

## Government & Policy

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### 1. Introduction: interfacing social science and policy practice

Government policy is a dominant theme of topical media debate and is one of the main streams of academic research across most social science disciplines. The journal *Environment and Planning C: Government and Policy*, from which this collection is drawn, was established in 1982 to link closely with these concerns in the world of topical debate and practice, but as a research journal it has sought to unravel the deeper elements of current policy discourse and offer evaluation and balanced appraisal. It has been eclectic in the policy issues covered, but has also tried to focus on a range of specific dimensions that bring together national, regional and local debates across themes. The journal has aimed from the outset to be relevant internationally and to be interdisciplinary, with focus on 'social, economic, spatial, historical, and political aspects concerning the functions of information gathering, administration, legal and constitutional involvement, the policy process, the philosophy of decision making in government, and public finance' (Bennett, 1983, p. 2). The early vision was for papers that focused on internationally *comparative* research, using the experience of several countries and exchanging policy experiences and assessments. This led to themes that focused on debates that were relevant across many countries, but also papers on specific countries or case studies where debates and developments had wider relevance and implications.

Originally this was seen as approached through the intersection of topical and disciplinary foci (Bennett, 1983, p.1-2):

#### *Topics*

1. *Philosophy* (the conceptual framework within which policy is developed).
2. *Policy formation* (the policy process).
3. *Administrative and regulatory actions* (the mechanisms for the implementation of policies).

4. *Information gathering, interpretation, and policy monitoring* (assessment and evaluation to improve future policies).
5. *Legal-constitutional issues* (interrelations between people and government, between levels of government, and relations among states).

#### *Disciplines*

- a. *Social*
- b. *Economic/fiscal*
- c. *Spatial/geographical*
- d. *Historical*
- e. *Political*

This was envisaged as providing a matrix of disciplinary and topical cover, with the core specific disciplines of Geography (economic and political), Economics, Regional Science, Public Administration, Management (public and business management), Political Science and Public Finance. These disciplines, then, clearly became the audience and potential authors for papers in the journal. The same broad span of content has been maintained, but also widened, up to the present (as summarised in Rodríguez-Pose et al., 2011). It is re-framed by the objectives of the current managing editors, Andrew Jordan and Andres Rodríguez-Pose (2008), as continuing to focus on interdisciplinarity, comparative research, and adapting the journal to internationalization of authorship and readership.

At the outset of the journal its scope was viewed as so large that theme issues (or part issues) of the journal were used as a standard feature in order to help define the journal's content and identify it with readers and authors. Theme papers became a defining characteristic of the journal in its early years, taking up nearly one half of the published pages until 1990. These early theme choices derived from an active editorial board, and responses to external suggestions (A full list of editors since 1983 is given in Bennett, 2008, Table 1). In subsequent developments themes mainly reflected proposals from potential guest editors and authors. Their numbers have fluctuated between 5 and 15% of papers up to the present (Bennett, 2008, Figure 2). Over the whole period 1983-2010 the journal has had more than 60 themes containing over 270 papers; a full listing of titles is given on the [envplan.com](http://envplan.com) Website.

These themes in part did successfully shape the character of the journal. But the most vital inputs are always those from authors themselves who seek publication because they have

identified the journal as the natural outlet for their particular paper. Hence the character of *Government and Policy* has inevitably evolved as a mix of editorial and bottom up processes from its readers and authors. The selection of papers made here seeks to reflect both of these processes, and to identify the major lines of debate that the journal covers.

## **2. The Overarching themes of Environment and Planning: C.**

The organisation of this collection into six broad thematic areas seeks to identify the main lines of debate that have engaged authors, and continue to be the key focuses for likely future development: Decentralisation; Environmental Policy; Environmental Governance; Urban Policies and Regimes; Local Economic Development; and Taxation, Regulation, and Small Firms Policy. In fact, these six themes can be collapsed into a focus on three broader elements of discourse: the tensions between policies at different levels of government (intergovernmental relations); the tensions between state and private sector leadership, which have become framed as the shift from government and governance; and the interactions between the policy world and the constraints and opportunities offered by the physical environment.

