

Distinctively Public Sector: The Case for a New Synthesis of Public Administration

Leadership for Change, Innovation for
Results: A New Synthesis

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Introduction

I have followed your work for many years, I have spoken at this event via telepresence with the help of CISCO and the organisers, but nothing replaces being here with you.

The organisers have been generous with me. We have time before the break to start the conversation, after the break to go into more detail and tomorrow to apply the concepts in practice during a breakout session.

Adding to my excitement, the theme of this conference, *A New Synthesis*, is the title of a book I wrote a few years ago. It doesn't get any better than this.

As one of the first speakers, I will be pulling together some of the threads running through the conference by sketching a "*distinctively public sector perspective*" on the theme of *leadership* and *innovation* to serve a public purpose.

There is a need for a *public sector narrative to lead public transformation*. Public sector leaders must re-discover what makes government and public institutions unique and irreplaceable to build a prosperous and well-performing society. This is needed to steer society through an unprecedented period of change.

In a word, we need a *New Synthesis* of public administration—one that brings together the contributions of government, citizens and multiple actors in society. One that can help practitioners think their way through the problems they are facing in practice and invent solutions to the problems we are facing as a society.

A *New Synthesis* does not provide answers, frames lines of inquiry. It is a map to guide exploration and discovery.

The map is not the journey. The journey can only take shape with people in the unique contexts and circumstances of the time. People in government today will invent new ways of governing and new approaches to address some of the intractable problems of our time. Their actions will have a significant impact on the overall performance of their countries.

Different Times, Different Ways

Governments around the world are struggling to adapt to the *fast-changing landscape of the world we live in*.

- People in government today are facing issues of increasing complexity. These issues are multi-dimensional. They respect no boundaries. They

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do not fit the silos that governments have created. Government must find solutions to issues ranging from an aging population, rising income and employment inequalities, climatic changes and new public threats.

- People in government today are serving in a *turbulent world* characterised by volatility, uncertainty and the risk of global cascading failures. Whether they were triggered by financial crises, real estate crises (as was the case in the USA), or sovereign debt crisis (as is the case in the EU), the impact of crises in one part of the world are felt the world over. There is every reason to believe that the scale, scope and frequency of crises in the future will continue to increase.
- People in government serve 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's largest taxi company, owns no vehicle. Facebook, the world's most popular media owner, creates no content. Alibaba, the world's most valuable retailer, holds no inventory. The dislocation generated by the digital revolution exceeds the absorptive capacity of many countries.
- We live in a disorderly world of growing friction and declining 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 the doors of "the world of order" are closed to them. There are more displaced people today than at any time since the Second World War.

Serving in the early part of the 21st century means serving in a post-imperial, post-colonial, post-autocratic and post-industrial world. It is serving in a period of deep socio-economic, geo-political, technological and environmental transformations.

This is a different world. In absolute terms, people in government today may not face challenges that are more difficult than the ones faced by prior generations of public sector leaders, but they sure are 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 war.
- Some of the public policies that served us well in the past are becoming unsustainable, unaffordable or are failing to produce desired results.
- The governance model that contributed to the prosperity of most OECD countries is showing signs of weakness.

- Conventional approaches are insufficient to generate viable solutions to the challenges that lay ahead.

New rules, new ideas, a new mental map and openness to different ways of doing things are needed. **Welcome to the 21st century.**

The role of government is more challenging than ever. The role of public sector leaders is more demanding than ever.

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

- Fifteen years of crises, ranging from financial crises, real estate crises, a great recession, a sovereign debt crises and the rise of civic unrest, have eroded public confidence in the capacity of public institutions to defend and promote their collective interest.
- Thirty years of public sector reforms focussed on the inner workings of government have generated a narrow and distorted view of the role of government in society.
- Discussions about reducing public spending have dominated the public discourse. This has overshadowed the importance of public goods for a well-performing society. These are the goods that we collectively consume and that benefit society as a whole. Not everything could or should be monetised or managed as a commodity. This includes an educated population, public health, public safety, clean air and clean water.
- Finally, and to be perfectly honest, people sometimes have reason to wonder if public institutions are indeed fit for the times or if the people governing them only have their own best interests at heart. Declining confidence in government and public institutions should be a cause for concern for all of us.

This is a challenging time, but the greater danger is that we risk losing sight of the bigger picture—that *public institutions matter*. No society can perform well without well-performing public institutions.

Public institutions always play an important role, but in periods of rapid transformation, their role is of critical importance. We live in such a time.

