

# NON-GOVERNMENT AGENCIES

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## *Where to tomorrow?*

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### Forecasting

Forecasting is never an easy task though it can sometimes be a stimulating one. To try and forecast the situation non-government welfare agencies will find themselves in a year from now, or five or ten years hence, requires first of all a forecast about their social, economic and political environment. It also requires a forecast about the way those who run the agencies will comprehend and respond to that environment. That new environment in which welfare agencies will find themselves will have two sorts of consequences for them. Firstly, it will determine the pattern of social need to which they will have to respond. Secondly, it will effect the resources with which they will be able to respond and the extent to which they will be encouraged to, or prevented from doing so by government regulations. It is upon this second set of consequences that this paper will focus.

But, before doing so, it is necessary to develop a technique for forecasting.

Increasingly, companies and governments are attempting to forecast the state of their world in five, ten, twenty, fifty years hence. A number of techniques are available for this purpose, mostly involving extrapolation of already identifiable trends in as many current social, economic and

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technological variables as their computers can handle. Despite massive data handling capacities, forecasting remains an uncertain business because change processes are not well understood and there is always the likelihood that there will emerge a radically new invention or pattern of behaviour that could not have been predicted previously.

There are however, more modest forecasting techniques available.

One such technique directs attention mainly to the level of ideas: to what Donald Schon (whose book, **Beyond the Stable State**, helped popularise forecasting or, in the American, "futurology") called "ideas in good currency" — or what is sometimes called "conventional wisdom". These would be the sort of statements which would receive about eighty to ninety per cent affirmation in opinion polls. An example of a current idea in fairly good currency would be the belief

that "increases in wages cause more unemployment". Another is that women should have employment opportunities equal to men. Ideas in good currency do not have to embody statements that are empirically verifiable — indeed they rarely do, although they are always offered as self evident. They are always superficial, but often roughly congruent with a more complicated but coherent body of fact and theory which underpins them. When in good currency they set the terms for popular perception of issues and problems, and, consequently, significantly influence action, private and public (i.e. government) on these issues. Ideas in good currency have invariably been around **before** they gained that currency; usually the possession of small groups whose interests coincide with and are advanced by the idea. The means by which ideas attain good currency are not readily understood;

nor indeed is the process by which they lose currency. My own hunch is that economic changes make the ground fertile for them (as for example, workforce changes help prepare the way for womens' liberation) or alternatively, turn the ground to stone. One idea that seems to me to have lost currency; an idea that became current about ten years ago, is the proposition that something needed to be done to eradicate poverty from this fair land. Tragically, it has passed from currency largely because of changes in economic climate which will increase the incidence of poverty.

### Identify

The rest of this paper tries to identify a few ideas that are around now and which are likely to attain greater currency over the next five to ten years.

They are likely to increase in currency because economic circumstances will encourage them. It seems likely that Australia will continue to experience an economic recession (or depression) for at least another five or ten years, and an economic recession is very fertile ground for these particular ideas.

### Great Deal

In the past few years there has been a great deal of writing and discussion about our public and private non-profit making institutions especially governments. Most of the views expressed can be grouped as examples of two main ideas. These ideas are related and are usually put in the form of propositions. They are, first of all, that our public institutions need to become more **accountable** — i.e. they need to be more open and responsive to the governed. Secondly, they need to be more **efficiently and effectively managed**.

Associated with each of these main ideas is a set of related ideas, sometimes put as criticisms of present conditions, sometimes as

remedies. Some at least of these will achieve greater currency over the next few years. One idea offered as a criticism is that governments are too remote and bureaucratic. Remedies for that condition include the idea that governments should play less of a role in economic and social life than they do at present; that they should become more accessible to the public in performing the tasks that they retain; and that they should do this by encouraging greater public participation in their decision-making and by developing many presently central government functions to regions (or to local government). A second criticism is of the lack of co-ordination of government functions and the consequent inefficiency and waste in their operation. Popular remedies here include use of better management techniques such as programme budgeting, programme evaluation, corporate planning, management by objectives and performance monitoring. These ideas are being increasingly articulated about governments generally but are perhaps most powerfully articulated about governments' role in providing social services. They are also coming to be increasingly articulated about the non-government welfare sector. Those articulating these ideas are both within and outside government. They are also outside but increasingly within non-government agencies.

