30th Meeting of Senior Officials from Centres of Government:

Effective Responses to Modern Challenges

30e Réunion des hauts responsables de centres de gouvernement :

Relever efficacement les défis modernes

Session Notes

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

Canada

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Introduction

Reducing the deficit in public governance

The 2011 CoG network meeting takes place in a particularly complex and high-pressure policy environment for Centres of Government. Each of their main roles -- as senior advisors to the prime minister or president, managers of the decision-making process, and facilitators or arbiters among competing policy initiatives – is now more difficult because of disappointing economic performance, financial market volatility, fiscal pressure and social unrest. These forces inevitably affect the stability of governments and their ability to make policy, which, in turn, increases the pressure on those at the core.

The past 12 months have not brought any respite; if anything, the situation is more confused and uncertain than it was when the CoG network last met in Berlin in autumn 2010. At that meeting, CoG network members attested to the extreme pressure faced by the centre in managing often conflicting demands from markets, social partners, government agencies, citizens and the international community. Yet, they also underlined that these circumstances increase the need for strong, decisive and co-ordinated action by government, led from the centre.

Participants agreed that the task for Centres of Government should be to mobilize comprehensive and timely empirical information, build consensus and obtain buy-in so that political leaders can take appropriate and rapid action. In this, CoG network members play a unique and crucial role in the overall functioning of the public administration and, more broadly, in governance of their countries.

The pressures on decision-making processes are certainly intense. OECD mid-year data for 2011 suggests that the downward trend in GDP growth rates will continue and that signs of a slowdown in most major economies will become clearer.

The slowdowns affect not only leading OECD economies but also China, India, Brazil and Russia. In May this year, OECD underlined that growth was being driven by these four non-member economies: this momentum is slowing. In many countries, the economic logic, and hard-won political acceptance of fiscal austerity is being met with resistance, and calls for rapid, decisive action to generate growth and jobs are multiplying.

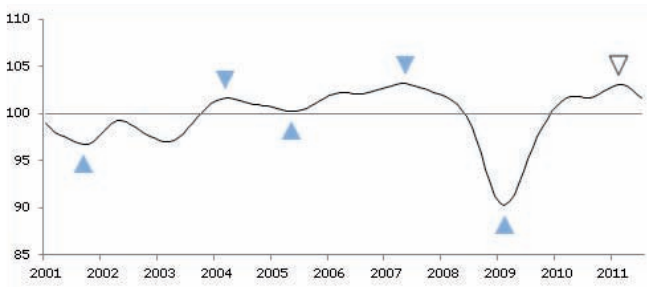
There is a seemingly endless debate about what policy makers should do, in individual countries and at international level. Yet, policy responses to the crisis continue to appear fragmented, timid, sometimes incoherent.

The evolution — and persistence — of the crisis is exhausting policymakers, investors and the population at large. Frustrated citizens and companies across the globe are starting to doubt the real leverage that governments have over events. Governments need to show clear direction in order to bolster confidence and trust.

"[Economic] risks have been aggravated … by a deterioration in confidence and a growing sense that policymakers do not have the conviction, or simply are not willing, to take the decisions that are needed."

Christine Lagarde, Director, IMF

OECD composite leading indicators signal widespread slowdown in economic activity



Source: OECD (August 2011), OECD Composite Leading Indicators Database.

The discussion about what to do seems sterile arguably because it pays too little attention to how to do it. Analysis of current economic and social challenges often overlooks the issue of public governance — its manifest weaknesses and its under-exploited potential. This is surprising because experience from budget discussions in the US to sovereign debt talks in the Eurozone and in many other policy arenas, demonstrates that problems of decision-making hinder effective policies. The financial crisis revealed serious weaknesses in governance and regulatory structures.

Three years later, despite much effort, there is little evidence that we are better prepared now than before the crisis, and the air of nervousness in capital markets confirms that our economies have not been immunised against further bouts of financial chaos.

Why has there been so little progress? Not because of a lack of understanding of the problem; nor a lack of ideas about what to do; nor even because of a lack of will.

Rather, the way governments take decisions and implement them has not kept pace with the challenges the world is facing. This means that instead of clear policies we often get compromises; instead of swift, decisive action we get hesitation.

"[P]erhaps most challenging, the country would be well served by a better process for making fiscal decisions. The negotiations that took place over the summer disrupted financial markets and probably the economy as well, and similar events in the future could, over time, seriously jeopardize the willingness of investors around the world to hold U.S. financial assets or to make direct investments in job creating U.S. businesses."

Ben S. Bernanke, Chairman, Board of Governors of the Federal Reserve System, August 2011

Commentators are talking about a public governance deficit. Overly dramatic? Perhaps, but it is fair to ask whether policy making at the national and international level would pass a banking sector-style "stress test". Recent events, for instance, have given the impression that states are being led — even intimidated — by markets (and most visibly by ratings agencies).