The main early emphasis of the journal was on intergovernmental relations (central/federal and regional/state-local), and within that there was a strong sub-emphasis on the underpinning structures of public finance. This was as an important field with very active debate in the 1980s, with an important element of comparative study because governments were looking at each other for ideas and practices that would help modernise and restructure state policies, welfare systems, taxation, and modes of governance. 'Decentralisation' came to be used as a concept to describe both inter-governmental shifts in the locus of decision making, and also shifts from state to markets. The culmination of this period of evolution was the collapse of communism in Europe in the late 1980s, and the removal of the Berlin Wall in 1990. This shifted much social science away from the long-standing, but ultimately sterile debate and clash of ideologies between 'planned' and 'market' systems, to instead assess different modes of capitalism, different modes of governance, and different balances of central and local state. The themes of decentralisation and re-structuring of welfare have been enduring policy concerns in all countries, with added urgency in the wake of the 2007-9 financial crisis. Decentralisation is explored in the first set of papers in this collection.

For *Government and Policy* the shifts of government policies sharpened the focus on practical modes of governance, and assessing relative policy successes. Many of the journal's editors and authors were part of these changes, and the journal has been fortunate to publish some path-breaking papers, either exploring the future for the countries of central Europe, or reflecting on their reform debates; for example, Regulski (1989), Gibb and Michalak (1993), Bahl and Wallace (1994), Alm and Buckley (1994), Frankland and Cox (1995), and Regulska (1997). Transitions in Southern Europe from former centralised governmental regimes has also been represented in a number of papers, and in an important theme on 'Regional government and the case of Spain' (issue 5 (3)), which captured early-stage assessment from leading commentators on the radical development of the Spanish autonomous regions. The evolution of central-local relations in the EU has also been a strong focus; e.g. Moran (1992), Spahn (1992), or Majone (1992). More recently the tension in the state-led models of China and other newly industrialising countries (NICs) have generated a range of papers assessing how the local and central state relations are unfolding under a different range of challenges. This has led to a selection of papers for this volume that have investigated the fulcrum between the central and local, and between state-led and market-led approaches.

A most significant subsequent development of the journal has been a major effort to develop environmentally focused papers. The journal had always carried a few papers in this field, but from the mid-1990s the editorial board was restructured to make this one of the journal's key fields. This responded to the way in which the environment was becoming one of the main international fields of policy and comparative research. Two new editors in 1997, Andrew Jordan and Clive Spash, led a very successful development. This has resulted in papers on environmental policy now forming a substantial part of the journal's output and becoming some of the most widely cited and used. Two of the major elements of this development are covered in the following selection: environmental policy, and environmental governance. These highlight overarching themes, but the journal also includes a range of other case study research on individual environmental concerns to which the selection can give only partial recognition.

In addition, the journal has continued to evolve to embrace new themes of policy debate. One of the main elements of developments since 2000 has been a focus on how policy is shaped by changes in economies. There are potentially many aspects of this: globalisation, the knowledge economy, innovation policy, education and skills, venture capital, modernisation of infrastructure, sustainability, policy for small firms, and many other topics. The final

section of this collection thus represents a complex set of papers that have explored the interface between government and markets.

The selection of papers for this volume has followed the same criteria as that for the other volumes; but in addition has sought to emphasise internationality, interdisciplinarity, impact on policy practice, and reflect an increasing emphasis of the journal on contributions from or about Asia and other NICs. Any selection of course is invidious. The output of the journal has been some 1200 papers over its 29 years to 2011. The choices made have sought to reflect the strengths of the journal during its different periods of development, as summarised above, and also the direction of travel - where the journal is aiming in the coming years. At the same time this introduction seeks to highlight some of the other important papers in the journal where influence on policy practice and research discourse can be identified as significant. The history of the journal has been reviewed more fully (Bennett, 2008), whilst the debate about possible future directions has been opened by Jordan and Rodríguez-Pose (2008). The selection of papers has chiefly used those papers that have been most highly cited and/or downloaded. Considerable further discussion is given by Rodríguez-Pose et al. (2011, Table 3) of the citation and download impacts of papers in *Government and Policy*, classifying them into 'splash making', 'wave making' and other levels of impact. The selection here includes all the 'splash making' papers, and almost all the other papers with highest impact; but there have had to be adaptations reflect different fields of policy analysis. Inevitably some rough justice will have been done and no editor of a collection like this can achieve a perfect solution. However, it is hoped that what has been achieved is an indication of where the journal can offer important insights to specific policy debates and guide readers to the location of some of the significant papers that *Government and Policy* has published.

