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A CHANGING CANON OF GOVERNMENT: FROM CUSTODY TO SERVICE

GOVERNMENT OF THE FUTURE: GETTING FROM HERE TO THERE

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A CHANGING CANON OF GOVERNMENT: FROM CUSTODY TO SERVICE

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Prologue

1. The starting point of this paper is similar to the running of an external audit. We shall endeavour to take an outside and dispassionate look at the present forms of government: structures, shape, democratic arrangements, challenges and shortcomings. In doing so, our hope is to raise some difficult issues; and perhaps our common imagination can be put to work in questioning our existing institutions and in searching for alternative designs.
2. The essence of our approach is narrative. That is to say, strictly paradigmatic modes of thinking will be avoided. Likewise, a holistic approach is used throughout the essay; minute details of the clockwork of government are outside the scope of this paper.
3. Our journey will lead us to scan two favourite domains of the social psychologist: the landscape of action and the landscape of consciousness in the public sphere. Speech, agent, intention, goal, reform, shall be preceded by knowing, thinking, feeling, understanding, comprehending the complex flow of action, and acting appropriately within it.
4. Our ultimate goal is not to unravel the riddles of democratic governance. In spite of this, the present inquiry is not destitute of intent. Advancing democratic ideals of government and bolstering democratic practice are two underpinning assumptions of the entire exercise.
5. By revisiting some long-standing foundations of government, we shall be acknowledging a number of weaknesses that impair democratic institutions. In doing so, we shall also be expressing our deep faith in human ingenuity to perfect social institutions and to rehabilitate the place of public purpose in a market-driven age.
6. The underlying driver of social advancement is a discourse of civility: raising civic competence and improving our common capacity to conduct joint deliberation. Citizens are the generators of common wealth: deliberating together and carrying forward social enterprise. Education stands out as the most powerful lever to elevate the quality of democratic life. For centuries teaching in our schools has been held ransom to the manufacture of workers needed to sustain economic growth; equity (promoting social mobility) and democracy (preparing for active citizenry) have been relegated to a lower priority. It is time to nurture a democracy-friendly school set out to reverse the receding trend of community life in a society of individuals.
7. Because societies are ever more complex the analytical tools currently used to tackle problems of governance are outmoded. We shall have to turn to the knowledge of complexity. Under this assumption, a line is drawn between systems operating “near equilibrium” and those operating “far from equilibrium”. While the former configurations tend to seek custodian modes of protecting the prevailing interest, the latter will take the shape of service-driven governments committed to fostering risk on the path to

innovation; realising the public interest identifies with serving the claim for societal change. Good governance demands the ability to perform in environments both “far and near equilibrium”.

8. Governance in the 21st century is a demanding challenge. Whatever the perspective, it is hard to believe that improved government performance in the next century will be compatible with government models of the 19th century. “Government as usual”, it is widely thought, falls short for responding to new challenges. Two devastating world wars in the current century and a proliferation of ethnic conflicts in its last quarter, broadening gaps across different measures of equity, pandemic threats coupled with increased human mobility, environmental decay, are but a few indicators of the need for improving global governance on our planet.

9. The present paper is structured in four parts:

- Part one presents the arguments upholding the quest for new forms of government.
- Part two deals with governance under unstable conditions: i.e. operating far from equilibrium.
- Part three elaborates on the central issue of trust as a key to sustainable governance in “near equilibrium operating environments”.
- Finally, part four takes up what we consider to be the DNA of government. This is not about theoretical designs, nor hints to reform legislation; nor is it about empirical models, or even elementary building blocks as a recipe to re-organise future governments. It will simply refer to the importance of people and values when rethinking fundamental government architectures. In referring to people, we shall endorse the broadest understanding of a vast constituency of government: from legislators to policy-makers, from senior executives to managers in public organisations, embracing leaders and followers committed to the advancement of the public service at large.

10. Each part is divided into thematic sections, each with a standard presentation. After briefly setting out the context, a set of open questions follows; the section is then completed by a number of paragraphs on “key elements” to further the inquiry into the questions.

11. The more alluring, and perhaps compelling, theoretical questions are presented in an annex. They provided the conceptual framework and mental artefacts for the development of the paper.

12. I am indebted to PUMA for having set the challenge to collect and present a number of personal ideas. Also, for providing me with valuable support and access to state of the art literature. PUMA’s commitment to improved governance is well worth our joint efforts.

I. The quest for New Government

A. *The limits of past configurations*

Context:

13. There is growing discomfort with existing arrangements of government. Citizens demand greater democracy and transparency. Communities seek more autonomy. Business leaders point an accusing finger at the lazy pace of governments. Interest groups are prodigious in showing displeasure with the way

governments resolve their disputes and issues. The media are eager to report dissent and nurture mistrust. Lack of effective governance ranks high on the list of major societal concerns.

14. The modern State stems from the “hegelian ambition” of creating one prime agent of history – impersonal, objective and rational - that is the entrusted guardian of cultural conformity and homogeneity, The traditional *modus operandi* of the nation State remains anchored to paradigms of territorial integrity, as a single source of authority. The Nation-State is in charge of a specific territory, catering for a population living within it and managing a local and relatively static endowment of natural resources.

15. A new technological paradigm enhances mobility, networks, speed and connectivity, while social order has become based on multi-cultural diversity and the triumph of difference. The Nation-State is unable to cope with the complexities of a multi-polar society, while the surge of globalisation during recent decades has increased citizen expectations for more governments to take a pro-active approach. Public policy-making does not escape the demands for wider choice and greater responsiveness.

Questions:

1. In a world of relentless change, are the limits to the existing shapes of government recognised within the systems of power?
2. What are the “internal” drivers of change? Are there already signs of future trends?
3. What are the key external factors influencing the momentum for change in OECD governments?
4. In a period when changes are big and imperative (economy, life-styles, values, cultural intercourse, spread of democracy, technology), can governments afford to proceed with incremental change only?

Key elements:

16. The following are among the leading environmental factors explaining why and how governments change:

- a) Media imposition.
- b) Fiscal pressure and sustainability.
- c) Weight and interplay of lobbies.
- d) Networking sources of authority.
- e) Static vs. dynamic forces.

