

Concurrent Power

The Role of Policy Networks in the Multi-level Governance of Science and Innovation in Scotland

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Scottish devolution was intended not only to transfer powers downwards territorially but to foster a new type of politics with more consensus, stronger Parliamentary committees, and power sharing between the Executive, Parliament and civil service; offering multiple opportunities for interactions between policy-makers and policy targets. One might therefore suppose that Scotland would offer a set of circumstances congenial to the operation of policy networks which might facilitate policy integration but this research finds that the predominance of the public sector and the gate-keeping roles therein still present significant challenges and militate against an integrated approach to science and innovation.

THE IMPACT OF DEVOLUTION

One of the founding aspirations of the Scottish Parliament was the development of a new, more inclusive policy-making process in Scotland. In the field of science, technology and innovation (STI) policy, the Scottish Parliament inherited a suite of existing UK policies and also a good track record in regional innovation policy and economic development, supported by a number of significant pre-existing institutions. The devolution settlement gives Scotland some scope to develop its own distinctive policies for STI but reserves some powers that influence this policy field to the UK Parliament (e.g., research funding, defence policy, European policy). The situation surrounding STI policy is complex: with certain aspects devolved and others reserved, science policy, and to a significant extent innovation policy, are “concurrent powers” shared between Westminster and Holyrood.

This research project¹ used the concept of concurrent power to explore power sharing between key policy actors in the Scottish life science sector. It considered how policy responsibilities for STI are negotiated and co-ordinated between these policy-making bodies and investigated whether Scottish devolution has resulted in a more integrated policy approach in this area. A key focus was on the impact that devolution has had on the actual processes of policy-making and policy learning for STI.

In interviews, policy targets stressed the need for consistency and transparency of government policy and the avoidance of a multiplicity of different innovation support schemes. When asked about the impacts of devolution, policy-makers tended to focus on the increase in ministerial involvement. For officials, this has meant more opportunity to influence Ministers and a higher profile for Scottish STI where Ministers now have more autonomy. On the downside, this much readier access to politicians has led to micro politics and far greater opportunities for Ministers to be swayed by interest groups. Representative bodies agreed that the Scottish Parliament had opened up opportunities for dialogue with government and that there were some advantages in having easier access to politicians. This group also acknowledged that devolution had given Scottish government actors greater flexibility, the ability to focus more on Scottish priorities, and perhaps a greater sense of purpose. But many policy targets, particularly SMEs, saw little real change as a result of devolution and instead highlighted the dangers of becoming too insular and isolated as a small country and expressed concerns about the potential complexities that another layer of government bureaucracy might add to their businesses.

The optimists believe that devolution has led to a sea change in policy relationships. The pessimists still see a yawning chasm of misunderstanding

There is a recognition that debate and discussion can inform policy but there is not yet a well-established, mechanism for involving users in agenda-setting

Interactions with policy targets are still conducted via the traditional method of policy consultation

Routes to influencing the Westminster Parliament are well-established, but there remains a learning curve in terms of effective engagement with Holyrood

Although access to the Parliament, the Executive and civil servants is relatively easy, access does not equate with influence

The policy community claims that it wants to hear from real businesses but officials concede that the process may be complicated by the relative roles of the Parliament, the Executive, and Scottish Enterprise

The policy model being sustained within the Scottish system of innovation is one where policy-makers and policy targets are interacting but are failing to exploit the full policy learning potential of these interactions

Policy-makers recognised that multi-level governance² issues present both an advantage and a complication for STI policy. While some portrayed the impact of devolution on relationships with Whitehall as entirely positive, many admitted communication difficulties between governance levels. This was partly because of nervousness on the part of the UK Government regarding the coalition nature of Scottish government but, more generally, because departments such as the DTI tend to forget that many aspects of STI policy require them to perform a dual function, sometimes covering the whole of the UK and, at others, only England.

Evidence from DTI representatives and others indicates that it does not do this successfully and sometimes has difficulty managing its dual role. Policy targets, especially SMEs, emphasised a lack of clarity about levels of policy responsibility and the potential for disadvantage where we forget to communicate across borders.

Policy-makers' rhetoric implied that devolution is an opportunity for different parts of the UK to try different policy approaches and then learn from each other; but there was little evidence of this happening in practice. Some did maintain that policy-making in Scotland is now closer to the grass roots but others accentuated the challenge of distinguishing between self-interest and public-interest lobbying, identifying that the key issue was not the amount of lobbying but whether such viewpoints actually had any impact on policy outcomes. Among policy targets, all types of respondents (SMEs, universities and representative bodies) noted that, while there is undeniably engagement with policy-makers in Scotland, there is a distinct lack of feedback on the outcomes from this interaction and no evidence of policy-oriented learning.

