EUI SCHOOL OF TRANSNATIONAL GOVERNANCE

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FUTURE-PROOFING PUBLIC MANAGEMENT

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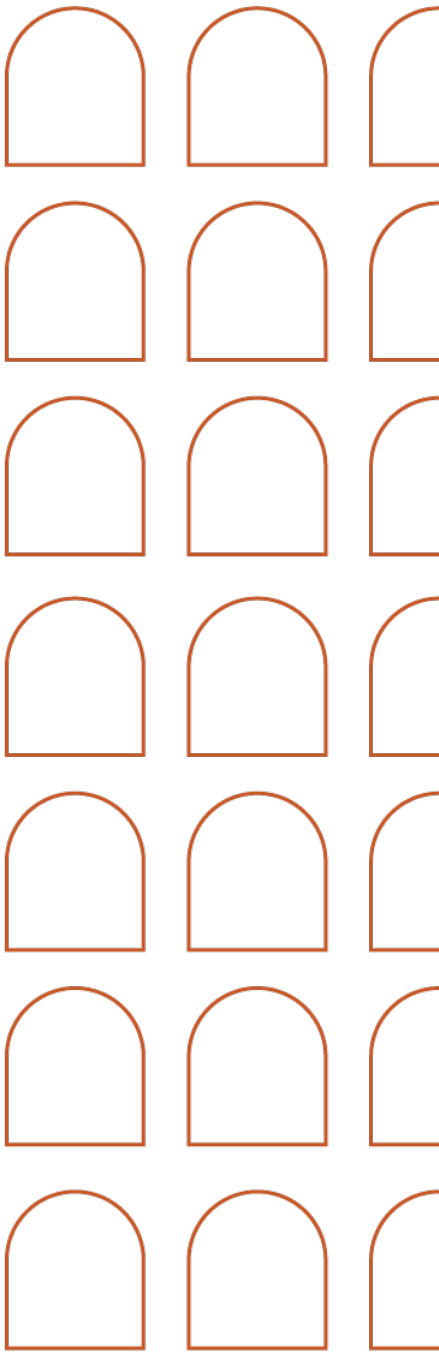

EXECUTIVE SUMMARY

Taking a forward-looking perspective, I present eight pressure points on public management, concerning learning, science, populism, citizens, design, humility, guidance vs. practice, and problem vs. mystery. To deal effectively with these points, we need a map of core skills and values organised around the conceptual framework of capacity. By distinguishing 'capacity to do what' and 'capacity for what purposes', I draw some implications for training the public managers of resilient societies.

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1. WHAT HAS CHANGED?

What are the core skills and values of the public manager of the 2020s? To answer this question, one has to first know how to identify them. We have to approach this task with creativity and when necessary go beyond the existing literature.

Being based on empirical observations of 'what has already happened', the literature can only inform us in limited ways about the future in rapidly changing environment. At best, it can draw our attention to weak signals and emerging trends. But let us briefly look at what the literature has to offer – with the caveat that this will be just a cursory illustration. To begin with, we find a debate on the legacy of the so-called new public management (NPM), the role of post-NPM and research on specific topics and approaches with no special attachment to the NPM categories and labels. Broadly speaking, if the NPM was centred on structures such as joined-up government, independent agencies and outsourcing, the new wave is more about capacity, learning, bottom-up solutions and polyarchic, polycentric experimental governance. Examples in this field are behavioural insights in public administration, policy innovation labs, and the politics of advice and provision of science and policy expertise.

From different perspectives, another body of research points to the characteristics of effective public administration – a good example being the foundations of motivation in the public sector. A further thread directs us toward the fundamental issues of ethics, the concept of good governance, and how to create public value. Essentially, this is a more fundamental soul-searching, explicitly philosophical trajectory, well-represented by a recent volume by Edoardo Ongaro on philosophy in public administration.