These externally driven factors are affecting the way governments respond to challenges and the pace at which they struggle to remain “modern”.

a) *Media*

17. The role of the media can be in two directions. Downstream, to illustrate the major preoccupation of contemporary government in performing to the expectations of Homo Mediaticus (the on-line citizen, a compulsive emitter and receiver of messages). Indeed, a key function of centres of government is to provide an intelligent interface between government activity and media agents. Upstream channels

comprise the wealth of public opinion that the media voices and amplifies in the exercise of societal pressure on government institutions. In the modern democratic ethos the media is increasingly taking on a watchdog or appraisal role vis-à-vis the Administrations. While the “old media” – based on notions of editorial preferences, broadcasting and programming – tended to establish a balance between down and upstream approaches, the new media – much more prone to instancy, disintermediation, webcasting and interactivity – set a more unstable platform for political action and transmission to large constituencies. Thus, it is increasingly true that political choices are tailored to anticipate media reactions and timings. Moreover, new centrist governments are set to remain pragmatically attuned to media preferences in a move that is linked with the proliferation of electoral cycles and with the rise of pragmatic politics.

b) Fiscal pressure and sustainability

18. Times are rough for fiscal policies. Mistrust of government and a greater consciousness of the value of intergenerational sustainability have led to mounting demands for balanced budgets. With the growth in the size of government, servicing the national debt – a result of accumulated deficits – has been the category of government spending that has most increased in the last three decades in OECD countries. By the same token, regional economic integration seriously curbs the use of expansionist public spending in times of economic downturn. Thus, in times of economic squeeze, governments have been required to display unprecedented creativity in developing organisational solutions that are both economic and focused on improving performance. There will be continuing pressures to curb public spending on social services such as education and health; a general “time squeeze” on voluntary care activities could dangerously compound the fiscal squeeze on public goods in periods of hardship. The obligation to produce more and better outcomes with fewer resources is an opportunity to spark innovation and ingenuity in the public sector.

c) Lobbies

19. The rise of organised civil society goes hand-in-hand with the emergence of strong lobbies. The effectiveness of a particular lobby group can currently be measured by the visibility of its interest in the shape and denomination of government departments. In a democracy of opinion, strong lobbies can stall or drive sectoral policies, especially if governments are weak or thinly supported by legislatures. These very same lobbies can act as major initiators of government re-engineering. Social negotiation is often heralded as a modern version of democratic rule. Much too often, it has proved to be a beacon of government-lobby transactions determining structural options for the design of government to meet the competing claims among the most strident voices in society.

d) Networking authority

20. The Nation-State was a unique form of governance for exercising power over the last 200 years. The basic assumption was that of a custodian State: in charge of a specific territory, catering for the population living within it and managing a local and relatively static endowment of natural resources. Since then the world has undergone dramatic changes: geography and territories matter less, population and knowledge are mobile, natural resources are less important as a source of economic power. Rather than managing stocks, public bodies are faced with the need to manage flows (knowledge, people, capital, cross-border companies). Authority in modern societies is diffuse and spread “inwards”: through local actors, pressure groups and responses to greater self-government. The sovereignty of a State is also increasingly intertwined “outwards” with supra-national sovereignties.

e) *Static vs. dynamic forces*

21. Regulation is achieved through broad partnerships. These partnerships no longer rely on achieving a stable public interest; partners are increasingly vocal in advocating greater de-regulation, capable of accelerating change in service-driven delocalised economies. In fast-changing operating environments it is important that government does not stifle enterprise, strangle innovation, curb dissent, divert talent from commerce or industry, chase away investors. The “homeostatic state” – striving to live with little or no change at all – is the first and foremost enemy of a dynamic society.

B. *The formation of a new public and policy agenda*

Context:

22. Comprehensive forces interact to produce a latent new public agenda. This reflects the turbulent and complex interactions that take place in contemporary societies. Hence, the ultimate features of a self-organising public system will depend on the interpretative filters, which translate pressing public agendas into new policy responses.

23. A configuration of government that is “highly responsive” will prefer predictive strategies - governing by anticipation on the edge of borderline risk-taking and of change management. A “slow” public sector will choose an adaptive path - governing by polling and reacting to new agenda outbursts - or simply not recognise the need for change. Nevertheless, it becomes a matter of time and of mounting opportunity costs. Delaying fundamental change (“zero policy making”), in a world caught by the speed at which *big mutations* take place, is synonymous with missing the right moment in history and having to eventually face more costly alternatives.

24. One piece of evidence of overdue change, linked to failure to address rigidities in the arena of public sector governance, is the fact that many OECD countries, particularly in Europe, have reached a total government expenditure figure close to 50 per cent of GDP. The entitlement net is being stretched to the extreme: citizenship has often come to mean eligibility for social services and welfare benefits.

25. The sheer limits to an extended configuration of government approaches from the past are now overwhelming ...

Questions:

1. Is it possible to monitor the key factors influencing the formation of a new public agenda in open and plural societies?
2. How would we rank the key sources of public agendas: societal and economic change, environmental issues and shared sovereignty?
3. To what extent do media express preferences in triggering the symbolic demands and mutual reinforcements originating from various sources? How legitimate is it for governments to “follow the media” when these indications covertly alter the electoral platforms on which government was chosen?
4. How do we see the future role of knowledge and lobbies in influencing tomorrow’s public sphere?
5. How is democratic governance challenged by the new policy agendas?

Key elements:

26. Public agendas are constantly expanding and changing. In open societies the interplay of interest groups in the determination of public priorities is constantly at work. Also, policy agendas are unpredictable; unforeseen events test the ability of centres of government to manage crisis.

27. Public issues can take a long time to find their way onto public agendas and even longer to find a place on policy agendas, except where governments are acting strategically, and in anticipation. Environmental protection and urban exclusion are two examples of this progression. An unpredictable policy agenda is one which continually has to confront crises management.

28. Newly emerging major trends in public agendas can already be detected and include the following:

- Societal Change
 - ⇒ city self-government (once the cradle of democratic institutions);
 - ⇒ tribalism, extremism, heterogeneity, ethnic bigotry;
 - ⇒ digital exclusion (haves and have-nots in the digital world);
 - ⇒ demographic change and the failure of social security systems;
 - ⇒ third sector rise, voluntary organisations and NGOs;
 - ⇒ “new business” commands.
- Shared Sovereignty
 - ⇒ global and regional governance (global finance, crime, economy, ideas, civil society);
 - ⇒ supranational clustering and regulation – the rise of cross-border communities;
 - ⇒ rise of an international civil society (global networks of non-governmental organisations);
 - ⇒ subnational autonomy – the rise of intra-border communities;
 - ⇒ standardisation of policy (*branding* in government);
 - ⇒ new rules, extended multilateral agreements.
- Environmental Issues
 - ⇒ common goals;
 - ⇒ multilateral regulation;
 - ⇒ food supply panics;
 - ⇒ climatic changes unleashed by uncontrolled pollution;
 - ⇒ threats originating from two ends: aggressions from the consumption patterns of the rich; pressures from the narrow choices left to the poor people;
 - ⇒ depleted stocks, less biodiversity, fewer forests.

29. The following are among the most critical public issues that will probably require increasing attention:

- setting standards and controlling for quality;
- regulation and arbitration of conflicting forces;
- franchising of government models;
- balanced distribution of services;
- managing multicultural relations;

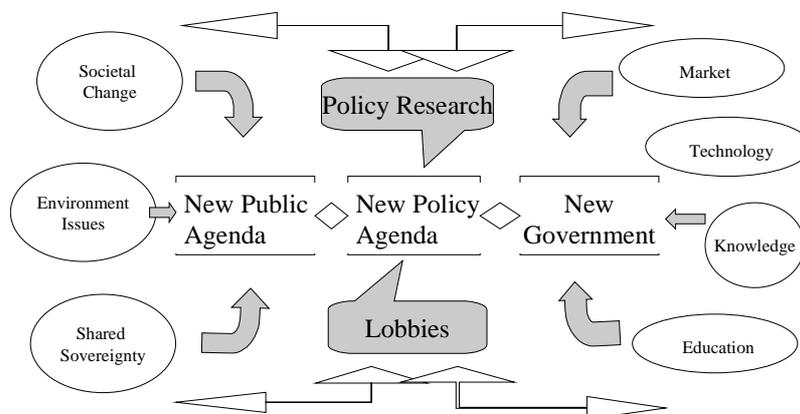
- building cultural identity and the pursuit of national cohesion;
- catering for environmental quality;
- dealing with growing inequalities and gaps in dual societies;
- tackling citizens as receivers and donors.

