



# **Leading Social Policy Research in the New Zealand Public Sector**

Highlighting opportunities for cross-sectoral leadership  
in social policy research, resources and capability

by

Len Cook, SPEaR Chair

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## **Biography**

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Len Cook's term as SPEaR Chair runs from December 2008 until June 2010. In this role, his task has been to "lead the SPEaR Committee through a period of change and down a path with clear direction and opportunities for engagement that will support the SPEaR Committee to reach its potential."

Len was New Zealand's Government Statistician from 1992 to 2000; National Statistician of the United Kingdom (UK) and the Registrar General of England and Wales from 2000 to 2005.

## **Executive Summary**

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The purpose of this study was to identify ways to strengthen the impact of SPEaR on the links between policy analysis and research in social policy. This was within the context of the effectiveness of social policy research in a period of constraint. As the project developed, its focus has extended to the leadership of social policy research. This has reinforced SPEaR's original mandate to identify key social policy knowledge needs, improve coordination, dissemination and quality assurance of social policy research.

During the course of the review, it became very clear that the work of SPEaR needed to be extended to build understanding of the context within which critical policy imperatives for Government were identified and addressed. This paper is to begin the process of transforming existing mechanisms across Government to better lead the fundamental thinking and response to these big policy questions and issues. SPEaR could provide the vehicle for much of this to happen, which will be more important as the reach of the proposals extends across currently distinct policy sectors.

Such a redirection of SPEaR would significantly shift the focus of research resources and put more effort in to better tackle these critical policy imperatives, reinforce and inform the work of the Social Sector Forum of Chief Executives and senior managers of other agencies engaged with social policy issues.

### **The context**

It is inevitable that social policy will be seriously challenged over the next two decades by economic and environmental forces, compounding the heightened impact of demographic and social change that we are already seeing. We need a comprehensive understanding of this changing long-term context of social policy. The responsiveness of high cost services to changes in resource scarcity and innovation must be driven by a focus on long-term efficiency, equity and efficacy in order to drive productivity growth. The growing dominance of provision for retirement, health and justice programmes in public spending is likely to crowd out investment in other public programmes unless we can substantially influence these policies in ways that fit the changing context in which they are delivered.

Social policy research aims to identify the influences on the life course of people, and the instruments that can ameliorate, alter or enhance the outcomes for most of any group of individuals. Social policy research is fiscally important to governments as it can anticipate the effectiveness and efficacy of alternative programmes. It enhances productivity by increasing the economic contribution of all those in society and it increases the longevity of policy through analysis and evaluation

In the face of expected budget constraints for research and policy analysis across Government, there is now a much greater need to identify opportunities to strengthen the capacity to react, deliver and more effectively lead social policy research. This needs to be underpinned by a strong understanding among public

sector leaders of the influences on how the social policy agenda is shaped. It must reflect what is needed during the course of the current Ministry, as well as how to sustain the tangible and intangible elements of social policy and research capability over long periods when change in governments is likely to bring differing policy priorities and perspectives.

Social policy is responsive to many influences: the context within which it applies; the form and function of the programmes; and, regulations and laws that it establishes. Although many social programmes originated from the social policy of past governments, current social policy will be a reflection of the political beliefs of Ministers of the day, which will determine how existing programmes continue to evolve and their form. Ministers may be informed or influenced by recent and potential changes in context and experiences elsewhere of programmes that work. “What works” is a term associated with the political acceptability of policy settings focused on pragmatic viability, rather than political coherence and fit with the “received wisdom” usually associated with the political philosophy of the Government.

Among the most significant of these contexts are the demographic characteristics of the population, family and community structures; the distribution of income; the forms and extent of deprivation among communities; and growing the potential economic capability of the workforce. Other aspects of context include national income per head and the fiscal impact of social programmes.

Social policy research adds value by increasing the likelihood that this context is well understood and that programmes will remain effective and efficient in the face of social, demographic and economic change. The outcomes of social policy — programmes, services, regulation and laws — often have a wider range of consequences than expected since people’s lives are usually more complicated than analytical models can accommodate.

The potential form, scope and scale of social policy will be changed by the influence of information and communications technology on the Government’s relationships with New Zealanders. The capacity to innovate depends on the breadth and quality of policy evaluation and research, understanding how the context in which policy is delivered will change, the quality of the interactions among all those involved in programme delivery, and the strategic leadership capacity to influence structures, systems and resource management at a public sector-wide level.

Without this, innovation will be limited to reinforcing existing structures and systems even where there is a need for a more significant and co-ordinated response. We must anticipate that the force of economic, environmental and technological change will be unrelenting over the next two decades. Our capacity to understand these influences and their interdependence will be significantly magnified if there is a top level strategic and coordinated capability. This capability should focus on building a cohesive view of how key policy outcomes will be influenced by changes in the

context in which programmes will be delivered and by innovation in the capability to deliver social programmes. As the value and significance of building this capacity becomes more generally recognised, international models highlight some of the paths we might take in establishing formal leadership roles in such strategic analysis and review.

Though there are many common knowledge needs in the factors that influence the importance, form and quality of policy, the depth of research that informs public policy can be diminished depending on how we manage the research and evaluation capability across departments. Some large departments have fragmented their research and analytical capability; small policy departments have some research capability. Because of chronic public sector-wide underinvestment in common infrastructure and knowledge development, there may well be a different breadth and depth of understanding about the demographic and social context of policy advice being applied across agencies, even in similar policy areas. Information about policy-relevant populations involves many interdependent elements as a natural consequence of the links between various stages of a life course.

Adding to these difficulties, there are confounding influences on wellbeing such as income adequacy, ethnicity and gender. There are also variations in supposedly common focal points for analysis like family, community, transitions, concentrations and distributions. This paper proposes ways of providing explicit leadership in levelling the variability in policy analysis and research quality across agencies.

Cross-departmental collaboration on infrastructure or professional development is rare. Where collaboration does occur, it is more likely to facilitate access to funding and other resources for larger-than-usual projects, rather than adding to the core research infrastructure in New Zealand. The necessity of public sector-wide research leadership and social policy research infrastructures carries little weight compared to the focus on individual agency outputs among the performance measures for Chief Executives' accountabilities. In the longer term, the productive potential of resources and the strength of public policy overall rests on shifting the balance of research activity away from project-specific considerations to more intensive development of an enriched common knowledge base and shared resources. Ideally, these will have strong linkages to international studies. The priority should be common resources and capabilities that have most potential impact on the efficiency, scale and scope of a large share of social policy research.

The limitations that the current localised leadership brings are already apparent in the gap in public sector-wide recognition of demographic change. This is likely to apply also to the environmental and economic shifts we are now experiencing. However, the efficiency and scope gains from infrastructure investment and broadening the common knowledge base will have minimal impact without a regular strategic overview of social policy research.

## Proposal

I propose that there are four key elements of a public sector-wide social policy research agenda that could significantly and progressively lift the quality of public policy through the responsiveness, scope and quality of the research which supports it. Each of these four elements needs a distinctly different approach to their advancement because there are no obvious structural means of doing this more effectively.

These four critical elements are:

1. **Leadership in identifying the research questions** that will strengthen the understanding needed to effectively inform prospective policy shifts. This would extend the potential reach and establish priorities for a long-term social policy research agenda that best fits the demographic, social and economic context for policy. This will also provide a flexible framework for future innovation. This leadership will enable a clear focus on the wider benefits of cross-sectoral linkages and infrastructures in social policy research.

It is proposed that SPEaR begin building a coherent cross-Government assessment of how each of these areas might gain from sharing an understanding of the changing policy context and the potential for innovation. SPEaR will lead a structured discussion group with key thinkers in each of the key areas. Appendix A of this paper will form the initial basis of these outcome-focussed discussions, the topics for which might include:

- Child and youth development
- Healthy lifestyles
- Population place and transitions
- Urban forms and household change
- Justice
- Care, custody and rehabilitative processes
- Forms of wealth, deprivation and inequalities
- A fit workforce
- Influences on lifelong learning
- Community and government
- Public expectations, attitudes and understanding behind policy and learning
- Service delivery models.