Whilst academic research is carrying out its internal conversations on all this, the public sphere is no longer hinged to the perimeter of the territorial state –Fridays for Future articulates its action at the transnational level – both in terms of mobilisation and governance solutions. With the Covid-19 pandemic regulatory responses, the economic packages for ecological transformation and innovation, and the rise in the political attention for the sustainable development goals, the locus (local, national, international, trans-governmental) and identity of 'the public manager' is shifting rapidly. Back in 1997, Guy Peters talked about puzzled public managers who can't steer and shouldn't row. This is no longer the central theme of the public management literature. And yet, Covid-19 may look like the opportunity for more steering via command-and-control regulation, public spending, and the entrepreneurial state (with the caveat that these are three different approaches, not a single vision of the state and public administration).

> **"Not every policy innovation is socially acceptable and automatically future-proofed. Values and sense of purpose are as important as entrepreneurial skills"**

However, the sheer scale of complexity and tasks goes well beyond what a steering state might possibly do. One argument is that usually it's markets (not states) that create innovations and societies that produce social innovation. Another argument revolves around polycentricity. Scholars of climate governance (among others) refer to polycentricity in action as standards for the public management of climate policies across all levels of governance, from cities to transnational fora. Here is our proposition: Rather than focusing on steering versus rowing, let us stimulate policy entrepreneurship across those who manage and those who lead. As it will become clear from the remainder of this paper, entrepreneurship is not *by itself* accountable and normatively justified. Not every policy innovation is socially acceptable and automatically future-proofed. Values and sense of purpose are as important as entrepreneurial skills.

2. THE (SUSTAINABLE) FUTURE IS NOW

At the EUI School of Transnational Governance, we focus on the transnational dimension with a worldview informed by the sustainable development goals, the challenge of democratizing transnational governance, the transformation and consolidation of digital markets, the green deal of the European Union, gender equality, and the celebration of diversity and human dignity. Our interest is empirical and normative: we care about democratic values and socially responsible innovation; we are worried about the impact of populism on public management; and we believe that decisions should be informed by robust evidence and balanced values. Management should not just 'manage' but contribute to accountable and trustworthy decision-making processes. One of the most pressing issues in transnational governance is indeed accountability, given that so much of this mode of governance eschews traditional democratic accountability via elections.

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These values are instrumental in the identification of our mission for the future of public management. We cannot think exclusively about 'responses' – to the multiple policy crises, to the priorities of international and transnational institutions, to the demands of citizens. This word, response, already implies a reactive mode of governance. Key to the success of public management is the capacity to anticipate – which includes, but is broader than, to predict. To anticipate in a clearly defined, trustworthy chain of accountability is a formidable challenge for policy and institutional design. Equally challenging is to achieve that by empowering citizens in terms of participation to the creation and management of the public goods and services. The bar is very high, yet only by addressing these challenges can we keep our societies away from the perils of technocracy and populism.

Whilst we are reflecting on the weak signals and trends identified in the literature, the world is already changing in tangible ways. The sustainability trajectories emerging in public opinion, the transnational mobilisation of social movements and professions, and (among international organisations) the United Nations, the European Union and the OECD are a useful point of departure. Importantly, our vision for a sustainable future is not top-down, from what the institutions do down to the citizens, with bureaucracies in the middle to 'manage' the conveyor belt. Citizens have shown formidable capacity to understand their role in delivering public health outcomes and to adapt and internalize the effects of their behaviour on others. To illustrate: Nonviolence is person-power displayed in contexts as different as the pandemic and transnational solidarity aimed at toppling dictators. Consequently, our challenge is to bring the public management mission beyond the dyad state-market and address explicitly the triad of citizens-state-markets. It is refreshing to hear about this concept of the triad from an economist like Wendy Carlin: in the Financial Times, she argued that Covid-19 has reset the narratives in economic theory about citizens. It is indeed citizens that are dealing every day with the balance between precaution and innovation - managing risks in the slow path to recovery.

3. PRESSURE POINTS

The list of pressure points on public managers and public administration can be and probably is very long. We take a selective approach and highlight what seem to us the most acute:

3.1. Learning

To begin with, 'learning in and across crisis is the new normal' pre-requisite for sound policy-making. Policy has to be appraised, made and delivered in a world where crises can be multiple, nested, fast or slow-burning. This makes anticipatory governance and innovation

much more relevant than responsive modes. How do public managers learn in a crisis? What are the implications for Schools that train and support learning processes in complex organisations?