As stewards of the strategic decision-making function of government, Centres of Government have repeated in several past meetings that public governance is a long-term project in need of real vision and investment.

If countries fail to invest in public governance systems, capacities and structures, we should not be surprised if the public governance machinery seizes up — resulting in delayed decisions, compromises that fail to tackle underlying problems, and public policies that fail to deliver. Centres of Government play a key role in ensuring that this long-term investment happens and that obstacles to effective decision-making are minimised or removed.

Where do we go from here? What can be our practical response to these challenges? First, it is important to state that there have been successes. Out of what was originally a group of Finance ministers, the global community was able — quickly — to upgrade the G20 into a forum for public policy debate when the crisis hit.

The G20 meeting in Pittsburgh in particular suggested that the leading nations could work in unison when required by extreme circumstances.

Arguably, the G20 has not created a solid foundation for its future role, but it has clearly become a point of reference in the landscape of international relations. Initiatives such as the Open Government Partnership demonstrate the commitment of leading states to improve the way governments work. However, most would agree that a "deficit" of supranational governance remains.

> "Eliminating a sizable deficit is a societal project not a normal budget exercise"
>
> **Sir Gus O'Donnell, UK Cabinet Secretary, Manion Lecture, Ottawa, June 2011**

At the level of individual states, there have also been successes. Stimulus packages, for example, were designed and implemented with impressive speed in many countries. Moreover, there were real efforts to co-ordinate investment strategies across levels of government.

But there is also much to do. Public administration capacities and institutions need to be strengthened: more effective mechanisms to engage all actors need to be developed; the implications of new technologies and social networking need to be mastered; public policies need to be grounded in evidence; principles for integrity and transparency need to be further developed and enforced.

It is also probably time to take a hard look at the political processes that underlie our democracies, some of which seem to obstruct effective government. Financing of political parties, the influence of vested interests, the impact of electoral cycles on reform processes, and respect for the rule of law: none of these risk areas should be taboos.

Reducing the governance deficit does not only refer to the central government itself. The reality is that modern governance is about governments leveraging support from across society. This was a key conclusion of the OECD Public Governance Ministerial meeting held in Venice in 2010. The challenge is to mobilise diverse actors and rally support around strategic objectives. Strong government is based on sharing ideas and information with empowered partners. There are signs of this everywhere: opening once-closed meetings to non-government participants, publishing databases and guaranteeing access to information, and mandating the provision of services to civil society groups or businesses.

Central government has become one player among many seeking to represent and serve the public. The loss of its

"monopoly" means that the public sector faces greater competition and scrutiny. It must learn to act as a mediator, co-coordinator, policy-maker and regulator in concert with other centres of power, including international and sub-national levels of government, the media, industry, and non-profit groups.

In the past, the activities of Centres of Government have tended to be inward looking (supporting the obscure inner workings of the executive branch); now they, too, must be more open and "public-facing", engaging and partnering with non-government bodies.

Why the Centre of government is crucial for effective decision-making – key strategic roles of the Centres of Government:

- ensure that the government's deliberations on its strategic priorities take place with the benefit of a broad assessment of the overall economic, political and social situation;
- verify that strategic priorities are harmonised with other strategic documents of the government, such as economic and fiscal strategies, and other key policy and reform strategies;
- make sure that the budget preparation process takes account of, and reflects, strategic priorities;
- ensure that ministries' work plans reflect the government's strategic priorities;
- brief the Prime Minister or President regularly on new developments affecting the strategic priorities and annual work plan, and on possible responses or adjustments where relevant.

The rapidly evolving context described above tests the ability of the Centre of Government as an institution to adapt and respond. Centres of Government remain indispensable pillars of effective strategic decision-making for two reasons. First, they provide advice and guidance to the prime minister, president or cabinet.

As such, their strategic thinking feeds directly into decision-making at the highest level and helping to counter-balance trends to short-termism – an extraordinary privilege, but also a heavy responsibility (which assumes strong analytical capacity within the central government office). Second, they are involved in translating decisions into actionable "orders" for ministries and departments and monitoring implementation.

This meeting will look at how well-equipped Centres of Government are. The 2011 CoG meeting addresses four inter-related dimensions of the challenge that Centres of Government face:

How governments can motivate the public administration to deliver innovative, high-quality services against a backdrop of budget cuts.

How governments can improve co-ordination both across governments and within national governance systems to ensure that the decision-making process is coherent, inclusive and rapid.

How governments can enlist and manage social media to improve the transparency and inclusiveness of policy making.

How governments can prepare for and manage multiple crises over the medium and long term.

Session One

When Fiscal Constraints Take Hold: How to Innovate? How to Motivate?

Budget cuts tabled in 2010-11 start to bite. In most cases, these cuts will not go deep enough to restore fiscal sustainability; nonetheless, the current wave of public spending reductions will have a significant impact on people's daily lives and challenge the motivation and morale of the public sector.

