Colin James

# Where are the Locals?

## Abstract

Localism is about citizens, not town halls. It engages, encourages and empowers citizens and their formal, semi-formal and informal groupings, street level to citywide, including not-for-profits. To be effective and constructive, citizen-centric localism needs to be bottom-up, not just top-down, driven by iterative interaction to fashion thought-through decisions. Digital technology enables this in ways not possible a decade ago. Local councils are the right level of government to develop and refine that interaction and thereby revitalise local – and in time national – democracy.

**Keywords** citizens, bottom-up, interaction, digital democracy

Climate change impacts are local. Local dwellers and their councils have no choice but to prepare and adapt. But climate change is global. So, while local dwellers and councils can contribute to reducing the impacts, effective action needs national governments to act, and act in concert. Even local preparation for climate change impacts needs national government engagement. For example, property rights can be affected and they are necessarily defined in national law.

Likewise, as recent earthquakes have demonstrated, post-impact adaptation will need national involvement because some localities will be hit harder than others and the damage will be beyond their local councils' capacity. But when the state turns up to help, it writes the rules, as in Christchurch after the 2011 earthquake.

That is one tension built into localism: between local and national. Another is how deep localism can and should go. A third tension is between engagement and insulation – for which digital technology is tuning old mechanisms and opening new ones.

The opportunities and challenges localism poses are not just between the nation and the city/town/district, but between citizens and councils, and between citizens and the central government and Parliament. In Aotearoa New Zealand, power is concentrated at the centre. Through around 30 pieces of legislation (Department of Internal Affairs, 2017, para 44), Parliament allocates local councils' powers, including revenue raising, and their functions. Proponents of localism want more responsibility, decision making and power, including over revenues transferred to cities, regions and districts.

But is Auckland Council, with a third of the country's population and a large, complex bureaucracy, any more local to its citizens than Parliament and the cabinet? The council for mid-Wairarapa district Carterton (population 9340) is more local, but does it have the capability and capacity to take over many, or any, central government functions in its district? For that matter, does Napier?

How effectively can tiny Carterton or mid-sized Napier be the 'critical partner' with central government the Minister of Local Government, Nanaia Mahuta, has said she wants with councils in delivery of the 'four wellbeings' (Mahuta, 2018, paras 12, 22)? Real partnership needs equal partners. Carterton is not the Beehive's equal. Even Auckland is not.

Mahuta has floated, as one of three options for dealing with water and wastewater, 12 self-funded regional providers, taking this, in effect, out of the

Colin James is a distinguished journalist and author, and a Senior Associate of the Institute for Governance and Policy Studies at Victoria University of Wellington.

hands of councils, which have instead pressed for regulatory and voluntary reforms (Mahuta and Clark, 2018, para 73.3). The government is imposing an Urban Development Authority (Twyford, 2018) with the power to override councils' district plans and rules to get its Kiwibuild houses built and transport developed. The Department of Internal Affairs talks of 'a "one system" approach to delivering local services' (Department of Internal Affairs, 2017, p.12).

And, just as the Helen Clark government rejected its own Shand committee's recommendation to channel some GST to councils, Grant Robertson has also ruled this out in the inquiry into funding and financing he has commissioned from the Productivity Commission (Robertson, 2018a; Productivity Commission, 2018). Revenue is likely to continue to heavily constrain councils, although the government does want new methods of financing infrastructure, which is a major part of councils' costs (Mahuta, 2018, para 25.4; Robertson, 2018b).

Money talks power and the central government has the money. Councils can feed in suggestions, submissions and ideas and to some extent influence ministers, but have to compete with interest groups. Even Auckland has found it has limited pushback in the crunch.

This is not the principle of subsidiarity in action. That principle says decisions should be taken and implemented at the level closest to those directly affected, in effect the lowest level at which they can be practically made and carried out. Decisions and actions should be taken at a higher level only if they can't practically be done locally or if there is a compelling need for consistency across local boundaries. In Aotearoa New Zealand the subsidiarity principle is read upside down.

But the subsidiarity principle leaves a lot of room for argument about where decisions are best made. If a small council wants a less stringent standard for water to save money for its ratepayers, why not? Because, it can be argued, that might affect the 'clean green' pitch to foreign tourists important to other districts' economies. The West Coast Regional Council says it won't take steps to meet the government's zero carbon climate ambition. But might

that damage the 'international good citizen' brand that helps open trading doors for exports from other areas?

This is one localism tension: between what is local and doable locally, such as potholes, safe walkways for children, rules on indigenous trees, sightlines and other 'amenities', and what requires consistent action across local boundaries, such as potable fresh water and safely swimmable beaches, property and anti-discrimination rights. This sets up a tug of war between national and local politicians. In fact, Mahuta has rejected localism as argued by councils and Local Government New Zealand, which she calls 'a devolutionary model' (Mahuta, 2018, para 36).

But Mahuta did obliquely open up another localism avenue by praising the Southern Initiative's work in 'identifying local change-makers, encouraging social enterprise, building community capability and amplifying community-driven initiatives', and by saying her programme would aim to strengthen 'the level of civic participation within our communities' (ibid., paras 41, 46). That implies there is logically more to localism than empowering councils. There is no compelling reason for subsidiarity to park at the town hall. The principle of subsidiarity points beyond councils to the people.

That is not to say, as some libertarians do, that subsidiarity prioritises the autonomy of the individual over the state and councils. Citizens are not sovereign islands. They congregate. But pointing localism to the people does highlight that, in addition to the tension in localism between the central government and councils, there is a tension between councils and their citizens. Inside the city or town is a suburb and inside the suburb is an area,

a precinct, a street. Inside a rural council is a district, a road, a village.

