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Subsidiarity in the Australian Public Sector: Finding Pragmatism in the Principle

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The principle of subsidiarity, commonly understood as the view that authority should be exercised by the lowest level of government competent to do so, is a key concept in understanding and reforming Australian federalism. In this article, we explore the way in which citizens with experience working in government react to the principle, and highlight that those with experience at different levels of government approach and value subsidiarity differently. Based on mixed-methods evidence, we propose that a pragmatic, problem-oriented approach to federalism and subsidiarity may cut through these differences, and allow policymakers to come together under a unified understanding of subsidiarity.

Key words: subsidiarity, pragmatic, federalism, public servants, Australia

As a principle of governance, subsidiarity has been described internationally as ‘well known, most respected, carefully studied, and almost entirely ignored in practice’ (Leaper 2008: 445). Similarly, its importance in debates over the nature and future of Australian governance has never been greater, especially in the current process to produce a federal White Paper on Reform of the Australian Federation, which adopts subsidiarity as the first of six key principles in its terms of reference (Commonwealth of Australia 2014: v). This process defines subsidiarity as the principle that responsibility for particular areas of policy or decision-making ‘should rest with the lowest form of social organisation capable of performing the function effectively’ (Commonwealth of Australia 2014: 20). However, how deep is the understanding of, and commitment to, this principle in practice, and what might it take to see it effectively operationalised as a truly useful guide to governance reform and adaptation? Already, the history of the principle’s take-up in Australia can be seen as ‘long and difficult’ (Brown 2002: 39). Although embraced in theory, the increasing centralism of Australian governance arguably shows a disregard for the principle in practice (see, e.g. Evans 2014).

In this article, we investigate attitudes to subsidiarity, suggest why it may have proved difficult to operationalise in Australian public administration, and seek to identify key factors that should be taken into account if it is to translate into a more useful principle in the planning and execution of federal reform. In particular, we focus on public servants as the custodians and practitioners of Australian federalism. If those who make policies and implement services within the public sector do not support subsidiarity, or have conflicting visions of what it should mean, then even if reinforced as a principle, it is unlikely that it will succeed. Thus, public servants’ commitment to federalism and subsidiarity is an important indicator of the potential for successful reform.

Our hypothesis is that the difficulty of achieving greater application of subsidiarity in Australia stems, at least in part, from the different ways that it is perceived and valued within the public sector. We neither find nor contend that particular groups of public servants are overwhelmingly averse to the idea...
of decentralism, nor see the differences in perspectives on subsidiarity as an insurmountable obstacle. Instead, we propose that a ‘pragmatic’ approach to subsidiarity may cut through these differences of opinion, and provide a more useable framework for operationalising the principle. We draw on the idea of pragmatic federalism as an explanation for the centralisation of the Australian federation – whereby a problem-oriented approach to federalism, ‘unmediated by larger theoretical concerns’, has resulted in a pull towards the centre (Hollander and Patapan 2007: 281; see also Smullen 2014). Hollander and Patapan argue that the answer to centralism in Australia ‘is not to artificially insert into Australian federalism some grand or overarching theory’, but instead ‘a more thoughtful engagement with the larger questions that inform federalism’ is needed (p. 291). Thus, although some may argue for constitutional amendment to restore subsidiarity to the operation of the Constitution (Evans 2014), our history of pragmatic federalism suggests that in addition or in the alternative, we need to find support for the principle in the culture and operational approaches of the public sector in practice, at all levels of government, if reformed approaches based on that principle are to prove achievable or long lasting (Commonwealth of Australia 2014: 20).

Accordingly, in this article, we argue that an acknowledgement of ‘pragmatic subsidiarity’ is required. In particular, we propose that approaching subsidiarity from a pragmatic perspective will overcome the problem that subsidiarity is viewed differently at different levels of government. To support this claim, we analyse the way support for subsidiarity, both in principle and in practice, varies between public sector employees, both past and present. How do those who have experience working in government think about subsidiarity relative to the wider community they serve, and does the kind of experience public servants have in government change the way they think about subsidiarity? Where differences in experience or the contest of values emerge, do pragmatic considerations create a ‘common language’ for thinking about the operation of subsidiarity?

To assess these questions, we adopt a mixed-methods research design, making use of quantitative and qualitative public opinion data collected by the Australian Constitutional Values Surveys (ACVS). Although these surveys were designed to measure attachment to federal values in the general population and were not specifically targeted at public servants, in all years substantial numbers of participants had experience working in government. The results presented here thus provide a departure point for more-detailed research into the way those with experience working in government think about subsidiarity. By examining this group we can identify potential factors influencing their attachment to decentralist ideals, and reflect on the operation of subsidiarity within government.