30. Some - though not all - items on the public agenda will be able to integrate future policy agendas. The point at which political and electoral preferences intersect will lay the ground for public action.

31. Certain issues can give rise to serious problems with democratic governance. This is the case with global concerns that transcend the scope of any single government, such as:

- Globalisation of crime.
- Control of extremist groups.
- Protection of privacy.
- Rise of tribalism and the spread of predatory identities.
- Immediacy and good timing in policy management.
- Disintermediation or reintermediation in the political framework.

Setting the Agenda for ‘New Government’



C. *The determinants of “New” Government*

Context:

32. “New” government is not solely a product of new demands. More responsive government could be achieved by improving interfaces with customers without endeavouring to re-shape the core of government. Equally important are the factors in society that generally affect the shape of supply as well as the evolution of organisations: this section of the paper will attempt to deal with some of the overriding issues in a supply-side approach to “new” government.

33. Deciding to change the course of governance by strategic choice or as a result of political anticipation takes boldness. To increase the likelihood of success, there needs to be a timely assessment of

demands combined with a clear-headed evaluation of supply-side factors. Both sides need to act in partnership to bolster a proper re-design in the blueprint of government. Without anticipation, structural change occurs only after severe economic pressures or because of social decay (growing disaffection with established values). In the latter case, the scope to innovate is severely reduced and the “renewed” government tends to replicate the mental artefacts that underlie “old government”.

34. In summary, new government is sustainable only when it is the consequence of a strategic will to address the issues related to the business of public policy making and delivery. Furthermore, the effectiveness of a new formula for protecting public interest is always the realisation of a dream, a leap forward in the historical drive to add meaning and purpose to collective life. “New government” is held accountable to history.

Questions:

1. Why are government models so much slower to be challenged than their corporate counterparts?
2. Are there prevailing constituent values determining a preference for conservation in the public sphere, unlike the case with competitive business environments? What is the balance sheet of change and conservation values in contemporary government?
3. Are democratic governments held hostage to change-averse majorities? Or is this a matter of inadequate interpretation by power brokers who become “dormant” once in office? Or are competing parties, once in power, locked into logic of expanding and preserving government to accommodate campaign promises and the requirements of slow-changing bureaucracies?
4. How can the longer-term interests of society be weighted against short-termism in the assessment of government performance, and made accountable across electoral cycles?

Key elements:

35. Four sets of factors explain the mood to change the internal structures of government: market, technology, knowledge and education. The mix of these factors provides the fundamental directions for modern government thinking. Three directions that set the agenda for the re-engineering of government can be detected:

- Targeting policies and groups.
- Pooling learning cultures.
- Webbing and networking styles.

These directions will be further explored in the following sections of the paper.

a) *“It’s the market”*

36. Competition is the key driver of business performance and change. It is a key variable in explaining innovation in corporate models: remaining competitive in the market is also the fundamental force that leads to the dismantling of “old and under-performing” systems, in a process not unlike evolution in biology. Rightly so, benchmarking – an eloquent remnant of industrial spying at its best – has turned into a fashionable activity of management gurus. Similarly, governments are no longer immune to competition. Comparisons between structures and performance ratings are becoming frequent; and

performance measurement is likely to advance and be refined in the near future. Likewise, government overall ratings and appraisals of specific public policies are strongly evident in the general assessments of national competitiveness currently produced by the most prestigious analysts. That said, it is fair to comment that the delivery of public goods will not necessarily submit to a market epiphany that is increasingly heralded for private goods. But the logic that public goods need to be provided by a supra-market entity does not mean that the provider, i.e. government, should be allowed to continue to provide services without first having to ensure that those services are of a high quality. Nor does this mean that government should continue to provide services without questioning whether government still must be the prime provider. Government provision and delivery of pure public goods is, by definition, a monopoly. However it should not be an unregulated monopoly, but rather a monopoly regulated by stakeholders in society. There is much to observe and learn from the corporate sector, without losing sight of the appropriate balance to be struck in the theories of government. Ignoring business imperatives with potential to improve the performance of the State can be a costly mistake. One particular business trend that merits consideration in today's turbulent economies is the rise of the "Big Company" as a response to uncertainty and to falling margins – a consequence of global competition. Dreaming big ("too big to fail") is producing a wave of mergers and acquisitions without precedent in recent history. By definition, the State does not globalise. But this does not mean that a sizeable transfer of competencies from the national sphere to supranational levels of government is not taking place. "New forms of government" must remain attentive to this re-distribution of tasks and responsibilities between the different tiers of administration. A parity of governance standards – corporate and public – determines the future of our societies.

b) *Technology*

37. It is commonplace to affirm that technology has driven most societal changes that occurred in the course of the last two centuries. With the advent of new ICT (information and communication technologies), the technological change became inescapable; the plummeting cost of ICT is fuelling prosperity in high-income economies. The world is becoming divided in two halves: analog and digital. The impact of digital networks pervades all aspects of the human life, from entertainment to work, and worship to learning. Even governments cannot escape the trend to "log on", in other words to join the "connectivity" membership. Technology can open fast tracks to government. Knowledge-based Internet governance is able to accommodate diverse national needs. Electronic government, direct policy consultation, electronic town meetings, digital citizens, internet procurement of public goods, paperless bureaucracies, virtual classrooms, multimedia public boutiques, are but a few of the emerging responses. Most impacts tend to be appraised from the customer's viewpoint, that is to say, by assessing interfaces between government and citizen. Although not explored further in this report, much more can be said about the potential influence of new technologies on two other fronts: improving the internal efficiency of public organisations and their communication flows; enriching the pool of intangible assets currently available in public office (knowledge of citizens' preferences, accessing world-wide data bases, cross-referencing public policies). Hence, technology can be extremely effective in assisting the race for differentiation. One problem is that globalisation is intrinsically authoritarian: it imposes the will of the stronger on the weaker. However, nano and microtechnologies can help reverse that tide, and support small communities to regain autonomy; a technology-driven generation can aspire to distinct destinies in a networked world.

