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STRENGTHENING GOVERNMENT CAPACITY FOR POLICY DEVELOPMENT*

Summary

The present paper focuses on the improvement of governmental policy development capacities in respect to critical, future-shaping decisions. A synergetic selective-radical modular improvement strategy is recommended. The dependence of policy development quality on politics must be recognized, with some adjustments of politics being essential for improved policy development, though this paper concentrates on non-political aspects. Contrary to prevailing trends, Governments will continue to engage in pivotal higher-order tasks - policy-making on critical issues being one such task and a most important one - that significantly influence collective futures. Therefore, policy development improvement is imperative. However, because of possible misuse, such improvements should be accompanied by efforts to make government more moral and more accountable.

As a basis for operational improvement proposals, a model of high-quality policy development is presented, including 16 main attributes: (a) thinking in terms of grand strategies and "great enterprises", with emphasis on realistic visions; (b) allocation of attention giving priority to critical choices; (c) extensive creativity in inventing and designing novel and better options; (d) good understanding of deep historical processes; (e) thorough self-comprehension, within dynamic environments, with outlook towards the future; (f) long-term horizons; (g) considerable sophistication regarding

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uncertainty; (h) a systems view; (i) an approach steeped in moral reasoning, value analysis and a search for goals; (j) "debugging"-type orientation; (k) intense concern with resources; (l) focus on institutions, with attention to legal dimensions; (m) a point of view distinctly non-political, but politics-knowledgeable; (n) an approach relying on and encouraging societal policy-related thinking of a pluralistic type; (o) much attention paid to crisis management; and (p) eagerness to learn.

On the basis of the model, six main headings for improvement principles are identified: (a) professionalization; (b) culture; (c) structures; (d) inputting into actual policy-making; (e) constant evaluation and feedback; (f) better utilization of available experiences and production of new knowledge. These, in turn, are transformed into operational improvement recommendations, subject to selection and adjustment fitting particular situations.

What is really needed is a revolution in policy development, within redesign of policy-making and capacities to govern as a whole. Even though currently available knowledge is inadequate, present policy development practices can be significantly improved, *inter alia*, through the proposals set out in this paper, if the will to achieve such improvement exists or can be stimulated.

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I. APPROACH AND APPLICABILITY

1. The aim of the present paper is to help Governments strengthen their policy development capacities. For this purpose, a model of high-quality policy development is presented, principles for moving in its direction are detailed, and operational improvement recommendations are offered. This is done on the basis of experience and knowledge as applied to the subject and processed into a practice-oriented format. Accordingly, theoretical discourse, as well as references to the proliferating literature dealing with the subject, is avoided in this version of the paper, with a few exceptions. 1/

2. However, much care must be taken in discussing policy development improvement so as to ensure that the discussion fits the distinct cultures, traditions, values, needs, situations and resources of different countries. Thus, policy-making in Japan is different in important respects from policy-making in the United States of America, though both are highly industrialized societies. Policy-making in highly industrialized societies on one hand and that in very poor countries on the other are even more dissimilar. Different political regimes shape policy-making into quite different forms; and policy-making in relatively stable countries is not at all comparable with policy-making in countries undergoing radical transformation up through mutation. Therefore, generalizations must be avoided and transplant structures and processes that work well within one context should not be rashly transferred to quite different ones.

3. The same model of high-quality policy development fits most countries as long as one focuses more on professional, administrative and technical aspects and not on political ones. Therefore, quite a number of improvement approaches are in principle valid for most countries. Also, it is possible to provide a set of policy development improvement recommendations different elements of which can be applied in mixes suiting specific situations; but, always, much additional work is needed to tailor-cut policy development improvements to fit the requirements of specific countries at given phases of their history - a task that goes beyond the mission of this paper.

II. IMPROVEMENT STRATEGY

4. Decision-making, policy-making and policy development are pervasive processes diffused throughout governance. Therefore, their features are influenced by a very large number of diverse factors, ranging from the personal

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characteristics of top-level politicians to the ubiquitous features of social, political and organizational cultures. It follows that policy development can be improved in many ways which influence the various factors shaping its features. Indeed, it is hard to imagine any political and administrative modification that does not bring about, directly or indirectly, changes in policy development. Therefore, whenever modifications in political and administrative systems are under consideration, their impact on policy development should be explicitly taken into account.

5. However, when improvement of policy development is the main goal of administrative and political reforms, to be effective and efficient in utilizing scarce improvement resources, improvement endeavour should focus on key variables exerting a major impact on the quality of policy development dealing with critical future-influencing issues and domains.