The result will be a clear identification of synergies and vulnerabilities in thinking, leading to more exactly determining the priorities for cross government infrastructures. Appendix A outlines some of the key elements of a cross-agency approach to this.

It is proposed that after each major social policy development initiative has been put in place, a structured enquiry be undertaken of the information and analyses

that would significantly inform any later review of the programme or a similar initiative.

2. **Establishing clear priorities** for the tangible and intangible cross-Government infrastructure investment that is most central to increasing the impact and value from social policy research. Delivering on an agenda, once agreed, will necessitate long-term leadership of its implementation and a strong commitment across departments and other research funding bodies for three to five years ahead.

Alongside the above outcome study, SPEaR would work with a group of research leaders from a selection of large and small policy Ministries to identify the broader mix of infrastructure investments that would add value. The results of the outcomes structured discussion groups would enable priorities for these developments to be established. A provisional analysis is presented in Appendix B.

3. **Building leadership capability** within the core of professional research and policy managers. These managers not only oversee the effective management and development of emerging infrastructures, they also lead the recruitment, retention and development of research and policy analysts in key sectors of Government. This group is central to the efficient application of resources, quality assurance, innovation in practice and methods including a whole-of-government peer review capability.

It is proposed that this leadership forum be initially established by SPEaR, and that it later develops its own leadership approaches.

The State Services Commission is asked to consider applying the community of practice concepts to those leading social science research in government

4. **Growing social policy research expertise** comprised of a strong core of social science graduates (including economists, statisticians, geographers, sociologists and psychologists) working in research; skilled in relevant methodology support and analytical capability; with the capacity to collaborate effectively with academic and community researchers; grouped in ways which reflect both their linkage to departmental specific roles and which establishes an appropriate critical mass of expertise.

It is proposed that the existing SPEaR process provide the leadership for the next stages of each of the four levels of action plus commitment and support for this until June 2010 be provided.

## **Leading Social Policy Research and Evaluation**

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Many of the investments we make in social policy research, from employing and developing expert personnel, investing in statistical and administrative sources as research resources, developing insights and wisdom in areas that range from research practices to service delivery mechanisms for particular populations, will continue whatever policy setting is adopted by the Government. Indeed many of the resources key to evaluating and developing policy now, were developed in the time of governments with a different political philosophy.

The effective leadership of this social policy capability cannot be managed in isolation from insights as to the future context. The more informed this understanding and the wider applicability of this understanding, the larger the return on investments. It is almost impossible to anticipate the uses and benefits from information and knowledge-based resources that are developed today, without some view of the future. This paper proposes that we formalise the way this is done, and consequently enrich and significantly inform decisions being made now across Government that are directly or indirectly taking future needs into account.

Furthermore, even if all policy research centres are equally informed, a collective approach to capability investment will provide greater resources to all than each could fund individually. Of course, this depends on our ability to identify effectively the small number of common points of investment that have the capacity to significantly shift the scope of social policy research undertaken.

This paper is primarily developed around these two opportunities to generate a major shift in social policy capability, at a time when resources for social policy research overall may well decline and there are significantly heightened expectations of Ministers for cross-agency collaboration.

### **Leadership in identifying the questions**

The role of incorporating social policy research and evaluation into public policy provides a critical contribution to informing decisions and allocating resources, which is relevant to all Government policies. In parts of Government, we have much good insight, analysis and observation that result in anticipating the issues that will bedevil public policy. However, this rarely influences the wider understanding of contextual change outside the sector in which it occurs. Only where this happens do we have the potential to modify the direction of new and existing research programmes, information sources and analyses, increasing the relevance for issues that don't merit research separately.

The political need for decisions on difficult public policy issues often runs counter to the timeframes for any comprehensive research programme that the issue may justify. For this reason, the value of publicly-funded social science depends not only on its relevance to current concerns but the contribution that it may make to developing policy over the longer term. It will take cross-departmental leadership to

considerably increase these benefits. Critical to gaining richer insights into areas of deficiency in social policy capability will be setting up a structured review process to highlight where future initiatives of a similar sort could be much better informed.

Leadership in setting the social science research agenda must be both structured and eclectic. It will be built on strengthening a common awareness of the public policy concerns of Government and the broader context within which these concerns are placed. Society is faced with many significant public policy issues that will remain over the long term: these often present as serious social problems but they also reflect the nature of a very complex and rapidly changing world. We expect that the influence of economic and environmental forces will have consequences for the form, scale and scope of social policy at least comparable to the demographic and social change we now experience.

In many respects, these issues show commonality with those found in many other countries. In New Zealand, the provision of strong social welfare support mechanisms has been a key Government role and part of its strong social contract with New Zealanders. In tackling these public policy issues, the role and function of social research in providing information is critical to expanding the range of solutions. Establishing the evidence of how they work is of clear importance to any successful programme implementation.

Leadership in establishing what the higher priorities for social policy research are can only be effective if there is a means of articulating the combination of outcomes that are vital to the performance of current and future governments. Some countries already have established broad-based approaches to developing outcomes, while New Zealand's have been selected by Ministers with public sector advice. Consequently, outcomes may change as Ministers change and the cohesion across outcomes may be less than optimal.

In New Zealand, the ideal forum for bringing together the sector outcome assessments would be a mix of Chief Executives and some distinguished thinkers from the wider community. This may only be achievable once the process is established through initially involving Chief Executives only. Decisions about outputs will be based on assessments that will need the support of a highly capable secretariat. In the first instance, such a group might be formed on an ad hoc basis for each output area that is agreed upon. Appendix A – "Initial thinking about social research priorities" provides a background paper for the first such review. In some countries, including the United Kingdom (UK), the importance of this form of review has resulted in organisational change and the direct involvement of leaders such as the Ministers who serve in the UK Prime Minister's strategy unit.

The collective leadership would be most effectively supported if a Chief Social Policy Advisor with responsibility across health, education, housing, social welfare, justice and labour were appointed. This advisor would need to have the capacity to work across these related policy agencies as well as engaging with the population-based

Ministries, particularly those responsible for Māori, women and Pacific peoples. The location of such an advisor would require consensus across Ministries. Such a whole-of-government role would require a shift in collaboration among the agencies in the social sector towards thinking and advising on an overall strategic direction. The placement of this role would also recognise that structural and cross-institutional change will occur when necessary, as well as shifts in departmental roles and their capital base.

### **The interdependence of social and economic policy**

We can do much more to recognise the association between productivity and social programmes, and to assess the links between social and economic policy although this would necessitate a strengthening of cross-sectoral social policy research. It is difficult to quantify many of the benefits of social programmes in terms of their direct economic contribution partly because benefits rarely accrue immediately. Nor are the links between, for example, improved housing and better health directly matched from operational information. The impact of rehabilitative or screening programmes will rarely be seen within the budgetary time horizon, so that a comparison of the opportunities from alternative programmes will usually depend on the quality of research and analysis, rather than building on existing experiences. Inadequate research will lead to incomplete consideration of the policy options available to Government, which may well lead to policy instability. The current departmental focus on accountability may encourage an underinvestment in this sort of cross-sectoral social policy research, and a consequent difficulty in recognising and comparing the long-term economic benefits of social programmes.

Wealth creation in the New Zealand economy is somewhat volatile, as a result of the nature of commodity cycles most relevant to our exports and imports. High cost social programmes need to be resilient to changes in our economic fortunes and offer a capacity to adjust funding commitments without disproportionately impacting on outcomes.

