From Reactive Policy to Agile Governance: Building an Agile Mindset and Strategic Intelligence in Public Administration

By Stephan Mergenthale, James Landale and Bryonie Guthrie

Even before the COVID-19 pandemic sent shockwaves around the world, governments faced an intensifying conundrum: how to move from the governance tools, processes, and mindsets of the linear industrial age to those needed to face the complex and interdependent challenges of the digital age. Relying on public bodies organized to deal with contained technical domains, governments are too often slow, reactive, and ineffective in responding to emerging policy challenges which span the entire public policy realm. If the world is increasingly multidimensional and complex, governments cannot effectively deliver the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) with fragmented and reactive policy responses. This chapter lays out how strategic intelligence can support the fundamental elements of agile governance and mindsets in order to face the challenges posed by accelerating interdependence, velocity, and complexity.

— 1 —

The need for more agile governance*

One of the lessons that stands out from the dramatic events of 2020 is that we urgently need to build the capacity in public administration around the world to better anticipate strategic trends and developments before they cause large-scale disruptions, as well as respond more effectively in cases where solutions have yet to be found and constant adaptive learning is the only effective way forward.

The 2030 Agenda for Sustainable Development clearly recognizes the interdependencies among the challenges facing the planet and humanity. However, global disruption has only accelerated since its adoption at the UN Sustainable Development Summit in 2015. In the intervening years, three prevailing secular forces have increasingly shaped our world – interdependence, velocity, and complexity:

This trio exerts its force, to a lesser or greater degree, on us all, whoever or wherever we may be…

Interdependence – has an important conceptual effect: it invalidates "silo thinking". Since conflation and systemic connectivity are what ultimately matter, addressing a problem or assessing an issue or a risk in isolation from the others is senseless and futile…

Velocity – decision-makers have more information and more analysis than ever before, but less time to decide. For politicians and business leaders, the need to gain a *strategic perspective collides ever-more frequently with the day-to-day pressures of immediate decisions, particularly obvious in the context of the pandemic, and reinforced by complexity….*

Complexity – creates limits to our knowledge and understanding of things; it might thus be that today's increasing complexity literally overwhelms the capabilities of politicians in particular – and decision-makers in general – to make well informed decisions.

*COVID-19: The Great Reset b*y Klaus Schwab and Thierry Malleret, 2020[38]

What is needed to boost public institutions' ability to successfully implement the 2030 Agenda is a shift from traditional, often siloed and cumbersome, policy development to more agile and responsive governance approaches[39] that draw on new tools, processes and mindsets to inform more systemic responses.

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2

Core elements of agile governance

According to the 2018 World Economic Forum White Paper "Reimagining Policymaking in the Fourth Industrial Revolution", agile governance is:

'adaptive, human-centred, inclusive and sustainable policy-making, which acknowledges that policy development is no longer limited to governments but rather is an increasingly multi-stakeholder effort. It is the continual readiness to rapidly navigate change, proactively or reactively embrace change and learn from change, while contributing to actual or perceived end-user value.'[40]

To build a solid foundation for agile governance in public institutions, policymakers and civil servants need to take three key steps: integrate technology; take a multi-stakeholder approach; and develop an agile mindset across public administration.

The shared values related to inclusive growth, resource and energy efficiency, circular economy practices, decarbonization, and nature-based solutions that guided the development of the 2030 Agenda should inform all three of these.

Technology

Public servants are being challenged to move beyond simply understanding major technological advances, to mitigating, shaping, and harnessing them in order to govern better, and to become more accessible, transparent, and trustworthy.

The backdrop for this is the emergence of technologies[41] that are shifting power and influence away from governments, and towards companies and non-state actors. Technology pioneers are dramatically affecting societal norms and have the potential to play a key role in supporting the values and activities that are critical to delivering the positive change envisaged in the 2030 Agenda. However, while these companies may be able to enable positive societal change, they do not have a political mandate. This presents a challenge to policymakers who will need to find ways to effectively collaborate with these actors in a manner that safeguards fundamental human rights[42] and is accepted as legitimate by the wider society.

The potential benefits of greater technological integration for the 2030 Agenda are manifold and go beyond using big data to more effectively track SDG implementation, for example: creating a policy environment favourable to Fintech to enable growth of non-cash disbursements – especially useful during a pandemic[43]; tracking health indicators in populations through mining social media data; and, offering digital health services to low- and middle-income countries. A specific example of the benefits of government cooperating with technology partners took place in India, where the government enrolled more than a billion people into its biometric identification program, directly achieving SDG 16.9 and indirectly supporting the ability of women to enjoy greater gender equality and individuals to access public services and open bank accounts.[44]

Digital media and influential social media users have key roles to play when it comes to accurately and responsibly communicating risks, opportunities, and concerns to the citizenry. Citizens, in turn, can use social media to spread their views and mobilise like-minded people to affect positive political change.

Agile governance requires state actors to adopt relevant technologies and to make them work in the national interest.

