

ROLES AND RESPONSIBILITIES IN POLICY MANAGEMENT

Management reforms within government have led to the search for enhanced clarity of role and tighter lines of accountability with a desire to re-define the political relationship between political policy-making and administrative policy implementation. How the relationship between political leadership, administration and policy analysis is managed could have far-reaching implications, both for the technical quality and the democratic content of government. The public service requires a clearer political lead, and by distinguishing the role of senior administrators from that of politicians, strategic objectives will be more easily separated from operational processes.

However, as new methods of policy management have been implemented with increased decentralisation, pluralism and contestability, debate has focused on the responsibilities for policy formulation and implementation. Recent experiences have led many to ask whether policy formulation can be completely separated from policy implementation. Evidence would suggest that the two of the process are intrinsically intertwined and this should be seen as a broad movement rather than a precise definition. Policy formulation cannot be totally separated from implementation, political responsibilities for policy definition are not easily defined, and managerial responsibilities for implementation rapidly become political when problems loom. As governments increasingly devolve policy implementation to executive agencies, the issue of ministerial responsibility has also been brought to the fore.

It is important to caution against generalisation of the split between policy formulation and service delivery. Such a separation may be functional in some cases, particularly in those areas where service delivery is highly contestable. In many cases it will be desirable to involve implementing programme managers in contributing to policy formulation. At the same time, it would also be necessary to evaluate structures and processes involved in developing overall government-wide strategies and policies (macro-economic policy etc.) and operational policies.

ADMINISTRATIVE CAPACITY

The strength of the public service can be judged by its ability to ensure provision of achievable, realistic and timely policy advice to government. A government needs, although it may not always be welcome, sound guidance on how and to what extent its desired objectives might be best met. The public service is the primary provider of such policy advice. However, it is argued with increasing force that if

the public service is the only source of such advice, then it will inevitably show some degree of bias in order to minimise disruption for itself in the future.

PRESSURE FOR CHANGE

Across the Commonwealth, clear moves can be seen towards the separation of policy advice from the operational or service delivery functions of the public service.

There are two pressures for change. First, in combining policy and operational functions, it is argued that neither task is performed well. The daily pressures of service delivery militate against the long-term planning and programme evaluation implicit in the provision of policy advice. Equally, it is argued that the intellectual attractions of policy-making draw scarce public servant-time away from the more pragmatic and pressurised responsibilities of maintaining a service.

Second, and more profoundly, separating policy advice from operational responsibilities removes the temptation for the public service to bias its advice in favour of its own continued existence, even if alternative and more efficient service providers are available. The separation of these functions is intended to reduce this "capture" of policy advice by a particular, in-house, service provider.

There are several cautions to be considered in increasing the degree of contestability in the provision of policy advice.

First, where there are several players in policy discussion, the consultative process is more complex than it would be if the policy-making was undertaken only in a particular ministry or department. This is in principle a positive step towards open government, but if not well managed it can be an opportunity for political intrigue.

Secondly, there is little advantage in rescuing policy advice from the capture of a section of the public sector only to have it recaptured by an external interest group. Contestability

In New Zealand, a key feature of State Sector reform has been the desire to increase the contestability of advice. The rationale for separating policy from service delivery functions was set out in the *Stratagos Report* 1988, which was the private consultant's report on which the restructuring of the Ministry of Defence was based. They argued that:

"Policy and advisory roles ought to be separated from the administrative and operational aspects of each department. The importance of this principle is to ensure that there is no monopoly on policy advice, and more importantly to ensure that policy is not the exclusive preserve of the operational agency. This principle does not preclude on-going feedback to the policy agency, but tries to prevent advice being tailored to meet the needs of the operational agency rather than the needs of the customer of the service."

implies that the merits of a particular policy-making body are considered objectively, not that the public service is regarded as intrinsically less competent.

