

## **GOVERNMENT PARTNERSHIPS WITH DESIGN AND BUSINESS COMMUNITIES: EVALUATING THE NEW ZEALAND DESIGN TASKFORCE PROJECT**

*Stan Mauger, Whitecliffe College of Arts and Design, Auckland*

The recent government initiatives to involve and promote design in business in New Zealand show the effectiveness of state support for design-led business. Government support of design can be traced back to the formation of the New Zealand Industrial Design Council in 1966. The demise of this organisation and the recent initiatives to support design-led business reflect differences in political ethos by successive Governments. The new initiatives by the New Zealand Government to establish the Growth Innovation Framework followed by the Design Taskforce, the Design Leadership Group, and the Better By Design organisation, coincide with a move away from Neoliberal policies and a return to a more participatory role.

Using qualitative data from interviews with members of these groups, and documents published by their organisations, the paper brings together a largely positive evaluation of the initiatives of the Design Taskforce. Design partnerships with business can be successful in this objective, but for this to be possible, the respective professional fields and the related knowledge in the form of capital needs to be understood and recognised. In this paper I consider the interests of these fields, and the importance of the knowledge bases that they hold. I will evaluate the successes of the Taskforce initiatives achieved through the Better by Design programme which followed it in 2005 and the effectiveness of Government's participation in promoting design to business.

### **Government partnership in design in business promotion**

The establishment of the New Zealand Design Taskforce in 2003 marked an unprecedented interest in recognising the importance of design as an enabler in terms of innovation and fiscal gain for the nation. Interestingly, the initiatives for the establishment of the taskforce came not from presentations from the designers' own professional organization, the Designers Institute of New Zealand (DINZ), but from business members of the Growth Innovation Framework earlier set up by Government. The initiative was based on observations of other countries, that design could be an important enabler for the growth of innovation in business.

### **Changing political climate**

There are ironies to be found in trying to relate the receptiveness of successive governments to funding initiatives directed at supporting design. The New Zealand Industrial Design Council (NZIDC) was established in the Design Act 1966, by a National Government and disestablished by Labour Government in 1988, whereas the Design Taskforce was set up in 2003 by a Labour Government following a more socially based participatory policy than the New Zealand National Government that it replaced. In 1966 the NZIDC was set up with an assumption that New Zealand products needed to be better designed for export markets and at the time many New Zealand products fell very short of similar products manufactured elsewhere in the world. To those familiar with the accomplishments of the NZIDC, there are obvious precedents for aspects of the Design Taskforce<sup>1</sup>. In contrast to the NZIDC, the Design Taskforce has strong government support. Jim Anderton, the Minister for Economic Development, understood the need for design-led business, emphasising that design was under-used by New Zealand businesses, advocating the

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<sup>1</sup> A discussion of the many parallels is outside the scope of this paper.

need for better linkage between ‘highly competent designers and our innovative businesses’ (Taskforce, 2003 p.2). He stressed the importance of these partnerships to improve New Zealand’s economic growth. The main policy ideas of the Taskforce document *Success by Design*, (entitled ‘A Report and Strategic Plan from the Design Taskforce, in partnership with the New Zealand Government, in support of the Growth and Innovation Framework GIF’), were tabled by him in a report to New Zealand cabinet (Anderton, 2003). *Success by Design*<sup>2</sup> was to set much of the direction for the developments to follow.

### **Models from other countries**

The establishment of the Taskforce was to a significant degree, triggered by an awareness of the demonstrable value of design to business seen in other nations. The report cites successes from elsewhere in the world, particularly Finland, where it comments on a national design strategy in which it stresses that Finland’s *Design 2005!* is built on ‘its already well-established cultural heritage of a strongly design-enabled nation’ (refer Walton, 2003, p.8). Attention is drawn to the way in which the country’s international competitiveness has been achieved ‘by raising the standard of design education and research and integrating design into a broader national innovation strategy and by promoting Finland as a design leader’ (Taskforce, 2003, p.24). The report also refers to the success of the creative aspect of South Korea’s national design strategy.