### **3. Decentralisation**

Decentralisation was one of the core themes of *Government and Policy* from the outset, and has remained central. The form of the debate has, however, evolved significantly. The first paper in this selection reflects this change. Rodríguez-Pose and Gill examine how increased globalisation has influenced a growing relevance of regional and local levels of government and governance. Comparing six countries, they examine how changes to devolve more state power has occurred, and its differing forms, legitimacy, and impacts. This is one of a number of important papers in this field by these and other authors. The paper selected is one of the 'splash makers' among the journal's papers. It demonstrates the heterogeneity of devolution processes, but questions the validity of the common claim for improved 'efficiency' (of

decision making better matching preferences and hence improved economic allocation). The paper also highlights the regressivity of some changes and cautions on promotion of decentralisation per se as a means to improve policy processes. In the light of increased emphasis on 'localism' in many countries, this paper has provided a strong foundation for comparing different initiatives, which have been taken forward by these and other authors: e.g. by Rodríguez-Pose (1996), Bucek and Smith (2000), Booth (2003), Kohl (2003), and the many papers reviewing transition economies discussed above.

Interrelated with trends in decentralisation have been assessments of how to improve current situations, in terms of efficiency, equity, legitimacy, etc. Given its early history, some of the main papers in *Government and Policy* have tended to focus on public finance, especially on taxation and grant systems. The paper selected to represent this field, by Bird and Tarasov, is one of the most highly cited more recent contributions, with Bird one of the world's leading authorities in this field who has been involved in many reform decisions in a range of countries, and a former editorial board member of the journal. Bird and Tarasov compare eight federal countries in developed economies proposing, and then using, consistent measures of vertical and horizontal fiscal imbalance. Its value and citation impact have derived from its use as a methodological starting point for studies elsewhere, and for its understanding of the evolution of the eight countries covered. Its conclusion is that changes in intergovernmental grants and transfer systems reflect political judgements and economic power, and rarely achieve the policy desires of 'regional balance' and equalisation of per capita incomes. This chimes with the Rodríguez-Pose and Gill paper which together form a formidable critique of the claims of governments and policy makers that their reforms have generally offered improvements.

The third paper on decentralisation takes up the specific local government dimension. Wollmann compares Britain, France and Germany using three typologies: legal and administrative structures; institutional architecture; and citizen democratic participation in electoral, administrative, and executive decisions. Wollmann finds considerable challenges to each national structure, but most strongly for citizen participation. This widely cited paper is one of a number in the journal focused on the specifics of local government and central local power relations. Other significant papers that take this up have been Dunford and Perrons (1992), Keating (1997), King and Ma (2000), Bryson et al. (2004). Major theme issues on these topics have been 'the political pork barrel' and 'Reagan policies on intergovernmental regulation' (issues 1 (3) and (4)), 'political theory and central-local relations' (issue 3 (2)), 'economics of local government finance' and 'the evaluation of intergovernmental

programmes' (issues 4 (2) and (3)), 'centralisation and decentralisation in West German federalism' (issue 7 (4)), 'developments in public administration in Europe' (issue 15 (2)), 'new structures of local governance' (issue 18 (1)), and 'federalism, decentralization, and the welfare state' (issue 28 (3))

The three papers have in common, as well as the topic of decentralisation, that they are comparative papers. In each case they are ambitious either in the number of countries covered or the depth of assessment. They reflect detailed knowledge and extensive study of several systems. These are not easy papers to write, but their impact reflects the value of such papers to the research community and to policy practitioners. Such papers were one of the earliest objectives of the journal. At the highest quality level such papers are comparatively rare. *Government and Policy* has done well to publish so many quality papers in this field, especially ones that bridge between countries in Europe or other parts of the world. European comparative research has become frequent, and specialist journals with a specifically European focus have grown to meet this demand. Yet much of this research is unsatisfactory, being too dependent on European Commission programmes and exchanges with the result that it is often introspective and difficult to generalise outside the EU domain, and hence of limited relevance to the growth of critical knowledge within social science on a wider canvas.

#### **4. Environmental policy**

The papers selected on environmental policy cover one of the other core aspects of the journal. The papers cover a wide range of specific policy areas, but have a generic concern with unravelling not only policy impacts, but also how environmental policy is formed and evaluated, and by whom. This has involved many detailed assessments of different lines of authority and control: supra-national, national, regional and local, as well as the philosophical underpinnings of thought that lead to different types of policy design.