Conversely, we know that the ageing of the New Zealand population will necessitate a shift in the nature of Government transfers and investment in the next two decades. Unfortunately, fewer resources will be available over the next decade for public spending overall. The need to develop a richer understanding about the implications of increased longevity on the very large baby boom cohort, comes alongside the need to understand more about the nature of fertility transitions occurring in New Zealand and any shifts in the income distribution of the families who now have children.

There is a major tension in public policy of when best to screen, rehabilitate and develop individuals, with a growing emphasis on early interventions rather than those of later life. We need to ensure that the evidence for this reflects the experiences, attitudes, behaviours and situations of New Zealanders. The payback from even high-cost interventions may have a major effect on later life transfers, were we to be able to develop the analytical capacity to effectively model the consequences on the

current and future population. Without strong evidence, policies will be developed, but as their justification may be more based on political philosophy than knowledge about the New Zealand population, they will be subject to change unless Ministers remain. The economic cost of this policy instability is difficult to assess.

Behind productivity growth is a culture of innovation. Innovation in economic goods is often the result of constructive and structured interaction between all involved in the development, production and consumption of existing products. The economic benefits of the regular evaluation of social programmes arise in similar ways, yet the political context is less accepting of results which challenge existing practice. A strong basis of trust founded on methodological competence, transparency and sound practice is an essential foundation to increase the capacity for continuing innovation in social programmes. This is particularly relevant where the consequential impacts and the delivery of programmes involve several distinct sectors of government.

### **Establishing clear priorities**

Leadership is needed in identifying system-wide levers to build, exchange and share expertise so that the critical mass of a social science resource within Government has a stronger, more broadly-based impact on matters critical to the success of public policy. There are a small number of tangible and intangible investments which would significantly influence the viability, cost and impact of the large majority of research studies.

If implemented, the scale and scope of investigations conducted by social policy researchers across Government would be significantly extended because of the capacity to draw on the common information base and use common tools with full awareness of where additional expertise exists. Importantly, such investment would provide a more focussed and responsive critical reference point and resource for Government, academic and community engagement in social research, most of which is directly or indirectly funded by Government. Less tangible, but equally necessary, elements of the common infrastructure would embrace standardised approaches to peer review, releasing research findings, management of privacy issues, ethical considerations, and researching Māori and Pacific communities.

In Appendix B – “Priority infrastructures”, a five-year infrastructure agenda is proposed for agreement by the top-level groups with a social policy research focus. A small standing infrastructure governance board needs to be established to monitor the individual projects, the progressive establishment of the infrastructures and their operation. This board would oversee the development for the projects that were judged as essential to underpin increasing the scope and scale of social policy research within existing resources over a five-year period of public sector-wide infrastructure expansion.

As in any long-term programme that has multiple impacts, ensuring that the research underpinning them is of appropriate integrity will extend the capability of even the

largest centres of policy analysis and research. A high degree of collaboration should add considerable value to policy analysis by:

- ensuring that relevant cross-sector integrated knowledge bases can be developed from disparate sources where necessary
- being able to competently engage with the large scale integrated research programmes generally seen only in the largest countries and the European Union (EU)
- improving evaluation of the impact made by continuing pressure on programmes by:
  - changing the context in which they operate
  - changing the characteristics of target populations
  - changing how Government relates to the general population as well as target communities
  - improving the analytical capacity relevant to the programme.

### **Building leadership capability**

In the analysis of social issues, methods and concepts of social science have been developed that have general applicability across a far wider range of decision-making problems. Sharing experiences across the public sector leads to knowledge transfer that can be of particular importance in situations as diverse as pandemics, warship purchase, running a census or the future place of the New Zealand Superannuation Fund.

Social science also has a significant place in commercial decision-making, assessing attitudes and expectations, identifying groups and communities among populations of interest and in evaluating risk. It is likely that there is more social science applied outside the public sector than within it. Each application brings advances to methods and extends the relevance of social science methodologies and practices in ways that can add value in all fields. The breadth or scale of engagement that comes from this will extend the scope and scale of the information base for public policy and provide improved returns for Government social research investment.

Social science infrastructure results from improving collaboration in systems and methods will increase the scope of social research capability across large and small research centres. These levers will evolve as technologies, methodologies and concepts are developed and challenge existing practice. This is just one potential benefit from continual interaction among practitioners and methodologists across different areas of application. In some fields, there are economies of scope from establishing a critical mass of expertise, so that experience is readily shared. Groups can span a wide range of specialist areas and the development of a future capability is assured where the public sector is a significant employer of such skills.

The breadth of collective leadership proposed in this paper reflects the considerable benefits that will be obtained across individual fields of interest, in terms of the increased scope of their resource base, and the management of risks to decision-

making capability that will inevitably occur. Few initiatives which involve cross-agency projects get the high level support needed to bring about successful collaboration among researchers in a reasonable time. Joint work is often made necessary regardless of the capacity of lead researchers, because the scale of projects rather than their scope may seem to necessitate many hands. Sometimes collaboration is wrongly seen as a substitute for peer review.

A rich social science infrastructure will significantly reduce the scale of individual projects, as competencies such as information management become standardised through common best practice rather than idiosyncratic to the project or researcher. Strengthening the capacity to draw on public sector-wide resources by those engaged in social policy research would generate momentum more frequently for resolving issues. It would bring immense benefits through resources that could be called on for social policy advice. Leadership has the greatest positive impact when it is applied to strengthening the public sector-wide capability that has relevance to all projects and its least long-term effect when it exists only for selected major studies.

Leadership in advancing the notion of a core professional researcher and policy analyst leadership group could be another extension of SSC's focus on "community of practice" areas and may enable this concept to be developed in ways that have relevance to other groups or professions. Within the State Sector Act there may be few formal levers to advance this, but the capacity to encourage it is very strong at this time. A critical outcome should be a sounder basis for expectations that public sector social policy research would meet similar standards of reliability and trustworthiness, wherever it was prepared.

The UK Government's economist, statistical and social research services were created without any legal recognition necessary and provide good models of effective cross-agency leadership within a government setting. A successfully enabled leadership group would have specific responsibility for evaluating common infrastructure that:

- has clear accountability for the elements most central to social research infrastructure
- would ensure that we could identify and understand the potential strengths of the collective social research resource base and increase its resilience in the face of resource constraints
- is a trigger for opportunities to enhance value added from the public sector-wide resource base
- stimulates interdisciplinary research, which in turn stimulates collaboration among agencies, public sector and academic research groups as well as collaborative international ventures
- strongly leverages social science investments with wider implications across social policy.

The outcome of this proposal may be that a small ad hoc group should be formed from the Chief Executives or Deputy Chief Executives of Statistics New Zealand, Treasury, MSD, MoRST, and the Ministries of Justice, Labour, Health and Education. This group would consult with the SSC to agree on a framework for the recognition of a social research leadership group. The approach may have relevance elsewhere in Government. These proposals are expanded on in Appendix C – “Leadership capability”.

### **Social policy research expertise**

With a small community of social scientists within a population of four million, there is a need to be able to focus the best minds on the hardest issues and the matters of most concern. Some Government departments (eg MSD, Department of Labour, Statistics New Zealand and The Treasury) have proven more significant in developing experienced social researchers who have later worked in other agencies. Cohesive thinking across the public sector is perhaps most likely where those engaged have a sound grounding from a mix of experiences, cross-agency collaboration and a shared resource base.

A strong community of practice can ensure that the expected benefits of a social science research capability of the scale available across New Zealand are not limited by the forms of organisations and dispersion of capability that results from our geography and institutional roles.

The initial development of SPEaR was partly based on the premise that a well-resourced focus on communities of practice leads to supportive behaviours among individual researchers. The Building Research Capability in the Social Sciences (BRCSS) network was an initiative that supported this aim as well. There have been a number of successes so far that can be built on. We will want to give greater emphasis to initiatives that increase knowledge about quality policy analyses, understanding the nature and extent of policy risks, as well as the cohesiveness of policies and practices. We will want to distinguish between the large and small agency perspectives, and expectations of successful communities of practice. There are some valuable practices emerging from Australia, the UK and the EU that may provide guidance.