c) *The knowledge age*

38. The rise of power based on expert knowledge is driving the information society and the new economy. Thus, it comes as no surprise that knowledge shapes both social policy and the institutions of everyday life. The claim on expert knowledge carries high value and so does the capacity to utilise

problem-solving knowledge and skills. Rationality believes that professional knowledge and balanced ideas can change the way in which the world is governed. By the same token, knowledge-based economies are believed to be more sustainable than others based on traditional ways of producing goods and services; this controversial belief explains why global trends pay scant attention to the place and role of “native knowledge” (that which springs from local cultures and tacit - not codified - modes of knowing). The knowledgeable government relies to a high degree on expert advice and technical judgement to carry out its duties. Knowing to know and to live in harmony with current knowledge is not a simple task, whether in humans or in organisations. A wise government - successful in putting human and social knowledge to work in the pursuit of happiness - is bound to a number of duties: managing conflict and contrasting views; valuing contacts with difference; integrating knowledge and skills into biological patterns of behaviour; knowing in advance and discerning before others; stimulating cosmopolitanism as opposed to narrow parochialism; building social capital and cohesion in society. A policy inquiry into the realm of new knowledge will focus on knowing what and why (the traditional modes of realising knowledge). But it will equally contemplate two further dimensions of knowledge: the problem-solving and reasoned experimentation dimension (knowing how); and that pertaining to the social dimensions of knowledge acquisition (knowing who).

d) *People, education and values*

39. The tiniest company learns to understand how customers’ taste changes. Moreover, its longevity is contingent on its capability to recognise early signs of change and to provide added value in satisfying new needs of customers. Going still further, successful innovators can themselves create new needs that greatly increase customer wellbeing. Governments will also have to learn to operate on a similar logic. People and societies change a lot, at an ever quicker pace. The formidable rate at which access to education has been democratised during the present century is the driving spin. Educated citizens make educated choices. The demands on quality are commensurate with the educational attainment levels of the population. The same applies to needs to participate, self-determination and community responsibility. For an open society, active citizenry is a powerful detonator of change. The values and attitudes on which a secondary educated society rest differ substantially from those of an illiterate constituency (or holders of only basic education levels). Government policies and actions are held more accountable to the different constituencies: it is not sufficient to do “right”, it becomes necessary to explain clearly and fully why and how the government is doing “right” and at what cost.

II. Learning to operate far from equilibrium

40. Theories of complex systems provide us with a powerful tool for interpreting change. In this light, government change is better understood in terms of “punctuated equilibrium”, i.e. long periods of policy stability which are interspersed with short spasms of instability and major policy leaps. In other words, this is a typically biological behaviour; one that explains evolutionary paths with alternating phases of incremental and radical change, i.e. the opposite to a purely mechanical continuity.

41. This chapter looks at the features of a government operating *far from equilibrium*. This is a case – lower in probability but highest in change potential – where governments face sharp alternative paths and stark choices (“bifurcations”), and when a choice determines a significantly different future from that of the past.

42. Learning to operate “far from equilibrium” demands higher-order crisis management skills; that is to say the capability to turn threats into opportunities, by taking advantage of imbalances to overthrow

paralysing inertia. These same skills are important for avoiding excessive erosion of the social fabric when disruptive patterns of daily life prevail.

A. *Managing flows – faster, smaller, integer*

Context:

43. The Nation-State flourished under the covenant of administering and expanding a territory and controlling for space. Within those defined territorial boundaries the industrial State was expected to: ensure territorial integrity; protect its “nationals”; manage the endowment of natural resources. Year after year, the asset manager-State would diligently replicate its mandate. But in recent decades, mobility is redefining the rules of the game.

44. People travel, companies delocalise in search of cheaper production factors and higher productivity levels. Capital circulates throughout the planet “in real time”, information is unbounded by time or space. Innovation creatively destroys and re-deploys competitive advantages. Knowledge is increasingly open and international, rather than being subjected to the former notions of proprietary ownership. However, critical knowledge to business competitiveness and to the maintenance of strategic power in the world remains very much concealed. To this end, governments play a pivotal role in ensuring the free flow of public knowledge and combating monopolies of weightless goods with a high knowledge content. The new State is part of a wide constellation of players. Spatial strategy is giving way to strategic time management and public policy is seen as one enabler of development among several others. Governments are no longer regarded as the guardians of stable assets. Their main function is turning to the timely management of flows; their role is increasingly perceived as akin to that of strategic regulators – acting on behalf of the community – of a multitude of agents, rather than sole and monopolistic dispensers of public goods.

45. The exact scope and boundaries of strategic regulation are unclear. Further research is necessary to resolve conflicting views on security and risk, building a general theory on regulation. Even the marketplace model accepts that governments may set up the basic rules of property and contract; moreover, it tends to postulate government protection against market failures, namely preventing monopolies and monopolistic practices, especially when current technology developments are so easily prone to establishing market dominance by a single player. The role of public authority in ensuring anti-trust action is expected to grow. This is especially true insofar as democratic societies are expected to respond for the woefully uninformed and to cater for those utterly disempowered by market forces.

Questions:

1. How would a flow-managing government differ fundamentally from an asset managing government?
2. Are flows always unpredictable and volatile, or can we foresee situations of “steady-state flows”, close to equilibrium?
3. Is there an “exceptionality” surrounding unregulated flows of bits and bytes in a de-materialised world? Are cyberspace flows to remain a new territory of customary or unwritten law?
4. Do fiscal constraints impose limits on the management of flows? What remedies can help overcome these constraints?

5. How could conflicting flows be reconciled in public policies: employment vs. equality, universality vs. quality, competitiveness vs. equity, market vs. distribution?
6. How can flow management be reconciled with democratic change to the “flowkeeper”?

Key elements:

46. The contemporary State plays a leading part in ensuring “strategic order”, or in sparking “controlled disorder” in a society. In favouring policies of innovation it can inspire risk and change. By signalling a preference for stability, governments can seriously deter a healthy propensity for change.

47. The fabric of OECD societies denotes high levels of saturation running alongside the currently high indicators of affluence. The lesson is that societies swamped in material goods still put a high premium on governments that mediate between reality and dream, that propose to bridge the present and future, and that can offer the quantum of visionary leadership to allow people to “fly”. The difference, in terms of past challenges, is not merely at the level of intensity; it is also in kind. Governments are no longer “interpreters of an ideology”; they have become “architects and designers of futures”.

48. It is in this capacity that governments can tip the balance in societies, producing the discomforts of thinking beyond the strict boundaries of daily satisfaction.

49. Concentrating on flows is about reaching into the future as a place of hope; it puts a claim on the public commitment to seek to promote, as a central cultural and democratic goal, reflective and deliberative debate about possible courses of action.

50. A strategic government identifies the clear cut-off point between regulating more of the past and formatting a diverse future. In times of uncertainty and risk, public policies need to close the gap between the “excluded” and the “established” in society. These policies would set in motion the desire for a different set of concerns in society.

A. *The learned government – smarter, sooner, and closer*

Context:

51. Learning is the much-sought attribute of adaptive and strategic organisations. This is the imprint that separates winners and losers in the knowledge race. Our current management lexicon overflows with hyphenised applications: life-long learning strategies, learning organisations, learning companies, learning societies, learning cultures, learning individuals...

52. Participation in a knowledge-driven society is premised on commitment to learning. This is particularly true when speaking of a “far from equilibrium” government destined to cope with uncertainty, threat, change and risk.

53. The learned government commits to free itself from pressures pushing for conformity; it cultivates innovation and creativity to the extent that the societal fabric is in need of renewal. The real recipe for effective knowledge relies on meta-learning, that is to say the ability of “knowing to know”. Likewise, continual learning is a primary consequence of “reflectivity”, or the ability to reflect upon and learn from one’s practical experience.