6. Sometimes, relatively minor "incremental" changes can bring about significant improvements in policy development. However, taking into account the demanding nature of required improvements in policy development on the one hand and the strong inertia often characterizing core features of actual policy-making behaviour on the other, radical innovations are often required in order to bring about significant improvement in policy development.

7. The necessity for appropriate improvement strategies is further accentuated by the basic predicament facing policy development improvement efforts: countries most in need of far-reaching policy development improvement often suffer from an extreme scarcity of the resources needed for such improvement, ranging from cultural requisites to human assets. Difficulties in transferring policy development resources from country to country add to this difficulty. This predicament is further accentuated by the global scarcity of some of the most critical resources needed for significant policy development improvement, such as highly qualified policy professionals. Investment of much effort in developing the resources needed for policy development improvement, on the local, regional and global scale, is therefore urgently recommended.

8. To maximize the impact of scarce improvement resources on the quality of policy development, a strategy lying between incrementalism, which is often useless, and overall policy-making systems reform, which is frequently impossible and often overwhelmed by other considerations, is required. Therefore, to achieve maximum improvement of policy development under most circumstances, a reform strategy of synergetic modular selective radicalism is recommended. In this strategy, efforts focus on a manageable number of directed changes, each one of which is radical enough to bring about significant

improvements in policy development. The changes are modular, dealing with different critical factors shaping policy development quality; but they should form clusters that interact synergetically, adding up to radical upgrading of policy development where it matters most.

III. DEPENDENCE ON POLITICS

9. Relations between "politics" and "policy" (a distinction hard to express in many languages that lack these separate terms) pose a serious difficulty to improvements trying to make a real difference. To put it frankly, politics is at the core of policy development and conditions all of it. Therefore, purely administrative approaches to policy development are often of very limited use. Even when administrative structures enjoy much autonomy in proposing and implementing policies, really important policy issues are dominated by politics - all the more so in the many countries that do not have coherent and relatively autonomous senior civil services or separate administrative agencies. In such countries, policy development and its improvement cannot be usefully discussed and undertaken in isolation from politics.

10. In other words, policy-making reforms and political reforms overlap and are mutually dependent, all the more so because policy development is ultimately aimed at choice, allocation of political will and other resources, and implementation, and these are largely political processes depending on overall capacities to govern, especially when important decisions are at stake. However, political reforms are outside the scope of "public administration and development". They involve issues much broader than policy development and largely depend on values and cultural preferences beyond the reach of professional advice as rendered in this paper.

11. To overcome the dilemma, I deal in the main with policy development in a narrow sense, focusing on the professional preparation of options, analyses and recommendations for political deliberation and choice. However, this widely used strategy must be accompanied by full recognition of the crucial role of politics for policy development. Unless politics fulfils a number of requirements, such as absence of overall corruption, limits on dogmatism, and willingness to give "professionalism" an important role in policy-making, significant policy development improvement is impossible.

12. Political reforms are beyond the scope of this paper, however necessary they may be in a number of countries as a precondition of policy development improvement. However, in terms of the achieving of significant improvement in policy development, this paper takes up some adjustments in political elements

that do not depend on values, cultures or ideologies but are critical for policy development improvement - otherwise, a "black hole" remains that is sure to swallow all improvement efforts, which will consequently be in vain.

IV. THE IMPORTANCE OF POLICY DEVELOPMENT

13. The main contemporary government reform approaches downgrade the importance of governance as a whole, including policy development. The double argument for doing so claims, first, that inherent "government failures" set up rigid barriers against efforts to upgrade capacities to govern, including policy development, and, second, that other processes are available that can handle governmental tasks much better, particularly those of markets and civic society.

Therefore, so this argument concludes, efforts should concentrate on reducing the tasks of Governments and on transferring governmental functions to markets and civic society, instead of trying in vain to upgrade capacities to govern, including policy development.

14. This line of thinking has some validity. Governments are overloaded with tasks far above their maximum capacity. Moreover, many tasks and functions usually carried out by Governments can frequently be better performed by markets and civic society. Getting rid of governmental overloads and utilizing non-governmental structures and processes whenever this is justified in terms of values and effectiveness therefore represent a correct line of governance redesign. However, this should go hand in hand with upgrading the core tasks of Governments, which, in terms of both values and effectiveness, only governmental systems are entitled to fulfil and capable of fulfilling, including policy development.

