

# 1 *Policy Consultancy in Comparative Perspective*

## 1.1 Introduction: Between Consultocracy and the Contracting State

While the role of consultants in the policy process has long been a concern for scholars of public administration, public management and political science, empirical studies of policy-related consulting are scarce, with little quantitative data. The country-level case studies in this book shed light for the first time on a number of important but as yet under-researched questions. The first is the actual extent of the use of government consulting in a number of countries, and what have been cross-time developments: to what extent has the use of consultants grown over time, and what are the (political, fiscal-economic, society, policy-related) factors that explain greater or lesser growth in a particular country or sector? The second is the question of what role(s) consultants play in the public sector and how large is the share of these consultants in policy work (policy analysis, policy advice, implementation and evaluation). A third is how large is the portion of consultancy work that is management consultancy, or other types of consulting, such as ICT-architects, legal advisers and accountants? The fourth is how much of consultants' work is concerned with substantive policy advice, and how much is procedurally oriented, i.e. organizing policy support, collecting input from external stakeholders, communicating the policy, etc.?

The core arguments of the book are: 1) policy consultancy has been a problematic blind spot for scholars, politicians and other commentators who are concerned with the substantive and procedural quality of the policies that shape our societies; 2) policy consultancy is a far more important and sizeable component of the work that happens within government than the literature currently acknowledges; 3) the use of policy consultants is unevenly distributed across types of policy

organizations and policy sectors; 4) the use and role of policy consultancy needs to be understood in terms of the political-administrative culture and structures of a given national polity.

The chapters in this book examine governmental use of consultancy services from a comparative perspective. They aim to bring more conceptual and empirical clarity to the type and extent of policy consultancy, the role and impact of consultants on public policy, and the similarities and particularities in the use of policy consulting in and across various countries and political-administrative systems including the UK, the USA, Australia, the Netherlands, Canada and Sweden. Thus, comparatively, the book will provide insights into the importance, role and implications of policy consultancy in

- (a) Westminster-style systems (UK, Canada and Australia);
- (b) a traditionally contracting-oriented system (USA);
- (c) Weberian, consensus-driven systems (the Netherlands and Sweden).

This selection of cases gives a firm spread across Western developed nations with a good variety of characteristics in their political-administrative and policy advisory systems that are likely to have an impact on the use and implications of policy consultancy. Therefore, each chapter gives ample attention to country-specific mechanisms and dynamics. In the concluding chapter, the authors reflect on the comparative findings and contribute to theory development relevant to the aforementioned academic fields.

Conceptually and theoretically, the book addresses the current debates in a number of relevant academic disciplines:

- public administration (the relationships between consultants and the standing administrative apparatus),
- public management (particularly public personnel management),
- policy sciences (how do policies come about and on what substantive and political input are they based?),
- political science (what political factors explain the increase in policy consultancy, and what are the implications of increasing policy consultancy for political accountability and government legitimacy?).

In order to understand and explain policy consultancy, we draw on theories and literature from a number of disciplines. First, the rising use of policy consultancy may in part be explained by mechanisms central to the study of *public administration*. Weber's (1968) and Merton's

(1949) work on bureaucratization suggests policy consultants would in part be a remedy for the excesses of bureaucracy (rigid, inward looking, over-protected, minions), although in another sense consultants are even more prone to lapse into the pitfalls of bureaucracy (defending their own interests rather than those of the organization, let alone the public cause). In addition, public administration highlights the political-administrative considerations that help explain the rise of policy consultancy, such as civil service politicization, a lack of trust between political leadership and the standing administrative apparatus (Suleiman 2003), and the perceived benefits of appointing outsiders to give legitimacy to a specific policy programme (Peters and Pierre 2004, Aucoin 2012).

Second, from a *public management* angle, policy consultancy can be understood as the manifestation of an alternative public sector human resource management (HRM) system that of classical government. That is, one more closely inspired by the business-like and short-term results orientation of New Public Management (Hood and Peters 2004; Pollitt and Bouckaert 2011), addressing the fiscal pressures on governments when policy consultancy is a welcome answer to shrinking standing policy capacity.

Literature from the *policy sciences* would suggest that policy consultancy is a part of the administrators' toolkit for taming wicked problems, and sudden and urgent policy challenges (Head 2008; Ferlie et al. 2011). Temporary added expertise and capacity may help to forge windows of opportunity to promote otherwise unrealistic policy solutions (Kingdon 1993; Howlett 1998).