Governments that are agile will be able to find ways to better exploit technology – co-opt it and regulate it. Close collaboration with businesses and civil society organizations will be necessary to make that happen.

Multi-stakeholder collaboration

In seeking to be increasingly agile and responsive, public servants will have to find new ways to work with a more diverse array of people and organizations[45]. Collaboration, co-creation, and co-production will have to become more permanent fixtures of government operations and service delivery.

The Open Government Partnership[46], launched in 2011, already convenes public sector reformers and civil society leaders to try to make governments more inclusive and accountable. The partnership now includes nearly 80 countries and 20 sub-national governments. Meanwhile the US, Australia, and Singapore have all recently experimented with more consultative and deliberative policymaking, including through people juries and deliberative polling, in order to feed a wider range of perspectives into policy decisions and implementation.[47]

As part of this, public administration will need to increasingly incorporate design thinking that includes other experimental approaches and aims to develop socially meaningful and targeted ideas relying on co-creation. Prototyping, testing, and iterating are important tools for policymakers to pilot low-cost, low-risk versions of policies, to test hypotheses on their impacts, and then make improvements based on those learnings before launching them on a broader scale.

An example of this is the Asian Development Bank pilot project Graduation Approach for Poverty Reduction in the Philippines[48] targeting SDG 1, which assigns training assets to families based on need and local context. The combination of systems and design thinking provides an iterative and cumulative learning process that enables exploration of complex and fast-moving ecosystems, makes sense of observed variables, and shapes possible outcomes, while analysing the influence of those outcomes on the status quo.

As multi-stakeholder approaches become increasingly necessary, leaders in every sector will need to learn how to operate more effectively across complex networks and build trust with one another in the process. The daunting challenges facing humanity cannot be solved by any single sector alone; governance must become a multi-stakeholder endeavour – as recognised in SDG 17.

Developing an agile mindset

These shifts should be accompanied by fostering agile mindsets in public institutions. In 2015, the World Economic Forum's Global Agenda Council on the Future of Software and Society[49] published its paper "A Call for Agile Governance Principles" that recommended how governance systems could learn from successful practices in the area of software development (based on the original Manifesto for Agile Software Development[50]). In the paper, the council stated:

'We believe in governance systems that are robust, adaptable and responsive. Agile software development is a proven means to achieve rapid results which meet the goals of users efficiently. These methods are readily adaptable to governance. Through this we value:

1. Outcomes over rules
2. Responding to change over following a plan
3. Participation over control
4. Self-organization over centralization.[51]

While specific contexts will differ, these provide a useful guide to the changes needed in mindsets to promote more agile public governance. The council elaborated:

'Delivering timely solutions is a more important measure of success than meeting a static checklist of rules. We believe the same principles should hold true for government actors. Governance should shift from the traditional focus on rules-based compliance to an outcome-oriented approach that can respond to changing dynamics. Implementing policy and executing on goals should evolve through incremental changes that are tested and measured for effectiveness as they are developed.'[52]

Developing and nurturing trust is also a key component in new mindsets to support more agile governance, especially where multi-stakeholder approaches are involved. In their White Paper "Poly-Governance Models to Address Global Challenges", in 2016 the World Economic Forum's Global Agenda Council on Global Governance and the Future of Regional Organizations highlighted the importance of trust in multi-stakeholder endeavours, especially in the context of the 2030 Agenda, stating in its recommendations:

'Building and maintaining trust are critical to the success of Poly-Governance Models (PGMs). Those developing and leading PGMs should plan to invest time and energy into building trust, from the earliest opportunity and through the project's lifetime, to help establish and develop robust relationships that can weather crises or difficult times.'[53]

— **3** —

Strategic intelligence

The Preamble of the 2030 Agenda for Sustainable Development states:

'All countries and all stakeholders, acting in collaborative partnership, will implement this plan….The 17 Sustainable Development Goals and 169 targets….demonstrate the scale and ambition of this new universal Agenda.'[54]

This is even more challenging in a world of accelerating global complexity and interconnectivity, where it is difficult to keep pace with the latest trends or make sense of the countless transformations that are taking place. How can government leaders and public servants decipher the potential impact of rapidly unfolding changes and apply this to the implementation of the 2030 Agenda when they are flooded with information, some of it misleading or unreliable? How can they effectively adapt their strategies to meet the Agenda's vision within such an evolving context?

Traditional notions of state bureaucracy are not sufficiently flexible to respond to the interdependence, velocity, and complexity of issues before them. The answer lies in more agile approaches to governance that incorporate new tools to navigate an increasingly uncertain environment.

In a world of accelerating complexity, embracing technology, promoting multi-stakeholder collaboration and an agile mindset and putting them at the core of public institutions is, however, easier said than done. The relationships between issues are in constant flux, with evolving interdependencies quickly undermining policy prescriptions. Simultaneously, the explosion of online content, and its accessibility, has multiple benefits but can also serve to overwhelm public servants seeking to understand complex issues in a limited time and with limited resources.