So while policy-makers recognise that networking does take place, some question the extent to which this has a substantive influence on the Scottish Executive and its agencies. A common view among policy-makers is that engagement with policy targets tends to be through one-off isolated consultations, with a growing recognition that they could do more to improve multilateral, network-based relationships beyond the current focus on bilateral relationships with individual organisations. Some policy-makers who reflect on the policy process recognise the desirability of a policy network approach as a way of fostering information flow and information exchange but acknowledge that, if they exist at all in Scotland, such networks are partial and accidental. Similarly, policy targets acknowledge that networking takes place but question its utility. Some recognise that it is possible to lobby government and to influence policy but stress that it is a difficult process that requires substantial effort to establish an ongoing communication channel.

POLICY INTEGRATION

Understandably, given the timescales involved, UK policy-makers have a more mature relationship with trade associations whereas relations between Scottish policy-makers and trade associations are nascent, with Scottish Enterprise historically taking on roles that one might expect the private sector to fulfil (e.g., in terms of networking or training activities). Devolution might have fostered the development of Scottish governance models in areas of social policy, such as education and justice, but similar networks are not yet evident in science and innovation. There are pockets of good practice within existing or developing networks but there is still a pressing need to "join up" Scottish funding and policy initiatives³ and those fora that do exist appear to be responding to a government-led agenda.

Policy targets are not yet working effectively with government to identify jointly the objectives for government policy. Hence, the Scottish Executive still seems to be entrenched in the rhetoric of partnership without demonstrating genuine commitment to the engagement of policy targets in the policy-making process. Post-devolution initiatives such as the Scottish Science Advisory Committee have not been granted the scope to develop into fully-fledged policy networks but instead reinforce this consultation model. However, learning takes place over time and we should bear in

mind that Scotland is still in the early stages of devolution and learning how to function successfully in a multi-level governance environment.

So, has participation in the policy-making process been facilitated by the establishment of the Scottish Parliament? Many of the key policy drivers for STI are reserved to higher levels of governance so that the Scottish Parliament is largely irrelevant in this sphere despite its achievements in promoting participation in other policy areas.

To benefit more fully from its investments in STI, Scotland could adopt an integrated research and innovation policy to create scientific and technical knowledge and provide the incentives for innovation rather than draw distinctions between government support for the science base and technology-based SMEs: the primary need is for a clear sense of national direction and purpose with coherent, long-term perspectives and reduced bureaucracy⁴.

However, STI is not a homogeneous policy field that relates in a straightforward way to politics: unlike education or health, it is not a cohesive entity, nor is it necessarily seen as a core function of government. Additionally, the equivalent “civil society” necessary for good governance in other policy domains is only gradually beginning to emerge in the Scottish life sciences sector. The causes of this deficit in associative governance may owe something to the devolution settlement and the concurrent character of STI policy but are also related to the nature of STI policy itself.

DEPENDENCY CULTURE

This analysis generally supports the view that the present government’s approach fails to recognise that participative policy-making requires genuine dialogue. A key challenge for Scotland is to retain the good interpersonal contacts that exist by virtue of the small country size without over-reliance on a select group of industry advisers. Self-organising networks cannot flourish in a policy environment dominated by the public sector so that, if STI policy networks exist at all in Scotland, what we are seeing is an issue network rather than a policy community where the former primarily involves policy consultation rather than shared decision-making because there is no shared understanding either among interests or between the interests and the bureaucracy⁶.

We need longer-term, ongoing networks that do not simply coalesce over a specific issue and then disperse. This might involve a government agency letting go of, or at least sharing, functions with private business organisations. However, where dependence on government agencies and conventional decision-making processes is high, policy networks may only be allowed to run their own affairs where they present least challenge to the policies of central government⁷.

There are parallels with the role of the public sector in Scotland where matters that could be devolved or outsourced to the private sector are being held onto by Scottish Enterprise, leading to criticisms of the reliance on public funds and the “dependency culture” that this engenders. Some link this public sector mentality to Scotland’s inability to deal with the possibility of failure, suggesting that the prevalence of public funding leads to risk aversion and an unwillingness to take risks with public money.

Transparency and co-ordination within an innovation system require a true commitment to user involvement that goes beyond just offering the opportunity to “participate in participation”⁸. The dominance of the public sector, combined with the fact that sectoral trade associations are traditionally weaker in the UK than in other European countries, leads to a dependency culture where Scottish technology-based firms are seen to be more reliant on public subsidy than their counterparts in other UK regions.

GATE-KEEPERS

Scottish Enterprise has traditionally mediated relations between policy targets and policy-makers within the Scottish Executive but seemingly without a clear remit to channel industry views to policy-makers in order to inform policy. Direct links between Scottish policy targets (especially industry) and the Executive are weak and few Scottish policy targets have any direct engagement with the UK governance level.