Thirdly, in defining policy advice as a key product to be provided to government, some attention must be given to the availability of appropriately-skilled staff. In many situations, the expectation of a ready supply of competent and high calibre policy analysts to staff policy units developed in the public service has proved over-optimistic.

STRUCTURAL CHANGES

Structural changes have been used to great effect across the Commonwealth in separating policy advice and service delivery functions within the public service to focus on policy. Most particularly, the out-of-service delivery following market-testing has allowed the public service to focus on policy. Equally, the development of service delivery agencies within the public service has established business-like units within the public service, with enhanced managerial flexibility and defined service responsibilities, providing a clear demarcation between the service providers and the policy-makers.

These moves have led to significant improvements in the quality of services and policy advice, but they raise complicated issues of accountability. It is far from clear whether it is the service provider or the policy-maker who is at fault when major problems emerge.

There have been suggestions that the provision of policy advice in Britain should be put on the same customer/contractor basis that now applies to service delivery through the Next Steps Agencies. The Treasury and Civil Service Committee of the House of Commons recently examined this topic and heard suggestions from some quarters that senior officials should be employed on fixed-term contracts, with a clear remit related to producing answers on policy issues. However, this is not the case at the moment. Under the present system, most policy proposals still originate from ministers and/or those civil servants who are specially designated to produce policy advice.

One way in which departments sometimes seek to assess one policy against another is through public consultation. This is a practice some departments adopt more than others, for example, the Department of Trade and Industry has always been strongly committed to consulting outsiders, particularly business and trade associations, about policy options. The Department of Transport consulted about various options for transferring some of the work of the former Surveyor-General's organisation to the private sector. It has also consulted about options for privatising some of the Vehicle Inspectorate's testing centres. It may often happen that ministers will

decide to follow a policy line which has not been favoured by the majority of those consulted. However, it is important to have those other views incorporated into the policy-making process.

An increasing tendency within the British Government is for consultants to be playing a part in assessing policy options. They are widely used in the market-testing process, often to assess the different options. They are also used to advise on the practicalities of privatisation, but normally only after a decision in principle to go down this road has been taken by ministers. Consultants have also been used frequently to advise on the practicability of various courses of action, but usually only after a policy decision has been taken.

A key feature of state sector reform in New Zealand has been the desire to increase the contestability of policy advice. To achieve this, in some departmental restructuring there has been an explicit separation of the policy advice function from the service and operations functions. As a result, there are a great number of ministries whose prime output is policy advice.

The restructuring of core state sector reforms has been heavily influenced by the idea of separating policy advice from service delivery to enhance the contestability of advice, for example the Ministries of Health, Transport and Education are predominately policy advice agencies.

Institutional reform is not the only means of ensuring contestable policy advice. Other forms of independent advice include:

- In a parallel movement, contestability of advice from departmental officials has been introduced at ministerial level by the employment of political staff in ministerial offices and a wider range of ministerial advisory groups drawn from all sections of the community. The number of policy advisory bodies in 1990 was over 110, for example, the Ministerial Advisory Committee on Women's Health. There may also be *ad hoc* bodies to deal with specific issues in a relatively short period of time; sometimes in the form of a Royal Commission.
- International organisations are an important source of advice in matters of telecommunications, the environment and international travel. In these situations, the New Zealand advisers are responding to international developments rather than domestic pressures.
- Advice provided by consultants is particularly useful in the provision of services to departments.

- Ministries have a number of informal or unofficial sources of advice. The public at large, political parties, and a great number of special interest or pressure groups all seek to influence government policy. All these people have a way of challenging or contesting official policy advice throughout the public hearings that are part of the process of introducing new legislation. The Select Committees of Parliament enable public scrutiny of legislation to occur through a process of written and oral submissions.

The reform process has had the effect of moving New Zealand away from a situation where power was highly centralised and in which the public service played a predominant role in many sectors to greater reliance on market forces and the empowerment of community interests. The trend towards more contestable policy advice can therefore be seen as consistent with a move away from reliance on a centralised bureaucracy which, in the New Zealand context, had tended to dominate decision-making.

