Building effective collaboration between government and academia: Putting the role of evidence-based policymaking into a more realistic context

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The Department of Prime Minister and Cabinet have asked me to speak to you today in order to pass on some of the lessons we have learned over the last few years about effective collaboration between government and academia. These lessons have emerged from a long-term experiment aimed at enhancing government-academic collaboration – the HC Coombs Policy Forum.

The Forum has been explicitly set-up as a partnership between the Australian Public Service (APS) and The Australian National University (ANU). We carry out experimental and exploratory work at the interface between government and academia – wherever possible via partnership working. We have developed a co-production relationship with the ABC in order to contribute to public discourse by making television programs addressing public policy challenges. As part of the Commonwealth-ANU Strategic Relationship that was initiated in July 2010 we generally focus on trying to enhance government academic collaboration.

I'd like to stress that it would have been impossible for us to achieve what we have at the HC Coombs Policy Forum without the support of the officials with whom we work closely in the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education. They have being willing and able to let as use this opportunity to establish an innovative new partnership mechanism as fully as possible. They have given us a reasonably safe place to try to innovate in fostering enhanced collaboration between the APS and the ANU.

Turning to the issue I've been asked to address: *Why effective collaboration between the APS and researchers will remain important.* I will approach the issue by addressing the following two questions. Firstly, why is sustained collaboration important? Secondly, what makes for effective collaboration?

I will start by highlighting what, in my experience, emerge as some key issues for consideration for both sides.

In *The Discourses* Niccolo Machiavelli refers to Xenophon's writings and stresses the importance of learning how to quickly recognise patterns in landscapes (in their eras by hunting). As he remarks, "For all countries and all their parts have about them a certain uniformity, so that from the knowledge of one it is easy to pass to the

knowledge of another."[1] It is useful to push this point a little further by treating it as a metaphor for the roles of evidence and conjecture about the unknown in public policy – about handling the known <u>and</u> the unknown. These are issues that are fundamental to government's role as uncertainty and risk manager of last resort. By that I mean handling the uncertainties and risks that markets cannot cope with – natural and person-made disasters, wars, terrorism etc.

If we take the time to consider the terrain that can be seen (the known) and to try to identify general patterns in the landscape then that can help us to visualise what (for example) the unseen valley to one side might look like (the unknown). If one makes a habit of visualising the unseen valley on the basis of the known valley and then bothers to take a look into the next valley in order to see how accurate the conjecture was one learns how to get better and better at this process of inferring the unknown from the known. As Machiavelli suggests, learning how to identify patterns that allow us to improve conjectures about what a unseen terrain might look like can be critically important in a skirmish or battle. In those frantic situations it may be necessary to visualise what the terrain in an adjacent unknown valley looks like in order to give orders to troops during a battle – with no time to scout out that valley (i.e gather the evidence). The decision must be made on the basis of conjecture not robust evidence.

To my mind, Machiavelli's advice on constantly search for general patterns in terrain is an important one for public policy in general. Governments must constantly learn-by-doing in improving their ability to conjecture about the unknown on the basis of the known. The unseen valley is a metaphor for what we now call 'horizon scanning' – but we only see the ridge not what lies beyond it.

This reality can be challenging for academics collaborating with government because they are required to move outside of the comfort zone of the evidence base (the valley they are in) and speculate about the terrain in the valley for which they have no immediate evidence. Some are able to do this - others are not. Those that can do this are especially useful to governments because they can assist in one of the most challenging issues for governments – helping to be better prepared for dealing with the, as yet, unknown factors that may eventuate at some point in the future.

Consequently, the notion of 'evidence based policymaking', whilst useful, should be treated with caution because it is not a panacea – it restricts us to the valley we know not the unknown valley that we might have to make decisions about with little or no robust evidence.

Taking this limit further, politics and policy don't have an easy 'technocratic' relationship with each other that is 'solved' by evidence. Indeed the tensions between politics and policy are inherent to creativity, innovation and the democratic process. Politics is well suited to decision-making under substantive uncertainty. Decisions, like Machiavelli's advice, must frequently be made without adequate evidence – there is no option to defer a decision until more evidence becomes available. That is a luxury for academics that policymakers do not have.

Furthermore, ethics and morality ('values') underpin and drive much policymaking (including political risks). This dimension is not currently articulated very well given the dominance of evidence-based policymaking in our over-arching policy narrative. It would be useful to get better at handling these issues as explicit parameters. This

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[1] The passage is taken from 'That a General ought to be equated with the lie of the land' in The Discourses.

explicitness would help to improve how we articulate the political and policy processes.