We begin with a brief discussion of the principle of subsidiarity in the Australian context, highlighting its use as a decentralist principle. We also introduce how subsidiarity was studied in the ACVS, and show how respondents’ views appear to differ based on their experience working in government. Next, we show that demographic factors such as location, age, and level of education may explain some of the variance between governmental groups. Further, in the third section we analyse the relationship between attitudes towards subsidiarity and attachment to federalist values such as division of power to demonstrate that, particularly in participants who have worked at both national and subnational levels, there appears to be a connection between a high level of in principle support for subsidiarity and federalist ideals consistent with decentralism, but that respondents with other governmental experience do not make the same connections. This confirms our hypothesis that public servants at different levels of government think about subsidiarity in different ways. In the fourth part, therefore, we test the unifying potential of a pragmatic approach to subsidiarity. We draw on data from the 2014 ACVS that allowed respondents to nominate the level(s) of government they would prefer to be responsible for key policy areas such as health and education, and qualitative responses in which they provided reasons and justifications for their preferences.
we find that respondents justify their responses in largely practical terms, regardless of their level of government and principled views on subsidiarity, suggesting that subsidiarity-based reform that engages with pragmatic issues is far more likely to succeed. This has important implications for the current White Paper process, and for the use of subsidiarity in Australia.

Subsidiarity in the Australian Context

The principle of subsidiarity is far from a neat concept; indeed, it has been described as the ‘epitome of confusion’ (Editorial Comment, cited in Bermann 1994: 331). In part, this confusion stems from differing approaches to the definition of subsidiarity. For example, Andreas Follesdal identifies five different ‘competing conceptions’ of subsidiarity (Follesdal 2014a, 2014b), arguing that ‘different historical and theoretical traditions of subsidiarity yield strikingly different and sometimes incompatible implications for the allocation and use of authority’ (Follesdal 2014b: 215).

For some, subsidiarity is about non-absorption and about performing functions at the ‘right’ level, not necessarily the lowest (Brennan 2014; Chaplin 2014). Proponents of this view often cite Pope Pius XI in his encyclical *Quadragesimo Anno*, where he argued that higher orders should ‘never destroy or absorb’ the functions of lower organisations (Pope Pius XI 1931: 79; see also Brennan 2014; Chaplin 2014: 72; Hittinger 2008: 16; Kenney 1955). Recently, however, subsidiarity is commonly understood as a decentralist principle that proposes that the functions of government should be performed as close to the people as practicable (see, e.g. Halberstam 2009). This understanding has become especially prominent as a consequence of its adoption in the Treaty on the European Union, where Article 5(3) provides that the Union shall act if and only if the Member States cannot sufficiently achieve the policy ends by themselves. This reasoning has led scholars to describe the principle as ‘a systemic predilection for locating authority at the most local level feasible’ (Bednar 2014: 231), and to argue that ‘decisions, whether legislative or administrative acts, should be taken at the lowest practicable political level’ (Bridge 1999: 50–51). Thus, a clear tension between the ‘right-’ and ‘lower-level’ definitions exists within the literature.

Although the most appropriate definition remains open to debate and deserves further research, for present purposes we adopt the predominantly decentralist definition of subsidiarity as it is generally understood in Australian academic and public policy literature (Brown 2012a; Evans 2014; Head 2007; Twomey and Withers 2007). This was the sense with which it was adopted by Australian state and territory leaders as a core principle of intergovernmental reform in 1991 (see Galligan 1995: 205); and the main sense in which, as noted at the outset, the current White Paper process defines subsidiarity as meaning that ‘responsibility for particular areas should rest with the lowest form of social organisation capable of performing the function effectively’ (Commonwealth of Australia 2014: 20). The question becomes whether, even when all public servants are presented with the same definition of subsidiarity (as they are in the current White Paper process), they understand, approach, or observe it in the same way.

To help answer this, we turn to data from the ACVS, national surveys that gauge citizen attitudes towards key issues associated with federalism. The results here should only be treated as indicative, because the samples of this survey are drawn to be representative of national public opinion, rather than of the public sector. However, sufficiently large proportions of participants reported having some experience in working in government, to provide data that can be used to test the questions and highlight areas for further investigation. The ACVS measured support for subsidiarity by asking respondents to answer the following question:

Thinking of the federal government as being the **highest** level of government, and state and then local as being **lower** levels of government, which **one** of the following comes closest to your view?

(a) It is better for decisions to be made at the **lowest** level of government competent to deal with the decision.
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(b) It is better for as many decisions as possible to be made at the higher levels of government.

Previous results on a population basis (Brown 2012a) show that, overall, Australians are relatively evenly divided in their support for the principle, suggesting tension in the extent to which decentralist values are truly understood and embraced as a feature of Australian political culture. This makes it all the more important to ascertain what tensions play out in the public sector, and whether those with experience working in government perceive and value concepts of subsidiarity any more highly. Figure 1 shows this, confirming the fairly even balance in the adult Australian population across all 4 years of the survey to date, between those who tend to support the principle, and those who tend in a more centralist direction – and also revealing an overall pattern of slight difference on the part of those who have worked in government, as against those who have never worked in government. Current or former public employees are more likely to support subsidiarity. However, the difference is relatively small, and indeed was insignificant (1.7%) in the most recent survey (2014). Moreover, when overall public attitudes to the relative value of subsidiarity change, the views of current or former employees appear to also change. A starting point for analysing the current meaning and traction of subsidiarity within government practice, therefore, is the recognition that this is determined in part by wider forces in political culture and behaviour, and not necessarily ones that are working in favour of decentralist policies. Subsidiarity is therefore not a principle that can simply be adopted and implemented in the ‘abstract’.