The Canadian Government has planned to involve deputy ministers and departments in the provision of policy advice to ministers responsible for bringing forth policy options and advice to Cabinet. The growing emphasis on consultation and public-private partnerships reflects the recognition that shared problem-solving leads to policies that are better, and are seen to be better. The result is more effective and more credible government.

The Canadian Government is committed to consulting with provisional/territorial levels of government, NGOs and the general public. Consultation occurs on both a formal – First Minister’s Meetings, Parliamentary Committees, Royal Commissions – and informal basis – on-going departmental liaison with stakeholder groups.

While there is no specific government-wide policy on consultation, the Privy Council Office has issued federal consultation guidelines, which have formed the basis of individual departmental strategies and policies on consultation.

The Treasury Board, in conjunction with the Canadian Centre for Management Development, has developed training programmes on consultation to sensitise senior management to the importance of public input to the policy development process.

Examples of the "consultative cultures" and experience in the Canadian Government include:

- *National Roundtable on the Environment and the Economy*
An independent, multi-sectoral forum which promotes the principles and practices of sustainable development across Canada. Its hallmark is consensus decision-making.

- *Canadian Labour Market and Productivity Centre*
An innovative approach in which the private sector sets the agenda and plays a significant role in the development and implementation of public policy. It has succeeded in forging a consensus among business and labour groups on the key elements of a Labour Force Development Strategy for the country.
- *International Trade Advisory Committee/Sectoral Advisory Groups on Industry and Trade*
Formal mechanisms for consulting business, labour, consumer, academic and environmental experts on international and domestic trade policy, for example, the North American Free Trade Agreement, Uruguay Round, inter-provincial trade barriers.
- *Pre-Budget Consultations (in progress)*
The Federal Budget process was opened up recently. A roundtable discussion with economists from across the country and four national conferences were designed to acquire both expert and public input.

New issues which have emerged recently include:

- The overlapping nature of many policy issues and the problem of "consultation fatigue", dictate a more strategic, co-ordinated approach to public consultation.
- An increased emphasis on inter-change of experiences between public and private sectors is required to promote more effective partnerships.
- The balance of consultation with leadership: a balance between listening and taking action.

The lesson for change which emerges most strongly from Commonwealth experience is that such structural changes are useful devices but are not ends in themselves and may prove to be short-lived if accountability concerns dictate further changes.

Less dramatic organisational changes have included the strengthening of central policy-making units, and a re-orientation of the central co-ordinating agencies in the public service. In many settings, financial and human resource management responsibilities have been delegated from the ministries of finance and public service, and from the service commissions, to the line ministries and departments. This is partly in order to empower local managers, but is equally undertaken to free up capacity in central agencies so that they can assume a stronger role in providing strategic policy advice.

Ultimately, achieving change requires repeatedly asking the same question – will this development result in an improvement in the quality of policy advice provided to the government?

The quality features of good policy advice are that it is achievable, realistic and timely. It is a realistic, pragmatic willingness to change structures and systems, conscious that further changes will be necessary sooner rather than later, which will drive improvements.

CAPACITY-BUILDING FOR POLICY ANALYSIS AND REVIEW

Institutions are only as effective and efficient as the people who staff them. The capacity of the civil service to provide the expertise required may not be adequate. Policy analysis and review is a very demanding task which requires people who have the skills to perform the functions. Existing institutions may run courses in policy management, otherwise new courses need to be designed or on-the-job training programmes arranged.

In Malaysia, very active staff development programmes are in place to address the management challenges within state administration. The aim is to equip officials for routine tasks, but they are also sensitised to overall strategic issues. This is fast becoming a trend in many countries. Britain's Civil Service College, for example, emphatically sees its role as that of a strategic management capacity-builder and not a "training centre". Striking the balance between strategic sensitivity and practical ability is indeed one of the major challenges at a time when governments are becoming more aware of the need to "re-invent" themselves.