Lastly, *political science* informs us of political considerations that may explain the rise of policy consultancy, including an issue's political salience, the political symbolism of hiring external experts and considerations of timing regarding the electoral cycle (Hood 2013). In addition, comparative political science helps us to understand cross-national variation regarding policy consultancy: i.e. differences in the degree of reliance on consultant: their specific roles: and how they are perceived by politicians, administrators and the public at large. Here we expect to find a marked difference between those countries that have a strong tradition of contracting (USA) (Howlett et al. 2016), a Westminster-style system strongly impacted by New Public Management (UK, Canada and Australia) (Halligan 2003) and Weberian, consensus-driven systems with an open policy-making system in the *neo-corporatist* tradition (Lijphart 1999; van den Berg 2011, 2017).

Setting out to address the above questions leads us to a number of more reflective and theoretical questions. In general terms, this study examines the consulting phenomenon as falling between the popular notion of ‘consultocracy’ and that of the ‘contracting state’. Arguably, the former is the notion of the implicit or explicit rule of an ever-increasing legion of consultants who have replaced many traditional administrative and civil service positions on a more or less full-time and permanent basis, thereby usurping their decision-making power and ability to influence governments, without the traditional means of accountability of civil servants to elected representatives (Davies 2001; Freeman 2000). Meanwhile, the latter is a more dispassionate critique of the results and impact of various forms of contracting, such as private–public partnerships (PPPs) and the different forms of contracting various types of goods and service delivery and internal government processes to private sector firms (Vincent-Jones 2000, 2006).

This perspective informs each chapter’s evaluation of a series of subordinate questions about to what extent the use of consultants and the size of the standing civil service apparatus are related (Saint-Martin 1998a, 1998b, 2005, 2013) and whether consultants replace permanent public servants when bureaucracies shrink (waterbed effect), or if they are hired in policy areas in which political priorities shift in much the same way as the standing apparatus grows in those areas (proportional add-on). The chapters investigate phenomena such as how many temporary external practitioners are consultants and how many work on policy issues. They use various data sources (such as budgetary) to assess the length of contracts and the range of suppliers of various kinds of services. They also – for the first time – attempt to assess the price of consultancy in financial terms (compared to permanent hires), the extent to which the use of consultants erodes departments’ and agencies’ control over their policy agenda, and the costs involved in the erosion of in-house knowledge, continuity and institutional memory.

## **1.2 Policy Consultants and Policy Advisory Systems**

It is very useful to examine professional policy work as existing within larger *policy advisory systems* which transcend the boundaries of internal government expertise and knowledge transmission (Nicholson 1997). Recent studies from New Zealand, Israel, Canada and Australia argue that government decision-makers sit at the centre of a complex web of

policy advisers (Dobuzinskis, Howlett and Laycock 2007; Maley 2000; Peled 2002; Eichbaum and Shaw 2007), which includes 'traditional' political and policy advisers in government, non-governmental actors in NGOs, think tanks and other similar organizations, as well as less formal or professional forms of advice obtained from colleagues, friends and relatives, and members of the public and political parties, among others.

At their most basic, we can think of policy advice systems as part of the knowledge utilization system of government, itself a kind of marketplace for policy ideas and information, comprising three separate components: a supply of policy advice, its demand on the part of decision-makers and a set of brokers whose role it is to match supply and demand in any given conjuncture (Lindquist 1998). We can see these systems as arrayed into three general 'sets' of analytical activities and participants linked to the positions actors hold in the 'market' for policy advice.

The first set of actors is composed of 'proximate decision-makers' acting as consumers of policy analysis and advice: actors with actual authority to make policy decisions, including cabinets and executives as well as legislatures, and senior administrators and officials delegated decision-making powers by those other bodies. The second set are those 'knowledge producers' located in academia, statistical agencies and research institutes who provide the basic scientific, economic and social scientific data upon which analyses are often based and decisions made. The third set comprises 'knowledge brokers' serving as intermediaries between the knowledge generators and the proximate decision-makers, repackaging data and information into usable forms. These include, among others, permanent specialized governmental research staff, their temporary equivalents in commissions and task forces, and a large group of non-governmental specialists associated with think tanks and interest groups. Although often seen as 'knowledge suppliers', policy consultants almost by definition exist in the brokerage sub-system, which is where most professional policy analysts can be found (Verschuere 2009; Abelson 2002; Dluhy 1981).