This calls for creating a framework to understand the shifting influences between issues and stakeholders, informed by the best knowledge available, augmented by technology, and agile enough to track developments across a web of dynamic inter-relationships. Doing this requires building internal capacities, tapping into the best sources of research and analysis, and leveraging the benefits of machine intelligence.

The World Economic Forum has developed its Strategic Intelligence platform[55] to support agile governance, following a systems-thinking approach, incorporating expert knowledge, and using technology to augment and scale capabilities.

Thanks to a set of cutting-edge digital tools, users can explore, understand, and anticipate the forces driving transformations around the world. At the heart of the platform are its transformation maps which depict the interdependencies between a wide range of topics, illustrating how developments in one area could impact others in the future. By drawing on the collective intelligence of the Forum's global network, transformation maps identify the factors across industries, economies and global issues from which change is driven.

It is a public resource available in ten (10) languages: English, Portuguese, Chinese, Spanish, Japanese, Arabic, French, German, Korean, Hindi. For civil servants, especially those in developing countries, this could be a valuable tool in terms of research, benchmarking, and accessing and understanding international and expert approaches to global challenges, providing clear insight as to how they should be interpreted and resolved.

While there are currently vast quantities of knowledge and information available to guide public administration, what is lacking are ways to filter the most relevant information necessary to make informed and effective decisions, especially on the interlinked and interdependent challenges found in the 2030 Agenda. This is the gap the World Economic Forum's Strategic Intelligence platform seeks to fill.

Strategic systems-thinking

The ability to apply systems thinking – to understand the context in which an issue exists – is invaluable in determining the approaches and means to address it. For example, to understand a global rise in populism, it is helpful to look at the concomitant rise in inequality (SDG 10) and to develop a response that tackles the underlying causes rather than the symptom. Systems thinking takes account of the constellation of interconnected topics in which an issue operates and illuminates the parameters of complex and dynamic ecosystems and the associated consequences – both intended and unintended – of related policies. Effective systems thinking accounts for both core and periphery issues, in recognition of the fact that change is often driven by the periphery and scaled to be accepted by the core.

To develop a system-wide understanding of an issue requires multi-stakeholder collaboration in public administration. This means building cross-functional policy teams around key missions to produce comprehensive solutions. At the heart of such efforts should be a shared understanding of the components of a system and the shifting inter-relationships at play between them. But, as Geoff Mulgan, professor at University College London and former CEO of Nesta states in his 2018 book "Big Mind: How Collective Intelligence Can Change Our World", calibrating approaches and creating effective mechanisms to achieve this presents a challenge:

'Every organization has to find the right position between the silence and the noise: the silence of the old hierarchies in which no one dared to challenge or warn, and the noisy cacophony of a world of networks flooded by an infinity of voices. That space in-between becomes meaningful only when organizations learn how to select and cluster with the right levels of granularity – simple enough but not simplistic; clear but not crude; focused but not to the extent of myopia. Few of our dominant institutions are adept at thinking in these ways.'[56]

Leveraging technology for augmenting and scaling capabilities

The amount of information and data available to guide government activity is enormous and growing. But this overabundance poses obvious challenges as it is quickly overwhelming - no one knows exactly how many scientific journals there are, but several estimates point to the tens of thousands with up to two million scientific papers published each year. In addition, this research tends to confine itself to existing, relatively isolated spheres of study that do not necessarily place it in terms of its relationships within a broader system.

In this context, technology can play a valuable role in identifying and organizing knowledge in a way that enables users to navigate through and profit from the richness on offer without being overwhelmed. For example, machine intelligence in the form of concept recognition and natural language processing can quickly analyse and sort huge volumes of content to categorize it according to an established taxonomy. Choosing respected and trusted sources of that content, whether universities, research institutions or international organizations, allows you to focus on high-quality knowledge and insight.

Technology can also provide the means to place issues within their systems and enable monitoring of the fluid interrelationships mapped to real world developments as they happen, rather than reflected after the fact in periodic reports or white papers.

As the Global Agenda Council on the Future of Software and Society noted in their 2015 paper:

'Today's new technologies allow knowledge and power to be distributed more widely than ever before. They allow the collection and dissemination of experience, the collective assessment of problems, and the design and application of solutions and improvements.'[57]

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Conclusion and recommendations

The following key recommendations are critical to promote agile governance among public servants:

1. Think and act in terms of systems and not silos.

2. Ensure that the fundamental values that guided the development of the 2030 Agenda shape public service delivery.

3. Integrate technology into projects and initiatives to expand their scope and scale.

4. Take an inclusive, multi-stakeholder approach, ensuring that diverse perspectives are represented and reflected.

5. Incorporate design thinking methods, such as co-creation, prototyping, testing and iteration.

6. Develop agile mindsets to support a model of governance that is robust, adaptable, and responsive.

7. Invest the time and energy in nurturing trust among multi-stakeholder groups.

8. Seek out the best sources of knowledge and insight to inform your work.

9. Integrate readily available technologies and tools that support integration of strategic intelligence into agile governance approaches.

10. Seek continuous adjustment and improvement.

Endnotes

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