### **The New Zealand context**

A number of issues have contributed to New Zealand’s poor economic performance including the low investment in Research & Development, failure to commercialise ideas, distance from New Zealand’s major markets, and the tendency of companies to produce design themselves or on an ‘ad hoc’ basis so that the ‘design of new products and services is often not aligned with market demand and has offered less certainty for export success’ (Taskforce, 2003, p.8). The report states that less than 4% of New Zealand firms export, only 151 firms export more than \$25 million a year, only 51 firms export more than \$75 million a year (p.16).

It advocates addressing these systemic issues by spending research and development funding in areas of marketable endeavour, commercialising innovation, enabling companies to be competitive in products and services and opening up options for off-shore manufacture or licensing to address the ‘tyranny of distance’ (*ibid*). The strategy to achieve these objectives involved ‘Raising the awareness of design as a key enabler for industry in New Zealand by having more New Zealand businesses achieving sustainable export success, a more capable, business-savvy design profession and greater international recognition of New Zealand design’ (Taskforce, 2003, p.5) although from the outset, the emphasis was on design’s contribution to business and not on improving the infrastructure of the design profession (*ibid*). There is a bias towards a business ownership of the Taskforce initiatives as the Taskforce report states, ‘It is not primarily a design industry strategy but rather it sets out to make New Zealand business the beneficiary of design-enabled initiatives’ (*ibid*).

### **Evaluation of the Taskforce Initiatives**

The Taskforce initiatives implemented through the Better by Design (BBD) programme were directed at both informing businesses about the value of design and enabling businesses to use

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<sup>2</sup> Success by Design is referred to as ‘the report’ in this paper.

design. They took the form of practical assistance to business and promotion of education projects relative to design-led business. The evaluations in the case of each of the following initiatives are based on the conclusions offered by the participants in the relevant organizations interviewed<sup>3</sup>.

#### *1. Establishing a design reference group*

The design reference group, quickly renamed the Better by Design Advisory Board, was established with equal representation from business and design, to guide the implementation of the Taskforce's strategy (Taskforce, 2003, p.44). Specialised expertise comes from contracted groups like those required for audits and Profit by Design design strategy and management course. The Board has an important role in vetting audit proposals and applicants for auditing roles. It has successfully kept to an advisory role, leaving BBD programme project leaders within New Zealand Trade and Enterprise (NZTE) to implement the strategy.

#### *2. Developing a communications programme*

The communications programme has aimed to promote a greater understanding of the value of design in business strategy particularly at management level, through design leadership, nationally. It sought to generate case studies to educate business and those outside business, about design. It is charged with generating a culture that will assist in creating a better world status for New Zealand design. The communication programme was focussed initially on the lead up to the BBD conference in March 2005, and then with the development of the BBD website and design directory.

#### *3. Organising a design conference*

The Better by Design conference, held in Auckland in March 2005 has brought business leaders together to launch the Taskforce initiatives through the BBD programme. Its focus was both on promoting an awareness of the relevance of design as a means of adding value and on securing the commitment of this sector to the programme. Case studies from pilot companies that had successfully completed the audit process, added authority to the delivery of the conference objectives, thus creating credible advocacy from Small to Medium Enterprises (SMEs).

#### *4. Developing a design resource directory*

The web-based BBD directory has been rapidly developed to facilitate the process of accessing professional designers and design-related services (Taskforce, 2005). It is intended for the business sector, educators and government organizations. The reference guide proposed in the Taskforce Report to offer a variety of other resources to companies that are not ready to apply for audits, is gaining increasing use by the business sector as the directory continues to be developed. The directory has been well supported by the design community.

#### *5. Developing education initiatives*

The education initiatives include internships, design management courses for senior managers in business, commerce and engineering, and accreditation of tertiary design qualifications. Education initiatives have been developed by a sub-group linked to the Tertiary Education Commission (TEC). Change will be brought about in a number of ways once these initiatives are developed further.

