

Distinctively Public Sector: Leading Public Transformation

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Introduction

Je remercie les organisateurs de l'opportunité de me joindre à vous.

My role is to pull together common threads running through the symposium over the last two days. I will take a “distinctively public sector perspective.” This means looking at issues from the perspective of the role of the State, public institutions, and public servants whether they are elected or professional public servants.

Different Times, Different Ways

Governments are struggling to adapt to the fast changing landscape of the world we live in. They are facing issues of increasing complexity. These issues are multidimensional and respect no boundaries. They do not fit the silos we have created.

People in government are serving in a turbulent world, characterized by volatility, uncertainty and prone to risk of global and cascading failures. Les effets des crises dans un pays se font sentir à l'échelle de la planète, qu'il s'agisse de crises financières, monétaires, de dettes souveraines ou de pandémies. There is every reason to believe that the scale and frequency of such disturbances will continue to increase.

We live in a hyper-connected world. You are the first generation of civil servants to serve in a world where social media transforms issues and the context within which solutions must be found. We are experiencing the early stages of the digital revolution. Uber, the world largest Taxi Company, owns no vehicle. Facebook, the world most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory.

This is a *different world*.

We live in a disorderly world that displays growing frictions and less consensus on how countries can work together to address issues of international concern. Every day, people flee what Thomas Friedman calls “the world of disorder” at great risk to their life, only to find that the doors to the “world of order” are closed to them. This is not a local problem, it affects us all. There are more displaced people today than at any time since the Second World War.

Servir au 21^{ème} siècle, c'est servir à une époque en voie de profondes transformations technologiques, socio-economique et géo-politique. The role of public servants today may not be more difficult in absolute terms than that of prior generations of civil servants, but it is different. The old rules are breaking down. Some countries are rewriting them to their advantage, some are breaking them, and some are collapsing into tribal and sectarian civil wars.

Some of the public policies that served us well in the past are becoming unsustainable, unaffordable, or failing to produce the desired results. Le modèle de gouvernance qui a contribué au succès des pays de l'OCDE se révèle insuffisant pour faire face aux défis de l'heure. Conventional approaches are insufficient to face some of the challenges that lay ahead.

Welcome to the 21st Century

Challenges are also opportunities. The irony is that public institutions are showing signs of weaknesses and public servants are displaying a lack of confidence in their ability to find solutions to the challenges we are facing at the very moment we need them most to steer society through an unprecedented process of change.

Plusieurs raisons expliquent ce manque de confiance. Fifteen years of crises, ranging from financial crises, real estate crises, a great recession, sovereign debt crises, and the rise of civic unrest, have eroded public confidence in the capacity of public institutions to promote their collective interest. Trente ans de réformes visant essentiellement à réduire les dépenses et à accroître la productivité et l'efficacité des services publics ont générés une vision étroite et même étriquée du rôle de l'État.

We are at risk of losing sight of the big picture. Public sector leaders are called upon to steer society through an unprecedented process of change. Public institutions always play an important role, but in a period of rapid transformation, their role is of critical importance. Countries with public institutions fit for the challenges of this time will have a heightened capacity to influence the course of events in their favor and outperform others. The challenge for Canadian public sector leaders—the challenge you are facing—is to ensure that Canada will be among them. From that perspective, this is a good time to be in government. The demand for change has not been this strong for a long time.

C'est l'occasion de remettre en question les approches qui nous ont bien servies dans le passé, de repenser le rôle du gouvernement dans la société, et de re-conceptualiser l'administration publique en termes contemporains. This is a good time to challenge conventional ideas. We cannot solve today's problems by relying on the same ideas that gave rise to them in the first instance.

The key question for people in positions of responsibility in government is: *What do we need to do to ensure that the capacity of government to invent solutions will keep pace with the increasing complexity of the world we live in?*

Preparing Government Fit for the Time

Public Purpose Comes First

When much is in flux, when the ground is shifting and the future is uncertain, when things are getting moderately “unstuck,” this is a good time to rediscover some old truths and fundamental principles. One such old truth worth rediscovering is that public institutions do much more than administer laws, programs and provide services. They serve a public purpose. This is what makes them unique and valuable to society. This is what gives meaning to the actions they take and the decisions they make.

At the most fundamental level, the role of the State and of public institutions is to shape a better future and improve human conditions.

Although the private sector plays an essential role in ensuring a well-functioning economy and prosperous society, it does not bear the responsibility for ensuring the well-being of society or improving human conditions even when companies take their social responsibilities seriously and act as good corporate citizens. The market is the most effective way of allocating scarce resources.

La société civile joue un rôle de première importance pour bâtir une société innovante et résiliente. Mais, la société civile ne porte pas la responsabilité de générer les biens publics qui profitent à la société dans son ensemble ou que nous consommons collectivement.