Of course, the APS operates in this political context but is not driven by it. Frank and fearless advice is still a powerful part of the equation and the inevitable tensions between minister's offices and the APS are to be expected and are valuable. This is especially the case in regard to risk assessments and other 'immune system' activities.

Theory, in a range of guises, plays an important and valuable role in both politically driven policy and 'policy-driven' policy. Effective and practically applicable theories help us to make sense of complexity and make decisions when little evidence is available. Theory also drives policy experiments and innovation (for example privatisation). Theory allows us to speculate about the (as yet) unkown on the basis of what we believe we know. This aspect increases the value of academic-government. collaboration.

One consequence of these points is that the accumulation of more evidence alone won't necessarily lead to effective policymaking because we don't simply induce policy from evidence. The reality is a more complex process articulated at the interface between politics and policy machinery, and with the general community – a process in which the specific phases we are engaged in matter a lot. Randomised controlled trials have their uses, but won't always be practical given the governments much act quickly as decisively as the uncertainty and risk manager of last resort.

The resulting risk is that too great an emphasis on the value of evidence-based policymaking at the expense of a broader and more realistic perspective, whilst convenient for some academic researchers (especially in seeking funding for data-intensive research), won't necessarily deliver better policymaking.

If one accepts these points, then sustained collaboration between government and academia is important not just because it allows for an effective articulation of evidence-based policymaking, but also because effective engagement between government and academia encourages this broader grasp of the far from simple relationship between the political and policy processes.

Different disciplinary perspectives can be very complementary in this respect, provided that we have the means to use these differing perspectives as complementary rather than competing assets (which is a frequent failing).

Some of us take the view that government is a rather well evolved mechanism for synthesizing different perspectives. The question is: how good is government at weighing up different disciplinary perspectives as part of this synthesis? The Cabinet process, and its portfolio-based feeder and liaison/coordination processes are explicitly focused on contested knowledge and ideas. From that angle, the assessment of the relative strengths and weaknesses of different disciplinary perspectives might best achieved within government and not within academia – but, arguably, within-government synthesis may not be the best way of doing all the necessary disciplinary integration. We may need a complementary mechanism – I'll return to this point later.

Government is often very rational to be risk-averse in its decision-making. As uncertainty and risk manger of last resort it is incumbent upon governments to play the role of an immune system – to attempt to identify and react to potential negative unintended consequences of a new policy stance. Whilst some academics and the business community get frustrated at the length of time government can take to make

a decision – there are often very good reasons for this. Not understanding this issue can damage the relationship.

The more I do my current job the more I think this is a critically important design principle. An effective co-evolution of government and academic practices should exploit the comparative advantage that government has in synthesis – including playing the immune system role (spotting unintended negative consequences and other risks). The challenge is to strengthen the inter-disciplinary dimension to that synthesis role.

Academic peer review, the 'immune system' in that sector, struggles with inter-disciplinarity – these struggles tell us a lot about comparative advantages and disadvantages in this dimension. Academia is good at reductionism and government at synthesis. Why then should we try and get each to play to its relative weaknesses, which can happen with naïve approaches to engagement? Of course, we can't exploit the benefits of that sort of division of labour if we don't possess the capability for government and academia to engage constructively.

Thus, whilst there are really demanding challenges I am sceptical that these challenges will be effectively assisted by framing enhanced APS-academic cooperation too narrowly around the notion of evidence-based policymaking. We need to be broader and more balanced in how we think about such matters. We need to recognise that evidence-based policymaking is one element in a more complex set of trade-offs between policy drivers.

Having stressed these points I will now turn to the lessons I have learned from my current role – how best to create effective collaboration.

In developing a strategy for the HC Coombs Policy Forum we have always borne in mind two simple over-aching design principles. Firstly, set out to achieve additionality by focusing on how best to generate public value (things that the electorate values). Secondly, 'revolving doors'. The very different system of political appointees and politically partisan and non-partisan think tanks in the US has given that nation an impressive social capital asset that we have, but at a much lower level. The mutual understanding, respect and sustained inter-personal reciprocity created by revolving doors. The challenge we face is to develop that social capital without the same system of government.

There are a set of specific design principles that complement recognition of the importance of that system of revolving doors.

Effective collaboration between the APS and researchers is as much about education as research. That is why the Crawford School places a lot of emphasis on executive education courses for government - and not just for the APS. Collateral benefits are that executive education is a great way for researchers to test the relevance of their expertise, understand how government officials operate and define new areas for research that may not have arisen from peer-focused exchanges.