The fact that those with government employment experience are typically more supportive of the principle of subsidiarity is positive, for those seeking to deploy it – but why does working in government influence the way that respondents value the principle, why might it be that the principle is not more highly valued, and do all respondents see the principle the same way? It is to these questions that we now turn, by establishing whether respondents’ perceptions of subsidiarity differ based on different experiences in government, and investigating whether or how pragmatic approaches to the principle relate to these results.

To test our hypothesis that differences in perception and pragmatic approach explain difficulties in operationalising subsidiarity, we grouped participants who said they had worked in government into four categories according to the levels of government of which they had experience, as set out in Table 1. The level of government provides the most obvious and important point of comparison because it is in and through the policy questions over whether powers, roles, and resources should be decentralised or decentralised between the different levels that the entire debate over reform plays out. Much of the literature on subsidiarity in Australia focuses on how willing and able the Commonwealth is to ‘let go’ of some of its controls (Head 2007: 161), and ‘trust the States’ (Commonwealth of Australia 2014: 20), whereas agitations about the empowerment of local government raise questions about how committed the states are to devolution. Thus, the different motivations with which each level of government approaches subsidiarity are likely to colour public servants’ attitudes towards the principle, leading to difficulties in translating the principle into reform.

Although it is possible to categorise respondents based on the level they currently or last worked for, this is undesirable and too simplistic, as it would fail to capture the way experience at multiple levels of government influences perceptions of Australia’s federal system. Thus, these groupings allow us to investigate the influence of participants’ likely experiences, using samples that are not too small to be analysed reliably.

Figure 2 presents a time-series comparison of the proportion of respondents who favoured the subsidiarity principle in each of the four groups, as well as for those participants who had never worked in government. Several broad trends are immediately noticeable. Local and Federal-Only workers followed the same pattern as people who had never worked in government; namely, a drop in support in 2010 and 2012, before returning to over 50% in favour of subsidiarity in 2014. However, among those
Figure 1. Attitudes towards Subsidiarity – Government Work Experience (2008, n = 1201; 2010, n = 1100; 2012, n = 1219; 2014, n = 1204)

Table 1. Respondent groups by employment history

<table>
<thead>
<tr>
<th>Group</th>
<th>Work experience</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Local</td>
<td>Only local government, and local and state governments</td>
<td>78</td>
<td>58</td>
<td>57</td>
<td>84</td>
</tr>
<tr>
<td>2. State-Only</td>
<td>Only state government</td>
<td>186</td>
<td>171</td>
<td>199</td>
<td>193</td>
</tr>
<tr>
<td>3. National and Subnational</td>
<td>Local and/or state government, and federal government</td>
<td>67</td>
<td>57</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>4. Federal-Only</td>
<td>Only federal government</td>
<td>84</td>
<td>72</td>
<td>69</td>
<td>66</td>
</tr>
<tr>
<td>Subtotal (past/current government employment known)</td>
<td></td>
<td>415</td>
<td>358</td>
<td>385</td>
<td>408</td>
</tr>
<tr>
<td>A. Ever</td>
<td>Ever worked in government (inc. Other)</td>
<td>503</td>
<td>431</td>
<td>500</td>
<td>512</td>
</tr>
<tr>
<td>B. Never</td>
<td>Never worked in government</td>
<td>698</td>
<td>669</td>
<td>719</td>
<td>692</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1201</td>
<td>1100</td>
<td>1219</td>
<td>1204</td>
</tr>
</tbody>
</table>

Note: ‘Other’ signifies respondents with employment experience in ‘other’ governmental organisations. These responses were included in Figure 1 above but are excluded from the remaining analyses as it is not possible to tell the level or levels of government involved in these other organisations.

who had worked for government, especially at the local level, the trend is much more extreme, falling further in 2010 and 2012, and rising higher in 2014. Significance tests revealed that in the Local group, the drop from 2008 to 2010 was significant, and approached significance in the Federal-Only group for the same time period. In the Local group, the gains in support for decentralism from 2012 to 2014 were also significant, as was the overall change for the Federal-Only group between 2010 and 2014. By contrast, State-Only and National and Subnational workers had much more steady attitudes towards subsidiarity across the entire period, with no statistically significant variation occurring in either group.4

Although the differences between these groups in any one year could arguably be attributed to their small sample sizes rather than any real difference, the overall difference raises a crucial question. For the respondents who only work or have only worked in State...
governments, and respondents who have worked at Subnational and National levels, support for subsidiarity remained fairly constant across the surveys, relatively unaffected by wider societal trends. By contrast, the Local and Federal-Only groups fluctuate more widely over the period, with support falling or rising in line with wider societal views, including those expressed by participants who have never worked for government. What explains this overall pattern of difference between respondents with different experiences of working in government, and does it point to different factors or determinants of support that may explain how public employees perceive or experience subsidiarity in practice, as opposed to a general principle?

To answer this, we first examine these groups in more detail, using demographic variables, to establish whether differences might be explained by other factors, unrelated to the level(s) of government at which respondents have worked. We then look for evidence, in turn, of the extent to which the differing levels of support for subsidiarity are associated with other general principles, or alternatively, with more direct, pragmatic experience or views on how government has worked or should work, in practice.