At a time when economic growth is still fragile in most countries, there are clearly no simple trade-offs between growth outcomes in the short term and consolidation needs. The appropriate fiscal path for each country depends on factors including the strength of the economy, public debt and interest burdens, and political decisions on taxes and spending. Almost all member countries have announced fiscal deficit reduction targets to 2013 or beyond, and most have introduced measures to control spending.

On both sides of the equation, economic actors are judging, in real time, whether each government's growth results are adequate and whether its fiscal policies are credible. In several cases over the past six months, perceived poor performance has had immediate repercussions in capital markets. And revisions and policy u-turns seem to be viewed as signs of weakness that can also lead to market sanctions. The margin of manoeuvre for governments is thus relatively limited.

Spending cuts agreed in 2010-11 are starting to have a visible impact. In most cases, these cuts will not restore fiscal balance. Indeed, the impact of population aging alone will make balancing the books a moving target over the next two decades. Nonetheless, the current wave of public spending reductions will have a significant impact on daily services to citizens. In order to make the necessary savings, governments are naturally targeting the major spending programmes in which the public footprint is largest, and hence in which the scope for reducing expenditure is broadest. But, withdrawing public investment in these policy areas – social protection and health, in particular – is hugely unpopular.

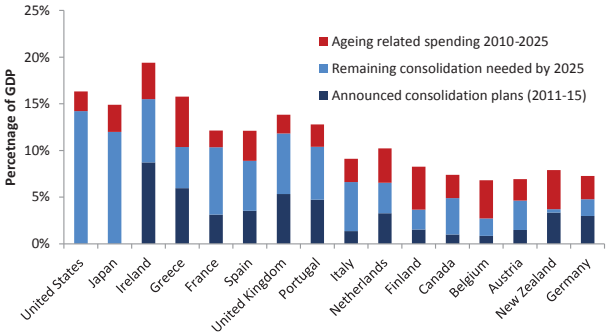
Alongside cuts to programme budgets, OECD countries are committed to large-scale staff reductions. According to Government at a Glance (OECD, 2011), over three-quarters of OECD countries indicate that they are engaged in, or are planning, reforms that will decrease the current size of their public service workforce in more than half of the agencies and ministries within central government. None plan to increase workforce levels.

"The fundamental challenge for government is to convince people to accept less than they had before…"

Financial Times, August OP-Ed

Governments have been quick to underline that spending cuts should aim to improve supply-side efficiency in the economy – for example, changes to unemployment benefit should aim to improve labour utilization by giving incentives to work, removing disincentives to hire, etc. Identifying how policies and procedures could be improved, duplication and waste reduced, and other actors brought into the policy process is a huge task – a comprehensive review of the way the public sector operates.

Fiscal pressures
Countries have announced consolidation plans but are they aware of the challenges?



Source: OECD, 2010.

Examples of staff reduction targets in selected OECD countries

France
97 000 public sector jobs (50% replacement rate)

Germany
10 000 federal public sector jobs by 2014

Greece
20% replaced rate, cut in short-term contracts

Ireland
24 750 public sector jobs by 2014

Portugal
Complete recruitment freeze

Spain
10% replacement for public officials between 2011-13

United Kingdom
330 000 public sector jobs by 2014

Source: OECD Fiscal consolidation survey, 2010.

The problem is that this effort is taking place in parallel with cost cutting that inevitably withdraws front-line public services and personnel. From a management perspective, it is challenging to promote an agenda of innovation and reform to a workforce affected by wage freezes, enforced redundancies, workload increases due to non-replacement of staff, and so on. Maintaining morale in the public sector is crucial to the success of the overall reform project.

For most governments, the first rule is that the public (and public sector workforce) should see that budget cuts are fair and equitable. This means many things, but will usually take into account geography, income level, societal groups, categories of employee, etc. In the UK, for example, the phrase, "we are all in this together" was coined by the government to describe its overall approach and the spending review tried to ensure an even distribution of negative impacts across society.

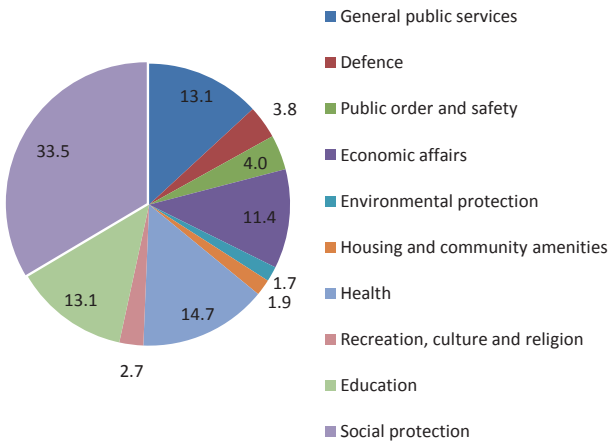
To ensure coherence in the way cuts are being made, most countries are also engaging in some form of spending review. Countries that underwent consolidation programmes in the 1990s, including Canada and Sweden, found that programme reviews, value-for money assessments and cost/benefit analyses helped decision makers identify the best ways to generate savings. This requires detailed information on how much is spent, what (and how much) is produced, what is achieved and what impact the changes will have on different parts of society. Although complex to undertake, reviews have provided a stronger basis on which government can negotiate with social partners and demonstrate a respect for core principles such as equity.