How much scope should there be for those smaller congregations to make rules for their own precinct or village if they clash with the council's top-down wisdom? Mahuta says 'communities are expecting more from local government' (ibid., para 15). And how much latitude should iwi, and urban Māori and Pasifika – and ethnic Indian, Chinese or Filipino – organisations have to develop rules and practices for areas where they are a majority which differ from rules and practices in neighbouring areas? Mahuta is particular about 'iwi/Māori' having more influence (ibid., paras 15, 37, 38).

The issue of influence is highlighted by the very low voter turnout for district and regional elections in 2016: 43%, only slightly more than half the 79% who voted

> The issue of influence is highlighted by the very low voter turnout for district and regional elections in 2016: 43%, only slightly more than half the 79% who voted in the 2017 general election.

in the 2017 general election. That says voters know where the real power is and that it is not at the precinct or village level. It says citizens don't feel engaged with their councils or empowered by them and don't seem to see much opportunity for truly local initiative.

That spells a caveat for localism if it is just a stitch-up between central and local government. Without active, widespread citizen engagement driving policy and action, localism risks settling into formalised ritual, played out by local power elites. In other words, localism will really get traction only if it comes from the bottom up. And that will require, in turn, that councils genuinely engage with their citizens.

One route to that engagement would be to develop a genuine system of community boards at the village or precinct level, with wider roles and responsibilities than now and real money to do real things.

The highly decentralised Swiss might have some advice to offer.

That in turn suggests more – and real – cooperation between councils and local action groups and local not-for-profits, or their local chapters. Mahuta and Robertson have indicated they want that as an element of the 'partnership' with councils which they say they desire. Mahuta talks of a 'paradigm of local governance … to develop localised initiatives to tackle areas of concern', which include social enterprise, young people not in trade, work or education, unemployment, homelessness and social housing (ibid., para 40; Robertson, 2018b).

Bill English identified a potential gain from such initiatives. He thought not-for-profits, being closer than the state to those they serve, know them better and know better how to do best by them, and so can innovate. But, to the extent they are funded from central government funds, social service not-for-profits operate under tight contracts which, in effect, amount to the imposition of national rules and thereby make them agents of the central government. That will need to change if Mahuta's 'paradigm' is to have real meaning.

And action is not confined to social services and charities. It can run from potholes and safe walkways for children and cyclists to predator-free zones and environmental reserves. True localism will require constructive engagement by councils with these local groups. In turn, some groups could develop influence at the national level if enough groups develop enough similar actions and their councils work with them.

But engagement by local groups with councils is likely only if they see real opportunity for cooperation and action.

Enter the internet and social media. This has worked increasingly well as a method to generate grassroots interest and action, notably in the crowd-funded purchase of Awaroa beach in 2016 and, spectacularly, in the United States, then global, #MeToo campaign. It can also work the other way, not just as a means of informing citizens and giving them access to information and the means of doing business with the government and councils, but also to inform, consult, engage and involve voters in more complex decision making than binary yes/no referendums – in short, to empower and activate them and, in doing that, stir more localness.

That could mean taking collaborative governance, citizens juries and assemblies and deliberative polling much wider than the small samples possible under pre-digital technology. Citizen responses could be secured with blockchain technology to encourage interaction.

How far could that go? The Department of Internal Affairs wants 'community participation' to be 'inclusive' and says 'technology is changing the way communities engage and public expectations for participatory processes in decision-making' (Department of Internal Affairs, 2017, para 31). Digital technology experts Nigel Shadbolt and Roger Hampson muse on 'citizen internet panels' and even a 'national panel' comprising millions of people. 'Decisions that affect a lot of people should involve a lot of people', they say, even suggesting that 'new legislation, in principle, could be crowd-sourced' (Shadbolt and Hampson, 2018, pp.304–5).

This might sound like science fiction now. But in five or ten years it might not be so fanciful. The technology could enable interaction and dissemination of information, enabling groups of citizens ranging from precinct-tight to citywide to reach considered decisions. The 'crowd', when engaged positively and iteratively, has the capacity to be wise, as well-run citizens' assemblies have proven.

Moreover, the 'crowd' would see those policies and programmes as relevant and not the preserve of a distant and disjoined elite. As the populist tide rises in democracies, that could be critical to positive politics and policies.

And the logical place to try all this out is at the local level. Councils could that way become much more authoritative and lead the way for the central government eventually to draw more on genuine citizen interaction and not just 'consultations'. That would be bottom-up. Which would be real localism.

### References

Department of Internal Affairs (2017) *Briefing to the Incoming Minister of Local Government*, November, Wellington: Department of Internal Affairs

Mahuta, N. (2018) 'Local governance for community wellbeing', Cabinet paper, 20 November

Mahuta, M. and D. Clark (2018) 'Future state of the three waters system: regulation and service delivery', Cabinet paper, 20 November

Productivity Commission (2018) *Local Government Funding and Financing Issues*, issues paper, November, Wellington: New Zealand Productivity Commission

Robertson, G. (2018a) 'Productivity Commission to investigate local government funding and financing', press statement, 15 July

Robertson, G. (2018b) 'Speech to Local Government New Zealand conference', 15 July, https://www.beehive.govt.nz/speech/speech-local-government-new-zealand-2018-conference

Shadbolt, N. and R. Hampson (2018) *The Digital Ape*, Melbourne; London: Scribe

Twyford, P. (2018) 'New urban development agency unveiled to build more homes', press statement, 24 November