**Demographic Factors of Subsidiarity**

We begin by testing whether the differences between groups can be explained by demographic factors, namely the location, age, and highest level of education of the participants. For the most part, this analysis allows us to discount the possibility that the results presented above are attributable to idiosyncrasies in the samples, or factors unrelated to experience in government, and hence helps clarify that different levels and types of support for subsidiarity do appear to flow from different experiences and levels of government.

**Location**

As Aroney has argued (2014: 10), ‘subsidiarity can mean different things to different people in different contexts’. Previous research (Brown 2012a) indicates that geography and location can have a significant bearing on the value placed on subsidiarity, for the obvious reasons that those located closer to perceived
centres of power may have less need for de-
centralism than those located more remotely,
and those in periphery states and regional
areas may consider centralised governments to
be ‘out of touch’ with local needs and situa-
tions (see, e.g. Evans 2014). On this reason-
ing, it could be hypothesised that the variance
between governmental groups is attributable to
the location of the respondent rather than which
level(s) of government they have worked for.
Although the groups are too small to directly
test whether support for subsidiarity system-
atically and significantly varies by location,
examination of the proportion of respondents
from each state or territory within each group
and for each year allows us to explore potential
trends.

This analysis produces mixed results. For
the Local group, the changes in support for
subsidiarity across the four surveys seem to
match changes in the number of participants
from New South Wales and Western Australia;
in 2008 and 2014 when support amongst lo-
cal government workers was high, more par-
ticipants lived in Western Australia than New
South Wales, whereas in 2010 and 2012 when
the support was lower, the opposite was true.
The same pattern appears for employees who
only had experience at the federal level. In
participants who had worked for state gov-
ernments, however, geography appears to mat-
ter less. For example between 2008 and 2010,
the increase in proportion of participants from
Queensland from 19% to 28% did not corres-
dpond to an increase in support for subsidiarity,
nor did the drop in the number of participants
from New South Wales 2010–2012. Similarly,
changes in the proportion of respondents from
New South Wales and Victoria who had expe-
rience at both national and subnational levels
did not match the pattern of support for sub-
sidiarity.

These findings suggest that the different lev-
els of government do indeed view subsidiar-
ity differently. For those with experience at the
state level (either solely or in addition to fed-
eral experience), the issue of decentralism is
one common to all states, and therefore tran-
scends geographical concerns. Conversely, for
respondents with local or only federal experi-
ence, the value of subsidiarity appears to be
mediated by their location; subsidiarity is ap-
parently less important to a federal employee
in New South Wales than one from Western
Australia.

Age

The other key variable identified in previ-
ous research as being significantly related to
attitudes towards subsidiarity is age (Deem
2014). Specifically, there appears to be a clear
trend where support for the principle is higher
amongst younger citizens, and lower in older
participants, particularly those over 65. It is
therefore possible that the differences within
and between the groups simply reflect uneven
age distributions in the samples. To assess this,
the distribution of respondents of respondents
aged 65 and over was examined for each group
in each year. Although the number of respon-
dents aged over 65 did vary from year to year,
in some cases dramatically, the variance did not
match the variance in support for subsidiarity.
Thus, the fluctuation in support for subsidiarity
is unlikely to be the result of age differences be-
tween participants from each experience group.

It is interesting to note, however, that in some
cases the overall ‘age-line’ trend held, whereas
in other cases it did not. In particular, the pattern
of younger participants being more attached
to subsidiarity was most apparent in the Lo-
cal group, and least strong in the Federal-Only
group. This is significant, as support for de-
centralism in these two groups followed the
same overall patterns, but it seems that in lo-
cal employees some of this change is explained
by the age of participants, whereas for federal
respondents it is not. This suggests that cul-
tural attitudes within the federal government
change the way people would normally think
about subsidiarity.

Level of Education

Finally, the highest level of education attained
by respondents is a potential explanatory
factor. Subsidiarity, as a federal ideal, is an
abstract concept. Further, given the tensions be-
tween decentralism and Australian desires for
equality, these competing values must be reconciled, at least to some degree, in the minds of Australians. The broad expectation, then, would be that participants with higher levels of education would be more likely to think abstractly about decentralism and its relationship with competing values, and maintain support for the principle (or alternatively, form a principled view that power should be centralised) even when challenged by other situational or experiential factors bearing on the question in practice.

Accordingly, we identified the proportion of participants with a university degree in each group. This proportion was consistently higher in the State-Only and National and Subnational groups than for Local and Federal-Only respondents. Given that these two groups had the most stable attitudes towards subsidiarity over time, this provides some evidence for the assertion that people with university education think more abstractly about governance, and that their opinions are less easily swayed by contemporary or situational factors.

A bivariate correlation analysis between the highest level of education and attitudes towards subsidiarity showed that in 2010 there was a significant relationship in the Local and Federal-Only groups (respectively, $p = 0.026$ and 0.028). Other than this, however, there were no other patterns beyond what might be expected by chance.

Further, changes in the proportion of participants with university education, especially in the Local group where the changes were most dramatic, did not correspond to the changes in attitudes towards subsidiarity. Thus, level of education perhaps offers only a partial explanation. It does, however, raise an important question about whether participants think abstractly or more practically in answering the survey items and, more importantly, whether their experiences at different levels of government shape these ways of thinking.