Central elements of a community of practice might include strengthening international linkages by:

- increasing our capacity to engage in international initiatives that extend the knowledge base vital to public policy of critical importance and, when relevant, to collaborate competently given New Zealand’s size, distance and limited resources
- reducing the risk that institutional collaboration which is formed on a personal basis can be sustained in the face of other relationships
- knowing when resources exist among the international social science communities that have potential relevance in major social research and policy initiatives in New Zealand

- enhancing a common gateway to internationally accessible research resources
- articulating and promoting the benefits that collaboration with our researchers can bring to international partners.

### **Sustaining social science capability across Government**

This review is focused on both leadership in public sector social research and performance relevant to addressing contemporary and future issues as well as identifying opportunities. We need to know that the public sector is going to be effective in supporting Ministers of the current and future governments in addressing questions that are important to New Zealanders' quality of life. Almost all facets of public policy draw on the methods of social science, which spans many fields including economics, statistics, geography, psychology, sociology and health. Ministers expect the capability to inform decision-making in any context.

Ensuring that decisions are made with the best knowledge already available across Government is a key step. Access to statistical and administrative information, research findings and insights needs to be a structured component of the continual accumulation of knowledge all social scientists engage in. Our working practices need to enhance the links with decision-makers, so that they can draw on the best information base available. Moves to improve the effectiveness of social science applications in public life must also embrace the ability to respond immediately to the needs of decision-makers when issues arise. Access to relevant studies should be based on formal networks and sources, as well as less tangible means of communicating. Maintaining awareness of people, institutes and repositories can be invaluable gateways to inform both urgent and long-term studies.

The huge shifts we expect to see in economic, environmental and technological influences on the context of social policy are likely to be of comparable consequence to the demographic and social changes we expect to experience over the next few decades. These influences will have local, regional, national and global dimensions. This broader context in which social policy will operate in the next two decades is not likely to be adequately judged by assessing and accumulating on a sector-by-sector basis that which influences public policy. Any cross-Government overview of the context in which social policy overall is delivered will provide a better view of the many influences that will change the context of public sector activities. We have opportunities to strengthen our capacity to react, deliver and more effectively lead social science research in Government by responding more collectively to the social policy agenda as it takes shape.

It is highly likely that the range of future concerns and opportunities perceived by public sector bodies operating in isolation will be a very small and unrepresentative subset of those that society will face. No public body in New Zealand is large enough to seriously examine the implications of these trends, let alone their interaction, by itself. Yet in the absence of such periodic consideration, we may ignore the implications of shifts in the capital base, cost shifts, and the potential of both

traditional and non-traditional alliances and relationships. Based on the transformation in organisational forms of the private sector over the past two decades, the impact of technologies on services and the shifting skills of employees, we might judge the public sector to be somewhat under-investing in processes and under-using its own resources in identifying the very real challenges and opportunities we face.

Outside the public sector, we see a strong growth in infrastructure investments that have whole-of-sector applications. Such infrastructure, both tangible and intangible, increases significantly the capacity of individual experts to achieve results in a short time that previously required large teams. The information and communications technologies of the last decade have brought about significant change in many services industries through radical shifts in economies of scope that have yet to touch the public sector on a comparable scale. Giving leadership to collaborative ventures in the public sector is difficult unless the benefits are strongly visible at the executive, managerial and operational levels of each organisation.

This paper has highlighted many areas of potential benefit from leadership at a governance level along with initiatives that could be taken to capture them. Common infrastructure, including major statistical sources, is difficult to fit into the current output specifications used in departmental appropriations in the public sector as the benefits accrue across agencies and over long time periods. The Public Finance Act and the individual nature of Chief Executives' performance agreements rarely reinforce obligations for collaborative arrangements. Accountability is shared in ways that we cannot recognise. Club funding generally cannot work with other than near trivial investments and the high public sector discount rate undervalues long-term benefits. These rigidities prevent New Zealand from developing assets that are common elsewhere. This paper has focused on practical ways where ongoing public sector-wide leadership at a governance level could have a significant effect on social policy research infrastructure, even within the rigidities of the New Zealand public sector management system.

There is little capacity for recognising the economies of scope or scale where the public sector as a whole can achieve things that even the largest bodies cannot aspire to while operating separately. The paper recognises that the emphasis that Ministers and central agencies give to defining performance expectations must be transformed into a relevant balance of input, systems and output performance measures to adequately reflect the mix of time periods and multi-sector interests that derive benefits from the work. The proposals in this paper do not depend on that happening.

Any sense of a national knowledge base that we continue to accumulate as a rich national asset is diminished by fragmentation and rigidity that lead to major constraints on enabling its effective application to the issues faced in social policy. Evolution of this national knowledge base is inhibited by this. I suggest that the economic and social benefits of this knowledge base should more effectively

determine the cross-departmental strategies that shape it. Clearer whole-of-government thinking and decision-making is needed. Some very preliminary discussions with departments suggested several explicit areas where building a common understanding across departments would be of relevance. In particular:

- demographic change
- urbanisation
- defining outcomes
- measuring the impact of community development initiatives
- understanding the impact of information and communications technologies on the form and nature of the relationships that government will have with the general population and target communities.

Whole-of-government leadership through collaboration across agencies is likely to significantly extend the integrity of public policy by:

- increasing the cohesiveness of policies and programmes developed in diverse contexts
- increasing knowledge of quality policy analyses, and the nature and extent of policy risks in the face of a changing context for their application.

## **Next steps**

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The pressures to increase the benefits that Government organisations can get by collaborative or collective action have intensified in the last six months. The difficulties that our public management system places in the way of this are no longer seen as justification for a lack of leadership on this within the public sector.

This paper advances a mix of high level and operational strategies that would bring about considerable benefits from collaboration across the social policy sectors of Government. If the proposals are adopted, the appendices provide a detailed starting point for that collaboration, so that it could increase in intensity by the end of 2009.

The proposals require a re-allocation of resources within what may be a declining funding base and place considerable emphasis on the governance arrangements that would oversee such initiatives.

It is proposed that SPEaR provide the leadership for the next stages of each of the four levels of action, and commitment and support for this until June 2010 be provided.

A comprehensive proposal for what is needed to advance the way the initiatives are to be led by departments could be developed over the next two months after consultation with the Social Sector Forum of Chief Executives.

## **Appendices**

## **Appendix A – Leadership in a social science research agenda**

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We can significantly lift our capacity to bring intuition, judgment and insight of high quality to bear on our shared understanding of the context that social policy will in the future expect to influence or respond to.

The concentration of public services into sector-specific agencies was at some time preferred in order to capture both the benefits of scale and the great variety of legal contexts within which Government relates to its citizens. The impacts of demographic, environmental and economic forces are neither compartmentalised nor independent of each other, and the importance of each of these forces to New Zealand's future is likely to be much greater than the accumulation of interest by each public sector agency. The risks we face that may be mitigated by research, or the opportunities for innovation, may not be apparent through the narrow lens of an operational arm of the public sector. We are likely to significantly underestimate our capacity to advance the wealth of New Zealand, or the potential influence of the imperative to raise our productivity on decisions made not only within Government, but in commercial and community organisations, if we examine the future department by department, with the implicit acceptance of continuing rigidities in structures and systems.

The unchanged nature of many structures, roles and entitlements suggest that local rigidities cannot be well challenged without being viewed in the broadest context.

This section of the paper discusses a number of important drivers and key influences of this future focussed social policy agenda. These are:

- The policy tensions inherent in political change and the challenges of addressing “received wisdoms” in New Zealand
- Identifying specific influences for the next decade
- Particular points of leverage and risk relevant to research processes
- Better access to potentially available research resources.