Countries with public institutions fit for the challenges of this time will have a heightened capacity to influence the course of events in their favour

and outperform others. The challenge for today's public sector leaders in government is to ensure that their country will be among them.

From this perspective, **this is a good time to be in government**. The demand for change has not been this strong in a long time and the stakes are high.

This is a good time to:

- re-think the role of government in society,
- re-conceptualise public administration from a contemporary perspective, and
- re-frame policy challenges from a different perspective.

The key question for people in positions of responsibility in government today 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?

Serving a Public Purpose

When much is in flux, when the ground is shifting and the future is uncertain, when existing ways of doing things are getting moderately "unstuck," this is *good time* to rediscover some old truths and fundamental principles.

One old truth worth rediscovering is that public institutions, public organisations and public servants do much more than administer laws, programs and 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 public institutions is to shape a better future and improve human conditions.

The public sector has a bottom line and it is measurable over time. The success of a country is not pre-ordained. It results from a multitude of actions, decisions and interventions that together set the trajectory of a country. The role of the state, government and public institutions is to ensure that this trajectory advances the overall interests of society.

The private sector plays an essential role. It contributes to a well-functioning economy and a prosperous society, but even when companies act as good corporate citizens and take their social responsibilities seriously, they do not bear the responsibility of ensuring society's well-being. The market is

the most efficient way for allocating scarce resources, but it is not self-regulating. Left to itself, the market cannot ensure improved human conditions. A market economy can perform equally well in a democratic society or under the rule of tyrannical regimes.

The civic sector plays an essential role in building a vibrant and resilient society. It plays an essential role in encouraging societal innovation. It builds social cohesion. However, civil society cannot be held responsible for ensuring the availability of public goods and the protection of common goods.

This in no way diminishes the importance of the roles of private and civil sectors. On the contrary, the private, civic and public sectors are unique and irreplaceable. It is this uniqueness that makes them the most valuable. **Governing is a search for balance.** Governments bear the responsibility to ensure this balance serves the overall interests of society.

The first step in preparing a government fit for the times and the challenges that lay ahead is to understand and value the role of the state and public institutions. This will ensure that the considerable assets of the state can contribute to steering society through an on-going process of change.

The next step is to regain public confidence in the capacity of elected and professional public servants to invent solutions to the problems we face 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 dismantle some of the barriers and create a more favourable environment for innovation in government.

Of course, there is some truth to these statements, but it is not the whole truth nor do these statements reveal the most significant factors. To go

further, we need to distinguish between public innovation and innovation in government. The former is by far the most important and the one that deserves the most attention.

Allow me to reframe the conversation:

Public innovation is about generating innovative solutions to serve a public purpose through the use of public means.

This is what public servants do for a living. They invent solutions to the problems we face as a society.

The first implication is that 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 of transforming ideas into reality.

These tools can be used to guide, cajole, encourage or reward certain behaviours. They can also be used to direct, command, coerce and ensure compliance.

The second implication is that governments intervene in the public sphere to invent solutions to the problems we face as a society. Government intervention and public innovation are related concepts. Government interventions, actions and decisions are deliberately designed to transform society and influence behaviours in a particular direction that is considered preferable for society.

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

- In the 1990s, the South African government invented a reconciliation process that avoided racial conflict and civil unrest during a delicate transition from an apartheid regime.
- The government of Brazil invented the largest transfer payment system in the world, pulling millions of people out of poverty.
- The USA has launched a new approach to health care that provides access to millions of previously uninsured people.
- Closer to us, many governments have used monetary policies and quantitative easing (QE) in unprecedented ways to mitigate the impact of the "great recession," with as-yet-unknown long-term effects.
- You can add to the list based on your own experience.

Government interventions transform society and change the course of events. They are designed to change behaviours. They transform the relationships between public, private and civic spheres.

Public innovations have distinct characteristics compared to any other form of innovation.

- They require the use of state authority.
- They take place at the most macro level and apply to society as a whole. Therefore, they entail a high level of risk.
- Governments intervene with imperfect knowledge and no safety net.
- 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.
- What gives public institutions legitimacy also makes them difficult to change. Public innovations are vulnerable to system failures because once they are imbedded in laws, public interventions tend to perpetuate themselves.
- Public innovations do not provide definitive answers. They must evolve to retain their relevance as circumstances change and new knowledge becomes available.

Some public interventions will achieve the desired public outcomes and provide considerable benefits to society. Some will work reasonably well, but will produce unintended consequences that require adjustment. Others will fail at great cost for society.

So, the most important question is not whether governments innovate. They do. The question is:

What can we do to improve the likelihood of successful government interventions aimed at finding solutions to the problems we face as a society?