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<sup>3</sup>Representatives from the Design Taskforce, Better by Design Advisory Board, Better by Design Programme, and TEC were interviewed.

The design internships aimed at business and emerging undergraduate and graduate designers will shortly move from pilot to implementation stage offering better understanding of design and business processes to businesses and students. The academic forum projected for 2006 will open up knowledge sharing across design, commerce and engineering courses and consider how accreditation may apply to design qualifications. Profit by Design, the first design strategy and management course has been offered to assist in building awareness of the value of design to business managers. Research and development continues to be funding approved by TEC, through programmes<sup>4</sup> set up to develop the social networks to allow that research and development under funding with interagency coordination in this activity. The Taskforce saw the project initiatives to be unable to address the issues of research to the level in Finland where strategy had been centred around education and where a number of industries were using design more successfully than in New Zealand. The Taskforce started from a more pragmatic base by concentrating on other initiatives.

#### *6. Establish a design audit/mentoring programme*

Audit programmes assist businesses to assess their design capability and to consider how effectively they are using design. The audit teams make expert practical advice available to businesses regarding design communications and product development, through mentorships. While initially it was expected that larger companies would apply for audits, the applications so far have largely been from SMEs. This is relevant to the Report's objective of building questor companies that others may seek to emulate, where it proposed 'In the first five years, at least fifty existing businesses made internationally competitive through design leadership, generating an additional NZ\$500m per year in export earnings, growing at five times the targeted Gross Domestic Product to produce NZ\$1.5 billion by year ten' (Taskforce, 2003. p. 9). On the basis of the present response by largely SME companies, reaching that goal may require a greater number of companies rather than a few large questors, thus modifying the original Taskforce objective.

#### *7. Establish a design project programme*

Through this project, businesses are able to access design expertise for one short-term design project after their audit and see the benefits of design and design partnership in their business. For audited companies this first project can address some of the recommendations that have arisen out of the audit. Several of these projects are now under way.

#### *8. Establish design funding and financing assistance*

This programme offers financial assistance to permit more New Zealand businesses to employ design strategically through existing funding schemes for design investment and through subsidised internships. The initial funding from the Ministry of Economic Development has enabled the BBD programme to run successfully. However, the Government favours state and private partnerships and would ideally favour the programme being industry run in line with the policies of countries like Denmark (Ramlau, 2004, p.49). It is likely that there will always be a component of Government funding. Setting up a design agency is a future initiative of BBD that will require some level of private funding and be administered by a Government agency in this way. The Taskforce sought Government commitment to fund the priority initiatives over the first five years expecting that the scope, budgets and governance disciplines for each initiative would

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<sup>4</sup> The Growth and Innovation Pilot Initiatives (GIPI) set up to develop their capability to collaborate with business in the design, information and communication technology and biotechnology sectors are an example.

'be required to be further developed, challenged, refined and agreed by the stakeholders before committed funds can be drawn on' (p.51).

#### *9. Creating an international design cluster*

Besides earning export dollars, it was envisaged that these clusters would enable design professionals to compete internationally on large contracts and serve to promote New Zealand's international design reputation. No clusters have been established as a result of this initiative. It seems that they will arise indirectly out of raising the profile of New Zealand design, just as the recent successes of film director Peter Jackson and Weta Studio have done.

#### **Sustaining the momentum**

Taskforce initiatives, including The BBD conference, the Profit by Design business seminar and the design audits have had the support of a significant representation from the business sector. Attention needs to be turned to reaching the companies beyond this sector and the designers outside the audit teams, to understand the full potential of each in working towards the Taskforce objective of exploiting design opportunities in business more fully. Although recent Taskforce initiatives have heralded change, some in the business sector and visibly the SMEs cling to an 'ingrained make-do mentality', reflecting the way in which they prefer to use finance elsewhere in the business and undervalue the knowledge that could open up opportunities for innovation and development. (Taskforce, 2003, p.17)