Cela ne diminue en aucune façon l'importance de la contribution du secteur privé et de la société civile. Bien au contraire. Chaque secteur est unique et irremplaçable. Cette originalité leur confère toute leur importance. Governing is a search for balance. The public sector bears the responsibility to ensure that this balance serves the overall interest of society.

The first step to prepare government for the challenges that lay ahead is to appreciate the importance of the role of the State and to put its considerable assets to contribution for steering society through an unprecedented process of change. The next step is to regain confidence in the capacity of the public sector to invent solutions to the problems we are facing as a society.

Public Innovation

Conversations about innovation in government generally run somewhat like this:

- Innovation in government is inherently more difficult than in the private sector.
- Governments are constrained by rules, systems, procedures, and control mechanisms that act as barriers to innovation.

- The culture of the public service is risk-adverse and risk-avoiding.
- The political environment is hostile to innovation due to the short term orientation of political leaders.

As a result, public sector leaders are encouraged to take actions to dismantle some of the barriers and create an environment more favorable to innovation in government. Chacun de ces énoncés revêt une part de vérité mais ce n'est pas toute la vérité. Ces énoncés ne révèlent pas ce qui est unique au secteur public.

Pour aller plus loin, il faut distinguer l'innovation dans la fonction publique et les innovations publiques. *Public innovation is about generating innovative solutions serving a public purpose through the use of public means.* This has a number of implications.

The first implication is that public innovations result from the use of State authority. These innovative solutions would not exist without government and some form of government intervention. They require the use of public tools, ranging from regulation, taxation, spending or other means to transform ideas into reality.

Public innovations have shaped modern societies as we know them today. They have given us the rule of law, checks and balances for the exercise of power, public systems and infrastructures, including health and public education, and accountability for the use of taxpayer's money.

- The second implication is that governments intervene in the public sphere. Each intervention is designed to transform society and is intended to invent solutions to society's problems.
- Dans les années 90, le gouvernement de l'Afrique du sud a inventé et mis en œuvre une approche sans précédent de réconciliation nationale pour mettre fin à un régime d'apartheid. Les méthodes traditionnelles auraient augmenté les risques d'insurrections et de guerre civile.
- In the 1990s, the Government of Brazil put in place the largest transfer payment system in the world. It pulled millions of people out of poverty. The program was expanded in the early 2000s and became a source of inspiration for developing countries.
- Les États-Unis d'Amérique ont adopté en 2010 une approche différente pour assurer les soins de santé. Il faudra des années pour évaluer l'impact de cette réforme, mais les données disponibles révèlent que le programme a permis d'assurer des millions de personnes qui étaient précédemment sans protection et de réduire les coûts de santé.
- Governments, including Canada, are currently using monetary policies and quantitative easing (QE) in unprecedented ways to mitigate the impact of the 'great recession' with yet unknown long-term consequences.

Public innovations have distinct characteristics in comparison to any other kind of innovation. They require the use of the authority of the State. They take place at the most macro level, apply to society as a whole, and thus entail a high level of risk. Governments intervene with imperfect knowledge and no safety nets.

Public innovations do not happen in spite of politics or legal constraints. They derive their legitimacy from a mix of democratic principles, political leadership and the rule of law. Public innovations are vulnerable to system failures. Les lois qui confère la légitimité d'expérimenter à l'échelle d'un pays tout entier rend plus difficile l'adaptation lorsque les circonstances changent. Some public interventions will achieve the desired public outcome, some will work reasonably well, but produce unintended consequences that require adjustments, and others will fail.

When it comes to public innovation, government displays a high tolerance for risk-taking. The question becomes: *What can we do to improve the likelihood of success of government's interventions aimed at finding solutions to the problems we are facing as a society?*

Part of the answer is that public policy making is changing and must change. It is shifting from a decision-making process to something much closer to an experimentation process. This is what one of the panelists describes as "cognitive government."

A cognitive government entails opening the process for shaping viable policy responses to a diversity of influences. The process does not start with answers, but with challenging conventional ideas. It means designing problem solving and policy making approaches to explore in practice what works best in the contexts where these solutions must take hold. A cognitive government recognizes that policy making does provide definitive answers, but must build the capacity to adapt policy responses as needed. It requires mechanisms to monitor early results, capture new insights, learn, and course correct as needed. Adaptive rulemaking and policy making is an important asset to crafting solutions to the problems we face as a society.

The conventional way of thinking about policy making is the most important barrier to ensuring that the capacity of government to invent solutions keeps pace with the increasing complexity of the world we live in. This is because it sees policy decision as definitive answers rather than a step towards making progress. It sees policy decision and policy implementation as two distinct and separate parts when, in reality, they form parts of a single dynamic process of change.