### **The clash of received wisdom and personal experience**

Through social science, an informed society develops trustworthy responses to the ever-present clash between the experiences that citizens have every day, and the social myths and received wisdom of the times which underpin the beliefs we have about ourselves.

It is often through challenges to the judgement of politically elected leaders that we see which clashes have the most contemporary resonance in public life. Even where the form of programmes and policies has been developed as a consequence of social research, political judgements by Ministers often have significant consequence for the final form of policies.

A very tentative list below highlights areas associated with the authoritative nature of any existing received wisdom. The list indicates where the resulting strength of belief

may have led to underinvestment in research that provides or challenges emerging evidence. These are the areas of received wisdom where belated recognition of emerging trends may lead to a quite significant policy reversal at some time, perhaps directly as a consequence of change in the political imperatives given to resolving such clashes. Having a common understanding of trends, research and contemporary insights across Government could influence thinking about policy implications in many areas beyond that of the sector of most immediate interest. These are also areas where policy change when it eventually occurs may be quite significant. This would be at a time when the information and analytical capability for policy analysis may be at its weakest. This list would undoubtedly evolve further were it were developed through some collaborative process.

<b>Received wisdom</b>	<b>Evidence and anecdote</b>
Home ownership for all	<ul style="list-style-type: none"> <li>• Continual decline in home ownership rates over the past 25 years.</li> </ul>
Education for all	<ul style="list-style-type: none"> <li>• Persistent differences for some ethnic and social groups in educational success.</li> </ul>
Free access to health	<ul style="list-style-type: none"> <li>• Prevalence of health conditions associated with economic position.</li> </ul>
Saving for retirement	<ul style="list-style-type: none"> <li>• Many assets accumulated in a great variety of ways over a life time are not measured</li> <li>• More than 60 percent of retirees are fully reliant on the public pension to provide the cash they need</li> <li>• Financial assets are only a few of the assets built by people during their lives.</li> </ul>
Population growth	<ul style="list-style-type: none"> <li>• A chronic high level of both emigration and immigration usually leads to small net change, with high volatility in flows</li> <li>• Over the next three decades, many regions will have declining populations and a rising share of people aged 65 and over.</li> </ul>
New Zealand is a safe place to live	<ul style="list-style-type: none"> <li>• High incarceration rate</li> <li>• High recidivism rates</li> </ul>
Māori and Pacific peoples' unemployment	<ul style="list-style-type: none"> <li>• The increasingly large Māori and Pacific populations in the Auckland labour supply creates opportunity for the labour market to advance community wellbeing beyond that achievable by the state.</li> </ul>
NGO activity affects voluntary things	<ul style="list-style-type: none"> <li>• Many public programmes depend on NGO activities in care, information and representation.</li> </ul>
Healthy active kiwis	<ul style="list-style-type: none"> <li>• Obesity</li> <li>• Lack of exercise.</li> </ul>
Children are valued	<ul style="list-style-type: none"> <li>• Domestic violence levels unabated</li> </ul>

	<ul style="list-style-type: none"> <li>• Visibility of child abuse and occasional death</li> <li>• Rise in foetal alcohol syndrome.</li> </ul>
Globalisation increases the market for New Zealand products	<ul style="list-style-type: none"> <li>• Associated with increased polarisation of income distribution</li> <li>• Increased efficiency of New Zealand enterprise alongside outsourcing of labour-intensive activity to lowest price for skills.</li> </ul>
Families as centre of social stability	<ul style="list-style-type: none"> <li>• Family change is very high</li> <li>• Marriage has lost significance as trigger for policies and programmes aimed at support of children</li> <li>• The diversity of family arrangements makes targeting very complex.</li> </ul>
Targeted benefits have the highest levels of targeting efficiency	<ul style="list-style-type: none"> <li>• Take up rates can be low as comprehension of programmes diminishes</li> <li>• Targeting simplicity can be undermined with rapid changes in incomes and family structures.</li> </ul>

There are some things in particular about the next decade that will make the way social science contributes to public policy somewhat different.

#### **Change in the broader political underpinnings of policy**

- A very strong emphasis on anticipating how policy should be influenced by the uncertainties that climate change brings.
- Managing through a lengthy economic recession
- Managing complex relationships with families and communities as such groupings are undergoing major change in form and stability.
- Some likelihood of less focus on targeted interventions and a preference for fewer distinct programmes, perhaps with a greater emphasis on universal approaches.

#### **Scarcity of financial resources for public sector research**

- A strengthening of the momentum behind continued population-based pressures for a larger share of national resources being allocated to public sector programmes in health, retirement provision and prison services.
- A new higher level of strain on public resources from traditional social security programmes, particularly unemployment, in the face of strong fiscal constraints.
- Managing the vulnerability that fragile age distributions cause in major occupation groups employed by the state including nurses, doctors, teachers, scientists.

### **Complexity of decision-making associated with MMP**

- The critical importance of the trustworthiness of research as a common anchor for agreement among the great variety of communities that have significant political representation in New Zealand.
- The economic and political strength that lies behind the way in which the distinct needs of Māori are expected to fit in public policy.
- A shift in expectations of more recent migrant communities that their distinct characteristics will have some impact on public programmes and policy.

### **Growing visibility of trends that have already emerged**

- Complexity in the management of people with multiple conditions in health and deprivation.
- Increased longevity has shifted significantly the age at which important thresholds in the life cycle occur. Increased activity levels of retired population have been associated with high employment levels of people over 65 years.
- The retirement of the comparatively large post-war baby boom cohort will have a significant impact on retirement and recruitment needs for many large public sector workforces at a time when the composition of the population as a whole is changing significantly, rendering many expectations irrelevant.
- Intergenerational differences in social behaviour with respect to alcohol.
- Information and communications technologies are changing the ways that Government can relate to target communities and the population generally.

### **Real time reporting brings a sense of immediacy to all stages of policy making**

- The pressure to implement policy before testing and evaluation increases as accountability is narrowly focused at Ministerial level.
- As the evidence base for public policy is increasingly based on macro studies and internationally available research gathered by global knowledge institutes, researchers and policy analysts will compete with others in the interpretation and relevance of evidence.

### **Anticipating issues of risk aversion and blame**

- Continued financial constraints will limit the resources available for public sector and community services associated with working with at-risk populations. There is an increasingly difficult tension between more exacting assessments of potential at-risk individuals and their rehabilitation. This is seen in probation, children at risk and mental health in particular.
- Behavioural responses often quite considerably lag interventions, yet we have incomplete life cycle models to assess the higher value points of impact. This is often complicated by the apparently high immediate costs of early interventions.
- Scarcity of resources can either bring incentives to raise collaboration across the public sector or raise the barriers to collaboration with those who have the majority of resources.

### **Points of intervention**

Sector-specific programmes usually focus on particular points of intervention. We could strengthen and broaden the analytical basis we have for relating our knowledge of intervention effectiveness on groups with particular characteristics. We need to be able to accumulate the interventions individuals can experience at any one time across several policy sectors. Collaboration would provide a sounder analytical base for seeking out some optimal mix of resources for programmes that variously influence particular stages of the life course. As the focus of political attention increasingly looks at people at the later stages of the life course where the success rates on interventions can be low, we need a rich information base about the changes that have been made to outcomes through earlier interventions. A major intangible influence on the capacity to model analytically the target populations in evaluation studies is the impact of shifts in cohort behaviour.

### **Incentive effects**

The capacity to model the impact of policy change rarely encapsulates the incentive effects that modifications in benefits, processes, taxes or penalties usually bring. Evaluation models can never encapsulate all those factors which potentially influence outcomes, the more significant the potential for unplanned effects. Understanding past incentive effects through retrospective studies is critical to understanding how to design future evaluation studies that manage these effects better. There is also a need to design programme monitoring processes that might detect such effects and inform the fine tuning of programmes. The potential value of macro studies increases where the policy analysis community has fewer ongoing operational links.