A Matter of Principle?

Political scientists have long claimed that there is a relationship between subsidiarity and federalism, as principles. For example, Halberstrom (2009) states that ‘federal systems across the world are generally designed according to the principle of subsidiarity’ (p. 34; see also Duchacek 1987; Weinstock 2014). When taken in a decentralist sense, subsidiarity is especially relevant to federalism. The concept of lower-level decision-making is implicit in the federal ideals of divided power and having different laws in different parts of the country to allow for local needs or circumstances. Thus, it is reasonable to expect that attachment to the core concepts of federalism should be associated with a preference for decentralism. In other words, if participants value subsidiarity as an important principle within the federal system, their support for subsidiarity should reflect their overall attachment to federalism.

This attachment, or ‘federal political culture’, is the subject of a range of empirical measures (see, e.g. Cole et al. 2004; Fafard et al. 2010; Kincaid and Cole 2010). The approach taken by the ACVS is described elsewhere (Brown 2012b), but briefly, participants were asked to rate how desirable or undesirable key features of federal systems were. Of the various measures, two are particularly relevant for present purposes: having power divided between governments, and being able to have different laws to reflect different needs and conditions in different parts of the country.

If respondents’ answers to the ACVS question about subsidiarity are based on their general or abstract views about the values of federalism, we would expect there to be a significant correlation between a preference for decentralism (subsidiarity) and believing that divided power and varying laws are desirable features of a system of government. To test this hypothesis, a series of bivariate correlations were conducted. The results are presented in Table 2.

The most important finding was that in the National and Subnational group, the relationship between support for subsidiarity and attitudes to either or both of these federalist values was significant or approached significance in every year. This suggests that, of the sample, people with experience at both national and subnational levels of government are the most likely to think about decentralism with a broader picture of federal arrangements. Either
Table 2. Bivariate correlations between federal values and support for subsidiarity (2008, n = 387; 2010, n = 335; 2012, n = 335; 2014, n = 369)

<table>
<thead>
<tr>
<th>Respondent group (by experience)</th>
<th>Desirability of divided power</th>
<th>Desirability of having different laws in different parts of the country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>-0.012</td>
<td>0.260*</td>
</tr>
<tr>
<td>State-Only</td>
<td>0.346***</td>
<td>-0.038</td>
</tr>
<tr>
<td>National and Subnational</td>
<td>0.330**</td>
<td>0.481***</td>
</tr>
<tr>
<td>Federal-Only</td>
<td>0.278**</td>
<td>0.092</td>
</tr>
</tbody>
</table>

*Significant at p < 0.10. The use of an alpha of 0.10 increases the chance of type I error. However, in the broader context of other significant results, and the strength of the correlations (which are often moderate or even strong), it is reasonable to expect that the null hypothesis can indeed be rejected, and that a significant effect exists.

**Significant at p < 0.05.

***Significant at p < 0.001.

experience on “both or all sides of the fence” leads these respondents to value decentralism as a federal principle, rather than something unrelated or transient, or those with that perspective seek out such employment experience, or both. This association is also consistent with the fact that, just as attitudes of the National and Subnational group towards subsidiarity were most stable over time, so too previous research has highlighted that Australian federal political culture tends to remain stable over time.

It is important to note, however, that in 2008 and 2010, the correlations were positive, but they were negative in 2012. That is to say, in 2008 and 2010 people in the National and Subnational group who were in favour of decentralism were more likely to think that federal features were desirable, but in 2012, those who were supportive of subsidiarity were more likely to think that divided power was undesirable. These responses are prima facie contradictory and difficult to reconcile. It may be, however, that these participants supported subsidiarity but rejected having power divided between levels of government because they wanted power concentrated in the lower tiers to the exclusion of the federal level, an approach that is echoed by the White Paper process’ ambition to make the states ‘sovereign in their own sphere’ (Commonwealth of Australia 2014: v). Thus, although the 2012 result may be anomalous, it may also provide evidence of an abstract approach to subsidiarity, founded on principle.

The State-Only group also seemed more likely to value federal concepts, particularly having different laws in different parts of the country, when they supported decentralism. However, these results were only significant in 2008 and 2010. This suggests that, although state workers place some connection between decentralism and federalism, the additional perspective gained from experience at the national level as well strengthens this relationship in the National and Subnational group. Interestingly, in the Federal-Only group, the relationship between divided power and subsidiarity was significant only in 2008. Again, this points to the dual experience at national and subnational levels as being important to viewing subsidiarity in a federalist sense.

It therefore seems that working at federal and state or local levels provided these respondents with a broader perspective. Although this did not necessarily make them more decentralist, their views appear more likely to be based on federal principles than respondents with different experiences in government. This is important in two respects. First, it suggests that workers with (arguably) the most contact with federalism in Australia are more likely to see issues of governance such as decentralism in a federalist light. In the context of the White Paper process, key figures with experience at multiple levels of government are perhaps more

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likely to understand or be receptive to underlying federal tensions. Second, and conversely, reformers, particularly at the national level, who have only worked for one level of government are arguably less likely to view decentralism as a federal principle.