This model suggests that different types of 'policy advice systems' exist depending on the nature of the knowledge supply and demand, and that what consultants do in brokering information, how they do it, and with what effect, is largely dependent on the type of advisory system present in a specific government or area of interest. This helps to explain why we find different policy analysis styles in different

policy fields (Mayer, Bots and van Daalen 2004; Lindquist and Howlett 2004), since these can be linked to cultural *doxa* and practices of political actors and knowledge suppliers conditioning how policy advice is generated and deployed (Peled 2002; Howlett and Lindquist 2004; Bevir and Rhodes 2001; Bevir, Rhodes and Weller 2003; Aberbach and Rockman 1989; Bennett and McPhail 1992; Gunter 2012).

Some of this variation in advisory systems is temporal in nature, and is due to the fact that the introduction of elements of formal or professional policy analysis into the brokerage function has a different history in each jurisdiction (Prince 1983, 1979, 2007). Given its reliance on existing institutional arrangements for political decision-making, however, an advisory system's exact configuration can be expected to vary not only temporally, but also spatially, by jurisdiction, especially by nation-state and, somewhat less so, by policy issue or sector. That is, personal and professional components of the policy advice supply system, along with their internal and external sourcing, can be expected to combine in different ratios, in different policy-making situations (Prince 1983; Wollman 1989; Hawke 1983; Rochet 2004). Understanding these variations is critical in understanding the role consultants play in the policy advisory, and policy-making, processes.

Generally, however, four distinct 'communities' of policy advisers can be identified within the policy advice system depending on their location inside or outside of government, and by how closely they operate to decision-makers: core actors, public sector insiders, private sector insiders and outsiders (see Table 1.1).

The actual jobs and duties performed by each set of policy advisers in either type of organization must be empirically determined in each instance. Understanding how the four communities do or do not relate to and reinforce each other is a critical, and very much understudied, determinant of the system's overall capacity and effectiveness. Important aspects of the functioning of policy advice systems include factors such as whether or not, or what type of, 'boundary-spanning' links exist between governmental and non-governmental organizations (Weible 2008). Additionally, attention is given to whether or not employees have opportunities to strengthen their skills and expertise (O'Connor, Roos and Vickers-Willis 2007), or to outsource policy research to personnel in private or semi-public organizations and consultancies.

Table 1.1 *The four communities of policy advisers*

	Proximate Actors	Peripheral Actors
Public / Governmental Sector	Core Actors: <ul style="list-style-type: none"> <li>• <i>Central Agencies</i></li> <li>• <i>Executive Staff</i></li> <li>• <i>Professional Governmental Policy Analysts</i></li> </ul>	Public Sector Insiders: <ul style="list-style-type: none"> <li>• <i>Commissions, Committees</i></li> <li>• <i>Task Forces</i></li> <li>• <i>Research Councils/Scientists</i></li> </ul>
Non-Governmental Sector	Private Sector Insiders: <ul style="list-style-type: none"> <li>• <i>Consultants</i></li> <li>• <i>Political Party Staff</i></li> <li>• <i>Pollsters</i></li> </ul>	Outsiders: <ul style="list-style-type: none"> <li>• <i>Public Interest Groups</i></li> <li>• <i>Business Associations</i></li> <li>• <i>Trade Unions</i></li> <li>• <i>Academics</i></li> <li>• <i>Think Tanks</i></li> <li>• <i>Media</i></li> </ul>

Consultants form one of these types of actors to whom policy research can be outsourced. They are non-civil servants brought into governments on a more or less temporary basis to augment existing internal expertise and personnel, including that related to public policy-making. Generally, consultants can play a highly significant role as ‘privileged outsiders’ similar to that of political party staff or pollsters with special access to key insiders, thereby linking the external and internal parts of the advisory system (Clark 1995; Druckman 2000). Like the other members of this quadrant, this makes them potentially highly influential in policy debates and outcomes. Unlike the other two, they have been studied little.

The scale of the use of consultants is a key issue, and the use of a threefold typology, distinguishing small-, medium- and large-scale use of policy consultants, is helpful in understanding the variation in the use of policy consultants (see Table 1.2).

