellbeing. We set out to learn from our past experiences. We noted key design elements, consistent with knowing that we

are in a complex and uncertain world, which would improve our ways of designing strategy and actions to improve child wellbeing in New Zealand. We now bring these ideas together.

Weaving together the design elements that to improve child wellbeing

We draw attention here to some high level lessons from the examples above and their implications for designing and implementing policy to radically reduce child poverty.

- All examples point to the need for the strengthening and empowering of community and local approaches for designing and bringing about complex social change
- Strengths-based approaches allow us to build on the social, environmental and economic assets in each place
- Not every solution will work first time or all the time, so trust and an acceptance of risk is needed to allow learning, adaptation and to see the gains
- It is not either central or local. Central agencies must design and deliver appropriate national policies and programmes to enable the local action, but in addition, central government needs to trust and draw on the information and resources of local communities. Supporting local approaches will improve the likelihood of success
- Government needs to rethink its role. There is a need to move from commissioning principal to enabling steward, and as yet we have very little experience and practice of doing that well

Keeping these high level lessons in mind there are also some design principles derived from the examples above and our understanding of complexity that need to lie at the core of designing and implementing good public policy.

1) Broad agreement on the trajectory of change and desired outcome.

Complex problems cannot be fully understood and the uncertainty arising from ongoing changes in the environment, the people and the problem mean that delaying action to gather more information might be futile. However, broad agreement on a shared goal for change among all with a stake is a necessary first step. While the impetus for a particular trajectory of change might be initiated by government, it needs to gain local support if change is to be lasting.

Government might be tempted to impose its ideas of problems and their solutions, and as the mixed results from the Social Sector trials showed, this is not a route to sustained change, or even as much positive change as could otherwise be possible with local information and resources brought to bear. For the Child Wellbeing Strategy, this means including a much wider range of stakeholders; creating an environment of mutual trust; and involving stakeholders in the decision-making process and in the setting of intermediate goals and priorities.

2) Collaboration is necessary

Government alone does not hold all the means needed to reduce child poverty or improve child wellbeing. There are many organisations actively involved in this work. Harnessing the information and resources of these organisations to achieve an adjacent possible improvement

effectively requires government to adopt an enabling and facilitating role which might sometimes mean getting out of the way. Collaboration across organisations and with the community and citizens is an effective response to complexity. It helps to address deficits in both information and resources. It also builds trust and understanding of roles, capabilities and contributions across organisations, so that they can work more effectively together. The more complex the problem and the more complex the causes, the less complete will be the understanding of any one individual or organisation as to what actions that might improve the situation. For these reasons central control and command processes are doomed to delivering only short term and short-lived gains.

Working with other organisations is not easy and many attempts fail. Therefore there needs to be clarification about each organisation's contribution, and participating organisations need to be collectively responsible and hold each other accountable. There needs to be more tolerance of risk and failure. Collaborations need to build trust, reach collective understandings of a problem and the results wanted. Individual organisations must be held to account for agreed actions done or not done. Overall the changes achieved will be the result of the collective reinforcing interactions of many across the system, creating a positive trajectory made up of many small changes.

3) Facilitation, communication and adaptive leadership

Ensuring everyone is working to the same goals requires continual communication and facilitative leadership. Supporting and investing in courageous leadership at all levels is needed. This means having capabilities to develop working relationships across organisations, adaptive leadership at the level, and where needed, taking time to build the capabilities of local leadership. It requires working with leaders who know their communities, and building trust and commitment to get individuals and organisations involved in bringing about changes that will translate to better lives for children.

4) There is no 'one solution'.

In nearly all cases there will be a number of solutions which need to emerge from a place-based interaction between local stakeholders, local manifestations of the problem, the local environment and national policies. A sound theory of how the initiative will contribute to better child wellbeing over time will always lie at the heart of these interactions. Yet what works in one place might not work elsewhere. So government needs to be more flexible in its commissioning, more trusting of local knowledge, less risk-averse and more accepting of false starts and small failures. It needs to allow different places to reach different solutions. Different communities also will be starting from different levels of sophistication in how they collaborate and the strengths they can contribute.

5) Agreement on the measures of change

Collecting data about what is working and why it is working is an important part of the process. It is also an important focus for the conversations being shared among the various stakeholders, because it continues to build the collective knowledge of the problem and of emergent

solutions. Time, resources and facilitation for this to happen needs to be part of the process, especially if learning is to be shared across different locations and with central government. Asking those at the centre of the issue what success will look like for them will provide an important piece of information around which all can rally their own actions.

