

The Future Policy Environment

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Australian Centre for Innovation

Mission:

Assisting individuals and organisations to
address the challenges of the future through
innovation

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A Key Observation

“Policy-making is the art of looking for trouble, finding it, mis-diagnosing it, and then applying the wrong remedies”

(Marx, G.)



The Big Challenges

1. Loss of legitimacy and authority
2. Increasingly 'wicked' nature of problems
3. Declining service delivery capacity
4. Limited learning capability



Loss of legitimacy and authority

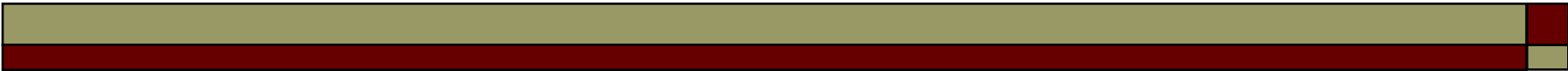
- In the age of Internet-based social networking, traditional expert knowledge is losing its former authority
- Every person has one relevant fact and no-one can explain the nature of a system
- Emerging power of narrow sectional interest groups
- Reduced legitimacy of central governments, but paradoxically, greater expectations on them

Emergence of problems with new characteristics

Type 1 - Simple isolated problems – *address tactically one at a time*

Type 2 - Inter-connected problems – *requires a strategic approach; leads to bureaucratic hierarchy, centralised control; government in charge*

Type 3 – Dynamic interactive problems – *changes in one problem area affect others, so multiple claims of responsibility; government and governed must cooperate to address problems*



Type 4 – Aggressive interactive problems – *they have a momentum of their own, high uncertainty, impact of interventions are unpredictable; the resulting turbulent environment requires government and governed to work closely together to address problems where there may be no obvious solution*

(Emery and Trist)



Declining service delivery capacity

- A consequence of the 'New Public Management' model with its emphasis on business principles of efficiency and transparency?
- Less fashionable but still has a stranglehold on Australian governments
- Has contributed to a dramatic increase in institutional and policy complexity and an emphasis on homogenised process to deliver outcomes rather than addressing specific content
- Ignores the possibility of cycles in economic behaviour that require different government roles at different times eg different phases of the techno-economic Long Wave



Limited learning capability

- The new rules of the global knowledge economy place great emphasis on organisational ability to learn in a rapidly changing environment and to think and act in concert at a system level
- This is leading to new forms of business which are structured to mobilise and capture relevant knowledge wherever it resides
- NPM, with its emphasis on process and outcomes, has eroded the interest and capacity of governments and their officials to engage in active, continuous learning



Three Important Actions

(not included in the Moran report)

- Development of a Strategic Intelligence Capacity – through over-the-horizon scanning, roadmapping, scenario planning, web-based engagement of multiple insights
- Fostering of ‘Intentional Innovation Communities’ – specific internal (+ external) organisational capacities to generate innovations continuously
- Establish spaces for experimentation in policy – combine the private sector of ‘fast failure’ in innovation with active processes of review and learning eg the Cochrane and Campbell Collaborations