The classic Bayesian sequence of learning implies that a public manager starts with some prior assumptions and beliefs about policy. Over time, she observes evidence, reasons on the implications of the evidence, modifies her priors. And finally, having changed policy beliefs, she changes behaviour. This way learning produces policy change.

In a crisis, however, this is not necessarily the sequence we observe. Behavioural and evolutionary economics as well as cognitive psychology illustrate a different causal relationship based on stimuli and behavioural responses. Something difficult and challenging suddenly appears on the screen. Policy makers try a course of action because not responding is inconceivable (think of the fast pattern of attacks on sovereign debts or the contagion pattern of a virus). If the feedback is positive, they learn that the response works. Over time, these patterns of stimulus and response solidify into something that can be learned as a pattern of causes and effects – doing X is the right response to Y. Policy makers then change behaviour (stimulus-response associations) and they learn over time.

They do not change behaviour because they have learned. They learn because they have changed behaviour in the crisis. Evidence-based Bayesian learning in complex organisations comes at the end of the casual process. An implication is that we need to support evidence-informed responses and policy learning in novel ways, taking into account the extremely tight time dimension of crises. Here the behavioural insights literature can help, altering the condition of default. Artificial intelligence can support the process of validating feedback quickly and in rigorous ways. Risk-risk analysis is also useful in providing checklists and ways of framing risk decisions that are not contingent on the length of time available for learning. Another implication (this time positive) is that resilient belief systems may not be a major hindrance to change. Surprise may trump prior beliefs and narrow considerations about elections and the short-term interests of elected politicians – so we may have to worry less about this. In a paper with Jonathan Kamkhaji, I found this surprising lesson from the EU responses to the crisis of the Euro area. Knowledge of different causal mechanisms of learning under different types of crisis can therefore lead us to the identification of a precious skill-set for public managers.

> **"The necessity to learn from the experience of others has increased in an inter-dependent world of multiple crises."**

What about cross-country learning? Over the years, we have witnessed a disenchantment with learning from generic international 'best practice guidance' – guidance that is not grounded on a realistic appreciation of context. At the same time, the necessity to learn from the experience of others has increased in an inter-dependent world of multiple crises. Extrapolating the right lesson from the experience of other countries or other transnational regimes is key to success – and fortunately there are models and suggestions on how to do this. Building capacity for these types of learning is yet another key step for future-oriented public management schools.

3.2. Populism

The second pressure point comes from attacks on bureaucracies, regulators, managers of statistical offices brought about by populist leaders and non-accountable advisors. Often these attacks take place in popular media or the blogsphere – domains where the mandarins are not at ease. Bureaucrats are not influencers by training and aspiration. Yet they have to learn how to navigate the new brave media world and respond in appropriate ways. Incidentally, this is not the first time we witness attacks on the public sector managers – those familiar with the history of Thatcherism may recall Sir Keith's Reading List. But the virulence and forms of these attacks are new types of pressure, documented in a recent STG paper.

It follows that the concepts of capacity and resiliency need to be adapted by addressing this pressure point. Training is one of the most solid ways to build resiliency. Another lesson comes from the field of policy narratives: In making and delivering policies during populist administrations, public organisations can be empowered by policy narratives that explicitly counter populist narratives but at the same time take into serious considerations the public anxieties and dissatisfaction with elite-driven policy.

3.3. Science

Thirdly comes science and the wider scene of evidence-informed policy. How do we as societies make sense of science? There is demand for more evidence and science in handling the problems of the planet. Fridays for Future has made popular among the young generations the belief that science is indispensable to the achievement of the sustainable development goals popular among the young generations. We also witness the rise of new advocacy organisations that instead of protecting the interests of this or that scientific profession, argue across-the-board for more transparent, accountable, systematic usages of science in the public policy process – see the International Network for Government Science Advisors, Sense about Science and Science for Democracy. At the same time, recent episodes of vaccine nationalism and the contradictory political responses to objective risk assessments carried out by independent agencies have yet again contributed to popular misconceptions about science. In the transnational domains, questions arise about what kind of open science for whom. A step towards clarification was taken by the United Nations, with the April 2020 General Comment on the Right to Science. This is not (just) the right of scientists to carry out research in freedom. It is the right of every citizen to make regulators and governments accountable for how they use evidence-based tools and more generally science in policy formulation process.

