This paper is concerned with the development of human resources to increase policy capacity in the public sector. It is understood that the capacity of the State also includes other aspects such as the knowledge and skills necessary to deliver public services and manage financial and capital resources in government. Here, we focus the attention on the challenges and the alternatives for improving the public sector staff’s competencies to conduct different phases and mental operations throughout the policy cycle. Our discussion advances three arguments: first, that developing policy capacity demands focusing on the individual’s competencies and that such people-oriented approach is a crucial factor for achieving successful reforms. Second, that conventional means for developing competencies, i.e. traditional training and development methods, are not enough to adapt present policy capacities to demands of ever changing environments. Thirdly, that human resource development for building policy capacity requires action in at least three interrelated areas: the internal practices regarding the management of the human and intellectual capital of public organizations, the institutional frameworks under which the different activities of the policy cycle are performed and the responsibilities that the national institutes or schools of public administrations have to embrace in order to support an adequate relation between competencies demand and supply in the public sector.

In the first section, the meaning of policy capacity and the main stages of the policy cycle are reviewed. In the second, the relation between human resource development and policy competencies is examined. Some alternatives for facing the challenges of human resource development for capacity building are proposed in the third section. Finally, the forth section contains some concluding remarks.
I. Capacity building and policy capacity

The role of the State was deeply redefined during the last years of the XXth century. Although it is recognized that it still has a pre-eminent role in economic and social development, it is also assumed that the government capacity to deliver results is limited, and that the civil society and the private sector have also responsibility in achieving collective goals. Therefore, it has been extensively argued that the State should adopt the role of a partner, catalyst and facilitator of development (World Bank, 1997). Besides, the concept of “new governance” stresses the interdependence, partnership, networking between state, private sector and social organizations as necessary conditions for the steering of the contemporary society toward the desired goals. In the past, after the fiscal crisis of the social states, the reforms, induced by the fiscal adjustment policies, pointed at the government size and downsizing, cutbacks, privatization of public enterprises and lay off a large number of public servants were carried out. However, in recent years it has been recognised that rightsizing of the state, according to the different social contexts, more than the simple downsizing is the formula of the public success and also that sustainable social / human development requires effective government performance.

Facing those new challenges, in Latin America there is a growing consensus among governments about the need of a complex set of reforms. These ideas are reflected in the documents signed in Santiago (April, 1998), the so called “CLAD consensus” (October, 1998), and, more recently, by the “Santa Cruz Consensus” (resulting from the “V Latin American Conference of Ministers of Public Administration and State Reform”, June, 2003). Among other issues, Santa Cruz emphasized:

- The necessity and convenience of looking for political and social consensuses in the design and implementation of innovative administrative policies. This is justified since in Latin America the administrative reform cannot be a technical initiative of an elite or modernizing group and must be articulated with basic national political agreements of support.
• Administrative reform must be understood as a crucial component of the strategic vision of a country, if governments want to become an agent of society success in the XXI Century.

• The most relevant result of the V Conference, resulting from an initiative from UNDESA, is the “Latin American Public Function Chart”. The premise of the chart is that professionalization of the public function is an essential condition to strengthen the directive capacity of the State and governance of the democratic system. To achieve this, there must exist a good relation between government officials and citizens, structured around the principles of equal treatment, honesty, transparency and efficient and quality of performance and services.

• Santa Cruz’s theses converge with those of Santiago and CLAD, as the former have stressed the necessity of a people-centered approach and of constructing an administrative system characterized by the competence of the public employees and its scrupulous observance of legality.

Consequently, one of today’s main issues in development is enhancing State Capacity.¹ In this respect, one of the most important deficits in many countries involve “knowledge gaps and information problems”, that in a great extent explain policy weakness (World Bank, 1998). In developing and transitional countries, such problems were worsened by the economic, social and political crisis that began in the 70s and by the presence of patrimonial governance systems (that stressed loyalty to the leader rather than rationality and merit in policy-making).