### **Balancing the service demands with capacity**

Public sector services often have characteristics that make them seem unique, which often obscures the capacity to adopt common approaches to model them. Almost always, there are tensions between demand and capacity in service provision. We cannot always distinguish between deficiencies in service that result from poor decision-making in the treatment of individuals, and deficiencies in service caused by resource allocation decisions at a system level. These tensions exist in many care services for vulnerable people in population, health and in education.

## **Appendix B – Social science infrastructure priorities for social policy**

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### **Providing access to all potentially available unit record knowledge bases**

Widening access to micro-data is a continuing priority in New Zealand. The integration of micro-data for research through the LEED<sup>1</sup> study and several other initiatives has resulted in the effective resolution of many constraints of custodianship, privacy and confidentiality, as well as data organisation, meta-data management and quality that typically bedevil such studies. The further pooling of this experience would provide considerable momentum behind initiatives elsewhere in the public sector (eg Justice) that could build on from rather than repeat the learning that these experiences required.

Of similar importance is the existence of longitudinal studies of successive cohorts. With a very small national resource available for sound statistical surveys, some strategic leadership of social survey programme activity would be expected to bring a clearer articulation of long-term priorities and key gaps. The considerable increase in academic collaboration in the advancement of the collection and application of longitudinal studies could be more strongly beneficial to social policy. However, there will need to be a comparable uplift in the understanding among public sector research leaders of how this collaboration can advance social policy.

While New Zealand has a disproportionately smaller resource of regular social surveys, partly a result of meeting sample error thresholds, our capacity to bring about coherence among the statistical and administrative sources we do have is very much higher than most countries. This is a reflection of our small population, the quality of our key statistical infrastructures such as the population census and the mesh-block system, as well as our very high survey response rates. We need to be better able to assess the benefits lost through insufficient mechanisms to ensure any cohesiveness among sector specific proposals. There are opportunities to enable the accumulated benefits from a series of relatable projects to exceed the individual project specific gains.

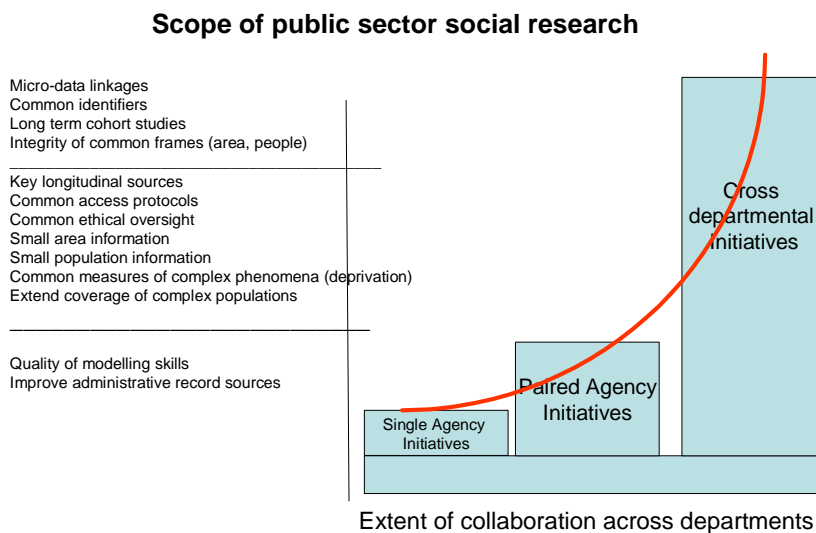
We need to find robust medium- and long-term approaches to relating the economic benefits of the creation, management and integration of statistical sources to the cost involved, many of which arise long before benefits are attained. Furthermore, the general experience with major statistical sources is that most of the benefits are rarely recognised at the time investments are made in their creation. For major statistical sources, we need to adopt highly collaborative approaches to anticipating benefits at the design stage. Often this cannot be easily achieved when there are competing proposals from the same funding source, the usual consequence of which is that all alternatives risk losing out through understatement of long-term benefits.

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<sup>1</sup> LEED study – integration of taxation records and statistical survey records on employment and earnings by Statistics New Zealand, under protected conditions, for research purposes.

International experience in access to public sector-held micro-data, official statistics and administrative records of departments is likely to heighten the need for more effective access in New Zealand's Government and academic communities to such records.

Chart: Nature of Extensions to the analytical scope of social research through increased collaboration



Common knowledge bases can involve databases of individual observations through to accumulating rare insights. Cross-agency leadership would strengthen the national capacity in many ways including:

- Effective recognition of the nature of the various elements of the public sector research resource
- Keeping abreast of the changing nature and accessibility of research resources
- Systematising the development of competence in the use of information resources
- Accumulating experiences across agencies to advance sector-wide capability
- Bringing new sources, findings and insights to the forefront
- Giving leadership to the evolving infrastructures essential to information linkage
- Strengthening the focus of long-term developments in information resources on the capacity to integrate with existing sources, to enrich knowledge of small areas, families of various types, ethnic communities, enduring concentrations of poverty.

### **The potential of international meta studies and initiatives**

New Zealand is unlikely to afford the variety of longitudinal and social surveys of larger countries. International meta-studies can play a major part in forming judgements about the relationships and policy options relevant to New Zealand. They can provide a proxy for a significant part of policy appraisal, particularly when national information is limited.

The effective use of meta-studies needs awareness of the nature and quality of the international research, and much of the work of the OECD is of this type. The incentives to maintain effective access and to use such studies depend on the capacity to anticipate their potential and the strength of relationship developed with those responsible for them. The scale, breadth and costs of such relationships may not be easily matched with immediate benefits in any one sector of Government. Collaboration in establishing and maintaining such critical relationships can be wasted without some systematised approach to maintaining their integrity.

### **Collaborative peer-based assessment of research integrity**

This could provide a systemic basis for approaches to ensuring the integrity of analysis and evaluation social policy research and evaluation. It could involve processes such as peer review, recognition of public sector-wide competencies, affirming the integrity of sources and other recognised practices. Leadership here could ensure that full resources are known and available at the time when policy analyses and evaluations drawn from social research are developed.

### **Common publishing protocols**

The separation of the release of research findings from the introduction of new policy is fundamental to enabling public-sector directed social research to reflect and contribute to the evidence base in areas where public policy is of considerable significance and likely to change. There is a natural tension between the Cabinet directive of “no surprises” and providing advance notice of research and evaluation publication essential to affirming its credibility and professional integrity, where it enables Ministers to have the capacity to influence the form of research findings, without that influence being made transparent. Good protocols protect Ministers because they articulate the obligations they have. Because research can be directly associated with particular policy choices, evaluation studies, and assessments of the quality of measures may be seen as themselves being policy statements having implications about the quality of programmes whose characteristics were dependent on the research and measures. Robust protocols would ensure that each department’s release practices reflected a public sector-wide need to protect confidence in the integrity of research, and ensure that practices did not vary in different areas of government with the perceived political sensitivity of policy releases. Central to managing these tensions is effective peer review of results, and a clear delineation of research and policy analysis.

### **The management of personal records in social research**

The capacity to interrogate information sources that range from published papers to confidential micro-data is a vital determinant of the quality of the capacity to react. Information and communications technology, along with methodological developments and heightened international collaboration, continually raise expectations of what is achievable, not only among analysts and researchers but also decision-makers.

The integrity of information sources requires a continual, rich interaction between analysts, researchers and those who have custody of research resources. Research sources are usually official statistical surveys, administrative records or observations, but also include community or academic research sources. The gathering of information brings obligations to protect access to individual information. The tension between greater research access and heightened concerns about privacy needs a rich methodological capability, well-trusted institutions and roles, enforceable protocols and rules. There must also be the capacity to assess the consequent benefits of the research that is only possible by the analyses that that such access facilitates. We will need to place a greater emphasis on cohort studies, to enable a higher level of comparative analyses of change in the stages of the life course of cohorts.