For us this scenario of contradictory pressures amidst popular demand for science and an emerging right to science has implications on training in the field of evidence-informed policy. Among other things, country managers should learn how to report (to the UN for example) on the implementation of the right to science, with what indicators of freedom of research, and what toolbox for evidence and science-informed policy. It is not inconceivable to imagine that the UN will establish its own rapporteur on the right to science in the near future.

The second implication for public managers is to recognise that there are different possible experts (as Claire Dunlop puts it) in the policy process, with their own motivations and roles. To manage expertise and empower scientists by training them on their different roles in various types of policy processes is a driver of resiliency in the public administration of the future.

And here is a third implication: much as we want to improve on explaining to public managers and politicians why and how science should matter in public choice, we should also be committed to empowering scientists by exploring with them the policy process. For too many years public management schools have more or less successfully tried to train public managers on the value of science. Now we should also train scientists to navigate the maze of decision-making in transnational governance settings and, more generally, complex public policy processes. Among other things, this requires translational social sciences – that means, social sciences which gauge the quality of their findings in terms of how well they can be translated in knowledge usable by policy-makers and natural scientists.

3.4. Citizens

We argued above that citizens are policy actors and we should go beyond the dyad of markets and states. Elinor Ostrom introduced the notion that complex problems in the domains of 'the commons' can be solved by communities that devise their own rules, strategies and norms – in one word, institutional rules can emerge from the society and local communities. Across borders, the question of how to govern the commons is everywhere, from data to climate.

Recent studies show that a powerful citizens-centred resource is available across-nations: transnational solidarity. But beyond that, where should public management sit in-between citizens and global governance? Representative democracy is not available in transnational governance. Regulations and public policies can however gain legitimacy through transparency and evidence-based tools – consultation being a common tool. But traditional approaches to instruments to include citizens in the development of public interventions have their own limitations. Some years ago a study on consultation practice exposed the phenomenon of the missing stakeholder and called for consultation 2.0.

> **"Across borders, the question of how to govern the commons is everywhere, from data to climate"**

For those like us who train future leaders, the question is how to encourage the emergence of accountable and responsible leaders in polycentric transnational governance. This requires a combination of leadership skills but also values such as cohesiveness, social sustainability, and empowerment of marginalised (arguably missing) stakeholders and citizens. In multi-level systems like the European Union, leaders should be less concerned about managing from the top and more about the governance of polycentric subsidiarity.

3.5. Learning Humility and Phrónesis

One cornerstone of a sensible approach is regulatory humility – or prudence – possibly flanked by epistemic humility on the side of experts. *Phrónesis* is practical wisdom gained by making choices with prudence. Because the world of public management is constellated by fiascos and policy disasters, one risk to avoid is to approach future-proof management with the assumption that the public sector is always benevolent and guided by the most correct and usable knowledge. Especially when combined with the potentials of artificial intelligence and the possibility of spending in deficit, this risk of educating a new generation to the (wrong) idea of the civil servant as super-hero must be mitigated by a healthy dose of phronesis or regulatory humility. The regulators have become nudgers of citizens with the toolbox of behavioural public administration, but public officers too have their own biases – hence we must nudge the nudgers and correct their bias with appropriate institutional and tool design. Evidence-informed policy must be balanced by ethical considerations. Artificial intelligence must be approached with the realisation that it can also be a weapon of techno-populism.

3.6. Design

No matter how much learning and humility become 'ways of doing things', the proof of the pudding is when a policy manager has to design and deliver policy. One complication with humility is that public managers are under pressure from elected politicians and public opinion to 'do something' when a focusing event appears on the scene.

The solution is not 'to do nothing' – as mentioned, phronesis is learned by making (prudent) choices, not by avoiding them. Rather, the correct pathway is clarity on assumptions and uncertainty behind interventions; be transparent on levels and types of uncertainty; keep an evaluative attitude alive in the policy cycle; establish clear channels of accountability; design with empathy and probe incremental changes before going for large scale, expensive and hard-to-reverse interventions. An example is the Cynefin approach grounded on four different types of domains (simple, complex, complicated, chaotic) as opposed to the one-size-fits-all protocols of intervention.