A key element in adapting present State capacities to the new roles demanded from governments is the need to reshape and reinforce policy capacity. The policy capacity of the State refers to the ability of public sector’s executives to make and implement policies. This concept relates to the government’s internal coherence and expertise that, in the final

¹ Capacity is understood as “the ability to perform appropriate tasks effectively, efficiently and sustainably” (Hilderbrand & Grindle 1997: 34). It has been argued by many commentators that capacity has many dimensions and that it depends on both, internal management (organizational models, processes, resources, management styles, human resources, etc.) and external factors (institutional context, policy networks, general economic, social and political trends, international pressures, etc.).
analysis, determines its success in performing policy functions. Policy makers face entirely new environments that cannot be properly managed with the kind of capacities on which they traditionally relayed.\footnote{This paper does not adopt the approach proposed by Barzelay (2000). Barzelay’s approach is based on an ex-post identification of the determinants of public management reform policies in different countries. Here, we adopt a management perspective, focused on increasing the capacity of governments to develop policy and not a policy approach intending to explain the policies options adopted in the past. This paper also trascends the classic discussion about the creation of civil service systems: whatever the type of civil service implemented in a country (e.g. career based, post-based, etc.) the need to strengthen the policy competencies of civil servants is a common responsability.} The pressures for change demands new behaviours and skills from the people that work within government, in order to fulfil new social roles.\footnote{The uncertainty surrounding the public sector and the well-known “pathologies” of the bureaucratic model of organisation and management (Merton, 1957) had the combined effect of reducing the job security, welfare and increasing the demoralisation of the civil servants (ILO, 1995). These are challenges that building policy capacity has to face.}

The concept of public policy has been defined in several ways. Here, we understand public policy as a process aimed to solving public problems, a public problem-solving process. Such process includes several interdependent stages that can be displayed chronologically but that really suppose different analytical and practical operations that every policy developer has to perform. Those stages have been divided and named differently by different authors. However, there is agreement about the following stages of the policy cycle:

i. \textbf{Agenda setting}: the process through which certain social events or situations become considered public problems, that is, issues that deserve government’s attention and action.

ii. \textbf{Problem definition}: consist in the identification of the components or attributes, impacts (span of actors affected, potential for propagation, severity of the damages provoked and others) and causes of a problem. It implies constructing a definition that makes the problem manageable.

iii. \textbf{Formulating options}: refers to the process by which policy options are constructed within government. This formulation is influenced by the accepted definition of the problem and the values of the political and administrative culture that are shared by society and government.
iv. **Adoption of a policy option**: it refers to the means for appraising and choosing among options. It is related to the values and technical criteria that allow prioritizing and making the final choice.

v. **Policy implementation**: it is understood as the process through which the policy objective is carried out, that is, it refers to the transformation of social reality aimed at reaching the desired or preferred situation that reasonably resolves the problem or, at least, reduces its damaging effects.

vi. **Evaluation**: taking into account that the criteria, units and purposes of evaluation can be multiple and must be clarified and agreed, this stage is understood as 1) the process to perform a diagnosis of the development and execution of a policy in order to identify achievements, delays, deviations, models of operation, etc., aiming to implement the necessary adjustments; or 2) the process to perform a final appraisal of the developed policy in a precise moment in time that stresses the measure or identification of policy results achieved (staff performance, quality attributes, social impact, etc.). Such results, processes and policy design are also reviewed in order to decide the continuation, reform or termination of the policy being evaluated.

Government’s performance in each of the mentioned phases greatly depends on the knowledge, skills and personal attributes of the people that are actually involved in performing each one of them. Therefore, policies that increase the potential of the human capital in the public sector are crucial. These policies must be explicit and directed to recognise the personnel’s role in the public domain and to develop their knowledge and skills (competencies). Many efforts of reform in the past, sometimes referred as New Public Management, have been of dubious success because of their excessive concern with structures, procedures, systems and with the administrative value of efficiency. Today, there is a growing consensus around the idea that public sector capacity-building must be “people-centred”. This means that the changes have to be citizen-oriented and consider
public personnel as an internal-client. Relating to the former, it means focused on the intellectual, moral and civic capital of the people working in the public sector and dedicated to the fulfilment of public goals.

II. Human Resource Development for building policy capacity

Human Resource Development (HRD) is concerned with the provision of learning, development and training opportunities in order to improve individual, team and organizational performance. Therefore, the HRD function within the public sector is crucial to develop sustainable policy capacity.

Closely related to HRD is the idea of competency, which has become popular in countries such as the UK, Canada and, more recently, in some developing countries such as South Africa and Mexico. Nowadays, what is asked from the policy process is not just to be legal, rational and respectful of the citizen’s rights, but also that creates valuable results. Therefore, policy making is not just about deciding among multiple options but is also about achieving desirable social impacts. That is why the concept of competency becomes relevant to the public sector. It is attractive because it links the staff’s knowledge, skills and personal attributes with organizational performance.

Boyatzis defines competency as a capacity that exist in a person that leads to behaviour that meets job demands within the parameters of the organizational environment and that, intern, brings about desired results (Boyatzis, 1982). Therefore, the policy process requires

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4 The key elements according to several authors are: a) learning: defined as a sustained change in behaviour that occurs as a result of practice or experience; b) education: the development of knowledge, values and understanding required in all aspects of life rather than the knowledge and skills relating to particular activity; c) development: improvement of a person’s ability and potential through the provision of learning and educational experiences, and e) training: the planned and systematic modification of behaviour through courses and programmes which enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively.