**Information about knowledge, attitudes and expectations (eg awareness of entitlements/ eligibility)**

Perceptions and attitudes may make people more or less risk adverse. The net effect may be to increase uncertainty, which may differ across the community. We need to better understand how the differences in perceptions that people have can affect the success of policy. We are not clear on how people make decisions even where we think that there is very sound information. We may only fully understand the limits to the quality of some information, such as life expectancy projections, decades after it has been critical in making a long-term choice in public policy. Individuals vary greatly in how they learn what are regarded as facts and how far they qualify their trust in them by their own experience. Personal experiences may remain etched in the memory, regardless of contrary evidence.

## Appendix C – A continuing leadership capability

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### **Increasing knowledge about quality policy analyses and the nature and extent of policy risks**

To ensure that we are not surprised by foreseeable trends and those that are well understood in only some policy domains, there are a number of especially critical areas for public policy. In addition we want to explicitly improve cross-agency insight and understanding of key underlying trends, and an initial list is presented below;

- population change
- social trends
- income and wealth distribution
- health and healthy lifestyles
- education, training and skills
- safety and security.

Note that within apparently similar communities there may be huge variations in characteristics that influence the degree of concern or the eligibility for public programmes and their impact.

### **Reinforcing a community of practice across the public sector**

#### *Integrity of results*

- This could provide a systemic basis for approaches to the assurance of the integrity of analysis and evaluation social policy research and evaluation, in particular peer review, recognition of public sector wide competencies, affirming the integrity of sources and other recognised practices.
- To ensure that the full resources potentially able to be drawn on in any research or policy analysis are known and available at the time when policy analyses and evaluations drawn from social research are developed.

#### *Common infrastructure*

- Having a clear accountability for the elements most central to social research infrastructure would ensure that we could identify and understand the potential strengths of the collective social research resource base, and to increase its resilience in the face of resource shifts
- To be a trigger for opportunities to enhance the collective resource base,
- Interdisciplinary research can be stimulated through approaches which stimulate collaboration among agencies, and across public sector and academic research places, as well as with international collaborative ventures
- To strongly leverage off social science investments in that have wider implications across social policy.

#### *International implications*

- In the face of our smaller size, distance and small resource base, New Zealand needs to have the capacity to collaborate competently in international initiatives that extend the knowledge base relevant to public policy of critical importance

to New Zealand. Often collaboration that is achieved on a personal basis is not sustained when the personal relationships have gone.

- To know when resources exist among the international social science communities that have potential relevance in major social research and policy initiatives in New Zealand.
- To enhance a common gateway to internationally accessible research resources
- To be able to articulate well the benefits that collaboration with New Zealand researchers can bring to international collaborators.

### **Creating a high level of cohesiveness of policies and programmes developed in diverse contexts from whole-of-government leadership**

Within any sector of government, such as health, education, social services, justice or science, there are many institutions involved, and usually each of these has developed distinct roles, cultures and capabilities, reflecting not only different statutory obligations but different historical pathways, leadership styles and experiences. Giving leadership to the variety of forms of whole-of-government engagement that are identified in this paper can help actively manage the risk of policy being just partly informed despite a wealth of information resources and experience available to Government from local or international sources. Critical to policy implementation is to estimate the degree of certainty with which programmes will be effective. We need to have the capacity to validate expectations about implications of policy shifts through modelling of target populations. A balance of operational and analytical judgement needs to be applied during policy analysis. Of special note is the need to understand the longer-term implications of population trends on high risk, high profile, high cost programme areas, particularly health, retirement provision, prisons, and to recognise the limitations of simple summary measures of the attributes of populations.

### **Leading a whole-of-government level focus for likely shifts in the use of social research resources in order to spread benefits to all social research and policy analysis centres**

We have opportunity now to provide clarity on a number of potential initiatives about leadership expectations including:

- Strengthening policy debriefing by requiring an assessment of information that would have had the potential to develop further the policy or increase our confidence in decisions at the end of a major policy review.
- Simplifying the repeated application of innovative approaches that have enabled longstanding difficulties in establishing data sources to be reduced. This is most obvious where centres of collaboration have brought major shifts that can be reproduced elsewhere. For example the LEED project has highlighted the acceptability of linking data from several agencies as long as it is done in a setting that reflected the sensitivity of each contributing source balanced with the considerable benefits obtained.

- Building an accepted systematic basis of assessing the value of studies that highlight situations, insights and characteristics relevant to New Zealand that might have a major impact on policy.
- Highlighting pivotal studies and experiences in health and other social domains that have major consequences for policy in other domains.
- Bringing about the ready availability of regular, accessible assessments of the significant changes in the projected mix or characteristics of the New Zealand population that will have an influence on the balance of public programmes
- Identify best practice in providing high level governance for accountability in achieving progress in cross agency research and evaluation projects, such as persistent disadvantage and ageing.

## **Appendix D – Understanding the diverse critical constituencies of social research**

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### **Ministers**

It is essential for continued confidence in public policy that Ministers can have justified assurance that there are sensible processes for bringing to the fore new understanding, insights and information we have about matters that shape public policy, and influence the confidence we can have in its sustainability. The existence of such a capability is a strategic management issue.

It is essential for the wider confidence in public policy, including the political parties not in Government, that the development of alternative policies is based on common information that they too are able to trust. The development of strong and broad based trust in social research that influences public policy is at its strongest when the research is separate from the policy development, in its analysis, presentation and release. The development on commonly adopted practices that are able to be widely accepted by Ministers rests hugely on the value Ministers obtain from the wider confidence that has been earned by social research. It is difficult to place a value on such recognition, although its absence can hold trust in policy hostage to outdated myth and rogue anecdotes, however well founded the evidential base and analytical richness of the policy development.

In taking direction from the Minister of the day on matters of direction and performance, there is a need to ensure that the capacity to competently advise future Ministers in this or other governments is not seriously compromised inadvertently. A research programme will balance these longer term obligations with the needs of the administration of the times.

### **Public Sector Leaders**

The DCE committee of SPEaR recognised that “the need for evidence-based policy is ongoing and understanding that research knowledge is an integral part of the policy process (rather than a specific product). The role of SPEaR should be to promote social policy sector discourse on evidence-based policy to improve and decision-making and outcomes. Links to departmental research outputs should facilitate easy access to the social policy knowledge base”.

This paper looks at ways that this can be done, and how the authority to act can be determined. This includes supporting departmental executives in being able to address:

- How much social research is needed
- The benefits to individual departments, large and small, of collaboration across Government
- Advantages of a strong, common knowledge base
- Consequences for resource allocation
- Improvements in the management of big issues

### **Policy Analysts**

Policy analysts need trustworthy information resources, where there is some cohesion across sources, and ideally they work in groups that involve a high interest in policy formation and analysis. Policy influences behaviours, and significant policy impacts are often not anticipated in evaluation models. The capacity to continually assess the impact of policy is essential, yet is often unaffordable if such studies are related in a piecemeal way to specific policy initiatives.

### **Social Researchers**

Social research necessitates access to information about people, their condition, and the interactions they have within communities, and in the labour market and with Government and community services. The questions and concerns that have necessitated political and policy responses need to be transparent, and be the focus of conceptual, methodological research, statistical surveys and information management.