Going beyond identifying areas where savings can be made through programme budget cuts or institutional reform, the issue of promoting innovation has emerged as a key component of a forward-looking approach to public sector reform.

However, in order for innovative solutions to be found, the civil service needs to understand and share the ultimate objective of reform and be motivated to find and implement solutions. In concert with the Treasury/Ministry of Finance, Centres of Government often lead cross-government reviews and, as such, are seen as driving the renewal of the public service – a challenging, and probably often a thankless, task.

At the same time, they are responsible for ensuring that reviews of the public service take a long-term strategic view of the outlook for the public sector, and do not give in to a temptation to look for short-term savings that might have important consequences for the capacity of the public administration to fulfill its role over the long term.

Structure of general government expenditures by function (2008)



Source: OECD (2011), *Government at a Glance.*

Creation of Shared Services Canada

On August 4, 2011, the Government of Canada announced the creation of Shared Services Canada. This new department will fundamentally change how we manage IT infrastructure. Shared Services Canada will streamline and reduce duplication in email, data centres and networks across 44 departments and agencies – the most intensive IT users. It will standardize systems and modernize aging IT infrastructure. Thanks to the economies-of-scale from a whole-of-government approach, departments and agencies will get better IT infrastructure services for less than it currently costs to provide their own.
www.clerk.gc.ca

"Our approach should encourage networking, and facilitate the use of collaborative, web-enabled, technologies that offer new ways to resolve policy and management issues. Canadians expect innovative programs, services and policy options from the public service. The workplace must support new ideas and allow public servants to deliver on this expectation."

Wayne G. Wouters, remarks at the HRSDC ADM/ Regional Executive Heads Dinner, December 2009

Issues for discussion:

What strategies can governments employ to retain and promote public sector innovation in a fiscally-constrained environment?

How can governments motivate public servants in the context of fiscal constraints?

How can governments respond to resistance both in public opinion and within the public service?

What measures can governments take to assess the fairness of budget cuts and to communicate this to the public? How do they ensure that the process is aligned with a strategic vision for the future of public service delivery?

Session Two

Complexity in Government Action: Horizontal Governance Imperatives in the 21st Century

Governments develop and implement policy in an increasingly complex environment, engaging both foreign governments and multiple domestic government stakeholders.

As the facilitators of co-ordination mechanisms, CoG officials face major challenges in generating the consensus on which decisive government action depends. A primary role of the Centre of Government is to ensure coherence in the way the government manages across its departments and agencies.

In some countries, a degree of policy competition is deliberately maintained between line ministries in order to ensure a level of creative tension, and to enhance the objectivity of policy advice. In all countries, trade offs and compromises among diverging interests have to be made at the highest level, and the Centre of Government helps to facilitate this arbitrage.

Inconsistent policies can lead to inefficient spending, a lower quality of service, contradictory objectives and targets, and, ultimately, reduced capacity to govern. At the same time, the task of the Centre of Government is to balance this ideal against the political and practical limits on coherence in the real world.

Modern governance challenges stem in part from the increasingly complex and internationalised policy environment in which governments act. Effective responses to the humanitarian situation in Haiti, the need for institution- and capacity-building in fragile states, the triple tragedy in Japan, and the unpredictable nature of political change in the Middle East, for example, all required international partnership.

At the same time, government responses to these situations implicate numerous domestic government stakeholders, e.g., departments or ministries of foreign affairs, development, defence and police. How can the centre effectively coordinate policy in this context?

The most common way in which the Centre of Government contributes to co ordination is through managing the preparation of the Council of Ministers. This is essentially a technical function, but is nonetheless fundamental to effective decision making. In almost all countries, the Centre of Government ensures that material presented to the Council of Ministers for discussion has gone through a process in which problems of co-ordination among departments have been flagged and, if possible, resolved.

In addition, the Centre of Government evaluates the impact of proposed actions by departments, verifying that they will not have adverse impacts on other policy objectives or have unanticipated political consequences. The main issue is whether or not ministers are "allowed" to bring material directly to the session, thereby circumventing Centre of Government procedures.