5 “The major difference between competency and traditional approaches to people management is that the former stresses inputs, including behavioural characteristics of staff, and the later outputs and performance on the job. […] [Competency Based Management] CBM also represents a cultural change towards greater employee self-direction and responsibility and the search of excellence rather than standard performance. The claim advantage of the competency approach is that there is a consistency in identifying and measuring people quality at all stages in the employment cycle. It also identifies skills, motives, personality characteristics and other attributes which give rise to performance and differentiated poor, average, and superior performance” (Horton, 2000: 3-4).

6 Some sources make a distinction between the concept of competency and competence.
that public officials exercise different and specialised competencies in order to achieve policy results.

Policy Competencies

It is difficult to determine what is “good” policymaking, in other words, what is a “well performed” policy agenda setting, designing, implementing and evaluation. This problem derives from the fact that in many circumstances the success in solving social problems does not depend only on the efforts of a single organisation but of a multitude of them, and also because the results are influenced by factors outside the control of policy makers. Therefore, is even more difficult to establish a straightforward set of competencies necessary to deliver good policies. Taking into account these limitations, there are certain accepted characteristics of a good policy: a) is rational, in the sense that the chosen means have a high probability of delivering the desired and declared goals and objectives; b) legal, that is, does not contradict the existing legal provisions and respects the basic entitlements of the citizens; c) feasible, that is, the instruments selected are not so costly (in terms of money, time, and human costs) as to make them impossible to recur to, and d) political viability: in the sense that policies are not irremediably blocked by citizens or interested stakeholders. There are certain competencies that are linked with these features7:

i. **Forward looking**: Set clear objectives and takes into account long term social, economical and political trends.

ii. **Outward looking**: extensive knowledge of the policy environment (institutions, actors, networks and their dynamics) and capacity to develop a local, regional and international policy perspective.

iii. **Expert thinking**: knowledgeable use of policy-making principles, tools and legal frameworks, numeracy, historical policy perspective and higher analytical skills.

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7 Some of these competencies are taken from Cabinet Office (1999).
iv. **Awareness of resource scarcity**: a realistic account of the available resources (financial, human, of legitimacy, etc.) and feasibility analysis are performed and budgetary responsibility exercised.

v. **Strategic vision**: Policy makers develop a vision of the desired future that assures achieving excellence by creating public value to the citizens. It also refers to the ability to focus attention on critical issues and choices, that is, on those phenomena that have “high probability of potent impact on collective futures” (Dror, 1997: 12).

vi. **Innovation**: Policy makers are flexible and innovative, questioning established ways of dealing with things; encouraging new and creative ideas; and, where appropriate, making established ways work better.

vii. **Transversal coherence**: Policy makers take a holistic view, looking beyond institutional boundaries to the government’s strategic objectives.

viii. **Inclusive**: Policy makers take account of the impact on and/or meet the needs of all people directly or indirectly affected by the policy; and involve key stakeholders directly in the policy process.

ix. **Monitoring**: Existing policies are constantly reviewed to ensure they are really dealing with problems they were designed to solve, taking account of associated effects elsewhere.

x. **Knowledge-based**: Policy makers’ advice / decisions are based upon the best available evidence from a wide range of sources.

xi. **Lesson drawing**: Policy makers take advantage of past, national and international experience (taking the form of best practice, benchmarking, negative lessons, etc.)

xii. **Ethical robustness**: An evaluation exists of the possible trade-off among values that different policy alternatives imply. Commitment to act on behalf of the public interest.

xiii. **Transparency**: Clear and public criteria to assess policy alternatives and evaluate policy outcomes.
xiv. **Accountability**: Open to public scrutiny and is prepared to face consequences of misbehaviour.