According to some from BBD, the design profession's ability to provide enough designers with the required understanding of the business application of design required for audits may be inadequate if the audit initiative starts to grow significantly. However, from the outset, providing education and professional development for the design profession that may have helped to address this, was seen to be outside the scope of available funding for the project, other than through education initiatives, the results of which necessarily require a period of time to develop. That this situation should arise brings into question the emphases on relevant knowledge relative to design and business and contrasts sharply with other nations like South Korea where developing the design infrastructure was given much higher priority, in the form of a Government policy that fostered design standards, promoted a design environment through its design centre and design week, supported research and development projects and created innovation centres (Cho, 2004, p.16).

#### **Changing emphases on relevant knowledge within the fields of business and design**

Questions centre on the designers' understanding of discourses of business and businesses understanding of the discourses of the field of design. By using the term 'field', I make reference to Bourdieu's model of field meaning 'a network of objective relations' in which 'the positions and their interrelations are determined by different kinds of resources or capital' (1991, p.14 ). 'Capital' may take the form of cultural capital, the knowledge relative to practice in each field and economic capital, the means to fund the initiatives important to each field. The notion of capital is particularly relevant in attempting to understand the changing knowledge bases involved in moving to a more design-led approach to design and increasing designers' business awareness. It brings into question the 'habitus', the sets of dispositions that create practices and perceptions relative to a field. Through considering the habitus of the design field<sup>5</sup> (Bourdieu,

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<sup>5</sup> In Bourdieu's theory, Habitus relates to both individual dispositions and those generated within a field.

1990) and the business field respectively, the values attached to acquiring forms of capital relative to each field can be seen.

The changing emphasis on understanding the business interface to design underlined by the initiatives of the Taskforce is particularly pertinent, as participation in audits, by designers, calls for a better understanding of the field of business as well as high expertise in design. Similarly we are seeing the businesses that respond to the Taskforce initiatives, recognising the cultural capital relative to the field of design as important to support design development in their field, compared with the reliance on ‘do-it-yourself’ methods of the past which were regarded as a preferred option to seeking the cultural capital that designers could bring to the business field. This change in thinking is bringing about changing requirements for supplying knowledge in each field as the parameters of required knowledge are widened for each. Fundamental to this situation is the respect by those in each field for the contribution of external expertise to the other’s field. It calls into question how ‘business savvy’(Taskforce, 2003, p.5) designers need to be to be able to contribute to design led business and how design savvy businesses need to be to build their businesses. If these two fields are to become more interdisciplinary, there is a need for changing epistemologies in each. To achieve this change requires wide ranging changes in thinking that go beyond the scope of the Taskforce initiatives.

### **Government’s participation in promoting design in business.**

While Government funding of the Taskforce project involves committed funding for implementation of initiatives, it is possible that if there are changes in government, changes in policy may result that bring into question the continuation of the funding of these projects. Ideally, a sufficiently strong private sector funding stream is needed to ensure against this possibility. This will call for increasing support from the business sector where acceptance of the initiatives is presently not unanimous. A reversion to the neoliberal values expressed by business leaders like Roger Kerr of the Business Roundtable, who argue against Government partnerships with the business field (Ibbotson, 2005), could undermine the initiatives and gains so far. In the absence of Government led initiatives, this could effectively herald a return to reliance on the limited receptiveness of individual businesses to being design-led, a key to the poor performance that the new initiatives have been set up to address.

The Government has emphasised the importance of partnership in the Taskforce project stating that ‘it will succeed only if it is owned and invested in equally by the design profession, business and Government’ (Taskforce, 2003 p.11). The partnership is primarily shared by *representatives* from each party. To develop this tripartite grouping referred to by Government, beyond representation to widespread involvement, by participants in each field will be an essential objective if the fragility of the present project is to be replaced by fuller involvement from each party. The quality of that partnership will be fundamental to the Taskforce objectives and achievements. Nevertheless, given the scale and timeframe this is a remarkable achievement for both the design and business fields, and a reflection of the value of Government participation.

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