The vital tasks of CoG in ensuring co-ordination across the government

- verify that cross sectoral issues have been considered and assessed;
- ensure that the analysis and analytical material (fiscal, economic, social, environmental, etc.) underpinning proposals from ministries are of high standard;
- check that the proposals from ministers are in line with the government strategic and budget priorities;
- mediate disagreements between ministries over materials submitted to the government prior to sessions of the Council of Ministers; and
- brief the Prime Minister [or President] and the chairs of ministerial committees on issues reaching the committees and the Council of Ministers for decision.

Maintaining a smooth relationship between the executive and legislature is usually a responsibility of the Centre of Government. Parliaments usually pass all primary legislation, and may attempt to amend government legislation in the process.

In addition, parliament is often an initiator of laws, and these laws may or may not harmonise well with the government's own priorities and policies. Complex and unstable coalitions can make it difficult for governments to control the policy agenda, which has implications for the decision-making capacity of the executive.

At the last CoG meeting in Berlin, delegates expressed some concern that crisis decision-making processes tended to alter long-standing procedures, including the normal role of the legislature in decision making. The need to ensure that there is no democratic deficit remains an important task for Centre of Government officials. The Centre of Government also works closely with political advisors, whose roles vary but who have significant influence over the policy development process, communications and political strategy, all of which are important areas that touch on responsibilities of civil servants in the Centre of Government and on which close co-ordination is increasingly crucial.

As the process of government evolves, the Centre of Government is moving beyond its role as internal co-ordinator and becoming more involved with actors outside the executive. From the vantage point of governments, governance is about leveraging support to be more effective in areas where their real ability to act is or appears limited. The signs of a world in which governments network and share power and resources in order to govern are everywhere, and governments are becoming more candid about their dependence on them:

- trends to both globalise and decentralise, with national governments sandwiched between these powerful forces
- the rise of non-governmental organisations, which are increasingly referred to as civil society organizations (the older term defines them by what they are not, the newer term confers legitimacy).

This represents quite a shift in thinking away from an assumption that the central government was able to manage all situations either directly or through its quasi-governmental agencies. The processes of horizontal co-ordination managed by the Centre of Government are thus increasingly broad in scope and participation.

A similar process is also apparent at the international level, where the ability of individual countries to intervene effectively to achieve their own objectives seems to be narrowing. The imperative to act in concert with other countries is not always straight-forward. Multilateral efforts to manage economic volatility have been widely criticized for being too timid.

What is clear is that rather than being issues of foreign policy, multilateral action on economic, social and environmental issues now touch the core of public policy in individual countries. Hence effective working at international level is an increasingly important aspect of good governance at the domestic level and comes into the remit of the Centre of Government.

Working horizontally involves a learning process – building and maintaining trust, developing consensus are important; but the ability to take decisions and react quickly to the unexpected are also crucial attributes of successful partnerships.

Wikipedia lists more than 250 intergovernmental organisations worldwide and notes that the number is increasing every year. It lists only 17 that have become extinct…

Issues for discussion:

What implications does a complex policy environment have on decision-making at the centre?

How can policy be effectively developed and coordinated in such an environment?

Which approaches have been successful, and which have been ineffective?

What are the impediments to effective coordination? How can these be overcome?

Session Three (a)

The challenge and opportunity of social media

The power of social media and the challenges and opportunities that it presents for governments have been demonstrated very clearly at different moments over the past year.

Over the past year, hundreds of thousands of people, often young people, have taken to the streets in places as diverse as North Africa, Latin America, Spain, Greece, India and the UK. City centres have been occupied and large crowds have mobilised to challenge policy makers and articulate a demand for change. While the motivations and contexts differ in these and many other places where similar outbreaks have occurred, one commonality has been the tools used to mobilise protest.

Platforms such as Twitter and Facebook have enabled diverse groups to quickly garner support for protest actions, and have helped to build coherence across the many different interest groups participating in protests. These new means of communication are clearly redefining the way citizens organise, in their daily lives, but also in times of social and political tension.

So far, government has largely been outside the exchanges that have taken place using these media – a notably absentee in many cases given that the topics debated are often political in nature. Yet, all governments realise that new technologies offer an unprecedented means by which to reach out to citizens, and particularly to some hard-to-reach groups within society. Physical barriers to entry — access to computers, high-speed Internet, etc. — are now disappearing for the vast majority of populations, which is focusing attention not on the equipment and technology but on the content and the way messages are delivered.

It is not only one way: social media also opens the prospect of very rapid and possibly uncontrollable feedback from citizens. The issue is not just about pushing out government information, but also about how to deal with what comes back in the opposite direction. Strategic use of social media can help government to better understand, respond to and attract the attention of specific audiences. It enables real two-way communication with people in the places where they are already engaging with their interests.

Social media can offer greater scope to adjust or refocus communications quickly. It can also reduce government's dependence on traditional media channels and counter inaccurate press coverage. But first experiences show clearly that mining this potential is not automatic and, if anything, putting the technical tools in place is the easy part.