This raises concerns about how well equipped Commonwealth employees may currently be to undertake or maintain reforms based on subsidiarity, unless they have wider experience in other parts of government. Accordingly, these results also have important implications for the White Paper process. Although subsidiarity has been adopted as a key guiding principle for the reform discussion, it does seem that state and federal employees can perceive and attempt to make use of the principle in quite different ways. Additionally, the question becomes, if the perceptions of particular groups such as Federal-Only employees are not influenced by or related to federal ideals, then what does shape them? We address this question in the next part.

A Pragmatic Approach?

In the above sections, we have demonstrated that the experience of working at different levels of government appears to influence the way the people think about subsidiarity. The location and age of local employees seems to influence their attitudes towards decentralism, whereas these factors appear to have little bearing on the views of state employees. Those who have worked at national and subnational levels tend to see the principle in more-abstract terms, with reference to federal values, whereas those who have only experienced life at the federal level do not seem to share this principled approach.

In this final part, we therefore explore the extent to which views on subsidiarity when applied in practice are influenced or outweighed by other concerns – most likely, pragmatic ones – that in turn may indicate ways of framing subsidiarity that could be more readily understood by all involved in the reform of Australia’s federation. As explained at the outset, we see Hollander and Patapan’s (2007) pragmatic federalism as reinforcing why subsidiarity in Australia also needs to be understood in a practical manner. That notion of pragmatic federalism is based on Robert Menzies’ definition of pragmatism as ‘drawing on principles and values derived not from grand theory but from experience’ (Hollander and Patapan 2007: 281).

If pragmatism also applies to subsidiarity, it would be expected that the views of public servants would be informed by their practical experiences, rather than or in addition to any broad theory. Indeed, the principle, when phrased in terms such as the ‘lowest level possible’ or ‘lowest competent level’ necessarily implies a practical element, or an assessment of the capacities of each level of government. It is therefore highly likely that experiences will shape the way public servants perceive the competence of their own level, and other levels, and that this may in turn influence their attitudes towards subsidiarity. Furthermore, if this pragmatic approach to subsidiarity is common across all levels of government experience, it may provide a framework for a genuine dialogue about the principle and its operation in Australian federalism.

To test the existence of pragmatic notions of subsidiarity, we explore how participants use decentralism in specific policy domains. In the 2014 ACVS, respondents were asked to nominate which level(s) of government they thought should have responsibility for key policy areas, namely health, education, environment, and roads and highways. This provides an opportunity for respondents to be ‘problem oriented’ and to grapple with some of the practical issues that federalism must confront. Next, they were asked which of these areas was most important to them, and were then given the opportunity to provide reasons for their allocations of responsibility among federal, state, and local governments. These qualitative responses provide a richer understanding of the thought processes of those with government experience, and allow us to explore how subsidiarity operates within practical constraints and key policy areas.
Health Policy

When asked ‘Which level(s) of government do you think should be responsible for health care policies?’ over half of the respondents (55%) nominated only the federal government. Support for a federally run health system was the lowest amongst those with no experience working for government, and the highest amongst those who had worked at the Federal-Only level (over 60%). This group also contained the highest support for health to be the sole responsibility of the states, suggesting that in general people who have only worked for the federal government are more strongly in favour of a ‘clean lines’ approach. By contrast, those in the National and Subnational group were more reluctant to nominate a single level and were far more likely to favour shared responsibility. This supports the above correlation with federal ideals, but also raises the question as to whether these ideals in fact are supported by pragmatism and lived experience.

When those who thought health care was the most important policy were asked to justify their allocations, the question of resourcing, a very pragmatic concern, was dominant. Of the 117 respondents with government experience who nominated federal responsibility, almost a quarter mentioned funding. The central government either ‘get all the money’ (Respondent 526) or ‘provide most of the money’ (R37) as a consequence of collecting both the Medicare levy (R949) and the GST (R1069). This concern for funding characterised those with some state-level experience in particular. One respondent from New South Wales put it succinctly: ‘The federal government is the original funding source and State complains that they are not given enough funding, so if there is one administration for the funding, there should be no problems’ (R1289). Interestingly, despite his preference for federal responsibility, this respondent supported the idea that decisions of government should be made at the lowest level. Indeed, between 42% (National and Subnational) and 58% (Federal-Only) of participants with government experience wanted sole federal responsibility, but supported subsidiarity in principle. For these respondents, federal responsibility provided a way of avoiding the ‘blame game’ or ‘duck shoving’ (R1149; see also R535, 911, 1289) and improving accountability (R684, 1149), pragmatic considerations that clearly weighed more heavily on their minds than theoretical concepts of decentralism.

Efficiency was also an issue for some (R37, 535, 536, 939, 980, 1102); centralisation would eliminate duplication and concentrate expertise (R819). Centralisation was not the only way to improve efficiency, however, as it was cited by almost all of the 71 respondents who favoured a state or local role, either shared or solely. This was because ‘sometimes the federal government is out of touch’ (R506) and ‘the State probably has a better understanding of local needs and demographics’ (R337). Several sketched their preferred model of federal policy-making and state or local service delivery (R795, 1219, 1357). For some, these pragmatic assessments aligned with their principled views (R337, 506, 1219), but for others, a pragmatic consideration of health care policy allowed them to see the value of subsidiarity even when they did not know (R795) or were against (R1357) subsidiarity in principle.