54. While the learned government will have to strengthen core learning skills at the centre of government, it will also strive to organise itself to welcome learning flows via strong communication strategies.

Questions:

1. How can “reflectivity” and strategic thinking best be organised at the centre of a risk-taking government?
2. If hierarchy is the recognised paradigm of the former industrial State, what would be a web-inspired paradigm for a State open to disequilibrium?
3. Is the “communicating State” an integral part of a learned government?
4. In this case, is communication for reciprocal learning (State and civil society) a worthy enterprise? Is this two-way communication a product of pure intellect? Or is it destined to incorporate a much higher share of emotions in policymaking?

Key elements:

55. The priorities for a learned government could be approached from a host of angles. The paper has already alluded to several:

- Skilled people.
- Knowledge infrastructures.
- Nurturing learning cultures.
- Welcoming difference and plural views.
- Networking and fostering open partnerships.
- Favouring adaptive designs of government and a biological behaviour.
- Developing strategic functions at the centre of government.
- Catering for the exact quantum of emotions in policy.

Each and every one of these factors is worthy of attention. The paper as a whole deals with some critical dimensions of the factors listed above.

56. This section looks briefly at two aspects of the emerging learned government. One concerns the relevance of think-tanks as a means of enhancing the quality of core government activities. The other concerns the transition from vertical governments to a web-design more in line with current demands of public policy in unstable environments.

a) *Think-tank.*

57. These agencies are tasked with influencing the policy agenda through the publication of research and policy advocacy. They can affect multiple targets: independent policy evaluation; forecasting and futures studies; shaping the culture and context of political thought and action; survey research; strategic advice; and so forth. Avowedly independent think-tanks have the further advantage of having strategic continuity over and above the contingencies of partisan politics. These centres of strategic intelligence have the possibility of processing issues in parallel, a pattern not dissimilar to that displayed by biological

organisations which, in everyday complex situations would usually avoid a purely serial form of behaviour.

b) Webbed government

58. A hierarchical design of government, based on vertically organised sectors of responsibility, has gradually evolved to hybrid arrangements combining sectoral departments and target departments. The latter would be typically represented by city ministers or youth ministers, interacting with line ministers via a matrix of interrelations. The foreseeable next stage in the evolution of public sector architectures would take the shape of concentric clusters of responsibilities gravitating around the centre of government. A web configuration of government is particularly apt at generating knowledge networks and integrating local, regional and global primary sources of learning.

III. Bridging the trust gap ↔ operating near equilibrium

59. Evolving systems under natural circumstances will tend to reach a stable state. This state is characterised by an optimal energy level in relation to the tasks undertaken by the system. The point of equilibrium identifies somewhat with stability in energy conservation. It is important to realise that if systems undergo a minor shift away from their equilibrium, all factors will act together in order to retrieve the initial equilibrium. This is done by absorbing shock waves or minimising the disturbance.

60. Democratic systems aim at finding a balanced combination of stability and change. While democratic rule provides for a term of office – coinciding with the period of an elected legislature – more frequent subjection of government to the popular verdict provides the opportunity for voters to confirm or to reverse governing majorities. Hence, rotation in the exercise of power is a measure of democratic health.

61. Nevertheless, governing by democratic consent is only a first step towards equilibrium. It is a necessary, but not sufficient, condition. Achieving equilibrium as a political goal is a complex blend of governing by consent and governing with trust. Winning and maintaining popular trust is a precondition of governance under stability. When mistrust grows and dissatisfaction spreads, the system moves away from equilibrium, setting the scene for democratic alternative to take place; the new order – generator of a new “normality” – drives the system forward to a different point of equilibrium.

A. In Government we trust

Context:

62. The nature of the relationship between government and governed is undergoing substantial change. The era of submission is giving way to a totally different equation: taxpayers and managers, stakeholders and representatives.

63. A symptom of this new configuration is the revolt by taxpayers against public overspending. Seldom in history have societies acquired such a widespread appreciation of the benefits of a balanced budget; or, to express it differently, the falling levels of trust in government resulted in relentless pressure on spending patterns to move closer to equilibrium.

64. Media and education are the two key drivers that build credibility or step up mistrust in government. Each one, in its own powerful way, can tip the balance to produce disequilibrium and dissent

or, conversely, broaden the foundations of trust on which governing by consent can expect to outlive electoral cycles.

65. Both are powerful generators of societal values. Ultimately, the measure of trust is deeply rooted in the structure of prevalent values and the way in which government interprets them to oversee and ensure the public interest.

66. In formal democracies - social and electoral – preferences are the outcome of the perceived convergence between realising values and delivering public goods. This basic verification constitutes the very essence of democracy: the will of the people made sovereign. Yet when the two primary drivers of social representations – media and education – favour immediate goals and selfish/material values, shortsighted choices will prevail. In other words, near-equilibrium forms of government will pay off in the voting preferences of the electorate. These ultra-stable majorities can be harmful to the pursuit of the long-term goals in society.

67. Gaining trust in a tussle for votes may lead governments to behave as mere brokers among interests. This is a danger to democracy: that ultimately deal making takes over the entire sphere of government. Governing stays afloat by a constant display of goodwill in trying to satisfy as many interest blocs as possible. Cultivating near-equilibrium policies is, under these populist circumstances, a bad service to the pressing challenges of charting new courses into the future.

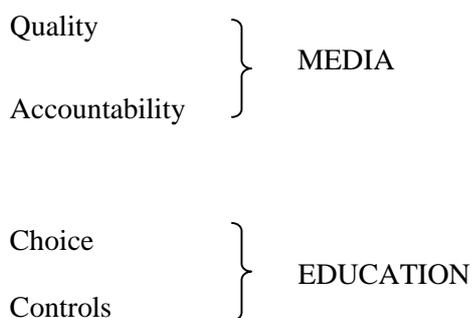
68. In the worst case, trust is measured against the ability to respond to basic entitlement aspirations. A protective constituency is then an easy prey to the demagoguery arsenal so often displayed for ballot purposes.

Questions:

1. Can public policy properly address the combined needs for trust building and for necessary change in society?
2. How is trust construed in plurilingual, multi-ethnic, multi-faith and multi-cultural contexts?
3. Is the establishment of a new social contract essential to the making of *trustworthy* government? What is the degree of centrality occupied by entitlement programmes in a new social contract?
4. Can the corporate world provide inspiration for a future model of trust between public managers and stakeholders?
5. In what ways do the media and higher levels of education affect the interface between governments and citizens?

Key elements:

69. In this section we will look at a qualitative model of trust operating in a near-equilibrium form of government, emphasising the interplay between four (2x2) key features:



70. The quality of government is very much a subjective matter. Hence, media plays a central role in communicating quality gains or losses in public life. These perceptions are examined against social representations of standards and expectations; and opinion makers compete to have their view prevail. Media instancy – a common attribute of the *one to many* paradigm characteristic of the *old media*, as much as in the *many to many* paradigm present in the *new media* – adds to the volatility of quality assessments. In any event, the quality expected of government is continuously rising in contemporary societies, making this the single most important factor that determines the level of trust between governments and people.