Where there may have been an initial reticence on the part of some political leaders, this is now changing rapidly to a hectic search to harness the power of social media. President Barack Obama, who once famously admitted he had never used Twitter because his thumbs are too clumsy, has begun tweeting his own updates. Some government agencies have moved more quickly than others to embrace social media.

As would be expected, some of the first experiments have highlighted the pitfalls — and even the dangers — of poor use of social media by public entities. As a result, governments are hurriedly writing Twitter policies, tabling legislation to cover government-sponsored blogs and issuing guidance to staff on how to use social media prudently.

Social media use: some data

Wikipedia
Over 4 million articles, including thousands of articles about what government does and how it works

YouTube
Over 100 000 000 videos on line

Blogs
200 000 000 - 78% of people active on the Internet read blogs regularly

Facebook
Added 100 million users in less than 9 months

25% of search results for the World's Top 20 largest brands are links to user-generated content

78% of consumers trust peer recommendations. Only 14% trust advertisements

1 out of 8 couples married in the U.S. last year met via social media *(Source; McKinsey)*

They are also exploring whether legal requirements relating to freedom of information and public record also apply to social media use by government, and if so how this can be safeguarded. Perhaps equally importantly, they are also providing training for staff in how to exploit the new media effectively.

The way information is presented and disseminated is very different from traditional government communications, and the disconnect between the two has been visible in early attempts by government to present information through social media outlets. Reducing the gap between government communication and its social media target audiences is part of a more general mindset change that is taking place as governments and their staff become more open and collaborative.

At the same time, for the public sector, there are base principles that are immutable — impartiality, accountability, equity. They must guide the action of government in social media as well — government use needs to stay well away from practices such as "astroturfing", whereby unpopular companies or institutions manipulate social media to improve their image.

What seem to be the keys to good use of social media?

- Hitting the right tone
- Listening, not preaching
- Engaging, not bullying
- Personal, not anonymous
- No penalty, no sanction

Using social media to target and tailor messages- Health Canada's DrugsNot4Me Campaign

This youth drug prevention campaign, under the National Anti-Drug Strategy, is the first Government of Canada campaign to target 13- to 15-year olds using social media tools, including Facebook, Twitter and YouTube. It promotes peer-to-peer dialogue about the harmful effects of drugs and how to say "no". The response from youth has been positive with over 647 500 visits to the DrugsNot4Me site, 45,000 fans of its Facebook page and 97 000 YouTube viewings.

Eighteenth Annual Report to the Prime Minister on the Public Service of Canada (2011).

Commonly cited reasons why governments should use social media

- Share real stories and voices to bring an issue or mission to life
- Demonstrate the scale of public support for an issue
- Be reachable by those that will champion or defend an issue
- Encourage and motivate the most passionate voices internally and externally to support an issue or mission
- Take control of Google searches to manage negative stories
- Measure the impact of government actions in real time (Twitalyzer, Google Analytics…)

Government departments across the OECD and in non-member countries are beginning to use social media to "crowd source" information or reactions.

Essentially, a task usually assigned to an employee or department or research agency is instead posted online for a group to respond to, allowing them to provide shared responses, solutions or feedback.

Crowd sourcing, along with mapping, has demonstrated its value in emergency situations; for example, in a fire or extreme weather emergency, citizens at the site of an incident submit real-time updates, pin-point locations and provide photos. But the value of crowd sourcing for policy development — revealing preferences among different options, gauging levels of support for particular actions and canvassing for ideas or suggestions — is now being recognised.

Iceland's constitution is probably the most widely cited example of this new concept in policy design, but there are many others appearing at national and, most strikingly, at regional and local levels.

Iceland's new constitution

In order to make the new Icelandic constitution a genuine document by the people, Iceland decided to draft the new constitution through on-line networks. Iceland's Constitutional Council posts draft clauses on its website, inviting feedback at its Facebook page, Twitter account and YouTube channel. Once the constitutional council has its final on-line draft bill completed it will be put to a nation-wide referendum.

The increased public demand for information, and ease of access via social media, has also increased governments' interest in controlling and co ordinating their messages from the centre.

This prevents ministries from conveying different or contradictory messages and can help ensure that initiatives are synchronised and announcements timed to maximise impact. Accordingly, many governments develop a collective approach to communications, generally giving the Prime Minister or President the overarching responsibility for ensuring that the public is informed about the work of the government.

The day to day management and co ordination of the communications function is therefore often a Centre of Government function, and the centre establishes mechanisms to ensure, for example, that the information provided by one ministry is consistent with the information issued by others and by the government's spokesman.

Social media multiplies the options for information flow, but also increases the complexity of ensuring that messages are harmonised and that leakages are managed.

As such, the issue of using social media from the Centre of Government perspective is not simply one of information exchange and crowd sourcing, but is more about how information use can be effectively co-ordinated, using the technology but not losing sight of the basic functions (and integrity) of the Centre of Government.