These competencies are defined as overall knowledge and skills necessary throughout the entire policy process. However, some of them are more important in certain stages of the policy cycle than in others, as is shown in Table 1. Given the normal difficulties for replacing staff and the lack of sufficient financial resources to recruit new personnel, HRD is an effective tool for changing behaviours, promoting the acquisition of new skills and renewing the relations of reciprocity between the organisation and the people who work in it.
## Table 1: Competencies and Their Relevance in the Policy Cycle

<table>
<thead>
<tr>
<th>Competencies</th>
<th>Policy Cycle</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Agenda setting</td>
</tr>
<tr>
<td>Forward looking</td>
<td>✓</td>
</tr>
<tr>
<td>Outward looking</td>
<td>✓</td>
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<tr>
<td>Expert thinking</td>
<td>✓</td>
</tr>
<tr>
<td>Awareness of scarcity of resources</td>
<td></td>
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<tr>
<td>Strategic vision</td>
<td>✓</td>
</tr>
<tr>
<td>Innovative and creative</td>
<td></td>
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<tr>
<td>Transversal coherence</td>
<td></td>
</tr>
<tr>
<td>Inclusive</td>
<td>✓</td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
</tr>
<tr>
<td>Knowledge-Based</td>
<td></td>
</tr>
<tr>
<td>Learning</td>
<td>✓</td>
</tr>
<tr>
<td>Awareness of ethical implications</td>
<td>✓</td>
</tr>
<tr>
<td>Transparency</td>
<td>✓</td>
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<tr>
<td>Accountability</td>
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</tbody>
</table>
In this respect, the main challenges for HRD in building policy capacity are threefolded: on one part, how to assure that, once a person has developed certain policy competencies by means of training and experience, this individual is going to reach the position where he can make the most of the referred competencies. On the other, how to assure that along the policy cycle the responsibilities, functions and activities are assigned in a way that takes advantage of each individual’s best developed competencies. Finally, while learning and competencies are developed in the benefit of the individual, such development only makes sense if they contribute to the achievement of the organization’s public goals.

Two extreme management models of HRD could be very harmful in the public sector: on the one hand, an over centralized and top-down model, although it may set very clear organizational goals, it might be too insensitive to the environmental pressures exerted upon the organization and to the individual needs and expectations of the staff. On the other hand, an approach exclusively centred on the individual, although it might generate higher levels of personal satisfaction, may also displace the collective goals and disperse the HRD efforts resulting in the impossibility to conduct a coherent policy. In the worst case, this may trigger unhealthy competition between public officials and diminish the public sector ethos and values.

Additionally, training and education by themselves may not enough: first, frequently the training function is an isolated function and the first to suffer from budget cuts when scarcity strikes public organisations. Second, the link between training and organizational performance is an elusive one. Third, a common complain of public officers is that training programmes and curses are poorly linked with day-to-day activities and of little relevance with the organisation’s long-term effectiveness. Therefore, an explicit strategy of policy capacity building through HRD has to take also a strategic, holistic and pluralistic (regarding the tools and methods it will recur to) approach.

III. Facing the challenges

Achieving a stronger policy capacity requires, paradoxically, improving the public sector’s executive’s ability to conduct a coherent and sustainable management of its intellectual
capital. This, in turn, demands action on three interrelated fronts: managerial, institutional and regarding the role of the central training and development organizations (national public administration schools and/or institutes). These three aspects are treated through out this section.

Managerial practices

Improving policy capacity requires that the people with the adequate policy competencies are available at the time and place where they are needed. This obviously involves changes in all the main human resources management functions (attract and recruit, reward, retain and develop, etc.). It also supposes managing not only internal factors, like change resistance or self-complacency of the public personnel, but also external ones affecting the incentives and motivation for developing staff’s competencies, such as differentiated pay scales between the public and the private sector, potential public sector “brain-drain”, gender education inequality, deficits of national educational system, etc. Therefore, a strategic vision of HRD function is much needed.  

Strategic Human Resource Development is mainly concerned with aligning the personnel policies with the core strategies of the public organization.

Is a common error of many HRD policies to focus only on the present needs of the organization, failing to establish management practices designated to meet also future skills requirements. A Vision of the future of the public service, operating, acting and performing in changing social environments, is the key element of a strategic approach. Therefore, strategic HRD supposes that the investment in developing the staff’s competencies is an integral part of the organizational strategy, not just an operational issue or a rhetoric devise of top officials regarding the staff as a strategic asset; resources must be allocated to these policies in each ministry’s budget, and supportive actions need to be taken. Obviously, this demands strong political commitment, that is, the political elite have to be willing to invest in improving the competencies of public sector’s staff, although these disbursements may not gain them electoral benefits in the short run.

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8 For the options available to the design of a national human resource development strategy, see Rao, 1996, especially chapter 3 “Strategic interventions: an overview”. 

12
Introducing Strategic HRD is not a simple task. First of all, it requires a careful analysis of the internal and external conditions affecting achievement of public objectives of the organization. Second, it demands flexibility and support systems (besides analytical efforts for strategic planning and management) in contrast with traditional bureaucracy rigidity and isolation.