71. Accountability is another vital element; without proper accountability trust remains a far-fetched goal. Electoral campaigns are, in essence, a clash of perceptions regarding the balance sheet of government. Some - those in government - will use the media to transmit measures of good accountability - how previous commitments have been honoured; others will underscore how unaccountable government has been during its term in office. Beyond the skirmishes that are typical of political battlefields, accountable practices are increasingly sought as a regular feature of progressive administrations. The modern public service - once an impenetrable black box - is more and more required to render public accounts to the general public (as citizen, client and customer). Likewise, participatory principles in relation to managing public entities is becoming an integral part of advanced citizenry.

72. Choice is not only a measure of good governance but also of democratic allegiance. An educated society is also that which is prepared to exercise its right to make educated choices. Thus, a trusted government is expected to offer multiple alternatives for the realisation of the freedom of choice. Widening choice in society is also coincidental with the road to human development, interpreted as a prime goal of modern economies. Even interventionist-inclined governments in modern democracies are relying on market-type mechanisms and contractual arrangements to deliver public goods which were, until recently, considered a public monopoly. On the contrary, a totalitarian rule that overrides the rights and principles of citizens is conducive to serfdom and is hardly compatible with a highly educated citizenry. High degrees of trust under a totalitarian rule are normally a product of manipulated fanaticism and ignorance – seldom a measure of educated choice.

73. The nature of societal controls over government varies according to constitutional and cultural traditions. The more advanced is the educational level of a community, the higher are the demands for the

control of public entities and more vigorous the claims on self-government. This leads to two-fold developments: a readiness to accept local responsibility for the management of devolved public services, i.e. education, health, social services, employment agencies, etc.; and rising claims for a stronger voice in appraising public services and participation in the formulation of public policy. Allowing for the balanced participation of stakeholders is becoming a major element of trust in government. Likewise, the passing over of the “bâton of responsibility” to an adult civil society is inextricably associated with the maturity of democracy. This is particularly relevant in a highly educated environment with a diminishing marginal tolerance for mismanagement.

74. A composite index of trust would seek to equate T (trust) as a dependent variable of four key parameters. Expressed mathematically it looks like this:

$$T = m(q^2 \cdot a) \cdot W + e(c_1, c_2) \cdot C$$

m – media algorithm

e – education algorithm

q – quality

a – accountability

c₁ – choice

c₂ – control

W – welfare compounding factor (wellbeing)

C – culture compounding factor (civil society awareness)

75. W and C are the filters running through the remaining terms of the equation. High-case welfare cycles, permitting the spread of solid economic outcomes, will influence the perceptions of quality and accountability in government practices. A single partial derivative approach to seek the maximisation of T on q (considered to be the most influent independent variable) would show how sensitive trust is on the reciprocal effects of m and W. *Ceteris paribus*, a strong civil society tradition, is more prone in the exercise of citizens’ choice and controls, as a fundamental shift in the axis of power. Weak communitarian habits would be expected to generate a lower propensity in exercising rights and duties, after controlling for all other variables.

76. A further scanning of business models provides for some interesting benchmarks to rethink the trust contract in the public sector. Policy research on the profile of a new social contract can be extremely relevant for this purpose. Some salient features of a trustworthy government, determined to move closer to constituents’ demands, would include (taken in a purely random order):

- From monopolistic to competitive provision.
- Ensuring quality of customer services.
- Clarifying the decision loci.
- Developing public service contracts and managing principal-agent relationships.
- Enhancing public and client controls.
- Rendering quarterly accounts.
- Holding public accountability meetings (on the Internet?).
- Responding to taxpayers’ committees.
- Conducting public hearings.
- Improving stakeholder and citizen interfaces.

77. A trustworthy government must not lose sight of voluntary and care-providing organisations. Indeed, the rise of the third sector is a discernible trend in high social capital communities committed to rebalance society between a neo-liberal market theology and outright state interventionism. Horizontal

trust - woven through bottom-up partnerships - is very often a good proxy for vertical confidence in public institutions that learn how to partner with civil society agents; it is also an effective means to overcome the market's paucity in rewards and incentives for altruism, reciprocity and care (non-tradeable activities).

B. *Effective governance and legitimacy*

Context:

78. In a future-oriented stance, effective governance and legitimacy are two overarching issues in a stable system of public office. In the aftermath of turning points and anxiety that accompany periods of turbulent – and often randomly engineered – change, the structure of social claims will migrate to nurture effective governance.

79. Governance is extensively used to address a host of comprehensive issues in modern public management.

80. The World Bank defines governance as encompassing:

- the form of political regime;
- the process by which authority is exercised and the management of a country's economic and social resources for development;
- the capacity of government to design, formulate and implement policies, and discharge functions.

81. The Commission on Global Governance has defined the term as: “The sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest.”

82. In the OECD context, governance is defined in terms of relationships, and thus includes more than public administration and the institutions, methods and instruments of governing. It also encompasses the set of relationships between governments and citizens, acting as both individuals and as part of or through institutions, e.g. political parties, productive enterprises, special interest groups, and the media.¹

83. More recently, PUMA has considered new directions to promote good governance in support of countries' economic and social goals. In reassessing the approaches to governance, PUMA addresses it as a “broadly inclusive term referring to the role and capacities of the State, or public authorities, to influence, enable or undertake action to promote those public purposes where the market and civil society alone do not address them adequately.”²

84. The United Nations *Human Development Report 1999* analyses governance from a slightly different but equally vibrant angle: “It means the framework of rules, institutions and established practices that set limits and give incentives for the behaviour of individuals, organisations and firms. Without strong governance, the dangers of global conflicts could be a reality of the 21st century – trade wars promoting

¹ Definitions taken from the Ministerial Symposium on the Future of Public Services, PUMA, OECD, March 1996.

² Taken from “Directions for the Future PUMA Mandate”, draft document, 9 June 1999.

national and corporate interests, uncontrolled financial volatility setting off civil conflicts, untamed global crime infecting safe neighbourhoods and criminalising politics, business and the police.”

85. In this paper we will not undertake an analysis of the comprehensive issues of effective governance. They are best dealt with in various PUMA publications.

86. The present section will simply tackle some problems of legitimate governance and the relation between measurement and policy effectiveness in a democratic frame of accountability.

Questions:

1. Is the effectiveness of government likely to become objective and measurable as a tool of enhanced democratic control?
2. How does democratic effectiveness depend on the accurate determination of what people expect of governance? Will high-quality political polling, sophisticated deliberative polling³ and comprehensive survey research gradually pre-empt popular ballots?
3. Is legitimate governance akin to inclusive democracy? How is civil society to be empowered in order to guarantee higher standards of legitimacy controls?
4. Can consensus-building practices be harmful to effectiveness? What is the quantum of political conflict and adversarial confrontation that is deemed essential to safeguard democracy?

Key elements:

87. Social measurement has prompted major attitudinal changes in sectoral policies. This is the case with education, where the availability of standardised tests and international benchmarks is changing public perceptions and putting increased pressure on policies. Globalisation opens up opportunities for comparing outcomes and ranking quality indicators in all areas of the public service.