The Scottish Executive and Scottish Enterprise have traditionally been seen to be driving the STI agenda, rather than catalysing its formation

While business networking undoubtedly does take place, this networking does not necessarily, or overtly, inform policy

Interaction with policy targets is further complicated by enduring partitions within the Scottish Executive: prompting the comment that, while “the Executive preaches collaborations for everybody else, they’re not so good at doing it internally”

Scottish Enterprise is more focused on dedicated programmes than on integrative solutions and is seen as too insular in both its policy development and delivery roles

Scotland lacks a co-ordinating national policy unit in the Executive that is able both to integrate within Scotland and co-ordinate with the rest of the UK

A key conclusion of this research is that the 'governance gap' lies not between Scotland, the UK and Europe but between the Scottish Executive, Scottish Enterprise and Scottish policy targets

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In this sense, Scottish Enterprise is acting as a gate-keeper regulating flows of knowledge and influence in the Scottish level of governance rather than as a gateway that facilitates knowledge flow and policy interaction. Some observers note that it is convenient for the Scottish Executive to use Scottish Enterprise as a buffer.

SUMMARY

Greater co-ordination and coherence are needed to tackle the over-compartmentalisation between government departments and agencies and the lack of effective integration across the wider science and innovation policy sphere⁹.

While Scotland should have all of the necessary precursors to facilitate a networked-based polity, the nature of the devolution settlement, which resulted in the multi-level governance of STI, militates against the optimal performance of such networks to a degree. But, having used Scottish devolution to unpick the relationship between the innovation system and the policy system, we have to conclude that devolution has so far had less of an impact on the policy-making process than anticipated.

In Scotland, public sector dominance, and the gate-keeper roles played by some government actors, hinders integration and learning. It seems reasonable to assume from the evidence that we will not achieve effective policy networks until these government actors properly co-ordinate. Overall, the context is still one of promoting the linear model of innovation¹⁰, with a continuing focus on the supply side (i.e., the science base in Scottish universities) and a disregard for the demand-side role that could be played by innovative Scottish firms. This ongoing separation of science and innovation policy is reflected in the separation of responsibilities between the Scottish Executive and Scottish Enterprise.

In summary, this research showed that devolved Scotland might be on the cusp of achieving good associative governance but is held back, not by the concurrent nature of the policy domain, but by the lack of co-ordination between institutions which continue to exhibit a number of characteristics that pre-date devolution; a dominant public sector operating in an essentially top-down, consultative rather than participative policy network mode; and an adherence to an out-dated way of thinking about STI policy that continues to focus on the science base rather than taking the opportunity to develop an integrated and inclusive research and innovation model. The solution to more effective associative governance therefore lies at least partly within Scotland in terms of co-ordination, integration and engagement with policy targets, rather than between levels of governance: the light that devolution has shone on the Scottish system of innovation has shown that long-standing issues are still more problematic than any that devolution might have brought about, or as one interviewee put it: *you've got the pearls, now let's make the necklace.*

NOTES

¹This note reports on a research study which was completed in November 2004 when Scotland was still in the early stages of devolution. The research surveyed 48 policy-makers and policy targets (universities, research institutes, technology-based firms and their representatives) in the Scottish life sciences sector. See also Lyall, C. (2007), "Changing boundaries: the role of policy networks in the multi-level governance of science and innovation", *Science and Public Policy*, **34**(1), 3-14.

²The term "multi-level governance" (MLG) was first used to describe the roles played by various actors on the European policy stage and is now used to explain policy relationships between actors organised at different territorial levels as well as cross-sectoral interaction through horizontal policy networks, particularly in the context of devolution

³ While the creation of the Scottish Science Advisory Committee and the findings of their first report (2004), were probably encouraging the Executive to reflect on the need to take a more co-ordinated approach to research and innovation policy in Scotland, respondents highlighted problems with persistent boundaries within the Executive.

⁴ House of Lords Select Committee on Science and Technology (2003). *Science and the RDAs: SETting the regional agenda*, London.

⁵ Regional Studies Association (2003). *Towards a Multi-level Science Policy: Regional Science Policy in a European Context*.

⁶ Rhodes, R.A.W. and Marsh, D. (1992). "New directions in the study of policy networks", *Eur. J. Political Research*, **21**, 181-205.

⁷ Bache, I. (2000). "Government within governance: Network steering in Yorkshire and the Humber", *Public Administration*, **78**(3), 575-592; Cooke, P. (2002). "Regional Innovation Systems: General Findings and Some New Evidence from Biotechnology Clusters", *Journal of Technology Transfer*, **27**(1), 133-145.

⁸ Mothe, J.d.I. (2001), "Knowledge, Politics and Governance" in Mothe, J.d.I. (ed.) *Science, Technology and Governance*, London, Continuum.

⁹ Lyall, C. and Tait J. (Eds) (2005). *New Modes of Governance. Developing and Integrated Policy Approach to Science, Technology, Risk and the Environment*, Aldershot, Ashgate.

¹⁰ Tait, J. and Williams, R. (1999). "Policy approaches to Research and Development: Foresight, Framework and Competitiveness". *Science and Public Policy* **26**(2), 101-111.