Understanding the nature of this ‘external’ source of policy analysis, its various types and their influence, and its effectiveness in different analytical contexts involves discerning how a policy advisory system is structured and operated in the specific sector of policy activity under

Table 1.2 *Three types of consultancy*

	Type I Consultancy	Type II Consultancy	Type III Consultancy
<i>Level of policy or structural disruption</i>	Small	Moderate	Large
<i># of consultants involved</i>	Small	Moderate	Large
<i>Description</i>	Small-scale, one-off, time-limited consultancy, not intended to be ongoing / repeated	Instrumental or process consultancy work changing rules / norms / legislation, etc.	Major consultancy exercise of massive scale, which changes the landscape / culture / political-administrative dynamics
<i>Aim (example)</i>	Advising on a particular issue; fixing a specific problem	Legislative change or changing a policy setting in regard to a constituency	Paradigm changes from old-style regulation to self-regulation

examination and how professional policy work is conducted within this system. The role that analysts and advisers existing *outside* of government play in policy-making has been less studied and is little understood, although the common wisdom concerning consultants is that for-hire consultants play a significant role in policy-making, arguably one that has increased significantly in recent decades (Dent 2002; Guttman and Willner 1976; Kipping and Engwall 2003; Martin 1998; Wagner and Wollman 1986). European studies, for example, have noted their explosive, though unevenly distributed, growth in use across countries and policy sectors (FEACO 2002). A 2007 UK government survey estimated their cost at approximately £5 billion in 2005–2006 (House of Commons 2007: 1), representing a 30 per cent increase in this estimate over the three-year period 2003–2006. Similar figures have been reported in New Zealand and Australia (see State Services Commission 1999; ANAO 2001). However, information on budgets and contracts is generally scarce, and more research studies are



required to situate policy workers more firmly within the context of alternate sources of policy advice to governments (Adams 2004; Gunter and Mills 2017).

### 1.3 Policy Consultants, Consultocracy and the Contracting State

Due to a variety of issues around decision-making secrecy and lack of transparency in the interactions of external advice-givers, little is known regarding non-governmental policy advice in most countries (Hird 2005), except for the general weakness of actors such as think tanks and research institutes in most jurisdictions (Smith 1977; Stone and Denham 2004; McGann and Johnson 2005; Abelson 2007; Stritch 2007; Cross 2007; Murray 2007). Page's (2010) study of regulatory policy-making identified four types of expertise relevant in government: (1) scientific expertise; (2) policy expertise; (3) process expertise; and (4) instrument expertise. In earlier work, Page and Jenkins (2005) stressed how internal government experts are usually process experts, and more recent work confirmed a distinct lack of scientific, policy and instrument expertise among bureaucrats, opening the door, again, for external experts to exercise influence in these areas (Page 2010). However, due to a lack of data (and often, until recently, privacy and other laws around contracts), even less is known about the growing legion of consultants who work for governments in the 'invisible public service' (Speers 2007; Boston 1994). Much more research into these areas has been needed, and is provided in this book.

While the exact dimension of the policy consulting phenomenon is unclear, the *use* of external policy consultants in government has been an increasingly important focus of concern among governments in the USA, the UK, Canada and Australia, among others (ANAO 2001; House of Commons Committee of Public Accounts 2010; Bakvis 1997; MacDonald 2011; Project on Government Oversight 2011). Some (e.g. Saint Martin 2005) have written about the 'new cult of the management consultant' in government and have described consultants and 'intellectual mercenaries' as 'hired guns' that 'politicians can use to bypass reluctant civil servants', while others, such as Hood and Jackson (1991), have coined the term 'consultocracy' to underline the growing influence of consultants on the public management process. Another point of focus emerged with more fine-grained analyses of

spending patterns related to the difficulties governments encountered in assessing precisely how the money has been spent (Macdonald 2011), and in creating structures capable of monitoring this activity (House of Commons Committee of Public Accounts 2010).