### Affect the Operation

These ideas will affect the operation of non-government welfare agencies in two different ways. They will affect the operation of governments and, in turn, governments will, as part of their general response, alter their policies towards non-government welfare agencies. Secondly, these ideas will directly affect agencies by changing the response of different sectors of the public (e.g. donors, clients) towards them. Both of these developments provide problems but also some op-

portunities for the non-government sector.

It will be useful to deal in a little more detail with each of these sets of ideas in turn.

First of all, accountability.

Over the next few years, federal and state bureaucracies will continue to decline slightly in size, or grow at a slower rate than the adult population. Despite the currency of the idea that they should become less active, they will become so only marginally. This because the logic of Australian economic development will require greater government activity to support ailing commercial interests and because there will be in the bureaucracy plenty of bright young people recruited in the early 1970's who will utilise considerable entrepreneurial — political skills to extend or at least retain their influence. In the area of the social services, bureaucrats will continue to have ideas about new services, but often will be restrained from mounting appropriate programmes themselves. They will turn to the non-government sector to do so.

### Lack Finance

Something like the following will happen.

Welfare bureaucrats will lack what they consider the necessary finance and manpower; the voluntary (non-government) sector will have both to a limited degree. Consequently the bureaucrats will seek to extend their influence over the non-government sector. They will recognise that relative to that sector's resources, they still have considerable wealth and they will use this as a carrot to attract the non-government sector's participation in their schemes. The existing practice of subsidising non-government agencies to employ people to operate certain types of programmes will be extended. The practice of fee for service funding will also

be extended to encompass contracting and competitive tendering (as it has in the United States). This process will be encouraged because, in many ways, it will be easier for government departments to get funds rather than extra staff.

### **Exert**

To assist their move to exert greater control over the activities of the non-government welfare sector, the bureaucrats will be able to utilise the idea of accountability; ironically, as it was responsible for restraining their own growth. They will draw attention to the responsibility governments have to look after the public interest; they will point out that non-government agencies are financed by government directly or indirectly (by tax revenue foregone, rebates etc.) and that governments have a responsibility to ensure that public donations are honestly, effectively and appropriately expended. They will insist on a more comprehensive set of accounting principles than presently apply to the welfare sector and will attempt to introduce some notion of efficiency auditing (just as their own performance will increasingly be audited for efficiency as well as honesty).

### **Not Easy**

The exercise will not be an easy one; many, including non-government welfare agencies, will point out governments should be reducing their span of control not increasing it. But the bureaucrats will invoke the second idea which will be attaining greater currency at the same time, and will point to the need to ensure that all resources devoted to social services are managed as efficiently and effectively as possible. They will also invite the non-government sector to participate in the planning and operation of all social services (it will be called co-operation; in practice it will often resemble co-

option), and they will couple their moves to extend their influence over the non-government sector with actions designed to assist it. For example, within the next ten years we will see legislation specifically designed to assist voluntary organizations in a way that the present Companies and Co-operatives Acts do not.

There is another problem that public servants will face in attempting to extend their influence. Moves towards regionalisation of government services, already being implemented in a half-hearted way, if adopted more thoroughly, would weaken their control. This is because the interests of politicians — i.e. those elected by the population at large and accountable at election time to them, are generally hostile to the interests of bureaucrats. Politicians wish to keep all decisions ad hoc and want to distribute public money where they think there are votes. Public servants prefer to exert a more managerial form of control and decision making, of the sort outlined above. At the State and Federal level, politicians are generally too busy to intervene overmuch in the allocation of resources to non-government agencies (although they still do to a certain degree). If regionalisation came to encompass the creation of elected decision-making bodies at the regional level, as some envisage, then those elected representatives (politicians) will work against the plans of bureaucrats. However, existing State and Federal bureaucrats and politicians alike have too much to lose by that happening, so probably it will not, despite the growing currency of that idea.

Non-government welfare agencies will not only come under pressure from governments to report more systematically what they do with their resources; and to expend them more efficiently and effectively; they will also come under similar pressure from large donors; from trusts, companies and the like.