#### 6) Persistence – continuing to focus on the goal, not the means – and sustainability

Complex problems are not solved and results take time to become sustainable. Because a problem, like child poverty, is complex it will go on changing. The environment will continue to change, the stakeholders will change, organisational priorities change and communities evolve. Goals need to be refreshed but ongoing attention and resources are needed to enable individual decision-makers to make the best decisions for children themselves, family, organisations or sectors for achieving improved child wellbeing.

As the result of collaboration, a community might achieve some positive changes and even a sustainable pattern of self-organisation. Yet it could still be vulnerable to external shocks such as economic changes. Therefore vulnerable people and communities might require ongoing assistance to maintain their pattern of positive change. And government's role here is vigilance about small changes to what looks sustainable so that additional attention and resources can be invested before the effects of external shocks become too large.

#### Implementation of Public Policy in a Complex and Uncertain World

Generally our past efforts to solve complex policy problems have been too fragmented and have not been built on an understanding of the complex social systems they must work in. A complexity-informed approach moves us from one-size fits all central policies, to adaptive and collaborative approaches that understand the uniqueness of different families and communities, and works to generate individual and collective action to improve their wellbeing.

This means embracing, not minimising, the complexity we face. This will generate new understandings about how social, economic and environmental structures are formed and the processes through which they change. We have outlined some of the principles needed for the design and implementation of good public policy that will have an enduring positive effect on wellbeing, and on reducing child poverty, in a complex and fundamentally uncertain world.

Incorporating the elements we have described in the previous section into economic, environmental and social policies will help overcome the complex issues and inequality we are currently facing, across areas such as resource depletion and pollution, regional disparities, employment, earnings, education, health and crime.

For child poverty reduction and wellbeing, this means ensuring that alongside traditional government levers, the strategy adopted must explicitly recognise the role of local information, resources and approaches. This means that government will be an enabler and funder, but not usually the leader in design, governance or delivery. The nature of complex problems such as child poverty is that we cannot know in advance the precise nature of the specific knowledge, resources and solutions that will work to change the circumstances of children in particular communities. While some of the necessary enabling resources such as money or education might need to come from government, local communities need to be involved, so as to tap into the information they

hold about the nature of the problem and its solutions, and also to create ways of enlisting the community's resources to bring about change.

These changes also imply changes in the values that underpin the design and delivery of public policy to build more mutual trust between government, non-government and community bodies to work collaborative towards shared goals.

It also implies changes for how government carries out its various roles:

- as developer of policy it is more inclusive about who is involved and what knowledge is valued
- as a legislator it might be more tight on outcomes but flexible on means
- as a regulator it must ensure that measures do not drive the means and limit the scope for adaptation
- as contractor it needs to learn from what is happening on the ground as well as hold people to account for delivery
- as enabler it needs to support innovation and locally-led initiatives and contribute positively to the broader social, economic and physical environment
- as services delivery agent it needs to learn from doing and feed forward into next practice and services design
- as monitor it needs to scrutinise and be critical but also allow for false starts and fast fails

This paper focused on developing a principled-based policy framework for complex social problems. We suggest that testing how the principles might apply to the various roles of government is a logical next step.

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## **Annex 1 : Cynefin Sensemaking Framework**

The Cynefin framework (Kurtz& Snowden, 2003; Snowden, 2010) offers four lenses through which we might view a particular policy context and domain from multiple perspectives in order to understand the extent to which the interrelationships between actors and institutions, and any causal relationships, are known or unknown.

We might agree that we have sufficient data and experience of the interactions in question to be able to claim a known causal relationship. In this case it might then be agreed that the circumstances can be dealt with through application of known best practice (the lower right hand quadrant of the framework in Figure 3 below).

It is important that any claim to known causal relationships is viewed from multiple perspectives. What might appear simple to some becomes less simple and more complex when a wider range of perspectives which are part of the complexity are included. For this reason, in many social circumstances, the causal relationships are not so easily described. Rules and strict guidelines will not work here. Interaction is required between the specifics of the context and what has been shown to work in other like contexts and we can adapt with judgement from what is known as good practice (top right-hand quadrant of the framework in Figure 3 below).

With many public policy contexts, not only is the nature of the problem policy needs to address not well understood, its characteristics and effects are also changing constantly, as are the contexts in which those problems manifest themselves. In such circumstances causal relationships cannot be determined so easily. In these circumstances we need to design for the complex domain by constantly paying attention to what is changing and what does not fit our existing understandings. Our responses will be contingent rather than predetermined and ongoing sensemaking and learning will be needed. We need to operate in the complex quadrant of the framework (top left hand side in Figure 3 below) and continue to adapt our responses as reflexive change occurs between the problem the policy is targeting, the nature of the problem itself and the contexts in which the problem is occurring.