Some of this concern arose over the costs incurred by governments (Craig and Brooks 2006) as an offshoot of ‘the contracting state’, while others have suggested that the rise of the *consultocracy* has led to a diminishment of democratic practices and public direction of policy and administrative development (Saint-Martin 2004, 2005). Some accounts include policy consulting in a more general shift in overall state–societal relations – away from the ‘positive’ or ‘regulatory’ state (Majone 1997) and towards the ‘service’, ‘franchise’ or ‘competition’ state (Butcher et al. 2009; Perl and White 2002; Radcliffe 2010; Bilodeau, Laurin and Vining 2007). This approach centres on the idea that the contemporary ‘service state’ is based on many more external–internal links in the provisions of services – where contracting is often the norm – than the pre–WWII ‘autarkic state’, which relied on ‘in-house provision of all kinds of services’ aiming to deliver ‘consistency, reliability and standardization’ in service provision (Butcher et al. 2010:22). This old system has been replaced, they argue, by the contemporary service state: ‘a hybrid mixture of part public part private activities, delivery chains that do not remain in neat boxes or organizational settings, loose combination of actors and providers who are each necessary to see something delivered’ (Butcher et al. 2010: 31). Here, the state is the chief contractor, and the extension of contracts to policy and administrative matters should be neither surprising nor unexpected including that for-hire consultants play a role in policy-making, arguably an increasingly significant one (Dent 2002; Guttman and Willner 1976; Kipping and Engwall 2003; Martin 1998; Wagner and Wollman 1986).

Others see the use of consultants in policy-making as less significant, linked to the normal development of policy advisory systems in modern government as business groups and others require specialized expertise in their efforts to lobby governments, and government agencies in turn require similar expertise in order to deal with businesses, NGOs and other active participants in policy-making processes as interest intermediation grows increasingly professionalized and institutionalized (Halligan 1995; Lahusen 2002: 697). Czarniawska and Mazza (2003), for example, suggest that consultants are likely to play a limited mandate

role, arguing that they are too poorly organized to exercise any kind of permanent policy influence, and therefore rely strongly on a variety of appropriate political and institutional characteristics to exercise influence.

This view is supported by van Houten and Goldman's (1981) and Saint-Martin's (1998a, 1998b) findings for Canada and provides the main working hypotheses proposed herein. That is, regarding professional governmental policy analysts in the internal policy advice supply network, we know that their activities are very closely tied to available resources in terms of personnel and funding, the demand they face from clients and managers for high-quality results, and the availability of high-quality data and information on future trends (Howlett 2009a; Riddell 2007). Non-governmental analysts are likely to share these same resource constraints and thus not to automatically influence government deliberations. Consultants' influence on policy-making is therefore likely to vary by issue and circumstance, and the sources and direction of these variations are important information for both policy theorists and practitioners interested in understanding the role of the 'hidden' or 'invisible public service' (Speers 2007).

#### **1.4 Methodological and Data Limitations in Researching Policy Consultants**

As this discussion suggests, policy scholars have a range of evidence and positions about the role of consultants in the policy process. Their views vary from estimations of their 'strong' influence on policy-makers to suggestions that this influence is at best diffuse and weak (Bloomfield and Best 1992). Both policy and management consultants are seen as either independent 'agents of change' (Lapsley and Oldfield 2001; Tisdall 1982) or as weak, 'liminal' subjects, dependent for any potential influence on allowances made for this by their employers (Czarniawska and Mazza 2003; Garsten 1999; Bloomfield and Danieli 1995).

Such dichotomous views should be easily resolvable through empirical analyses (Clark and Fincham 2002). These not only should more accurately assess the quantitative questions, such as how many consultants there are and if these numbers have grown over time, but would also carefully examine the qualitative questions around the nature of their influence on governments, from the provision of direct advice to the more indirect creation of specific kinds of knowledge and

its mobilization/utilization in policy deliberations (van Helden et al. 2010; Weiss 1977 and 1986). However, both empirical and conceptual understandings of the origins and significance of the development of policy consultancy are mixed.

As Speers (2007) noted in her study of Canada's 'invisible private service', for the past several decades management consultants have been involved in every stage of the policy process. But despite this prominence, because of difficulties in generating empirical data on the subject few studies assess this question in purely policy terms (for notable exceptions, see Saint-Martin 1998a, 1998b, 2004, 2005, 2006). Rather, most draw upon studies of management consultants in government, or more generally, in making such assessments. Several significant methodological and data problems stand in the way of clarifying this debate, which the authors of this volume have sought to overcome.

First, concerns about the use of consultants in government are not recent, as numerous publications on the subject from the 1970s attest (Wilding 1976; Meredith and Martin 1970; Rosenblum and McGillis 1979; Guttman and Willner 1976; Kline and Buntz 1979). However, more recently concerns emerged not just about the size and number of consultancies, but about their apparent growth as a percentage of both government employees and expenditures (Speers 2007), and concomitantly about their increased influence and impact on the content and directions of government decision-making (Saint-Martin 1998; Speers 2007).