On the one hand, it requires a greater freedom to manage human resources, that is, opting for broader job descriptions than it is usually the case in most civil service systems or, worse, in the case of a public services controlled by union’s collective contracts (where the definitions of each post’s responsibilities is detailed and narrow). "Broad grades” and “broad careers” have been introduced in some public organizations all around the world, as means to provide more challenging and meaningful work assignments for public servants.

On the other, it demands behavioural change by both, managers and staff, aimed to arrive to a mutual commitment with the human development strategies. In most career civil services, it is considered that the advancement of the public servants is a responsibility of the organization they belong to and, therefore, it is expected that the superior or HRM units within each ministry would provide all the necessary opportunities for the staff’s learning and specialization. However, a strategic approach to HRD demands an active involvement of each public servant in defining their needs and in involving themselves in different learning experiences. In this respect, it is important that public organization commit themselves to a new “contract” with their employees, in which the increased job insecurity introduced by more flexible HR policies is matched with a clear commitment with the staff’s development through the creation of support mechanisms such as career advancement centres, counselling and mentoring.

Finally, Strategic HRD also requires the creation of complex information systems that allow the organization to identify the competencies its staff posses at the present, the projected competencies demands (based on the environmental trends and pressures) and the perceived needs of the public personnel. Information plus political commitment are crucial ingredient of any successful attempt to make strategic decisions.

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9 Civil service systems are usually based on detailed formal descriptions of each position’s duties, responsibilities and authority, rigid and homogeneous pay scales and strict procedures and rules to govern the recruitment, appointment, retention and dismissal of public servants.
Governments also need to construct partnerships with professional firms and associations, and higher education institutions, in order to ensure the adequacy of the education for public servants. Historically, the attempts to link the demand side of human capital with the supply side had been of limited success: a mutual suspicion between public organizations and higher education institutions have resulted in sporadic and limited schemes of collaboration, based, in most of the cases, on the allocation of public resources to fund such agreements. As it will be seen later, the central public administration institutions or schools have to play a central role in the articulation between the human resource policy of governments and the activities of education and professional organizations.

Another important aspect to consider is a radical change in the ways training and development programmes are conceived, managed and delivered in the public sector. Given the fact that a regulatory State requires policy competencies that were not necessary covered during the education of middle-aged public servants, re-training and professional skill’s update are central to enhance policy capacity.

In the last decade, important changes in training have occurred in the public sector: more attention has been given to the staff’s expectations and organizations have been more careful to specify the attributes of the activities’ outputs and outcomes. However, the classic one-way, lecture-based training seems inadequate to develop the sophisticated competencies reviewed before. There is growing agreement on the use of new methods, techniques and learning environments.

Relevant to the case of policy competencies is the use of “action-learning”, that is based on training and development interventions focus on solving “real-life” policy problems. Action-learning is “a continuous process of learning and reflection, supported by

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10 A distinction should be made between education and training. Reilly (1979) defines education as to the “basic development of a person’s mind and personality without necessarily any reference to a specific job”. In institutional terms, education is generally provided by the nation’s education system. In secondary or tertiary education, there may be some relevant degrees for public administration, but they are usually designed independently from the human resources policies of the public sector. Education is generally a pre-recruitment instruction in a university or higher education institution. On the other hand, training has a clear vocational purpose, that is, is related to a specific job or task that is being performed or will be in the future by an individual. Therefore, training is a function that affects the individual after it is recruited by the civil service (Reichard, 1998). There are in generic two different objectives of training: one is technical specialisation for increasing performance of an on going task (this is what is commonly understood by training) and the other is to prepare the person to be promoted to perform “higher” managerial tasks (this is commonly referred as management development).
colleagues, with an intention of getting things done. Through action-learning individuals learn with and from each other by working on real problems and reflecting on their own experiences” (McGill and Beaty 1992). In this case, the boundaries between every-day work experience and purposeful training and development interventions are blurred: learning is not the result of discrete and time-bound classes, but the result of the entire personal (past and present) experience and knowledge and social dialogue between experts and colleagues. It implies a close link between “learning” and “doing”, and between real organizational and individual needs. In the future, development of policy competencies will look less like a traditional university course and more like consultancy-type projects.

In this respect, use of information and communication technologies (ICT) is known to be an useful mean to increase the learning opportunities of public servants, as it facilitates the access to a wide range of information sources, decentralizes the information flows, makes geographic remoteness irrelevant to access data and knowledge, reduces the costs of sharing information and provides effective means to strengthen the institutional memory of public organizations. As we will see below, the possibilities of using the ICTs to improve policy capacity go beyond on-line-training programmes or distance learning schemes.