## **Appendix E – The interdependence between social policy research and New Zealand-wide social science research**

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There are different research, policy and political perspectives on the policy consequences of matters of considerable importance. On some issues, politicians in New Zealand collectively have judged that the constraints from public sentiment on policy options make research unnecessary. (e.g. raising the age of entitlement of the Government retirement benefit, capital gains taxation). Other issues may be judged as having been long settled, (even where there may be evidence of regular revisiting of the issue) (e.g. the organisation of public health institutions). Sometimes the existence of conditions has been rejected because of commonly held myths of the time. (e.g. poverty, child abuse) that underpin both Government funded social research, and the application of social research to public policy. University research is often where long term implications are able to be assessed against conceptual frameworks and evolving shifts in received wisdom

Academic researchers are generally unconstrained by the nature of contemporary political sentiment, and may be more likely to provide the evidential breakthroughs that lead to challenges to this particular form of received wisdom. Those involved in social research and reporting in the public sector can find that the departmental and Ministerial expectations of the nature or form of the independent thinking that generally underpins good research.

### **Validating assumptions critical of economic and social policy analysis**

Social science is founded on simplifying assumptions, and some examples are given below.

- Expectations and attitudes may vary considerably from fact or received wisdom, yet rarely tested is the impact of this on the way policy is delivered, or on the assumptions about population expectations and attitudes implicit in policy evaluation.
- There are huge generational differences in populations, yet many cross section based evidence submerges these differences. We often measure net change, yet stability in net change may obscure huge shifts in the gross flows that generate change (eg unemployment)
- Many of the implicit or explicit focal points of public policy are not directly measurable. For example productivity is measured indirectly, through inputs and outputs, neither of which is done with the level of accuracy that corresponds to how finely there is a need to assess change in productivity.
- The multiplicity of conditions faced by distinct individuals, all or many of which may be subject to specifically targeted policy interventions, may have effects that are more complex and different in scale than the aggregate effects of the individual conditions

**Bringing a consistent approach to contemporary means for collective leadership of collaboration across agencies**

Activities for sustaining collective leadership in the New Zealand public sector are significantly diluted by the focus of almost all performance goals and incentives in individual departmental performance, and their impact on the shorter term. Many matters of significance in public life have an enduring need for social research to provide evidence and insights.

We need to know that we are addressing the questions that are important. This means we have to have an understanding at the strategic level of:

1. The strength of association between the issues of political significance to public life in New Zealand, and the quality of the mix of potential policy options
2. The issues of political significance to public life in New Zealand, and the researchable questions we know are associated with them
3. The fit between the known mix of potential policy options, and the researchable questions we know are associated with them
4. The fit between the research that is being done in the public sector, in academic work, and in other organisations, with the broad mix of researchable questions associated with issues of significance to public life in New Zealand.

These levels of strategic concern will not be managed by the same characteristics and processes. This makes it essential to have regular interaction between public sector, academic and other researchers and policy analysts, beyond that which results from specific initiatives. The recent BRCSS led forums are one way of doing this. Informal and formal ways of integrating scientists with decision-makers exist elsewhere, and could be readily adopted in New Zealand.

A number of bodies have developed the capability and support infrastructures for the review, presentation and publication of research findings and policy discussion. Such capability in all cases has required significant personal endeavours in a supportive institutional context to be established, and it is likely that these conditions do not exist throughout the lifetime of any of these bodies. They are a significant part of our social science infrastructure. Well-regarded examples of such bodies are the Institute of Policy Studies (Victoria University), and the Population Studies Centre (Waikato).

Across such centres of research there are a variety of models for establishing linkages among academic and public sector researchers. Perhaps the most effective are relationships that range across not only the strategic thinking about the nature of the research mix and its policy impact, frameworks underpinning the research, but also to the carrying out of basic research. The IMSED team in the Department of Labour is an excellent example of this.

## Appendix F – SPEaR Terms of Reference

Terms of reference as per SEQ Min (01) 25/1, November 2001:

High-quality social research and evaluation has a fundamental role in the development of evidence-based social policy. Moreover, greater co-ordination of the research spend by social policy agencies is considered to lead to improvements in the uptake of research and evaluation information into social policy development.

Accordingly, the Government is interested in improving the alignment of its social policy research and evaluation purchase around known policy priorities and improve the linkage between departmental research priority setting and key social policy drivers.

As a result of the Improving the Knowledge Base for Social Policy (IKB) Project, a new officials co-ordinating group has been established with a mandate to oversee the Government's social policy research and evaluation purchase. This co-ordinating group, known as the Social Policy Evaluation and Research Committee (SPEaR) is convened by the Ministry of Social Development and consists of officials from the following social policy agencies involved in research activities:

- Ministry of Social Development
- Ministry of Research, Science and Technology
- Statistics New Zealand
- Accident Compensation Corporation
- Department of Child, Youth and Family Services
- Department of Internal Affairs
- Department of Labour
- Department of Prime Minister and Cabinet
- Health Research Council
- Housing New Zealand Corporation
- Inland Revenue Department
- Ministry of Education
- Ministry of Health
- Ministry of Justice
- Ministry of Pacific Island Affairs
- Ministry of Women's Affairs
- Ministry of Youth Affairs
- State Service Commission
- Te Puni Kōkiri
- The Treasury
- Other relevant agencies.

The advantages of establishing an officials group like SPEaR are considered to be the:

- Demonstration of the Government's commitment to increased levels of high-quality policy-relevant social research
- Improved co-ordination of social policy agencies' research effort, promotion of collaborative research and adoption of best practice research approaches and tools
- Greater alignment of research around, and promotion of, Governmental social policy knowledge needs and priorities
- Improved information dissemination and quality assurance to Government on social policy research outputs
- The creation of a focal point for social policy researchers and a vehicle for communicating with the social research sector.

### **Role and functions**

The role of SPEaR is to oversee the Governments' social policy research purchase. In particular, the:

- a. Identification and dissemination of key social policy knowledge needs
- b. Development of research and evaluation agendas to meet identified social policy knowledge gaps
- c. Assurance of quality and relevance of Government-purchased social policy research and evaluation
- d. Integration of research and evaluation information into evidence-based policy development
- e. Evaluation of the success of recent initiatives to enhance the knowledge base for social policy.

In undertaking this role, SPEaR will have the following specific functions:

- i. To encourage the uptake of research and evaluation information into social policy development
- ii. To co-ordinate departmental research priority setting (in conjunction with Strategic Social Policy Senior Officials Group (SSPSOG))
- iii. To provide a strategic framework for the social research component of the Cross Departmental Research Pool
- iv. To act as a vehicle for gathering agency views on sectoral research and evaluation capacity issues
- v. To disseminate information relevant to the Government's social policy research and evaluation agenda
- vi. To sponsor initiatives aimed at improving social policy research capability, (including agency research and evaluation practice)
- vii. To promote the utilisation of 'best practice' approaches, tools and techniques through development and/or dissemination
- viii. To liaise with key public sector and academic social policy research and evaluation stakeholders
- ix. To build an evidence base and the value of social research.

## **Logistics**

The Ministry of Social Development will provide a full-time secretariat and chair for SPEaR. In delivering its functions it is expected that SPEaR will:

- meet regularly to consider general issues
- form sub-committees to examine specific issues
- co-opt members from other agencies to sub-committees
- consult with external stakeholders.

## **Key Relationships**

SPEaR will report to Ministers of Social Services and Employment and Research, Science and Technology through the Chief Executive of the Ministry of Social Development.

SPEaR will also liaise regularly with SSPSOG over the identification and dissemination of the Government's social policy knowledge needs and the integration of research and evaluation information into social policy.

It is expected that SPEaR will ensure key public sector and social policy research stakeholders are informed of their activities and, wherever practicable, be given an opportunity to participate in discussions. These key stakeholders include the:

- Social Science Committee of the Royal Society of New Zealand
- Research Committee of the New Zealand Vice Chancellor's Committee
- Foundation for Research Science and Technology
- Tertiary Education Commission
- Science and Innovation Advisory Council.

## **Amendments to Terms of Reference**

Any amendment to these Terms of Reference will be by the agreement of the Ministers of Statistics, Social Services and Employment, and Research, Science and Technology