In the first paper in the selection Birner and Wittmer provide a detailed analytical framework for assessing natural resource management policies drawing on the different components of transaction costs at different governmental levels. Overlapping with some of the concerns of the papers on decentralisation, Birner and Wittmer demonstrate how policies for conservation management of protected areas can be improved by using their analytical framework. They provide a particularly useful comparison of pure state policies with those of co-management with private businesses, voluntary sector, and local community bodies. This paper has had wide impact because its framework has been taken up in a variety of other fields. A paper

with a similar impact on methodologies for evaluation is that by Kallis et al. The result of an extensive programme of international research team collaboration, this paper takes the EU Water Framework Directive as a starting point, using three case studies of Greece, Portugal and Spain as comparative examples. The Water Framework Directive has been an EU-wide policy for planning river basin resources in water-scarce areas across Europe. The paper compares different participatory methods. It shows scenario planning and mediated modelling as well suited to early stages of participation, and good at building local participant capacity. But they are less effective at resolving disputes, where social multi-criteria evaluation better aid the process of building a consensus where there are conflicts. However, like other papers in the journal, this paper demonstrates the difficulties of fully utilising participatory methods because of the unwillingness of politicians and other power brokers to cede control to citizens.

The paper by Perkins and Neumayer confronts some similar methodological issues. It focuses on the adoption of Eco-Management and Audit Schemes (EMAS) that seek to assess progress towards sustainable goals within the EU-15 countries. It examines how far policy convergence has been achieved. The primary focus is on dimensions of cross-national market integration, national-EU policy integration, and convergence between social/community groups and market forces. Perkins and Neumayer find that there is a wide variety of outcomes, and that whilst some convergence has been achieved, there is also great variety depending on different local and national characteristics. Hence, despite strong pressure to achieve a European uniformity of policies, policy designs and outcomes remain often historically determined and highly uneven. The paper is unique in the scale of analysis of this topic and its analytical rigor. It finds that EMAS audits are most highly developed in economies with the lowest levels of policy intervention, suggesting that take-up is best achieved when agents are involved in policy design rather than being levered through enforcement regimes. Society 'pulls down' and improves take up through social mobilisation, and firms are most active for environmental policies that enhance competitiveness. A related paper by Bracke and Albrecht (2007) takes the evaluation of EMAS further in another cross-national comparative study, drawing similar conclusions to that of Perkins and Neumayer about uneven take-up.

Going beyond methodological frameworks, the paper by Cowell and Owens seeks to assess how far it is possible to implement effective environmental policy using legislation to lever change; they ask whether sustainability can be achieved by statute. Using the example of the reforms by Britain's Labour government in 2001-4 they examine 'modernisation',



streamlining, and simplification of planning processes, within regional rather than national strategies, focusing on the opportunities for political engagement. Cowell and Owens see the greatest threats to engagement as likely to arise from the policy change to 're-scale' to the regional level, which induces remoteness, and also undermines the direct link of accountability to elected representatives in local government. They also warn that since different weights can be given to social, economic or environmental objectives by planning decision makers, then there is no inevitable advance on the aims on increased sustainability, and indeed any outcome is possible, provided it is 'justifiable'. The paper was subsequently revisited and updated in 2010 as a result of it being the most down-loaded paper in 2009-10 (Cowell and Owens, 2010).

## **5. Environmental governance**

It is clear from the discussion of environmental policy that almost all policy debates overlap with the structures of governance: the network of agents involved with government in designing, implementing, and responding to policy. Recognition of the wider concept of governance as a more useful touchstone than government has provided an important opening of research and practice to issues about framing and compliance. The three papers in this section have been among the most heavily cited in the journal. The papers by Jordan and O'Neill have been 'splash making'.

Jordan examines the evolution of the concept of sustainable development, unravels the concept of governance, and takes stock. Jordan argues that there is a need to go beyond grand theories and typologies of governance towards more practical testing of different approaches. He quotes the papers by Perkins and Neumayer selected here, and Bracke and Albrecht (2007), as being particularly significant in exploring the take-up of new policy instruments for environmental management. He also traces a stream of papers in *Government and Policy* that seek to address how far multi-level governance has influenced improved or reduced scope for sustainable policies. Jordan identifies two central features: first, means to improve public participation, which he argues is fundamental to achieving actual sustainable policies by achieving buy-in (see e.g. Smith, 2000; Beierle and Konisky, 2001; Spash, 2001; Yearley, 2006); and second, methods of improved decision making (see e.g. Ozawa, 1993; Hansjürgens, 1998; Zhang, 2000; Hansen et al., 2002; Osberghaus et al., 2010). Jordan's assessment is that the move from a polarised view of 'growth versus development' that dominated the 1970s has allowed significant progress on practical means to improve

sustainable policies since they better work with the grain of human decision making, can graft environmental objectives on to economic or social agendas that have broader appeal, and can bridge the radical-conservative divide. He goes on to develop how the concept of governance has provided scope to bring new solutions to old problems through the coordination potential of networks of relationships. These can found the basis for developing voluntary agreements, environmental trading, and market-related mechanisms as means to encourage behavioural change. This paper was the most downloaded in 2008-9 and hence was subsequently revisited (Jordan, 2009).