There is a final, over-arching dimension of design. Most of the current design tools such as regulatory impact assessment and policy appraisal techniques do not integrate the sustainable development goals. Existing tools usage tends to neglect social benefits and to ignore the effects of policy proposals on gender, social inclusion, the rural economy, and bio-diversity. Here is an opportunity to re-tool the tools in light of the sustainable development goals.

3.7. Guidance versus Practice

Moving to the fabric of management, policy coherence is key to sound policy-making. UN-DESA has recently produced eight guidance notes with the explicit objective of encouraging cross-national learning about sound policy tools geared towards sustainable development goals. Coherence requires fine-tuning across different policy sectors (and across different time-horizons) of public management tools, like risk assessment, regulatory impact assessment, foresight, risk analysis, and evaluation. The challenge is threefold. First, it is a challenge of moving from procedures and formal requirements to practice. We should train less about the methodological guidance on policy tools like impact assessment and more about the practice of using impact assessment to challenge our assumptions and correct our bias. Evaluation, to consider another example, is more than a tool. It is the development of a curious attitude and an evaluative mindset. Second, there is the challenge of carrying out these tasks with anticipatory-innovative mindsets across the so-called nexus of sectoral domains - An example of nexus is agriculture-energy-food-climate, addressed by CECAN in the UK. Third, foresight techniques are more trustworthy if they are deployed in inclusive, participatory ways. An example: Delphi can be used to generate among participants a sense of ownership of the futures to which the technique assigns probability. Scenario workshops can create awareness among participants about how their own choices or omissions can lead to certain outcomes – thus going beyond creating scenarios for the purpose of exploring alternative futures. Cost-benefit analysis can be cold or warm. It can be humanised - as Cass Sunstein once put it.

3.8. Problem and Mystery

And yet, when the right approach to design is identified and practice is not undervalued in the name of abstract guidance, what should leaders and bureaucracies offer as future-proof 'solutions'? Solutions with a big S do not exist – otherwise a simple handbook matching a catalogue of problems with a catalogue of policy solutions would eliminate form the market the whole literature on public policy and administration. In reflexive mode, the analysis leading to solutions should embrace dichotomies, trade-offs and enigmas. It is impossible and wrong to bracket them away. We believe that to experience surprise and puzzlement are analytical and emotional pathways to good problem-solving choices.

The philosopher Gabriel Marcel distinguished between the categories of "problem" and "mystery". The world is broken when every challenge is reduced to a "problem" and we, as societies, do no longer allow room for mystery. A problem is something external to us, something we can look at from a certain distance, dissect, inspect and analyse. Problems can be solved by techniques, methods, algorithms. In a paradoxical way, this notion of problem is meta-problematic. A mystery, instead, can only be approached by someone who is involved – and the identity of the individual asking or seeking answers is an important dimension. The problem is *before me*. The mystery is i*n me.* If the questioner changes, the question inside the mystery changes. We have seen in the Covid-19 pandemic how some of the challenges are correctly identified as problems, but other mysteries of bio-politics, the deeper sense of the relationship with the others and our work, our city, our planet require a different approach. These mysteries are crucial in the shift towards innovative, anticipatory governance where so many dimensions cannot be calculated as problems. In the end, after much debate on policy solutions as whole-of-government and whole-of-society, we are now facing the whole-of-person moment.

4. PUBLIC MANAGEMENT ACUPUNCTURE

To deal successfully with the pressure points, we need a sort of public management acupuncture – I borrow this term from a conversation with Thomas Delahais. I suggest we stimulate the sensory nerves of capacity. There are at least three fundamental types of capacity that flow through the body of public organisations. They can be described as capacity to absorb, to analyse and finally to manage tools. Extending this framework, we can think of acupuncturing with our analytical 'needles' both *capacity to do what* and *capacity for what purposes.*

"Capacity to do what" means the following:

a. To genuinely listen and absorb

b. To analyse with empathy, embracing mysteries and dichotomies (whole-of-person)

c. To anticipate (the crisis, the future, the missing stakeholders) when managing

"Capacity for what" covers the following reasons and purposes of adding public value:

a. Learning is a fundamental mission of future-oriented public management

b. Design is the consequence of the type of analysis illustrated above

c. The whole process of making and delivering policy is where ideas become actions. Actions must be directed by an attitude of reflexivity, openness, and humility

d. To gain legitimacy for public policies is an ultimate purpose of a resilient, trustworthy public management, especially in times of populist attacks on bureaucracy and open denials of the value of science

The two dimensions are portrayed in table 1.