15. Concomitantly, in considering divisions of authority and labour among different levels and forms of governance and among governance and other social actors, widespread and correct tendencies to devolve tasks to local governance and to non-governmental organizations must be balanced by the recognition of the core tasks that can and should be fulfilled only by central national Governments. Furthermore, because of changes in the economies of scale, modern technologies and multiple globalization drivers, some important governmental tasks must be moved to levels of governance above national ones, as illustrated in the European Union, including strengthened global governance. 2/

16. Making collective critical choices that will significantly impact shared futures is a pivotal core task of Governments. According to nearly all political ideologies, only legitimate Governments are entitled to make such

choices; and in terms of effectiveness, only Governments, or institutions serving de facto as Governments, are capable of making and actualizing such choices.

17. Therefore, an essential distinction must be made among service, delivery and management functions of Governments and "higher-order tasks" of Governments.

The service, delivery and management functions constitute quantitatively the bulk of governmental activity, but qualitatively they are not the most important ones. The higher-order tasks of Governments are quantitatively relatively small when compared with the service, delivery and management functions, but they are crucial. Particularly important are higher-order tasks dealing with the resetting of collective trajectories into the future through choices that, in essence, constitute "interventions with history".

18. Often, these two types of governmental tasks merge, with some activities falling between service, delivery and management functions and higher-order tasks. However, major future-influencing choices are quite distinct from service, delivery and management functions. Illustrations of such choices include decisions on the political and constitutional regime; large-scale physical and infrastructure projects; mega-policies making large-scale changes in education, poverty, external relations, science and technology, and so on; and decisions on the division of labour between government and markets, including regulation of the latter. Development policies, if seriously undertaken, belong squarely among the higher-order tasks of Governments.

19. True, the future is the product of necessity, contingency, chance and choice, with collective human choice through governmental decisions and actions being only one of the shapers of things to come. Also true is the fact that the effects of governmental choice are often quite different from the desired ones, including many unexpected and contrary-to-expectation-type outcomes, as well as undesired and contrary-to-desire-type ones. However, deliberate human choice exerts an increasing influence on future realities, thanks largely to science and technology together with modern forms of organization and action. Therefore, improvement of governmental choice is imperative.

20. It is interesting to speculate on the fact that the vast proportion of thinking and action on "reinventing government", or "deinventing government", 3/ deals nearly exclusively with the service, delivery and management functions of government. This may be the case because of the vast costs of the service functions, combined with the need to cut public expenditure; because of fashions and fads, which strongly influence governmental reforms as all other human activities, including many that downgrade the importance of governance and

therefore tend to ignore its higher-order tasks; because of lack of good ideas on how to upgrade the higher-order tasks; and because of the political sensitivities awakened by the taking up of improvements in the higher-order tasks, in which domain, as noted, politics commands. An affinity for markets may also compound the tendency to concentrate on governmental functions that can perhaps be moved to markets, while ignoring those, however important, that clearly can be performed only by Governments. Widespread feelings of inadequacy in performing higher-order tasks may also motivate senior politicians to downgrade those tasks while putting the responsibility for problems that they do not know how to handle on markets and other "hidden hand" processes.

21. Whatever the mix of reasons for the neglect of the higher-order tasks of Governments in improvement endeavour may consist in, this neglect must not be permitted to prevail. In terms of societal and global futures, it is these tasks of government that are the most crucial ones. Therefore, a main goal of major administrative and governance reforms should be to achieve more compact government, by concentrating on ensuring that higher-order core tasks are well performed, while letting other structures initiate and manage most service, delivery and management functions. Among the higher-order core tasks of Governments that need much strengthening, policy development, policy choice and policy implementation overview are the most crucial. Policy development improvement should in turn concentrate on governmental choices that may have a significant impact on collective futures.

22. To do the above requires going beyond mainstream concepts of "efficiency" and "effectiveness", and focusing instead on what can be appropriately termed "future-influencing capacities", that is, on the capacity to influence the future in such aimed-at directions as change with time, through governmental choice. It is the main mission of policy development improvements to upgrade the capacity of Governments to influence the future in desired directions through deliberate choice.

23. However, upgraded governmental capacities to influence the future, thanks, inter alia, to policy development improvement, raise the spectre of the misuse of such capacities, involving changes for the worse, including the advancement of evil. If therefore, one assumes that all government is morally bad, such an endeavour should be avoided. My assumption and findings are different: many Governments try to advance the prospect of a better future for their societies, though often they do not know what this is and how to achieve it. Therefore, I recommend, as morally justified, efforts to improve policy development.