Similar tensions are recognised in most contributions to the field of environmental governance, with the paper by Gouldson and Bebbington providing a good example of how frames of policy reference influence how environmental risks are assessed. Their paper assesses how the factors that have led to the emergence of new ways of governing business activities are also associated with the generation or management of environmental risks. Using the United Nation's Global Compact as an example, they draw on the contrasting perspectives of communicative and strategic action. Gouldson and Bebbington conclude that managerial methods for developing governance regimes that allow practical policy solutions do not adequately resolve the tensions between, on the one hand the management problems of 'governance at a distance', nor on the other hand the desired changes in behaviour, or 'governance of the self'. Governmentality, however, they argue offers a better combination of approaches that may lead to exploration and inclusion of broader and more durable policy solutions.

The final paper in this section, by O'Neill, opens a more philosophical interrogation, which takes these issues further. He argues that how interests are represented is the core of environmental governance debate. Deepest of all the challenges to deliberative decision making are how the normally dis-empowered are represented (and by whom), how non-humans are given voice, and how future generations are included. His central conclusion is that any solution will inevitably be imperfect, so that it is critical to provide avenues to contest claims. O'Neill examines several possible solutions. One solution suggests that the only adequate policies are reached by a 'Congress' of the world: but this is seen as impractical since the only milieu to make decisions is the world itself. This theoretical starting point offers a guide as to why other solutions all have imperfections about who or what is represented. O'Neill draws on the lineage of political theory, which serves to enlarge understanding of the tensions, but leaves conclusions hanging. His preferred conclusion to

these conundrums seems to lie in what he calls an ‘Athenian solution’, where citizens take turns to hold positions of power, so that they rule and are ruled in turn. The circulation of power would check the role of experts and elites, and might ensure all interests are weighed in appropriate ways. A second paper by O’Neill (2001) takes some of the arguments further.

There have been many other papers on environmental policy and governance that could have been selected. Among the most significant of these are Jordan (1999), Bulkeley (2000), Niemeyer and Spash (2001), and Lovell et al. (2009), which have all had high impact. Major theme issues have covered ‘disaster management – post-Chernobyl perspectives’ (issue 6 (3)), EU environmental policy after 25 years’ (issue 17 (1)), ‘property, rights and fairness’ (issue 19 (5)) ‘participatory multi-criteria decision making for river basin management’ (issue 24 (2)), ‘corporations and governance of environmental risks’ (issue 25 (1)). The theme on ‘participation, representation, and deliberation in environmental policy’ (issue 19 (4)) has scored particularly highly in terms of cite rates.

## **6. Urban and regional policies and regimes**

The papers in this section also take up and further explore the shift from government to governance. The first by Stoker and Mossberger is the most heavily cited in the journal’s history, as a result of its broad agenda-setting focus on regime theory derived from extensive international comparative debates. This leads it to propose assessment of regimes in terms of purpose, participant motivation, and ‘quality’ of outcomes. Another significantly cited paper, by Harding develops some of these themes within the context of regeneration initiatives for the UK, making comparisons of eleven city-based coalitions. These papers very much reflect the turn in debate on local economic development initiatives in the 1990s, away from government doing things to places, towards levering partners to work together to negotiate bottom-up strategies, build local capacity, and operate through partnerships. Governance naturally emerges as a focus for such approaches since the relations between formally elected representatives, and more informal leadership from the private and voluntary sectors became critical elements of success.

Of course locally and regionally based initiatives interrelate with more general policies for improving social welfare. Ashford’s paper confronts this issue head-on, assessing how far locally based welfare services can solve deep-seated structural social problems. This paper summarises research across eight countries, charting how moves away from a ‘one size first

all' approach emerged. Ashford sees potential and tensions from a 'discretionary welfare state' with greater local variability. The debate resonates strongly for the 2010s where renewed 'localism' is being asserted as a means to improve policy effectiveness, reduce welfare costs, and improve local participation and accountability.

