Future of Institutions

Title/topic:
Reimagining government implementation in complex environments

Organizers:
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Key takeaways:
Governments around the world are operating in increasingly complex environments. Emergent challenges, such as a global health crisis, digital transformation, and climate change, have exposed gaps in public sector capabilities to effectively implement policies and programs. As the world is trending towards increased complexity, governments need to adapt and respond by developing new structures and systems to enable agile anticipation and coordination, support effective delivery and enforcement, while engaging communities and the private sector.

Governments work through their institutions. These institutional structures are not neutral – they influence how countries and individuals behave. By taking an institutional lens, we can closely examine the distribution and flow of information, authority, work, and resources within governments. Effective implementation relies on large-scale coordination between government and non-government institutions. Dialogue participants were encouraged to expand their ideas for institutional improvements beyond the analytical lenses of individuals, culture, and elite interests; instead, there is a need for a wider, more holistic view, using institutions as the focus and unit of analysis.

The challenge(s):
In recent decades, government operations are defined by ongoing crises and complexities. Emergent challenges (e.g., global health crisis, digital transformation, climate change) have exposed gaps in public sector capabilities to effectively implement policies and programs. As the world is trending towards increased complexity, governments need to adapt and respond by developing new structures and systems to enable agile anticipation and coordination, support effective delivery and enforcement, while engaging communities and the private sector.

To strategize for and execute solutions for effective government institutions, we must:

- *Understand the challenge.* Dialogue participants discussed "why" institutional shifts occur. Ideas and models were presented to explain why government operations are complex, and what should be done to ensure that governments implement sound policies which serve their citizens.
- *Address the challenge.* This requires problem identification and idea generation. Practitioners from the public and private sectors and academia shared ideas, case studies, and real-world solutions to the challenge of policy implementation.
- *Consolidate ideas and agree on actionable solutions.* Dialogue participants shared interesting ideas, which must be arranged into themes before the most promising ideas are selected for further collaboration. These ideas are likely to be developed into practical programs, training courses, frameworks, and toolkits for governments.

Insights for the Future of Institutions:
Importance of creating the right leadership culture and norms. Leaders need to decide what kind of

decision-making culture, style, or process they adopt. This may be different in times of national crisis. Nonetheless, there is a need for political leaders to appropriately balance openness and transparency with a decisive and swift response.

Government leaders who do not feel secure in their positions may not engage in succession planning, fearing that doing so may threaten their authority. Instead, if leaders are more confident throughout their career progression, they may be more willing to support future generations of leaders. It is therefore important to create and reinforce the right leadership culture and norms, to advance the institutional mandate and hold public officers accountable regardless of changing circumstances.

The need to develop skilled leaders who are comfortable with complexity. The right leadership culture and norms require skilled and wise individual leaders who can synthesize and incorporate complex new information when making decisions. For example, leaders were required to respond swiftly and logically during the initial months of the COVID-19 pandemic when new information was continuously emerging. If emerging information overturns previous decisions, then there is a need for the government to be honest and transparent with the public about policy changes. Governments may need to apologize, and even explain why those decisions were made given the available information at that time.

Trust is crucial for effective policy implementation, but it cannot be built overnight. In capacity constrained environments, governments need to tap into resources from the wider networks of the private sector and civil society. Non-government players should be consulted even in relatively stable times. Without an established relationship and a high level of trust between governments, their citizens, and others in society, policy design and implementation will be difficult.

Coordination is key, but coordination mechanisms need not be permanent. Climate change and digital transformation are complex policy domains, requiring close coordination between government and non-government agencies. There is a need for comprehensive coordination between these agencies, to enable decisive and swift responses in times of crisis. Central coordination bodies are often formed as a result; however, the maintenance of such coordination bodies should be reassessed after the intended goal is met.

Governments can overcome resource constraints through innovative capability development partnerships with the private sector. Some countries have embraced innovative partnerships with the private sector to fill development gaps in the public sector. Such practice is most useful when they are led by government practitioners and experts who understand national governance and the local context.

Constraints and challenges in refining public sector HR systems. Some Dialogue participants mentioned that some countries' criteria for selecting candidates for civil service are too stringent, requiring too many years of prior experience. Some governments also cannot hire solely based on merit as tribal and group quotas apply to civil service recruitment. As a result, the pool of candidates is limited, and younger, high-potential candidates may be overlooked. Opportunities for promotion which are based on fixed progression ladders and years of service can also stunt productivity, as there is little incentive for hard work.

Dialogue participants agreed that more proactive and fundamental changes to government hiring, people management, and development systems are needed to attain and retain talent in government. Such a talent base will enable governments to design and implement their policies and programs in complex policy areas such as climate change and digital transformation.

Solutions:
There are three proposals for supporting the development of better government institutions and

effective policy implementation in complex environments:

- *Develop a framework, toolkit, training package, or facilitated process to support government institutions in taking the best approach to citizens' consultation and stakeholders' engagement.* In situations where governments cannot consult ex-ante due to time pressure or crisis response needs, ex-post engagement can serve as an alternative.
- *Foster whole-of-government, interagency cooperation.* This can be done through the development of a practical framework and good practices and process guideline for governments that are designing and operationalizing coordination agencies. Compiling case studies on the mandate, authority, and permanence of coordination bodies around the world can supplement governments' decision on the structure of their own coordination agencies.
- *Facilitate more agile learning and practitioner-oriented trainings within government institutions.* By collaborating with governments to develop training programs to hone public sector anticipatory skills, Dialogue participants saw an opportunity to equip government officers with tools to perform and deliver well in complex scenarios.

Participants:
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