For the majority, however, this local knowledge was more than trumped by the desire for equal access to treatment and consistent standards across the country. Almost half of those who favoured federal control cited fairness and equality, making it by far the most common reason for centralisation. It had to do, according to one, with ‘justice’ (R461). This quite clearly demonstrates a pragmatic approach. Although many respondents in government understood and appreciated subsidiarity in principle, when decentralism came at a perceived cost of fairness and uniformity, they preferred federal control. More importantly, however, the pragmatic considerations of resources, efficiency, local knowledge, and fairness were not unique to one type of government experience, respondents were able to give similar practical justifications for the allocations of responsibility, regardless of which level of government they had worked for, and what their principled views about subsidiarity were.
School Education Policy

Our analysis for education reveals a similar pragmatism, though in different ways. Over a third of the 296 respondents who identified primary and secondary school education as the area of most concern preferred federal responsibility, and almost as many nominated the state level. Although those with no experience working for government were fairly evenly split between federal and state responsibilities, the distribution amongst the 100 who had worked for government was not even. Support for state administration was the highest amongst those in the Federal-Only group (47%), and the lowest amongst those with state or local experience (30%). In other words, respondents seemed unconvinced that the level of government in which they had experience was right for the job. Those in the National and Subnational group were again more likely to favour shared responsibility, albeit to a lesser extent than with health.

Almost half of those with government experience (44%) thought the federal government should take sole responsibility, though between a third (State-Only) and two-thirds (Local) of those respondents supported subsidiarity in principle. Their responses explaining this preference were characterised by a strong desire for consistency and uniform standards and curricula; almost 90% of those favouring Commonwealth responsibility made some mention of this. For most it was a very practical matter; differences impeded mobility between jurisdictions and created unnecessary confusion. To them, diversity simply did not make sense: ‘I fail to see how being educated in one State should be different from being educated in another’ (R749). Far fewer were concerned with equity (R360, 837), although some did highlight a need for funding to be spread equally between States (R1166, 1174). In contrast with health, the federal government’s revenue raising rarely figured (R110, 1243), and was more likely to be used as a rationale for shared responsibility (R503, 718, 809, 1139, 1339). Nor were efficiency or efficacy key considerations for most; three thought it was an opportunity to streamline operations and reduce the number of bureaucrats (R81, 97, 1228), and two thought the Commonwealth had access to more expertise (R184, 1243).

Although the number of respondents was smaller (only 22), those who favoured state responsibility were very clear in their reasoning and their answers resonated with phrases such as ‘unique challenges’ (R96), ‘local connection or knowledge’ (R141), ‘regional differences’ (R97), or ‘State diversity’ (R98, 1329). The states were preferred because they were more likely to understand local needs. It was clear, to these participants, that ‘one size doesn’t fit all’ (R499, 1256). State governments were also ‘easier to monitor’ (R97, see also 95); they were ‘close to the people, but not close enough to be influenced by powerbrokers’ (R371). Again, this pragmatic appreciation of subsidiarity appears to transcend principled understandings (R95, 97, 141 for subsidiarity in principle; R96, 98, 371, 499, 1329 against), and featured across all levels of experience.

Amongst the 31 respondents who opted for some mix of shared responsibility, consistency combined with local responsibility for actually running schools and paying teachers featured prominently. According to one state employee, ‘State has the best way of managing and federal has the best way of raising revenue’ (R809).

The analysis of responsibility for education therefore shows a different brand of pragmatism. In health, decentralism was trumped by the competing value of fairness, whereas in education, centralist responses were more likely to involve practical appeals to issues surrounding moving between states. Even amongst those who were in favour of decentralised administration, the reasons provided speak to the practical need for local knowledge, rather than grand principles about non-absorption by the central government or local empowerment (cf Brennan 2014; Chaplin 2014).

Environmental Policy and Responsibility for Roads and Highways

Participants’ reasons for their allocations of responsibility for either environmental policy or roads and highways serve to confirm and
extend the above results. A preference for the federal government was dominant amongst the 137 respondents who nominated ‘protecting the environment’ as a priority, meaning that again, many respondents who supported the principle of subsidiarity did not translate this support into their policy allocations. For the few who saw roads and highways as most important, federal involvement was less popular, although many preferred shared responsibility. Unlike in health and education, funding (R59, 205, 521 651, 1107) and uniformity (R16, 205, 651, 842, 1135) were rarely mentioned in either environment or roads. Instead, reasons were generally driven by lived experiences, another key feature of pragmatism (Hollander and Patapan 2007).

In environmental policy, it was often a question of trust for respondents, and they cited the states’ poor environmental record and practice compared with the Commonwealth (R121, 470, 534, 644, 759, 914, 1135). There was a perception that ‘the states have their own agendas’ (R484), ‘wiggle out of their responsibilities’ (R1356), were less ‘objective’ (R205), or ‘change[d] things for their own benefit’ (R1241). Thus, participants drew on previous experience to inform their choices.