This policy balance is also the subject of the other two papers in this section. Wu's study provides valuable historical insights into how housing and businesses have been managed in China, and how this provides considerable challenges for adaptation to a more market-driven economy. The discussion resonates with many of the papers in the journal that chart the tensions and developments of the changes necessary after the fall of the Berlin Wall in Europe. Wu concludes by demonstrating the contradictions in a 'socialist market economy'. The unfolding of how these contradictions are resolved is part of the debate that has come to dominate the 2010s of how China's internal policies influence the rest of the world, particularly how it uses its foreign exchange reserves and controls internal inflation. The paper by Kessides is similarly wide ranging, comparing the countries of Sub-Saharan Africa with the rest of the world in how housing, agriculture, economic growth, and spatial policies interrelate. Urbanisation is seen as a tool and a threat that requires a full re-casting of policy towards investment and radical changes of attitude within government elites.

The papers selected all relate to the urban level, but the journal has also devoted considerable space to regional policies and governance, as represented especially in the themes issues 'from regional administration to regional government' (issue 15 (4)), which has had high citation rates, and the more recent 'regional competitiveness in the knowledge-based economy: comparative policy perspectives' (issue 27 (2)).

## **7. Local economic development policies**

A recurrent theme of many the journal's papers has been how policy can enhance economic development. This sparks not only debates about governance (as above), but also leads to assessments of the effectiveness of policies that attempt to achieve development. Malecki's paper is one of the most influential on how the 'high road' of policy has moved towards stimulating the knowledge base of local economies, to encourage innovative businesses and a growth-based approach to economic development. He recognises the shift from policies that have been copied in all cities by providing the necessary infrastructure for growth, towards policies that encourage local differences and enhance local abilities to compete. This leads naturally to an assessment of means to encourage business innovation, entrepreneurship and

R&D. Cooke's paper takes these arguments into greater depth by comparing bioscience research centres in Europe and North America. This shows the strengths of partnered and focused approaches, adapted to differing local conditions. These papers are both from influential theme issues, respectively on 'local knowledge and innovation policy' (issue 25(5)), and 'innovation geographies and biotechnology' (issue 22 (2)), with Sousa (2002) also highly cited. They represent a considerable number of papers on a policy theme that will continue to grow in the future.

The paper by Chien represents a different group of journal contributions that draw the debate about innovation policy back to institutional structures, degree of decentralisation, and governance regimes. The paper assesses transitions to marketisation, globalisation, and political-economic decentralisation, reflecting differences between state-led (government 'authorised') and other initiatives in China. Considerable tensions are recognised in getting the state to adopt *ex ante* policies that support local innovation, with success in achieving change in government attitudes often dependent on interrelations between local elites and national political leaders. The case study examined focuses on foreign investment into China's cities, but the future is testing decentralisation on a much broader scale as the management of China's economy moves away from a command structure. Like Wu's paper this contribution illustrates tensions that have now become of significance for the world stage as much as for individual Chinese cities. Other papers of recent significance on China are Thiers (2002), Wang and Song (2008) and Wei (2010). Reflecting back on the debates about decentralisation to markets or institutions, Hebdon and Jalette examine urban services in the USA and Canada, assessing the factors that affect decisions to contract out services. They show that privatization is important in both countries, reflecting pragmatic city management. They conclude that contracting out is most effective when used for situations where contract-monitoring can be most readily managed; as in cases with simple and definable targets.

Local economic development policies have been one of the core themes covered in the journal since its outset so that there are many other papers that reflect on individual case studies, and international comparisons. Two recent themes that take the debate further are 'challenging issues in local privatization' (issue 26 (1)), and 'new perspectives on employability and labour market policy' (issue 27 (6)). Other themes have highlighted the importance of local policies for economic growth and small businesses (see later section), technology policy (e.g. theme issues 6(4); 7 (2); 22 (2)), innovation initiatives with universities (e.g. theme issues 25 (5); 25 (6)), and the role of local clusters and urban contexts (e.g. theme issues 23(6); 24 (5)).