Part of the answer is that the way we think about policy-making is changing and must change. It is shifting from a decision-making process to something closer to an experimentation process.

Improving the likelihood of successful government interventions means building government capacities to learn, adapt and course-correct as needed. This could be described as **cognitive government**.

- A cognitive government entails opening the process for shaping and inventing viable policy responses to a diversity of influences.

- Inventing viable solutions does not start with answers, but with challenging conventional ideas.
- It means designing problem-solving and policy-making approaches to explore what works best in practice and in the contexts where solutions must take hold.
- This requires mechanisms to monitor early results, capture new insights, learn and course-correct as needed.

Adaptive rule-making and policy-making improves the likelihood of successful government interventions. It does not guarantee that cognitive governments using these approaches will formulate the best answers in all cases, but they will be better than most at navigating rapid changes.

A particular challenge for government is learning to ‘scale down’ interventions. This means working with users or interested communities to test ideas on a smaller scale before implementing full-scale country-wide policies or programs. This requires a culture of experimentation to discover what works best in practice and to hold in abeyance, at least for the time being, preference for a particular way of achieving desired public outcomes.

The greatest barrier to ensuring that government’s capacity to invent solutions keeps pace with the increasing complexity of the world we live in is conventional thinking about public innovation, policy-making and public administration.

We need a different mental map. A New Synthesis is a different way of thinking and an openness to different ways of doing things to improve the likelihood of successful government interventions.

Let me now turn to the other theme running through this conference, “leadership for change,” from a public sector perspective.

Public Leadership

Leadership plays a key role in leading public transformation.

In any country, a small group of people have the legal right to use the authority of the state to generate results. You are among them. This comes with heavy responsibilities. Public sector leaders have individual, shared and collective responsibilities; all three matter.

Public sector leaders are responsible for the organisation they lead, the program they administer and the services they provide. They must ensure the effective management of programs and services. They are accountable for the use of taxpayer’s money and the exercise of delegated authority. They operate under strict rules and under intense scrutiny. They serve under

difficult conditions. Public agencies are struggling to meet heavy demands with limited or declining resources.

Public sector leaders display an on-going concern for productivity and efficiency. *This is a spirit of performance.* It is a demanding task to generate continuous improvements; but there is more.

The responsibilities of public sector leaders do not stop at the frontiers of their organisations. Public sector leaders must be concerned with producing better societal results. The results that people care about exceed the capacity of any single agency working alone. Public sector leaders have a shared responsibility to work across government and across sectors to bring about desired public outcomes. This requires the capacity to work across boundaries, to pool knowledge, knowhow and capabilities wherever they may reside and to generate viable solutions. *This reflects a spirit of invention.* Government actions and interventions bridge our current reality and the world as it could be by making better use of existing assets; but there is still more.

Public sector leaders share a collective responsibility for the overall performance of government and for building society’s capacity to prosper in all circumstances and adapt to the fast-changing landscape of the world we live in.

They are stewards of the collective interest on good days and in times of crisis. They have a collective responsibility to prepare public organisations and institutions for the challenges that lay ahead and to prepare society to be ready for the future. *This reflects a spirit of stewardship.* Preparing institutions fit for the times may be the most difficult challenge and the most lasting contribution of today’s public sector leaders to the future of their country.

Conclusion

In closing, let me say a few words about one of the most important factors in leading public transformation and preparing public institutions that are fit for the times: I call it the Factor-YOU of public administration. You are not separate from the change process you are leading. **You are part of it.**

The way you think, the way you frame an issue and the way you view the role of government in society has a direct impact on the results that will be generated and the solutions that will be found. A narrow view of the role of government reduces the range of options open to government. Framing an issue can open up possibilities or encourage the contributions of others. Government programs can be designed in ways that create dependencies or encourage mutuality and shared responsibilities.

Public sector leaders deserve our respect and all the help we can give them. The New Synthesis Initiative was launched to support practitioners: people who accept, for a time or for most of their careers, to shoulder the heavy responsibility of serving their fellow citizens.

The *New Synthesis Initiative* was launched to support practitioners by providing a border mental map and tools to explore the expanding range of choices open to them for inventing solutions to the challenges they face in practice.

This is a different time.

It is a good time for a “distinctly public sector” view of public administration, not out of arrogance but out of a deep conviction that it is the public sector’s uniqueness that makes it most valuable for society.

This may be *the best time* in a long time to search and forge a new balance between the role of the state, market and civil society to propel society forward.

This IS a good time to be in government.



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