Finally there are circumstances when the context and the problem are both changing so rapidly that the situation appears chaotic and it is very difficult, if not impossible, to discern cause and effect relationships because they do not remain steady long enough for an intervention to be planned and executed (we are in the bottom left hand segment of the framework in Figure 3 below). Such circumstances might occur in the heat of a crisis situation or disaster. In these circumstances, any action can create an attractor around which others might self-organise and some small fragments of order might emerge which can then be built on.

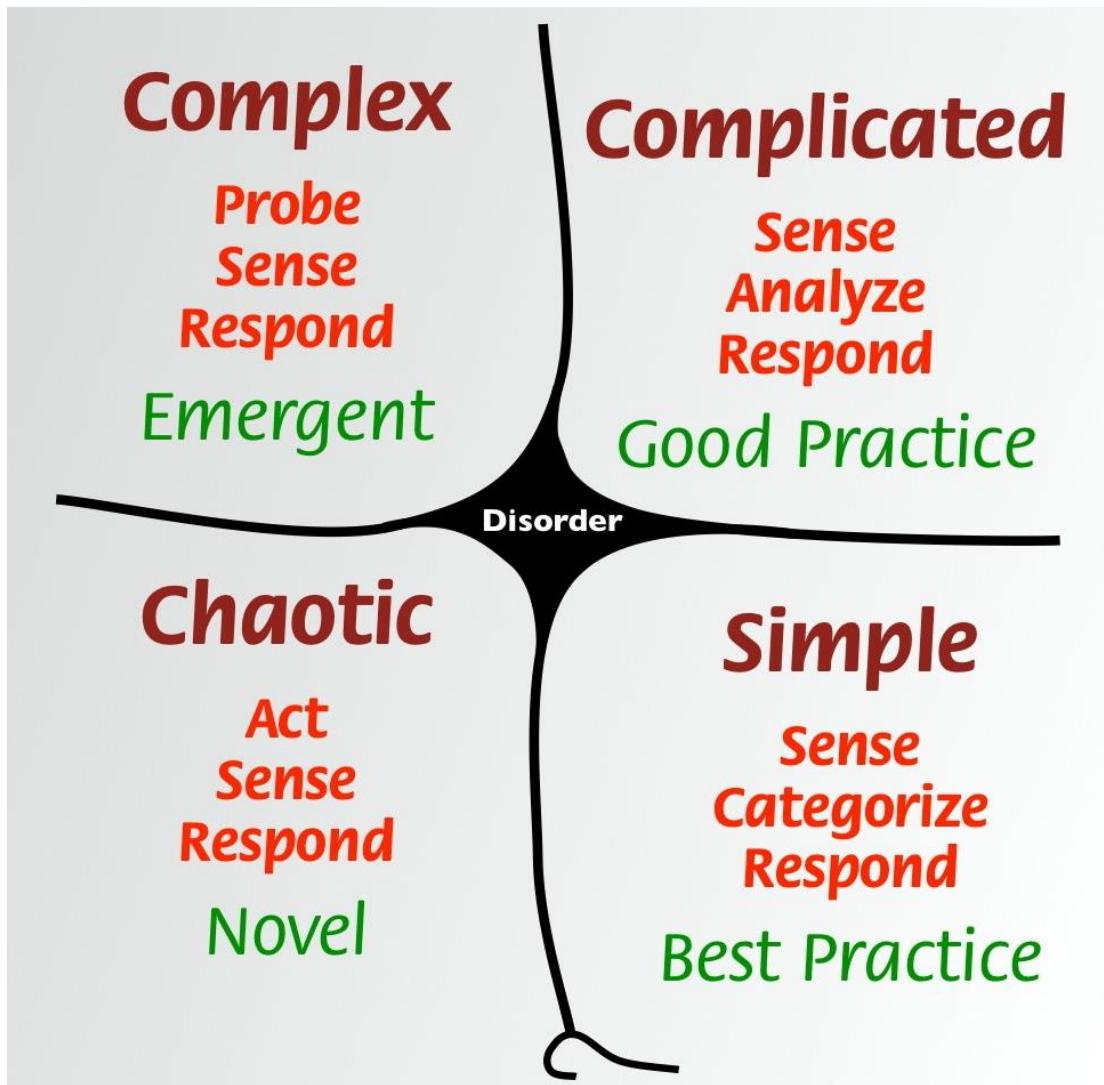


Fig 3: Cynefin Framework (Snowden, 2010)