## **8. Small business policy, taxation and regulation**

The extent of costs as well as benefits of government policy have been a continuing theme of journal papers. One of the earliest themes of papers to do this were a series of contributions on tax policy. The paper chosen to illustrate this theme is that by Brennan on public choice approaches to tax reform. This emphasises the way in which taxation has to balance political objectives for cost sharing as well as traditional economic arguments about economic efficiency. Brennan by no means resolves the dilemmas, and calls for a new balance between the two. This paper was part of a theme issue on 'tax reform' (issue 6 (1)). The other papers in that issue brought together some of the leading authors of tax reform debates around the world; they discuss reforms in the USA, Australia, New Zealand, Ireland, and more generally. This theme drew on the stimulus of Russell Mathews, the long serving director of the Australian Centre for Research on Federal Financial Relations, who was also an editorial board member for many years. Mathews' (1988) own paper provides a succinct overview of the debates of that time, contrasting the canons of tax design with the demands emerging from 'tax revolt'. The wheel has since turned full circle as many of the debates of the 1980s have strong resonance in 2010s as governments tackle fiscal retrenchment; in the USA the 'tea party' campaigns of 2010-11 offer many parallels with the tax payer revolts of the 1980s.

Tax policy has remained an important focus of the journal over the early years. Other key papers were by McClure (1984), former Treasury Secretary in the USA, and theme issues on 'fiscal incidence' and 'tax policy' (issues 2 (2) and (3)), 'economics of local government finance' (issues 4(2)), 'local business taxes' (issue 5(1)), 'taxation and economic development' (issue 12 (3)), and 'fiscal federalism in fragmented states' (issue 19 (2)). These papers overlap with the debates about decentralisation discussed above. But they have also led to a suite of papers that take the evaluation of the costs and benefits of public policy a stage further, with some path breaking papers on assessment of regulatory burden. The paper in this volume by Poutziouris et al. (1999) was the first in a line of papers associated with Chittenden that have made significant contributions not only to academic debate, but have also had strong influences on government policy to reduce 'red tape' and bureaucratic burdens. An important aspect of these papers has been the ability to take the debate away from polemics and assertions, based on faint hopes and ideology, to be grounded in detailed assessment of actual outcomes using detailed assessments of each element of regulatory compliance. Another paper by Hansford et al. (2003) provides a case study of value added tax compliance burdens. One of the most important spin-offs has been the use of the Poutziouris

and Chittenden modelling methodology directly in policy debates; e.g. the ‘business barometer’ developed by Ambler et al. (2010), which had significant critical leverage on the Labour government in Britain over 1997-2010.

Small business policy has become a major component of the journal, reflecting the growing recognition in all countries of the contribution of small firms to innovation, employment, and growth of economic output. Small firms form over 95% of all firms in almost all countries, and are usually the most innovative and rapidly growing, providing the main source of new employment and hence of major concern to government policies to cope with unemployment and wealth creation. Most of the twentieth century saw small firms neglected as a policy focus. The father of most country’s economic policies in the mid-twentieth century, Keynes, held the view that policy for small businesses could not be developed; their behaviour was too ‘animal’, and emphasis should be on the sector and the ‘commanding heights of the economy’. Similarly Marxists inexplicably saw small firms as forms of self-exploitation. Large firms, state planning, state-sanctioned combines, and nationalised industries were the hallmarks of planning of many twentieth century economies. To facilitate the journal’s contribution to the emerging economies of the twenty first century, the journal has forged an important connection with the Institute of Small Business and Entrepreneurship (ISBE).<sup>1</sup> This is one of the main forums for debates on small business policy and entrepreneurship, a focus for exchange between European and wider international experience, and between researchers and practitioners. It was a natural partner for *Government and Policy*. Hotlinks between the journal and ISBE Websites ([www.isbe.org.uk](http://www.isbe.org.uk)) have provided mutual benefits.

There have been ten theme issues of the journal on policy for small firms up to 2011, and a number of free-standing papers. This is thus a natural focus for part of the selection below. The paper by Bennett in this volume that has been selected is among the most highly cited and downloaded of these. It is significant because it provides a wide review of the evolution of policy in Britain, covering several periods of experiment, and drawing on large scale survey evidence of over 2000 small firms, thus providing a more credible evidence base than previous contributions. Its comparisons offer important internationally relevant lessons, particularly with how advice services to small firms should be developed: first, that the quality of advice is significantly higher where advice is offered by market suppliers; and second, that intensive support through intensive government-supported consultancy has proved largely a failure, risks ‘moral hazard’ and dependency, and is extremely costly, thus

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<sup>1</sup> Formerly known as Institute for Small Business Affairs (ISBA).

contributing to the overall deadweight of policy outcomes. Other papers in the journal provide further elaboration. In one of the most significant, Mole et al. (2008) show that intensive consultancy support can be effective when focused on a small number of carefully selected businesses. However, the benefits of increased employment in aided-firms never offset the very high administrative costs, and the effect on increased business turnover (sales volume) are very small or insignificant. Other important papers on advisory support to small firms have been Marshall et al. (1993), Priest (1999), and Mole (2002), Hannon and Chaplin (2003), Ram and Jones (2008), Mole et al. (2008), and Xiao and Ritchie (2009), have been particularly significant. Policy to firms has also linked to wider themes explored in other papers in the journal on tax policy, regulation and de-regulation.