In this perspective, training and development in policy competencies is cannot be a function performed by a separated unit within the organization or the civil service, but has to be an integral part of organizational life. However, such an approach is not easy to handle, as it brings into questioning traditions and procedures. The experience of specialised units suggest that, because of the their isolation from the rest of the organization, they usually become marginalised and their activities are relegated to a secondary role. Typically, departments of quality, planning, organization and methods, etc., are doomed to failure. Once again, a deep cultural change is needed, as action learning strategies are difficult to conduct in highly centralized and control-oriented public sector organizations, where status barriers and inflexible rules tend to separate the people that have to solve a problem rather than letting them come closer and exchange views and expertise.

Another theme that is crucial to policy capacity is the idea of Knowledge Management. HRD linked to policy competencies requires that the people that perform the activities along the policy cycle be adequately supported with timely and relevant information, and
evidence about the achievements and side effects of present and past policies. The concept of Knowledge Management (KM) was developed in the private sector as a reaction to the negative consequences of downsizing and lay-offs (i.e. brain drain and erosion of institutional memory). It is also result the recognition of the winning role of intellectual capital for shaping the competitive advantage of people, firms and nations within a globalized economy in so far as the knowledge is today a crucial factor for creating value. KM refers to the process by which an organization creates value, that is, more efficient and effective processes and appropriate products tailored to the client’s expectations, from its knowledge or intellectual capital.

Policymaking is a knowledge intensive business. Therefore, even the most competent personnel cannot develop well-informed policies if they don’t have access to sufficient data, methods and analytical tools. From this perspective, knowledge is a resource that has to be preserved and developed in order to reach “learning organizations” in the public sector. This obviously goes beyond the HRD policies, as in involves partnership with research institutions or the creation of units dedicated to conduct policy and best practices studies (such as the Policy Research Secretariat in Canada or the Economic and Social Research Council’s Centres for Evidence-Based Policy in different UK universities). However, in terms of internal management, the development of policy competencies has to be backed by robust systems of knowledge sharing and access to organizational experience. In the first place, HRD has to assure that public officials are “intelligent” consumer of data and expert advise, that is, being able to understand, criticise and use scientific evidence and benchmarking studies. Therefore, knowledge management has to be concern with developing six core capacities: analytical, classificatory, explicative, calculation, forecasting (where possible) and design. Second, such competencies have to be accompanied by systems that improve access to relevant data, research and best practices. Even more:

The systematic gathering and sharing of information on policy making by policy makers should also help to create a common policy focus, encouraging participation and mutual understanding with benefits both in terms of building the corporate identity of the civil service and generating greater openness in policy making (Cabinet Office 1999: 42).
KM implies a range of tools such as decision-making support systems, databases, on-line collaboration, among others. A useful example of this kind of KM projects aimed at improving policy capacity is the development of Knowledge Pools by the British Government. Knowledge pools are databases aimed to make knowledge, facts and figures available 24-hour day, between individual departments and from outside of government. In practice, a knowledge pools include devises to assure electronic connection among officer in different government bodies that allow accessing and sharing common and secure databases, discussion forums between civil servants and web based community sites. This has allowed a number of inter-departmental communities to work together and collaborate (http://www.cabinet-office.gov.uk/2001/news/011212_eenvoystrat.htm).

In sum, HRD for policy capacity requires important changes in managerial practices such as stressing a strategic approach to competency development planning, the redefinition of the role and methods of training and an effective and technologically-based knowledge management in the public sector.

Institutional arrangements

To be effective, HRD strategies must be accompanied with institutional arrangements that allow, encourage and reinforce policy competencies and results. Such arrangements require adapting the administrative culture, structures and processes to the new needs and work conditions of public sector professionals. In the end, such institutional setting has to reinforce the policy-makers accountability for the decisions they take in a way that, however, does not deters them from innovating and experimenting. Therefore, there is the need for a transition from a system that punishes errors and innovation and rewards risk-aversion and “hiding” behind the rulebook.

This implies fighting against limitations imposed by administrative traditions and cultures and being able to manage resistance to change.\textsuperscript{11} Of particular relevance for HRD for policy capacity is what calls “competence fears”, that is, the concern of public servants about their ability to cope with new demands, to acquire new skills and new managerial

\textsuperscript{11} There is an extensive literature about resistance to change. In the public sector in particular, such resistance could be the result of past reform waves that may have been more cosmetic than real.
technologies (like the so called “technofear” in face of increasing use of e-government processes). Therefore, the development of competencies has to be seen as responding to the public servants’ interest by the staff. This could be helped by creating a scheme of incentives and motivation that offers them clear benefits in terms of effectiveness, self-development, “employability”, status and of rewards and remuneration. Even more, as many policy competences can only be acquired by practical experience (“learning by doing”), the institutional arrangements need to be established along the public policy cycle to reinforce and encourage the continuous learning of policy-makers. Some examples are:

1. **Agenda setting**: there must exist mechanisms that promote an institutionalized path to express, collect and include social demands and priorities that complement the traditional mechanisms of voting and political representation in defining the government’s agenda. Public servants must be encouraged to explore innovative forms of consultation and means to give “voice” to disadvantaged social sectors. This is of extreme importance in countries that have recently consolidated democratic regimes, because in the past the institutional frameworks for agenda setting dominated by a techno-bureaucratic elite.