Second, as noted, generally the quality of existing data is poor (Howard 1996; Perl and White 2002; Lahusen 2002), as it is highly inconsistent and relatively rare while generally stressing the growth of the expenditure involved (FEACO 2002; House of Commons Committee on Public Accounts 2007; State Services Commission 1999; ANAO 2001). This problem affects the question of accountability and efficiency: that is, whether contracts are competitively priced (MacDonald 2011). At times, governments are hard pressed to assess these situations. The UK House of Commons Committee of Public Accounts (2010: 5) argued that it was '[not]'convinced by the Cabinet Office's argument that it is impossible to measure whether government's use of consultants represents value for money'.

Third, it must be possible to separate out 'policy consulting' from categories such as engineering or technical services consulting, as well as from 'management consulting' – the category often used to capture

policy consulting in official government reports and documents (Saint-Martin 2006; Jarrett 1998). However, many ‘consulting’ activities are difficult to distinguish from those related to more general government goods (and especially services) ‘contracting’ (Davies 2001, 2008; Vincent-Jones 2006). Moreover, it is also often difficult in official statistics to distinguish ‘consultants’ from ‘temporary and part-time workers’ (MacDonald 2011; Project on Government Oversight 2011). These important distinctions, which are often glossed over in the limited literature on policy consultants and consultants in government, lead to over-estimation of the number of consultants when counting them together with ‘contractors’ and especially ‘part-time’ employees, which include large numbers of temporary office workers (MacDonald 2011; McKeown and Lindorff 2011). Policy consultants’ numbers are also over-estimated when using the numbers of management consultants, which include figures for IT consultants and others not ranked separately in many government databases (Perl and White 2002; MacDonald 2011). In Canada, for example, the new Proactive Disclosure project (which publicizes federal contracts with a value of more than \$CDN10,000) provides information for the departments and agencies of the federal public administration. However, only a very small percentage of these include a more detailed breakdown of the services provided that would allow researchers to assess whether the contracts have a policy dimension at all.

Fourth, while there may be concerns with the growth of policy consultancy in terms of the impact on public service unionization, professional standards and accountability for funds, it is difficult to determine the extent of *policy* influence from such numbers of consultants. Even when policy consultants are properly identified – a far from simple task – the question of their influence over policy processes and outcomes remains unclear. Some studies have stressed the role played by a few large companies in monopolizing the consultancy market and suggested the record of these firms in providing good advice is shaky at best (O’Shea and Madigan 1998). On the other hand, others have noted the large numbers of smaller firms involved in the industry and the often very weak position they find themselves in when advising large clients such as government departments (Sturdy 1997). Similarly, while some studies focus on the reputational aura that some consultants can muster given their status as experts and professionals (Evetts 2003a, 2003b; Kipping and Engwall 2003), others note the disregard in

which their credentials are held by many employers (Czarniawska and Mazza 2003; Bezes 2011; Brint 1990).

## **1.5 What This Book Contributes to the Study of Policy Consulting and Chapter Outlines**

This book gives centre stage to the study of the ‘invisible public service’ consisting of externally hired consultants. First, we develop and consistently apply a definition of policy consultancy that isolates the policy roles consultants fulfil from other categories of consulting. Based on solid empirical data from each of the six countries, we then assess the growth in numbers and expenditures of policy consulting per country and, wherever possible, per policy sector. We then explain the role policy consultants perform in the marketplace for policies, ideas and information. We aim to shed more theoretical light on the questions of under what circumstances core actors will be more likely to rely on policy consultants than on other advice-givers within the policy advisory system, and under what circumstances these policy consultants are more or less likely to influence or shape the content of policies. What evidence can be found for assertions that consultants are hired because the standing bureaucracy lacks scientific, policy and instrumental expertise? In doing so, we address what evidence can be found for assertions that core actors use consultants to bypass reluctant civil servants, and to what extent contracting has become the norm in the business of government. While addressing these questions, we are keenly sensitive to variations in our dependent variables (use of consultants and influence of consultants) across time, political-administrative systems and policy sectors. We thereby lift the topic of policy consultancy to a higher scholarly level and contribute significantly to theory-formation on the important, context-dependent role of policy consultants within the policy advisory system.