Generally, non-government agencies should welcome these developments. The new circumstances will provide better opportunities for reminding governments of the valuable function non-government agencies perform. Non-government agencies should take the initiative and suggest terms for a closer partnership. One idea that they might start advocating in anticipation that it could gain greater currency, is that individuals and more particularly, companies be given greater incentives to donate funds to appropriate non-government welfare organizations. Over the next ten years or so, most large companies and the wealthiest thirty to forty per cent of the population will grow even wealthier at the expense of the rest. The currency of ideas about smaller government already outlined would seem conducive to the proposition that governments should, by foregoing a certain amount of revenue, encourage the growth of privately funded welfare services and the exercise of private initiative in identifying and meeting social needs. (One does not have to agree with a certain idea to recognize that it is growing in currency and to seek to take advantage of it).

### **Set of Ideas**

Another set of ideas designed to achieve greater accountability are those that argue for greater participation in the provision of government services by user groups and clients. This principle is already well established in areas such as agriculture, manufacturing and tariff policy (too well established, some would say). The application of the idea to the social services attained some currency in the American "war on poverty" in the late 1960's, but in a less radical form will attain greater currency here over the next decade. Even if the nature of the clientele does not readily allow their participation in decision making, it

is highly likely that their interests will be invoked by increasingly vocal groups: children's rights groups are but one case in point. In these groups, young unemployed lawyers will be prominent: continuing recession and an oversupply of law schools will ensure a large pool of these. Australian law is not as favourable as the American for pursuing rights cases, but that will not stop increasing numbers of people from trying. The best tactic for agencies is to ensure that they do develop some form of client participation in the planning and management of their services — and employ or attract as volunteers some of those young lawyers.

### Third Aspect

A third aspect of the idea of accountability — one touched on already in passing — is developed by those who would extend the idea beyond that of financial accountability. That is, attempts will be made to ensure that not only are resources given by one body to another applied to the function they were given for; but that they were applied as efficiently and as effectively as possible. Already governments are insisting that experimental programmes they fund be evaluated. It can be expected that there will be a short term reaction against this — the consequence of government and non-government inexperience in this area; but that in the longer term support for the idea will continue to grow. This is because it will be assisted by the second main idea that this paper has predicted will increase in currency; namely the idea that government and non-government non-commercial organizations should become more efficient and effective in their operation — i.e. that they should come to resemble what is imagined to be the typical commercial organization.

In response to the growing currency of that second broad idea, recent committees and committees of

inquiry into government operations have recommended adoption of some or all of a variety of management techniques borrowed directly or adapted from the commercial sector. The process of adaptation is not an easy one and may prove, in the final analysis, unsuccessful (because of fundamental differences between government and non-government agencies — certainly, early attempts with say PPBS proved disastrous, but mainly because it was used naively and uncritically). Nonetheless, pressure for the introduction of such techniques will continue to grow — both in response to a growing currency of the idea and because of the increasing scarcity of resources available to governments.

### Anticipated

It can be anticipated for both these reasons that non-government welfare agencies, as well as governments, will have to improve their efficiency and effectiveness. Some agencies have moved to do so already, and in many cases have encountered problems similar to those experienced by governments when they tried uncritically to apply in the non-profit sector management techniques designed for profit-making bodies. Certainly only a few of those agencies which have utilised the services of management consultants report satisfaction. There are signs however, that the situation is changing, and that some management consultants now recognize the need for specialisation in the non-profit area. However, there may be a place in each state for a non-government welfare sector management services unit, similar to that operated by Local Government Association in New South Wales on behalf of local government. (Local government, like State and Federal government is responding to pressure to improve the efficiency and effectiveness of its operations).

The growing interest in programme evaluation in the non-

government welfare sector also reflects the growing currency of the better management idea (evaluation basically means assessing the efficiency and effectiveness of an organization's programme). This idea is coming to be strongly held by young social work professionals, whose employment in the non-government welfare sector is certain to grow — if for no other reason than that the achievement of better management sees to require an increased, if judicious, use of professional staff.

### One Version

Finally, one version of the better management idea recommends that government and non-government agencies become more attuned to future needs. This idea proposes that our social and economic environment is rapidly changing (or is "turbulent" in one formulation). Therefore there is no point in planning to meet presently perceived needs. This is because by the time the plans are implemented the circumstances, and thus the needs, will have changed. Organizations need to become more sensitive and responsive to changes in their environment and more flexible and adaptive in meeting and indeed, in anticipating, these changes. One way they can achieve this is for their members, especially their managers to orient themselves towards new developments in their own and related fields — but also, occasionally, to indulge in a little lateral thinking and a little forecasting — which, in a somewhat cavalier way, this paper has been all about.