Counter balancing evidence-based policymaking with intelligence-based policymaking

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Context and Discussion Starter Questions

Context

I have been working on counter balancing evidence-based policymaking with intelligence-based policymaking in order to contribute to efforts to address some fundamental problems with how the current public management paradigm copes with the existence of substantive uncertainty – problems that, in turn, impact on the legitimacy and accountability of government.

At present, there appears to be a misalignment between governments' risk management role and the requirements of 'good governance'. This misalignment is caused by the unavoidable existence of substantive uncertainty and the fact that governments are the uncertainty and risk managers of last resort (trying to cope with problems that markets, businesses and civil society cannot handle). Whilst risk management requires substantive uncertainties to be managed as unavoidable realities, the risk management standard used by many governments (ISO31000) adopts a different stance and frames risk as uncertainty over the achievement of clearly specified objectives. In this risk-averse paradigm, various important activities, including the manner in which output-outcome budgeting has been implemented, favour *precision*: commitments to firm targets that cannot be fudged. The assumption is that a mechanistic stance enhances transparency and accountability and, as result, contributes to the legitimacy of governance. This mechanistic approach can restrict the ability to learn-by-doing, share insights amongst peers and generally experiment with better ways of governing.

The Principal-Agent stance used at present assumes that a policy intervention must be 'got right' at the beginning, rather than evolve in a more open-ended manner via a process of learning-by-doing in an uncertain world – with objectives only defined at the outset in very general terms. Arguably, this uncertainty averse Principal-Agent stance, in which the assumption is that it is theoretically possible to 'get something right' at the beginning, makes it virtually impossible to demonstrate good governance (unless the context is simple and changes little). This can make it difficult to generate and demonstrate *public value* via the Principal-Agent model - which cannot cope effectively with substantive uncertainty. As a result, governments end up, in effect, taking the blame (as a 'fault' of the policy intervention) for what is in reality an unavoidable feature of reality. *The current public management paradigm puts tremendous pressure on the centre of government (Ministers, their advisors and senior departmental officials) to achieve something that is in many cases impossible: design policies as if substantive uncertainties do not exist.*

It would be preferable to be able to design policies in such a way that the unavoidable existence of substantive uncertainty is accepted. On this basis, programs are designed without spurious precision to allow for both learning-by-doing and unexpected events – both of which are treated as reasons for adjustment of the intervention architecture rather than threats *to* the intervention architecture.

In such a context, the 'experimentalist & distributed governance' approach promoted by Charles Sabel at the University of Columbia is relevant in prioritising the collective learning, sharing insights, ideas and experiences that drive experimentation in public policy. This approach stresses the importance of local knowledge that helps to reduce substantive uncertainty. What may be uncertain at the centre of government as a result of an inevitable lack of local tacit knowledge may be much less uncertain at the 'periphery' of place-based policy implementation. The Sabel approach, therefore, focuses particular attention on the importance of new ideas originating 'bottom up' at the point of service delivery – as contrasted with the 'top down' command and control ethos associated with the Principal-Agent model that currently dominates governance.

Specific technical challenges lie in developing methods for demonstrating value for money and meeting modern expectations of transparency and accountability in experimentalist & distributed governance.

Questions

The following questions are proposed as a basis for discussion in the seminar. They are deliberately framed in broader terms than the main focus of the seminar (intelligence-based policymaking) in order to use discussions to explore links with the broader context to, and challenges for, governance (as outlined above).

1. *Do we need to achieve such a profound transformation in government?:*
    a. *Are the potential benefits of experimentalist & distributed governance worth the costs of attempting the transformation away from a Principal-Agent paradigm?*
    b. *Would a new broader stance based on intelligence-based policymaking help or hinder this transformation?*
    c. *Would such a transformation enhance or confuse perceptions of public value (both within government itself and in the general community)?*
2. *How can we actually achieve such a transformation in government?:*
    a. *Can uncertainty and risk aversion be overcome in practice (especially given the personality types that typically seek to become government officials)?*
    b. *What formal methods might we use to strengthen uncertainty and risk management in ways that allow the risk-reward relationship to operate more effectively within government?*
    c. *What else would we need to do?*