24. Still, possibilities of misuse must be recognized. Therefore, improvement

of policy development should be accompanied by both local and global moral upgrading of Governments on the one hand and safeguards against misuse of governmental capacities on the other. Increased transparency and accountability of government are an important step in this direction. However, more is required, such as some move of the prevailing public values from raison d'état (State's right) to raison d'humanité (humanity's right) and greater emphasis on virtue in Governments. This paper will necessarily deal mainly with the instrumental aspects of policy development improvement; but the moral dimension, which in many respects is much more important, should be kept in mind.

V. A MODEL OF HIGH-QUALITY POLICY DEVELOPMENT

25. To guide policy development improvement, a model of high-quality policy development is needed, including the following 16 main attributes.

1. Thinking in terms of grand strategies and "great enterprises", with realistic visions

26. The main task of high-quality policy development is to provide professional help in terms of statecraft's attempt to influence collective trajectories into the future, so as to decrease the probability of bad futures and increase the probability of good ones, taking into account that these concepts may change in time. This requires thinking in terms of grand strategies and great enterprises, with emphasis on realistic visions.

27. Related to this is the need to focus, in part, on great enterprises, 4/ in the sense of large-scale and long-term endeavour to influence evolution towards a better future. To do so, high-quality policy development needs to take account of historical and theoretical conjectures concerning the rise and decline of nations, the long-range impacts of revolutions, the successes and failures of development, the breakdown of societies and civilizations, and the fate of any other "great policy endeavour".

28. Realistic visions, and sometimes nightmares, in addition to the normal practice of starting with the present and working forward, are necessary to provide better links between long-range policies and immediate decisions. They may also be highly valuable in mobilizing support for painful policies. 5/ Therefore, preparation of alternative realistic visions is an essential and important part of high-quality policy development.

2. Allocation of attention giving priority to critical choices

29. A main weakness of actual policy-making is misallocation of attention, with urgent issues being given priority over important ones and with many dangers and opportunities not being considered in time. Therefore, changing allocation of attention so as to give priority to critical issues and choices exerting significant influence on societal futures is a main need.

3. Extensive creativity in inventing and designing novel and better options

30. A main difficulty faced in making a choice is the lack of good alternatives. This is increasingly the case, with options provided in the past fitting novel problems, new demands and shifting situations less and less. Therefore, policy option creativity is often the single most important feature of high-quality policy development.

31. Policy creativity depends on the capacity to change one's mind; but often much more is required, extending to critical re-evaluation of accepted policy paradigms and iconoclasm in respect of respected policy orthodoxies. This requirement is very hard to satisfy within standard governmental organizations. Therefore, the requirement for much creativity has far-reaching structural implications, leading to the need for non-bureaucratic and relatively unbound policy development units and processes.

4. Good understanding of deep historical processes

32. In order to influence the future in desired directions, it is necessary to interfere effectively with historical processes. To do so, the dynamics of deep historical processes must be understood as far as possible. Therefore, improvement of policy development requires maximum effort to understand deep historical processes as changing with time and as being influenced by current, unprecedented phenomena.

5. Thorough self-comprehension, within dynamic environments, with outlook towards the future

33. Concomitantly, correct self-understanding, within dynamic environments, is a must. This understanding should take the form not of static "estimates of the situation", but rather of "estimates of dynamics and processes", with emphasis on outlooks into the future that fully recognize uncertainties. Special attention should be paid to discontinuities, to possible shifts and mutations, and to surprise-prone domains.

34. Very hard to satisfy are the cultural and psychological preconditions of self-understanding and looking from outside oneself. To improve self-estimates within dynamic perspectives, as fundamental to high-quality policy development, requires some considerable capacity to "exit oneself" and to look coldly upon what are highly emotional, "red hot" issues. It also requires a capacity to analyse highly sensitive issues without causing political fiascos.

6. Long-term horizons

35. All the difficulties of understanding historic processes and of seeing and foreseeing oneself correctly within dynamic environments are compounded by the necessity to do so within long-term horizons, with their proliferating uncertainties. However, without considering policies within long-term horizons, say, 20 to 50 years and sometimes more, it is often impossible to improve the capacity of policies to have more impact for the better on the future.

7. Considerable sophistication regarding uncertainty

36. The requirement to consider issues within long time-frames further aggravates the problem of uncertainty, with much of the future being not only uncertain but inconceivable. However hard this characterization may be to accept, because of rampant uncertainties all major decisions constitute "fuzzy gambles with history".

37. Overstatement should be avoided: many consequences of important policy options can be predicted with a high degree of reliability, subject to the assumption that other main factors do not "jump