2. **Problem definition**: it is important to include a diversity of perspectives in this stage; it is desirable to establish partnerships between public policy makers and “think tanks”, stakeholders and academic institutions to legitimize problem definition. In some countries, a mayor obstacle could be the absence of reliable institutions providing timely data about economic, demographic and social trends.

3. **Formulating options**: there is the need of flexibility in processes to allow collaboration and information exchange between agencies, different levels of government and administrative grades. There must be available tools for gathering and sharing information such as the “knowledge pools” referred before to promote knowledge-based policies. In addition, collaboration with experts and scholars is needed in this stage.12

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12 An example is the creation of departmental schemes to bring experts to policy design, such as evaluation and appraisal, steering groups and advisory panels in the Department of Education of the British government. (Bullock, Mount Ford & Stanley, 2001).
4. **Adoption of a policy option**: in this case, forward looking and strategic vision ought to be encouraged by establishing multi-annual budgets, participatory visioning, long-term policy frameworks, and collaboration mechanisms between agencies to privilege not only long-term but also transversal or cross-cutting policies.

5. **Policy implementation**: it may be helpful to introduce clear separations between strategic policy definition and policy implementation (or split between policy decisions and service delivery) among with clear product specification, monitoring and client satisfaction identification tools.

6. **Evaluation**: evaluation must reinforce feedback and learning through well-design means to measuring performance and impacts and not just rule abidance. Performance audits, oriented to allow policy management improvements rather than punishing “non-compliance”, is a good example of this (see Pollit, et al., 1999). There is also the need to develop transparent rewards and sanction schemes to promote participatory evaluations. One has to be aware that an evaluation has become a wide universe of evaluative approaches and units that have different management requirements. For example, an evaluation based on standards but that does not conducts statistical studies or that relies on indicators that are impossible to measure are meaningless. Therefore, an agreement on the objectives and methods has to be reach early in the policy process. It is also necessary to develop skilful functionaries that are able, not only of performing evaluations by themselves, but also that can manage and make the most of evaluations conducted by external academic and professional centres.

This list, of course, is not extensive, there are many options available. Choosing among them depends on specific country conditions. However, it seems clear the need and convenience of introducing inclusive processes of citizen participation and expert advise through out the policy cycle to be capable of building social consensus and legitimize government actions.

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13 Examples of different evaluation concerns are economic efficiency, quality of service, legality of behaviours, technical correctness, among others. Relating the units of evaluation, these can be performance, inputs, outputs, user’s satisfactions, etc. In an environment where evaluation, audits and inspection are becoming ever present realities, one should be careful not to displace the substantive policy activities by evaluative activities.
In addition, transparency and accountability mechanism must be redesigned in order to assure and encourage citizen participation to control public power. The availability of freedom of information acts and administrative ombudsmen among other tools might increase political and managerial responsibility.\textsuperscript{14}

\textbf{The Role of Central Public Administration Institutes}

One final issue that a strategy of HRD for policy capacity building has to deal with is the role of the central public administration institutes or schools, such as the Ecole Nationale D’Administration in France, the Civil Service College in the UK and many other similar institutes around the world. These centres are concern with the development of a professional public sector but have been criticised in recent year of becoming too inflexible and obsolete to cope with the demands of contemporary public servants. However, these institutions have survived and are still playing a mayor role in the HRD systems. As it was stressed before, it is naïve to think that only with the commitment of the central personnel office or the human resource units within ministries the complex network of actors involved in the Human Development strategy will converge in a coherent and coordinated policy (especially considering that those HR units are usually politically weak). Even more, it is not enough to transform internal practices to boost policy capacity, but it is also required the involvement of numerous academic and education institutions, non-governmental organizations and even the private sector in the area of competency development. Here, the central or national of training and education in public administration may be an important asset to rely on.