This introductory chapter has set out the motive for the book and has mapped the theoretical terrain of what is to come. It has set out the conceptual and analytical framework of the country studies, firmly embedding the phenomenon of policy consultancy into the topical debates in public administration, public management, policy sciences and political science. It has described the variation in different countries’ overall political-administrative systems and, related to it, their policy advisory systems, the role(s) played by consultants within them,

and the definitions and demarcations of the range of consultants to be examined in the study.

Each country-level chapter examines what the general tasks and activities of policy consultants are in a country-specific case. Categories of activities are identified according to two logics: first, related to the various stages of the policy cycle (analysis and preparation through to evaluation); and second, to professional disciplines and fields of activity (substantive/technical, legal, ICT, communications). Each case study examines in detail where consultants are employed within governments. However, the book will focus on the central government level, which is typically the only level for which any reliable data exists. Within that, there are variations by country across both policy sectors and types of organizations (core departments, executive agencies at arm's length and regulatory agencies). Some sectors and organization types make more use of consultants than others, and the patterns within and across jurisdictions will be displayed and explained.

Each chapter also addresses the reasons why consultants are employed. The literature cites various motives for hiring consultants, such as to legitimize a course of action an agency wishes to make, to help develop ideas of how to proceed, to clean up a scandal, to review agencies or programmes, to provide external feedback on government performances, or to create room to manoeuvre for politicians and others. Over time, these reasons for ongoing reliance may change. Independent variables that could explain variations include the nature of the political-administrative system, the degree of market-orientation of the state, the country's fiscal and economic situation at a given point in time, and the degree to which the incumbent government has set goals for major policy or system overhaul. The individual chapters examine how these variables play out, or not, in specific jurisdictions.

Chapter 2 examines the United Kingdom, where there is increased concern in critical policy studies about the use of consultancy services at central government level, through to the governments of the four nations (i.e. England, Northern Ireland, Scotland and Wales), local government and public service delivery. Such concerns are focused on the replacement of publicly appointed and accountable experts, through to profit making strategies at a time of austerity and the promotion of privatization. Empirical studies tend to focus on broad critical reviews of the entry, role and impact of consultants, or provide in-depth case studies of companies or policy changes. This chapter

describes and explains the complexity of the emerging consultancy industry and how the government engages with it. It reports on a review of what research is saying about consultants and consultancy in UK government systems at the UK level, with a view to providing a new assessment of trends and impacts. The analysis shows the increase in consultancy within and for central government, with an emphasis on revealing the diversity in size and role of those who offer services and are contracted by government.

Chapter 3 examines the case of the United States. The USA forms the largest and most archetypal case of government contracting. Nonetheless, it has received little detailed empirical treatment, despite a plethora of anecdotal and popular accounts claiming to have documented a pattern of exponential growth in the size and impact of policy-related government contracting. This chapter reports on the distribution of the American federal government's contracting of policy services in the context of several initiatives on the part of the Obama administration, which provided for the first time reasonably accurate data related to questions about the size, trends and other aspects of US federal government policy consulting. The analysis shows that concerns about sizeable increases in consulting activity possibly undermining many 'core services of government' raised in earlier government and popular reports are not without merit, however, with significant variations across agencies in terms of the extent to which this has occurred. This uneven pattern of policy contracting is analysed and explained.

Chapter 4 examines Australia. The focus of the chapter is an analysis of the summary details of consultancies and contracts over the past three decades, as these were listed in mandatory official reporting systems of the national government. It contrasts a consistent and strong long-term growth in total spending on consultancies and contracts with stagnation in the level of in-house staffing and related running costs. It examines the 'take-off' years of the late 1980s and early 1990s and argues that a significant proportion of consultancies directly addressed 'programme content', as distinct from administrative arrangements or corporate services. It also establishes a much larger level of spending on policy-relevant contracts in the decade from 1997 and a further doubling-to-trebling of this spending in the decade from 2007. The chapter also analyses the distribution of this consultancy and contract spending on the supply side. Both for the 'take-off' years (late 1980s



and early 1990s) and the period 1997–2017, it finds a polarized distribution: a corporate end where a very small proportion of suppliers get much of the spending, and with a huge array of sundry operators undertaking very small amounts of work. It argues that the long-term market share of successful contractors puts them in a position to influence many aspects of programme development. The chapter also examines the demand side of the consultancy and contracting relationship. It finds that the Department of Defence is a standout spender throughout the period, especially during 1997–2007, and that departments tend to fall into three bands of absolute spending both in the earlier and later parts of the period. At the same time, it also establishes that the overall pattern of growth in spending is replicated right across Commonwealth departments, both in the earlier and later decades. The chapter ends with some discussion of the implications of these patterns for the notions of ‘consultocracy’ and the ‘contractor state’.