## **9. The Future**

*Government and Policy* is a well-established journal that has satisfied the original aims of its editors and publishers of being international, interdisciplinary, eclectic and flexible, allowing and organic evolution of the fields of papers published whilst maintaining appropriate peer reviewed quality. It has continued to combine contributions from academic research and practitioners. It has produced some outstanding individual papers and theme issues, only a few of which can be fully represented here. It has also sought to encourage outstanding papers by authors at the early stages of their careers, and whilst the increase in volume of material submitted has made life busier for editors and referees, *Government and Policy* retains an aspiration to provide assistance to younger authors to help them develop papers through positive feedbacks.

In their view of the future, Jordan and Rodríguez-Pose (2008), the current managing editors, state that their aims are to continue modernizing the journal to adapt it to new trends: particularly internationalization of authorship and readership; the growing role of electronic access and use; responding to growing positive (and negative) effects of bibliometric measures; and constrained library budgets. They have embarked on a number of initiatives to pursue these changes; a notable aspect of this has been the listing of most downloaded paper and the opportunity for authors to revisit them. In Rodríguez-Pose et al. (2011), the editors have taken their views forward by analyzing the origin of papers by discipline and geographical area, the impact of papers, and who reads them. This is path-breaking among journals for its frankness, and it aims to open up a debate between authors and readers on how the future of *Government and Policy* should be shaped. There is explicit recognition that internationalisation means just that; to expand the dominant themes of academic discourse of



the journal's first 30 years which have often had a North American and European (especially a UK) centre. This has already begun to change, and in the future the rise of Asia, other NICs, and especially the BRIC countries, will introduce new policy debates and different approaches to existing debates, as well as re-shaping global power and economic development.

This editorial chapter began by noting the sterility of the academic discourse between the ideologies of 'planned' and 'market' systems, which was essentially a North American and European-centric debate of the twentieth century. The natural consequence of the end of this particular period of history is that policy analysis has to respond to the evolution of policy within different capitalist systems. For this the models evolving in the BRIC and other NICs will come to be increasing influences on the wider international agenda. Most American and European authors have not yet fully woken up to the change in this policy framing; but the leverage of these countries will not be restricted to that on international investment and sovereign debt after the financial crises of 2007-9; it will also be intellectual leverage. The editors of *Government and Policy* are thus not only wise to intensify the journal's relevance in these economies, but are also in the forefront of recognising that many of the most exciting policy debates of the future will be from, in, or about these economies. A journal with the objectives of *Government and Policy*, of focusing on internationally comparative and interdisciplinary research, must therefore inevitably respond to these changes.

At the same time as economic-political change is shifting the intellectual agenda, so is environmental-political change. It is equally important to recognise that the BRIC and NICs response to environmental challenges will differ from those that have dominated North America and Europe. This was first made obvious at the Copenhagen 'Climate Change Summit' in 2009, but the policy debacle there was only one manifestation of a shift in global power that has been underway for some time. 'Sustainability', one of the core themes of *Government and Policy*, has very different scope for those countries engaged in rapid economic growth that need to bring enhanced economic welfare to their citizens than the interpretations of the dominant US or European paradigms. The future is unlikely to derive from the previous policy frames but instead will evolve new approaches in keeping with the locations where the majority of the world's population live. It may also be that the search for harmonised environmental policy solutions will be superseded by more varied approaches. This is a natural consequence of recognising decentralisation and different modes of capitalism. It is being increasingly recognised that attempts by the UN and other supra-national bodies to seek one size fits all, or even a limited range, of environmental policy

templates need to be replaced by more flexible approaches. The papers in the journal on environmental policy and governance already lead to conclusions about the need for bottom-up ownership and empowerment if policy is to be more than empty words. Indeed, across many of the papers in the journal, if there is one meta-conclusion to be drawn, it is that political claims need to be treated with circumspection, and that policy effectiveness is only achieved through ownership by people and localities. For the future it will remain important for the journal to continue to encourage authors to investigate these challenges.

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