88. Till today, a breach of electoral promises is still very much a matter of subjective dispute. Incumbents and challengers involved in the tight dispute of voters' favours will produce ardent arguments to prove the opposite. Public opinion is often dismayed at the lack of rigour in policy appraisal and reporting. The opacity of budgetary discussions offers a perfect example of policy deliberations that remain beyond the reach of the average normal citizen.

89. Regulatory agencies are currently regarded as independent boards assigned the responsibility for ensuring fair competition and protecting the public interest, in its broadest sense. One can expect that these higher authorities will gradually engage in systematic measurement of policy outcomes in their respective fields of competence and regular reporting to the public opinion: setting standards, designing indicators, measuring performance and progress, informing the public, reporting to the legislature, are ways of enhancing transparency and achieving better control for the efficiency and effectiveness of government. This extended role would carry a high potential to reduce subjectivity in the appraisal of core policies.

³ The use of random samples of citizens to conduct policy discussions and deliberations as a surrogate to the calling of universal meetings.

90. Indeed, the scarcity of objective knowledge bases on the conduct of policy aims is a constraint in the present systems of policy assessment. However, unlimited control in the use of so-called “positive” knowledge can be detrimental to democracy. Improved knowledge and social measurement must serve, as a priority, to improve the exercise of controls by democratically elected bodies, such as legislatures, and ultimately by the power of popular suffrage. This precaution is a condition for the legitimacy of office as well as an assurance that the error-correcting mechanisms in democracy will be enforced.

91. These considerations highlight the delicate combination of stability and change in effective governance. Centres of government and cabinet are expected to provide consistent responses by:

- Addressing change management functions.
- Rewarding vision and risk.
- Giving incentives to experimentation, trial and error (policy and social constructivism).
- Understanding the benefits of conflicting ideas and of adversarial debate in democracy.
- Pooling wholesale knowledge to address complexity (self-regulation, self-organisation, feedback loops, meta-cognition).
- Encouraging objective measurement of policy aims and targets.
- Supporting programmes that enhance the moral and civic competence of citizens and the quality of “civil talk”.

92. The value of social capital is indisputable. Legitimate governance and accountable effectiveness are not merely a one-way track to go down. It is becoming critical to rise up above individual self-interest to nurture the kind of public-spiritedness that is needed for democracy to flourish and social choice to serve the larger good. After all, citizenship is akin to a morality of care. Democracy and market economy make up the fabric of OECD countries. Confounding even the direst predictions by prophets of doom, both systems survived and were established firmly during the 20th century. They constitute a valuable legacy for the peoples of the 21st century. These two components - democracy and market economies - must continue to be developed harmoniously; especially because they provide the best means for muddling through unforeseeable and unforeseen problems, and for generating creative responses to the constant rise in complexity.

93. The turn of the century coincides with major interrogations on the nature of this dialogue. As we have seen before, globalisation is a market invention, assisted with the appropriate technologies; not a political move. Can democracy curtail the intrinsic authoritarianism of international capitalism? What are the shields for legitimate governments in the less mature economies to resist the power of alien centres of decision? Can the ownership of transnational firms and their profits be distributed according to democratic standards of equity? Is concentration of the market forces in the hands of few global players likely to tip off governments from their equilibrium point? Or should we expect a wilful shift of national and supranational public policies towards unstable territory, i.e. new regulation, in response to new corporate power?

- Tough questions that pose difficult choices.
- These present great challenges to the best people in office and to the display of talent by those in the public service.

IV. The DNA of Governments: People and Values

Context:

94. Organisations, as living beings, have a genetic code. From a behaviouristic viewpoint, governments are far from being minutely designed pieces of machinery, a sort of *deus ex-machina* churning out public goods. Quite the contrary, public systems are a unique blend of culture, power play, beliefs, history and drama mirroring the soul of the people. Each public administration is the product of a particular history, a peculiar manifestation of identity. Organisational replication, involving some sort of “genetic” engineering - even cloning - can be researched, but the range of outcomes takes time to emerge, processes require the use of sensitive knowledge, and methods of investigation need to be flexible.

95. Managing organisations is about managing people. Changing public organisations is about attempting to change people in those organisations, in a way that is beyond ethical reproach.

96. Dis-investing in people is the surest route to failure, and a form of political abdication. A decline in the standards of the human element will inevitably lead to a decaying public system.

97. We now return to mainstream public management concerns. Following a “big picture” analysis, the focus on basics: public sector institutions must perform and proper human resource management is instrumental in achieving this objective. The single most important message is that the future of government is closely tied to having a professional civil service, recruited at the higher end of available intelligence and committed to serving the public cause. The pursuit of public purpose within stimulating working environments should offer creative, satisfying professional lives, reasons to embrace risk and change.

98. A mark of excellence in “the managerial state” then becomes the ability to lead people, to summon the best minds for the public work, and to instil a feeling of pride in serving the collective cause. These ingredients provide the “operating system” of governments.

Questions:

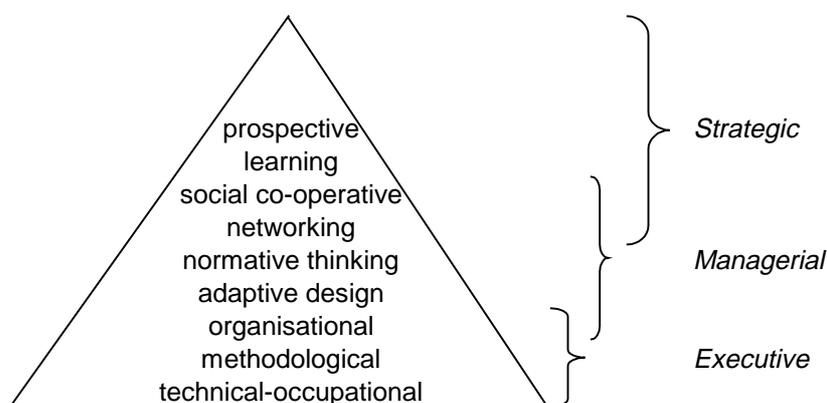
1. Have total quality management concepts prompted effective public management reform? Were they successful in advancing empowerment and motivation in public environments?
2. Is there a competencies development ladder for professionals in the public service and do these include priorities for equipping the human infrastructures of government?
3. How can learning cultures be adopted under stringent budgetary conditions, especially where tradition is powerful and un-learning is slow?
4. If people and values matter, how would key policy challenges facing future governments be reflected in (or be trickled down into) management priorities?

Key elements:

99. Public systems across OECD countries vary greatly reflecting different DNAs and evolutionary paths.

100. However, there is a discernible core of strategic, managerial and executive competencies, the absence of which would damage the delivery capacity of public administrations.

101. The triangle below provides a plausible base for considering the core of competencies and roles, relevant to a public management system that is aware of the need to develop its human resources.



Strategic roles

102. These are the functions that are usually performed by national governments, by central policy units and by co-ordinating agencies. A typically functional approach would include the tasks of strategic planning, policy design, law making, social negotiation, regulation (where multiple delivery systems are allowed to operate), finance (with a particular emphasis on equity issues), evaluation, supervision and monitoring. The core capacities to carry out this set of functions would encompass prospective and learning skills, social co-operative knowledge and networking capacities.