Chapter 5 examines the case of the Netherlands. In line with its consensus-driven and neo-corporatist political-administrative tradition, the policy advisory system in the Netherlands has been characterized by a great openness to external sources of advice, including policy consultancy. The country’s government has often been described as the world’s second largest per capita consumer of public sector consultancy, after the USA. Two main factors account for the increase in the use of policy consultants since the early 1980s. First is the relative decrease in the standing of institutionalized advisory councils and boards, a gap that has in part been filled by policy consultants from a number of large international, as well as Dutch, independent consultancy firms. Second, New Public Management-style reforms and subsequent rounds of government austerity since the 1980s have resulted in a decrease in the volume of internal policy advisers within departments and agencies. Here too, consultants have in part compensated for the loss of internal policy advisory capacity. The Dutch case therefore points to externalization and politicization of the policy-making process, both of which have worked to increase the demand for policy consultancy. From a political point of view, hiring consultants has been a preferred route to increasing policy competence in the Netherlands since: (a) at the top level of the organization, external consultants can be handpicked and better politically controlled than permanent civil servants; (b) external consultants provide a greater external legitimacy to a given policy than does the permanent civil

service alone; and (c) the costs of external consultants are accounted for within the budget of material costs rather than under personnel costs, which makes it easier to conceal the real expenditure on human resources. While consultants fulfil roles in each phase of the policy cycle, the process- and management-oriented tasks are most prominent. Sectoral differences are significant, whereby in certain sectors seasonal peaks in implementation are absorbed by means of consultants and in other sectors technical policy innovations are designed by consultants. The analysis is based on time series of government data, secondary Dutch literature and research reports, and primary survey data among top civil servants and policy consultants themselves. The analysis gives rise to important normative questions related to the real cost of policy consultancy, the damage consultancy may do to internal expertise and continuity, and the identification and regime loyalty temporary staff has towards the government as a whole.

Chapter 6 discusses the Canadian case. Analysis of the use of policy and management consulting in the Canadian federal government based on the new Proactive Disclosure data reveals a picture of a highly skewed process in which several departments dominate the demand for consulting services, and the significance of large and repeat contracts. It suggests a pattern of long-term ongoing interactions between suppliers and purchasers of these services – one which reinforces in this area of government activity the same pattern of the ‘permanence of temporary services’ found in earlier aggregate studies of government contracting and temporary help. This pattern of expenditures is consistent with the idea put forward by Speers (2007) and Saint-Martin (2006) that consultants comprise a hidden or ‘invisible civil service’. In other words, despite their legal status being temporary and ad hoc in nature, they have a more or less permanent and fixed character, which largely escapes traditional reporting and accountability measures, operating without even the limited transparency provisions that allow some insights into the world of the visible public service and its impact on public policy-making.

Finally, Chapter 7 addresses Sweden, a country long characterized by its large public sector and welfare system. However, following the rise of NPM, activities formerly performed by public sector organizations have become increasingly privatized. As a consequence, the responsibility for services such as pensions, health care and schools has partially been transferred from the state to private organizations

and individual citizens. As part of this development, government agencies' use of policy and management consultancy services has increased. The consultants have been recurrently described in academic literature and Swedish media as carriers of NPM ideals, and as playing a central role in the privatization efforts in the public sector. That said, detailed information about the use of consultancy services in the Swedish public sector has been lacking. Building on longitudinal quantitative data on government agencies' spending on consultancy services and interviews with policy-makers, this chapter provides a rich illustration of how the use of consultancy services has developed over time and has been distributed over different government agencies. The chapter ends with an analysis and discussion of the identified patterns.

The final chapter summarizes the findings of, and draws comparative conclusions from, the preceding chapters. It highlights the main conceptual and theoretical contributions our work aims to make to the related academic fields more broadly. This is where patterns across similar political-administrative systems will come to the fore, and other, previously unexpected patterns revealed in the book's examination are set out and discussed.