\textsuperscript{14} The traditional model of accountability emphasised political accountability, that is, the mechanism to make those with delegated authority answerable to the citizens (Day & Klein 1987). These mechanisms were based on the existence of a line or chain of accountability that links public servants with the elected representatives of the citizens. The main assumption of this model is that the public would hold accountable those with delegated authority by means of voting in regular elections (DeLeon 1998: 541). Citizens are becoming increasingly concern with the fact, that in this traditional system, accountability is placed too far away from the day-to-day interactions with the State, that occur mainly in the delivery of public services (see OECD 1995: 47). Managerial accountability is defined here as “making those with delegated authority answerable for carrying out agreed tasks according to agreed criteria of performance” (Day & Klein, 1987: 27).
As the development of the public sector staff ought to be guided by the values of equal opportunity, professionalism, the rule of law, merit and defence of the public interest, the definition, training and certification of policy competencies demands transparency and an independent evaluation and review. At the same time, the involvement of a wider set of actors poses the problem that, from now on, HRD strategy may cease to depend on the internal planning capacities of the different ministries. In turn, this could result in the dispersion of actions, lack of communication and the instauration of a system based on isolated training interventions. The challenge is the ensuring of standards and compatibility of the different development actions (training, education, promotion, etc.) either with civil service entry requirements or with the skills needs of government, across different departments and ministries. In this respect, each civil service must define the adequate role of the central training institutions, the civil society and private sector providers that is sufficiently clear to sustain a coherent overall HRD policy and, at the same time, flexible enough to accommodate competition and a plurality of approaches to public servant’s training.

The national education and training institutes can play a pivotal role, especially in the certification of policy competencies. On the one hand, one of the common mistakes of centralised HRD strategies in the public sector is their isolation with other aspects of human resource management, especially remuneration and career paths, with the consequence that public officers lack the incentives to actively involve themselves in different learning experiences. On the other, the defence on an integrated spirit de corps across the public sector and the enhancement of the public ethos demands a coherent approach to competency development, in agreement with the higher political authorities. In order to bridge these gaps, the national public administration institutes could establish a system of competency certification for the public sector, that can be centralised in the definition of the competencies to be developed and in the methods and standards of certification, while decentralised and flexible in the provision of guidance, training and development to each ministry or unit.

A certification of competencies systems serves the following goals: to promote the continuous learning of the staff to guarantee the transferability of such competencies between different organizational environments and to establish a standardized and
professional way to evaluate the people’s competency development. In the case proposed, such system could function in the following way:

- The definition of the policy competencies to be certified is made by the central personnel office or an analogous unit, in agreement with the political leadership, and with the technical support of the national public administration institution (NPAI), eventually helped by consultants.

- The definition of the different certification grades to be awarded and the procedures to be followed must be defined by the NPAI, in collaboration with independent experts, professional associations and academic institutions.

- The different levels or grades of certification to which public servants can apply may be based on competencies linked to different stages in the public policy cycle, as this has proven an effective way to facilitate the understanding and learning of the people to be certified.15

- The NPAI will grant the certificates and conduct the necessary procedures to assess the candidate’s evidence of achievement, with independence of the line managers or the political authorities.

- The necessary support and training conducting to the certification can be delivered centrally by the NAPI or by providers that compete freely for contracts with different ministries and units.

- This system could be linked to career development and pay scales by introducing a ranking scale parallel to the grading of a person’s post: a public servant would be ranked by two criteria, the level of responsibility of its post and by the level of certification that has been granted to him. This “matrix” arrangement (similar to the one that exists in the German civil service) could then be used to assign higher pay to those officers that have achieved higher levels of certification, even though they may occupy positions with the same hierarchical grade than other officers. This could be a strong incentive for continuous learning. Even more, the job descriptions of different posts could demand certain level of certification to the candidates

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competing to be appointed, therefore linking the certification system with career paths.

In this way, the problems of assuring that the right people are available at the right time and place are reduced and the integrity and professionalism of the policymaking is protected and promoted.

IV. Concluding Remarks

Human Resource Development for policy capacity requires complex strategies and collaboration among a wide network of actors in and out government that cannot be restricted to the education of economists in the Ministry of Finance or the Central Bank or the creation of pockets of efficiency.

HRD for policy capacity supposes a holistic approach that will necessarily involve reforming internal management practices, institutional frameworks of relation between the State and society, and the redefinition of the roles of the schools and institutes of Public Administration.

Bureaucrats have been frequently an useful scapegoat to take the blame for government lack of policy capacity. In many cases, such accusation comes from elected politicians that, at the same time, are not personally interested in investing toe develop the public sector’s personnel. Therefore, a key factor of success is to achieve deep political commitment and ownership by local politicians and public officers for the proposed HRD strategies. Otherwise, the efforts will be lost in the waves of everyday operative problems and emergencies.
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