Managerial roles

103. This tier encompasses the principles of good management, whereby responsibility cascades down through the different levels of responsibility: setting objectives, establishing accountabilities, organising activities, processing information, managing diverse portfolios of service providers, motivating staff, monitoring and reporting performance and developing people. Sound management principles should translate into a host of clear tasks such as managing information systems, efficiency + effectiveness + equity controls, accountability systems, appraising outcomes and producing performance indicators, contracting out services, managing partnerships, resorting whenever appropriate to market-type mechanisms, corporatising or franchising activities, running staff development programmes. Among the core capacities required, one could underscore social co-operative competencies, networking capacities, normative thinking, adaptive design competencies, organisational competencies.

Executive roles

104. These are the tasks that are typically performed at delivery junctures, front-line institutions or bureaucracies. These might include: controlling inputs, monitoring spending, setting and ensuring

compliance to norms, finance-budget-personnel-facilities management, relation to local clients and stakeholders, simple needs assessment and data collection, day-to-day running of institutions, monitoring and reporting results - outputs. At this level, the key capacities would touch on organisational, methodological and technical-occupational competencies.

105. A multiskilled and versatile public force is expected to range through the entire competencies ladder. Obviously, the optimal mix has to be customised to each situation. The skilling and re-skilling momentum is contingent on the display of learning cultures; and the effectiveness of learning cultures depends on the amount of active knowledge that is carried forward by public institutions. The necessary un-learning is able to discard no longer useful, inert knowledge; learning processes will lead to pooling of critical knowledge needed for competencies required for problem solving.

106. People in public organisations carry values; and values provide the *intangibles* that can make a sizeable difference in determining the future of government.

107. Again, a robust public policy will cater for priorities in shaping values and in committing the public servants. The following bullet points attempt to provide some possible foundations for that policy. In the absence of a mandate to deal in detail with the issue, a tentative list of priorities is offered for discussion, covering three groups of requirements and related training areas: nurturing constituent values; adjusting to a changing environment; making public service work.

Nurturing constituent values

- Democracy – allegiance to pluralist practices (putting everyday democracy into practice).
- Integrity – making ethics accountable.
- Diversity – commitment to social pluralism and multicultural wealth.

Adjusting to a changing environment

- Life-long learning contracts – basis of a new deal for the civil service where “tenure of learning” replaces tenure of seniority.
- Training without frontiers – encouraging a rich supply of training and personal development opportunities and nurturing possible “university for government” concepts.
- Getting to the forefront of technological advancement – competencies development on the information society frontier.
- Rewarding risk and innovation – allowing the emergence of a knowledge and ideas culture that feels comfortable operating “far from equilibrium”.

Making the public service work

- Quality management for knowledge workers – motivation, empowerment, commitment, shared vision and culture.
- Targeting excellence – putting a premium on service to the client.
- Awareness-building vis-à-vis trust-boosting policies:

- ⇒ relate work performance appraisal to perceived quality to the citizen;
- ⇒ increase personal accountability and reporting to stakeholders.

- Contracting out – developing criteria and accountability measures to improve agency effectiveness and concession systems.

108. Service-driven values differ significantly from those of custodian-led governments. While the former tends to underscore a forward-looking commitment, the latter accentuates the need for conservation; the former emphasises the contribution of people to innovative organisation of resources, in contrast with ceremonial functionaries eager to display authority and hierarchy.

109. Until recently, the prudent state provided an optimal design for custody and protection. But where do we go from now?

110. OECD countries are at a fundamental crossroads in shaping their future governments.

111. OECD countries are in a position to once again provide world leadership in rethinking the rules and institutions for stronger governance.

112. Like never before, leadership today needs to identify with “generativity”: the work of bringing forth and nurturing new possibilities for our common future.

113. After all, the determination to engage in improving global governance is a good measure of our collective hope.

ANNEX

Some Queries affecting the shape of Future Governments

1. *The Learning Government*

114. Can we think of the State as a “thinking machine”? If so, how should it be equipped to respond to the challenges of an Information Society and to the growth of knowledge? What is the “knowledge infrastructure” required for quality public policy making in the future? Whose, what kind, when and how is knowledge best used in the policy process (Bobrow, Dyzek)? Are the current technical tools for policy decision and follow-up implementation commensurate with a better-educated citizenry? How can national governments cope with the ever-increasing complexity in our societies? How can public institutions acquire critical “biological” behaviours? Can “social engineering” provide a solid answer to public knowledge constructivism through trial and error experimentation (C. Lindblom, K. Popper, Henschel)? Are there ways to seek a better balance between policy rationality and political instinct as necessary ingredients of administrative “satisficing” (H. Simon’s *bounded rationality*)? How are self-regulation, feedback and metacognition present in the cybernetics of a learning government (K. Deutsch)?

2. *From the Nation-State to the State of Nations*

115. Is monocultural identity a pre-requisite of the stable State? Can a modern State fully operate under plurilingual, multi-ethnic, manifold and multi-cultural context? How can democratic institutions avoid the “essentialization” of identity or the emergence of cultural supremacy? Can public policy properly address the need for increased social capital and trust building in increasingly diverse societies? What remedies can democratic governments resort to in order to curb predatory identities? Is the development of societal consciousness through active community involvement a necessary compromise between former state domination and latter market individualism (A. Etzioni)? Are there discernible limits to technocratic managerialism (Y. Dror)?

3. *Seeking governance in a galaxy of powers*

116. Governments are just one in a multiplicity of sources of authority; how is governance ensured when authority is widely spread throughout several sources of subnational and supranational powers? Is there a need for a new social contract? In a broad partnership approach for sustainable governance, what are the criteria for membership? Can neo-corporatism manage adversarial conflict and actively dissipate primary tensions on the rise in a democracy of interests (Jessop, P. Schmitter)? Is networked governance a new paradigm serving a multipolar society?

4. *On democracy and instancy*

117. Is there a need to re-invent democracy in an era where direct decisions through electronic referenda are increasingly under demand? Can we foresee the death of political intermediation in democracy? What would be the right balance between protracted democracy and direct or un-representative democracy? How can long-term goals and sustainable strategies be pursued in an environment of democratic turbulence and frequent electoral cycles? What new interface buffers can be foreseen to allow a better dialogue between political pressures to “deliver now” and the professional need to take the longer view? Can digital government improve its “speaking terms” with civil society? Can rational policymaking be derived from intersubjective communication (Habermas)?

5. *People and values matter when seeking good governance*

118. Can rational choices be made on the basis of a multi-valued society? Is proper consideration given to the key mental artefacts constituting the subjective world of the policymaker (Vickers: “interpretative screens” of an appreciative system)? How can reality judgements combine with value judgements to produce consistent action judgements? Is there an inventory of best practices to decode elite behaviour in the public sphere (actors, demands, expectations, values, interests)? How can governments improve their perceptions of the role of actors, arenas, strategies and interactions in decision processes (H. Lasswell)? Are the motivations of public officials properly incorporated into good governance practices – climbers, conservers, zealots, advocates and statesmen (Downs)? How is ethics being considered when building governance infrastructures? What critical skills – hard and soft – are required to improve the human infrastructures serving governments? What training strategies can best compound codified with tacit knowledge in public organisations?