Issues for discussion:

What is the impact of social media on citizens' "real-time" expectations of government's role and how it should deliver programs and services?

Are social media and new technologies efficient and effective tools to facilitate program and service delivery?

Is the prevalence of social media a hindrance to policy development and governance, or an unexplored opportunity? Should social media be a driver or a tool of policy development?

How can centres of government effectively manage the use of social media given the dynamic pace of technological development?

Are governments prepared to respond if citizens express strong feelings en masse that do not fit with current policy? Is there a risk that governments can be overwhelmed by the speed and scale of social media driven reaction from citizens?

Session Three (b)

Governing in multiple crisis mode

As recent events have demonstrated, governments are increasingly facing multiple and concurrent crises, whether in an economic, foreign policy or natural disaster context. Crisis in the plural is now being seen not as a temporary "spasm" but more as a defining feature of the world in the 21st century.

Governments need to rethink how they plan for and react to overlapping shocks, given that most management systems assume isolated and infrequent events. To ensure good link-up among the main stakeholders, some countries have given explicit responsibility for risk management to the Centre of government, but rarely the means to do this job effectively. However, if governing in crisis mode becomes the norm, and if crises are both multiple and diverse, then this role will become more important and more capacity will be needed at the centre.

Awareness of the importance of crisis management in government and the private sector has risen dramatically in recent years as major shocks have, arguably, become more common and more destructive. As the number of shocks of diverse types has increased, the issue of how governments prepare for such events has broadened from a largely national or regional public policy concern to a global challenge. The concept of "global shocks" has emerged to describe cascading risks in health, climate, social or financial systems that touch many countries simultaneously. The global interconnectedness of OECD and global partner economies could make these global shocks more likely to happen.

Added to this, governments face the prospect of combating multiple crises. The danger has been the possibility that governments would not face one specific, individual threat at a time, on which they could focus resources. The reality in recent years seems to be that major crises do not wait in line but appear concurrently.

Governments need to prioritise and to co-ordinate responses and resources across several fronts at once. In addition, the strained situation of public finances may radically alter the long term perspectives, with governments finding it increasingly difficult to play the implicit role of insurer of last resort.

Past discussion of risk management in the CoG highlighted the somewhat ad hoc and fuzzy attribution of risk management functions at the centre of government.

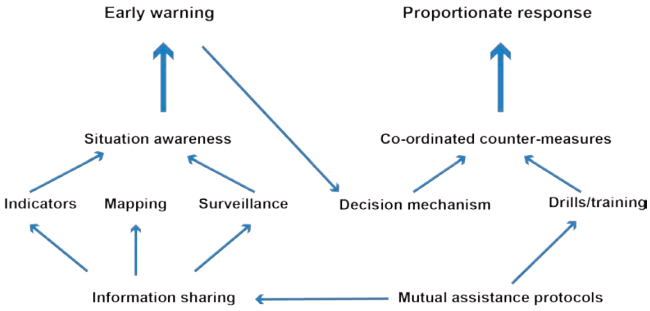
The time is probably right for CoG to reassess its capacity to fulfill or to contribute to risk management functions in a situation of (perceived) heightened exposure to both natural and man-made disasters. These have, by their nature, to engage sectoral departments and local governments in adopting concrete risk mitigation and prevention measures, and require strong impulse from the centre.

While this might seem alarmist, the fact that recent years have seen successive and overlapping shocks suggests that issues of preparedness and crisis management do need to be reviewed in light of the possibility/probability of multiple events that stretch response capacity across several government departments.

Preparedness cannot simply consist of guidelines and procedures to be followed, but also need to include early warning systems and crisis management. Experience shows that to be effective in such conditions, crisis management should rely not on detailed procedures, but rather on a responsive decision-making structure. Decision-making processes must be capable of reacting to the unexpected in a timely and effective manner. In the aftermath of disasters, governments generally face considerable pressure to intervene: to reduce or contain persisting dangers, compensate victims, clean up and reconstruct damaged areas, provide liquidity to affected industries and local governments, prevent credit bottlenecks, and restore market confidence. These are very cross-disciplinary tasks and therefore the role of the Centre of Government can be crucial.

Risk management, as any other field of public policy, needs to be underpinned by a core set of governance principles (transparency, accountability, efficiency and effectiveness, responsiveness, strategic thinking/vision). Each of the main steps in the risk management cycle (which includes risk assessment, risk evaluation, decision-making, risk control, ex-post evaluation) requires judgements based both on scientific analysis and political estimations of public values and perceptions. This highlights the role of CoG in streaming evidence from departments and from scientific bodies into the Cabinet decision-making process, while also being responsive to the political context in which decisions are inevitably taken.