Table 1 – The two dimensions of capacity: to do what and for what

Enhancing capacity to….	Learn	Design	Policy-making (from decision to delivery)	Gain Legitimacy
To listen and to absorb	Embrace the notion of citizen as policy-maker beyond the dyad state-market Learn how to pose questions and challenge priors and bias	Utilise and compare prototypes and probes especially when facing crisis conditions Turn international guidance into context-sensitive good practice Look global for lessons but adapt them so that they are fit for purpose in local context	Deliver whilst listening to feedback Whole-of-policy-cycle: Engage stakeholders and citizens beyond policy formulation	Whole-of-society and whole-of-person approach Empower scientists to navigate the policy process and public administratio Identify who is accountable for listening
To analyse	Identify, extrapolate and validate lessons from crisis and international experience	Evaluate before designing new policy Assess proposals by integrating sustainability / sustainable development goals in the tools of policy formulation Re-tool the analytic tools to make them socially inclusive; create social engagement with science and evidence-based policy up-stream, do not wait for the end-stage of design	Analyse performance by measuring progress towards sustainable development In delivery, substantive content is as important as robust narratives: do the reforms and explain-narrate them	Embrace dichotomies and trade-offs in the analysis Explain how analytic methods and criteria contribute to sustainability Communicate both analyses and their margins of uncertainty
To anticipate	Learning to anticipate with an evaluative, evidence-informed attitude and mindset, open to mysteries	Design socially-responsible institutions and tools to appraise innovation and radical policy change Foresight and anticipatory techniques used in transparent, accountable, humanised ways	Shift from guidance to practice Bring questions of delivery and compliance upfront in the policy formulation process Keep an evaluative mindset across the policy cycle; impact assessments as 'living documents' in support of delivery Nudge the nudgers with appropriate institutional design to avoid status-quo bias and encourage anticipatory attitudes in bureaucracies	Foster ownership of the scenarios and visions for the future Communicate how the future is appraised and anticipated by warm usages of the techniques and openness to mysteries

5. CONCLUSIONS

This paper has explored the topic of future-proofing public management. There is no one-size-fits all solution to create ('in the lab' so to speak) innovation and policy entrepreneurs. We also need to distinguish between leaders and managers, although the boundaries are blurred as shown by the presence of entrepreneurship in public bureaucracies. Within the world of management, a fundamental distinction is between those who are already in executive positions and need dedicated training and the mission to create the new generation of policy thinkers in Masters programmes.

There are for sure formidable pressure points, as we have seen. But these pressures also direct us towards opportunities for innovative training programmes. Instead of thinking of specific topics and tools, we have argued for a predisposition towards anticipation, learning, listening and empowering. This does not mean that the next generation of leadership and management programmes should aim at an all-knowing individual. Humility and appreciation of humility are essential to keep the eyes and mind open towards learning and a wise approach to artificial intelligence.

The School of Transnational Governance (STG) delivers teaching and high-level training in the methods, knowledge, skills and practice of governance beyond the State. Based within the European University Institute (EUI) in Florence, the School brings the worlds of academia and policy-making together in an effort to navigate a context, both inside and outside Europe, where policy-making increasingly transcends national borders.

The School offers Executive Training Seminars for experienced professionals and a Policy Leaders Fellowship for early- and mid-career innovators. The School also hosts expert Policy Dialogues and distinguished lectures from transnational leaders (to include the STG's Leaders Beyond the State series which recorded the experiences of former European Institution presidents, and the Giorgio La Pira Lecture series which focuses on building bridges between Africa and Europe). In September 2020, the School launched its Master-of-Arts in Transnational Governance (MTnG), which will educate and train a new breed of policy leader able to navigate the unprecedented issues our world will face during the next decade and beyond.

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