The reasons given for responsibility for roads can largely be summarised as a need for ‘local knowledge’. This was because ‘the roads are not in Canberra’ (R1298), and state governments have more invested in ‘their own . . . anthill’ (R521). Thus, although the allocations of responsibility are very different between environment and road policies, the underlying pragmatism is quite similar. In both cases, experiences with the system drove participants’ reasoning, either to distrust the states because of past experience (environment) or to rely on the states’ experience ‘on the ground’ (roads). It is therefore clear that the experiential element of pragmatism may be a powerful tool in using pragmatic subsidiarity to inform policy. Although personal experiences are by definition idiosyncratic, there are some that transcend governmental differences. As one participant argued, ‘the country is owned by all of us and if the environment is in another State we might still care about it’ (R604). These shared experiences and concerns have the potential to unite policymakers from all levels of government, allowing them to overcome the different ways in which public sector workers appear to approach the principle of subsidiarity and to genuinely engage with one another on issues of federal reform.

Conclusions: Pragmatism in the White Paper Process

The White Paper faces a number of challenges and uncertainties, from Australia’s overwhelming history of centralism and unsuccessful previous attempts at reform to the recent change in prime ministership and the as yet unknown directions Malcolm Turnbull will take the process. Our analysis of Australians with experience of working in government sheds light on another of these challenges, showing the complexity of attitudes towards subsidiarity. We have shown that not only do participants differ based on whether or not they have ever worked in government, but that the level(s) of government at which they have worked appears to shape their views on decentralism. This is important, as it suggests that reform of Australia’s federation, which will necessarily rely on a culture of decentralism within the public service, must be sufficiently nuanced to capture support at all levels of government.

The data from the ACVS highlight the different ways in which public servants appear to approach subsidiarity as a principle. Demographic factors such as age and location may be especially relevant in explaining the attitudes of those with experience in local government, while respondents who have worked at both national and subnational levels appear more likely to hold views of subsidiarity that align with federalist ideals. The geographic differences in attitude that emerge amongst federal employees do not exist amongst state employees, suggesting that for the latter, subsidiarity and federal/state relations are pressing concerns for all state governments. In particular, and by contrast, the stability, degree, and depth of Commonwealth employees’ understanding of subsidiarity as a principle all appear much more
uncertain, unless they happen to have wider experience in other parts of government. Accordingly, these results have important implications for the White Paper process. Although subsidiarity has been adopted as a key guiding principle for reform, it does seem that state and federal employees can perceive and attempt to make use of the principle in quite different ways. As reform debates and efforts continue, the policymakers involved can be expected to bring with them different ideas about how the principle of subsidiarity should be operationalised, even when all are ostensibly working from the same decentralist definition.

The final part of this article explores whether a pragmatic approach to subsidiarity might be used as a solution to these differences in perspective. In particular, we find that when confronted with policy problems, public servants from all levels of government draw on similar practical concerns such as finance, efficiency, and uniformity, regardless of their principled views of subsidiarity. We therefore suggest that reform guided by pragmatic subsidiarity may generate greater understandings between policymakers from different jurisdictions. The indicative results from the population-wide sample used here provide valuable departure points for more in-depth research into whether and how this might be achieved.

We close with a caution, however. Hollander and Patapan (2007) argue that a pragmatic approach to federalism has been a key driver of centralism in Australia. There is a real risk that a pragmatic approach to subsidiarity will simply result in the principle being ignored entirely; the practical justifications given by many ACVS respondents for federal responsibility highlight this danger. However, there is also great potential for this approach to generate true decentralised reform, as pragmatic subsidiarity may become the ‘common language’ that cuts through the different perspectives that public servants bring to bear on the meaning and value of the principle. Thus, only through an understanding of pragmatism can the principle of subsidiarity be expected to play its role as a real and important cornerstone of governance reform in Australia.

Endnotes

1. The surveys consisted of 20-minute national telephone surveys of Australian citizens and permanent residents aged 18 and over. Respondents were selected via a stratified random sample with quotas set by statistical division, and using random digit dialing and a ‘last birthday’ screening question. The samples are estimated to be representative of the population to ±3%, to a 95% confidence interval. Data were analysed using the statistical software package SPSS. Data collection was conducted for Griffith University by Newspoll Ltd, and funded by the Australian Research Council (2008, 2010, 2014: DP 0666833 and DP140102682) and Griffith University and University of New South Wales (2012). The authors thank their colleagues on the Confronting the Devolution Paradox Discovery Project Team for their assistance with this research.


3. More-detailed research of this kind is currently underway, through the Future of Australia’s Federation Survey targeted directly on federal, state, and local policymakers and public servants: for some preliminary results, see Smith et al. (2015).

4. One-way ANOVA for Local: F (3, 251) = 5.027; p = 0.002; linear contrasts 2008 vs 2010 p = 0.003, 2012 vs 2014 p = 0.017.

One-way ANOVA for State-Only: F (3, 672) = 0.461, p = 0.709.

One-way ANOVA for National and Subnational: F (3, 223) = 0.390, p = 0.761.

One-way ANOVA for Federal-Only: F (3, 264) = 1.807, p = 0.146, 2008 vs 2010 p = 0.091, 2010 vs 2014 p = 0.057.

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