Key capacities for governance of global crises



Source: OECD (2011), *Future Global Shocks: Improving Risk Governance.*

Key governance questions for risk management at the centre

- What sources of advice are available to central policy makers in assessing vulnerabilities?
- How is risk factored into strategic policy formation?
- Are governments equipped to balance risk-avoidance with risk-taking for innovation?
- How do early warning systems in line ministries alert policy-makers at the centre?
- What regulatory systems and techniques are used to offset risk?
- How can risk assessment and management be 'mainstreamed' into everyday management?
- How is risk presented to the public and risk management communicated?
- How robust are contingency plans (including forecasting, assignment of responsibility at national, regional and local levels; co-ordination at the centre)?
- Is ex post evaluation conducted to ensure accountability and draw lessons for the future?
- How can international coordination be enhanced given global interdependence and risk?

Governance gaps may arise when institutions, rules or capabilities that are necessary to effectively perform key functions of risk management are lacking effective powers or are isolated from other parts of government. Key areas include:

- risk identification and assessment of hazards
- surveillance and monitoring followed by timely and accurate reporting
- operation of reliable early warning systems;
- development and implementation of prevention policies;
- establishment and execution of disaster response and recovery plans.

Countries, and particularly smaller countries, are facing huge and potentially complex tasks, given the diverse nature of potential risks and the technical obstacles that make assessing risk and predicting how and when a risk is likely to become a real event both difficult and resource-intensive. Cross country exchange of experiences in risk management may represent a strategy to mutualise knowledge and better diffuse the expertise.

Extreme climatic events, 9/11 and the financial crisis have all helped to raise public understanding of the need for government and citizens to prepare. Most governments have simulated responses to pandemics or terrorist attacks.

There have also been multi-country simulations such as the EU exercise to coordinate a Europe-wide response to cyber attacks. The aim of these exercises is, at least, to identify where governance gaps exist and try to rectify them. High-level co-ordination and contacts also takes place through informal high level networks.

Logically, the centre of government are required to enact or promote the institutional and organisational adjustments that are deemed necessary to ensure the improved functioning of the system – establishing new technical bodies or agencies, improving cross-departmental co-ordination, proposing mergers or transfers of responsibility, reallocating risk management resources across departments, developing a government-wide strategy, charter or similar mission-defining document, etc.

The challenge is to move from "reactive strategies", as many of these steps are often quickly adopted in the aftermath of a major event, to "proactive strategies", identifying the major gaps ex ante, and filling them.

The main "risk" to guard against with respect to a Centre of Government led review of crisis management is that the process does not then become a purely bureaucratic process, lacking the imagination and creativity to prepare for the unexpected.

However, if operating in crisis mode becomes the norm, and if crises are both multiple and diverse, then this role will become more important, and more capacity will be needed at the centre.

Across the government, there were failures of imagination, policy, capabilities and management. The most important failure was one of imagination.[…] Imagination is not a gift usually associated with bureaucracies.

The US 9/11 Commission Report (2004).

Communication, before, during and after the event, is a crucial aspect to successfully confront risk, a task where the centre has a crucial role to play. Independent media collect and interpret data and present them to the public, often in real time. Governments have little control over the way information is handled by the media and received by the public. Their ability to communicate freely may be hampered by the need to withhold critical information, for instance to protect potential targets and prevent malevolent actions.

Disaster situations provide fertile ground for disinformation and rumour. On the other hand, people respond to disasters in a rational and responsible manner when official sources are credible and trusted. This is why in most cases the head of state takes a strong personal role, and therefore depends on his staff for advice and support in the area of public relations. Again, the Centre of Government has a role in bringing together the risk and crisis management side with the public information side in order to ensure that communications are informed but also appropriate.

Systems for managing risk across countries are high on the agenda, and Centres of Government will be called on to support international risk management efforts, an area where the OECD could help through its newly established High-Level Risk Forum. The need for more global governance of risk was clearly highlighted by the financial crisis, and this could be translated to other risk governance areas.

In the wake of the crisis, the G20 was expected to push through major reforms of financial markets and the international banking sector. But three years later, the institutional landscape for international co-operation on economic and financial issues has not changed dramatically, and there is increasing frustration that the international community has not been able to put in place safeguards that would prevent future financial shocks.

Global governance seems to lack, on the one hand, a clear strategy and, on the other, the levers to ensure compliance. For example, the Financial Stability Board (FSB), which was mandated to identify key weaknesses and recommend actions to improve market and institutional resilience, has as yet only 24 member countries and no authority to issue binding directives.

A common platform to share experiences, compare government strategies for risk assessment and management could help to fill this gap, providing the strategic tools that governments and practitioners need, while keeping enough flexibility to adapt to the unknown.

Issues for discussion:

What structures can be put in place to strengthen public service capacity to deal with concurrent crises?

How can a government ensure coherent policy when responding to multiple and concurrent high-profile crises?

Is an effective approach to "governing in multiple crisis mode" proactive or reactive in nature?