However, in addition to the use and retraining of existing staff, governments can utilise the supply of expertise often found in universities, consultancies, and other domestic sources. Unfortunately, in some countries the pool of expertise is often not known to those people responsible for policy management, or where it is known, government officials ignore its potential usefulness. There may even be a widespread reluctance to trust capacities outside government. Also, there may be a general lack of transparency in policy management which hampers effective interaction with institutions which have capacities for undertaking some aspects of the development of policy management responsibility.

Any effective effort to build capacity in policy analysis and review will require a long-term approach. It is an ambitious task not only because of the time-frame but also because success will require reform and improvement in other critical sectors – especially education and public sector management. Success will also depend on the evolution of systems of governance within many countries to encourage and make use of sound policy analysis and efficient management principles. The

increased demand for policy analysis and management skills generated by the growing number of reform programmes that have been initiated by governments in recent years is a highly positive development. Over the longer-term, however, this demand for analytical and management skills can only be sustained through the strengthening of local capacity to identify and discuss problems, devise appropriate solutions and effectively implement them.

The consequences of not having such capacity mean that critical public policy issues are inadequately analysed; little relevant and timely research is done by universities and other centres of policy research; data sources may be inadequate or unreliable; and high-level government officials in key economic ministries are sometimes poorly trained and equipped. Furthermore, if sufficient numbers of high-quality national economic managers and analysts can be created, the current professional dependence on external and expatriate technical assistance will be reduced.

However, becoming engaged in such analytical activities is often controversial, as impatient electorates, especially in transitional societies, demand rapid delivery. It is nonetheless noteworthy that the ambitious reconstruction plan of Malaysia is based on thorough preparatory research, as well as the institutionalisation of capacities in all branches and at all levels of government to ensure that on-going analysis underpins the unfolding of Vision 2020.

It is also important to develop multi-disciplinary capacities or to ensure access to them. The experience in many countries suggests that if policy capacities are being developed or employed, they should extend beyond economic skills. The need for technical skills (e.g. medical, engineering, land-use planning etc.) is often obvious, but politicians can often benefit from systematic political and social science analysis when they shape their policies. This need for a wider, multi-disciplinary approach is, however, not confined to developing countries with distinct institutional shortcomings. For example, in Britain, where issues like government support for the car industry focused too much on conventional economic issues, ignoring, more political perspectives.

IMPROVING POLICY DEVELOPMENT CAPACITY: LESSONS LEARNT FROM CANADA

Over the past two years, two deputy ministerial task forces have examined the policy advisory role of the Canadian Public Service and identified ways to improve the policy development capacity of the public service. Through these task forces the following lessons were learnt:

“The key to good policy is *sustained demand*. Good policy development is an on-going process, requiring strong, consistent leadership and support.

There is a need to build a *strong policy community* among departments – a community of policy managers who can share best practices and address common problems concerning policy management and methods.

The multifaceted nature and rapid pace of change trigger a heightened need for *long-term, reflective policy planning* that ascertains how change will affect Canada's future. Policy-makers must not get caught up on short-term, reactive, crisis-oriented policy development.

Many of today's principal public policy issues are horizontal in nature. Horizontality requires *corporate rather than departmental action*, a characteristic which is placing new demands on traditional Public Service decision-making structures and culture. The Public Service must expand its knowledge base and increase inter-organizational collaboration to tackle the growing number of crosscutting policy issues that defy the authority and expertise of any single department or even, in a globalized world, any single government.

In today's world, *a more integrated and collaborative approach to policy development* is required. The policy capacity of the Public Service must be strengthened so that the Public Service views policy development as more inclusive and approaches it in a more inclusive manner. The Public Service must promote the involvement of citizens in the public policy debate in order to meet their growing demands for greater access to information and greater participation in decision-making. Citizens want their voices to be heard.”