The politics of policy making is difficult to change. Ceci dit, certains pays expérimentent agressivement avec de nouvelles formes d'interventions de l'Etat et de nouvelles approches y incluent un partage different des responsabilites entre governments, citoyens et sociétée.

Innovation in Government

Le secteur publique a un concept de risque qui est inversement proportionnel aux risques réels. Alors que les gouvernements démontrent une grande tolérance aux risques lorsqu'il s'agit d'innovations publiques à l'échelle de la société, ces mêmes gouvernements et leur fonctions publiques deviennent frileux lorsqu'il s'agit d'introduire des pratiques internes innovantes. Pourquoi? Pour approfondir la question il faut éviter de confondre tolérance aux risques et *intolérance à la critique*.

C'est l'intolérance à la critique qui mène à demander six signatures pour autoriser un voyage au Canada ou à mettre en place des politiques qui obligent des ministères qui gèrent des milliards à demander l'approbation de servir café et muffins à des visiteurs.

Le secteur publique opère sous haute surveillance. Il n'est pas possible d'échapper à la critique. Criticisms are inescapable and no system can be designed to prevent them. The public sector needs a higher level of tolerance to criticism and a more positive attitude. Some criticisms are useful and may lead to improvements. Some require targeted corrective measures. Many criticisms require no changes or apologies but a word of explication about current practices. The most damaging approach is to impose public service-wide controls in response to criticisms regardless of whether they are warranted. This reaction is at the origin of much of the red tape in government.

Plusieurs mesures peuvent aider à contrer cette tendance. Le Ministre a parlé de mettre sur pied un comité chargé de réduire le red tape et d'encourager la déréglementation. Cette approche qui a été utilisée pour réduire le fardeau réglementaire pour le secteur privé serait des plus utile à l'interne.

Public Sector Leadership

Leadership plays a key role in public transformation and preparing public institutions fit for the future. Public sector leaders have individual, shared, and collective responsibilities, and all three are important.

Individual Responsibilities

Public sector leaders are responsible for producing results, effective management of the programs and services administration, and getting the most out of everything and everyone under their authority. In any country, a small number of people have the legal right to use the authority of the State to generate results; this comes with heavy responsibilities. Public sector leaders display a concern for productivity and efficiency. *This is a spirit of performance.*

Shared Responsibilities

Public sector leaders are concerned with generating better public outcomes. An increasing number of results exceed the capacity of any single unit, organization or departments working alone. Public sector leaders have a shared responsibility to work with others across government and across sectors to bring about the desired public outcomes. This requires the capacity to work across multiple boundaries to pool knowledge, know-how, and capabilities from wherever they may reside. This reflects a *spirit of invention*. Our systems of accountability inadequately reflect this responsibility.

Collective Responsibilities

Public sector leaders share a collective responsibility for the overall performance of government and preparing the public service for the future. Ministers exercise their collective responsibilities through a Cabinet system. At the most senior level, the public service uses DM committees under the leadership of the Clerk, but this responsibility permeates at all levels. Public sector leaders are the stewards of the public service as an institution. They share a collective responsibility to leave behind a better institution than the one they inherited. *This reflects a spirit of stewardship.*

This is a demanding task. Preparing public institutions fit for the times and the challenges that lay ahead may be the most difficult challenge faced by people in government today, and their most lasting contribution to the future of their country.

Factor YOU

One of the most important factor in leading public sector transformation is what I call the 'Factor-You' of public administration.

Ce n'est pas le facteur-MOI, de l'intérêt individuel, mais le facteur VOUS comme agent de l'intérêt collective. The way YOU think about the role of government in society and about the public service as an institution has a significant impact on the solutions that will be found and the results that will be achieved.

A narrow view of the role of government reduces the range of options for government. Une vision de l'administration publique faites de structures, de systèmes et de régie interne manque de perspective. Elle perd de vue le plus important. L'administration publique tisse un lien entre l'État, les citoyens et la société qui permet de faire des choix paisiblement et les arbitrages pour faire progresser la société.

Public servants are *institution builders*. They take the world as it is and leave behind better institutions than the ones they inherited.

Public servants are *meta-system designers* and *public innovators*. Les actions des gouvernements transforment les interactions entre les sphères publique, privée et la société civile.

Public servants are *modern philosophers*. Their actions give meaning to concepts of citizenship, rule of law, a good life or a just society. Public servants are *humanists*, people who care about fellow human beings in their country and in the world.

Conclusion

This is a different time. This is a time when government is called upon to steer society through an unprecedented transformation.

This IS a good time to be in government.



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