A safe place to experiment helps to allow the risk-taking needed to innovate at this interface.

The licence to experiment requires, in turn, a recognised and well-defined appetite for risk. Our own approach has been to frame our appetite for risk explicitly around the investment risk parameters to innovation. It has been a big help to be funded by the

department responsible for innovation because this aligns our mission with one of their concerns.

Some failures are to be expected – and not hidden under the carpet when reporting. I was delighted when the Chair of my board asked us to say more about our failures when giving feedback on a draft Annual Report.

It is important to fail early – there is little value in an appetite for risk in government-academic collaborative projects if there are strong pressures that prevent fast failing.

Partnership working can be very effective. Working in partnership operates at two levels. Explicitly government officials and academics work together sharing and jointly owning the risks. We have developed a means of handling such arrangements based on having two senior people on each side being joint owners of the collaboration risks. These are not customer contractor arrangements even though money may change hands. For example, at Crawford School we put together a partnership arrangement that allowed the Tasmanian Government to produce (on time and to budget) their first White Paper in a decade (on the Asian Century).

Less explicitly, we do recognise the reality that we will have to be the risk manager of last resort: and take the blame when things go wrong on behalf of the government-academic partnership. It is really valuable for government officials to be able to blame someone in academia (if necessary) and we respect this reality. We respond by focusing on how to constantly improve how we identify and manage such risks.

We need to be sensitive to the distinctive phases of the policy process. Academic expertise can be especially useful in particular phases of the policy process. For instance:

> Problem definition (especially in the forensic examination of review findings)
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> Generating solution options (but different options may well be best assessed within government, especially if they span different disciplines)
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> Designing evaluation and review methods at the program design stage (not at the program review stage).
>
> Assessing effectiveness and lessons

We should set out to maximise public value in its broadest sense. One of our experiments was to see if we could make a co-production relationship with the ABC work effectively in order to pilot and, with luck, roll-out new television programs that aimed to inform the general community about policy challenges, issues and trade-offs. This has been a scary process – but has paid off. Our ability to reach over 100,000 viewers staying for the full hour of a program is, to my mind, a pretty good demonstration of trying to generate public value. Its also very cost effective in terms of the cost of delivering a person-hour of viewing. As an aside, I suspect that the notion of contributing to public value could be an important element in the move to demonstrate 'research impact'.

We should also recognise that public value is enhanced, and the work of the APS sometimes made easier by pursuing partnerships with State and Territory and local governments. Enhanced policy capacity at all levels can help make our loosely federal system operate a little less badly.

Finally, we should recognise that the value of partnership working can be enhanced by also engaging with business and civil society. From a government perspective, that

sort of broader partnership can be particularly valuable. We are currently working on this aspect in relation to productivity issues via a new partnership with Australian Chamber of Commerce and Industry (ACCI).

I'll end with some thoughts on going forward:

Firstly, I think we should take a look at how the White House Fellows and Presidential Management Fellows schemes operate in the US – and whether we could adopt something similar that fits our different political system. These are great mechanisms for bringing skilled and experienced people into government for a while.

Secondly, I think we should articulate, and widely communicate, a functional framework that maps how the political, policy and research processes are coupled, and have the potential to be better coupled, and divorced, at specific phases. That framework should go beyond the limiting assumption of evidence-based policymaking for the reasons I have outlined earlier.

Thirdly, we should highlight the ways in which there are mutual benefits to bringing experienced researchers into policy research partnerships. The academics get access to data that they would otherwise not get – leading to better publications (aka higher citation rates and faster promotion) and government gets access to specialised and sophisticated analytical skills.

Fourthly, we should give some thought to how, in partnership, the two sectors might contribute to 'experimental governance': collaborating to design and deliver experiments in new policy and service delivery with the sort of attributes I have touched upon (fast failing etc). There is growing interest in this overseas (especially in the UK and US).

For example, should be think about establishing an entity at arms length from government, an independence lesson from the Reserve Bank of Australia, via which joint experimental activities could take place in collaboration with academia, business and civil society. That sort of entity would be a great way of doing joint Randomised Controlled Trials (where relevant and feasible). It could also provide a suitable environment for handling the multi-disciplinary dimension – providing what is arguably a missing link between the research base organized around disciplines and governments' role as a synthesisor.

In such a context, there may be some interesting lessons from the use of Rapid Spiral Development approaches by the Pentagon and NASA here. This involves fostering a much higher 'clock speed' in the plan-do-check-adjust cycle that can drive innovation at lower risk of locking into poor choices. Modularity allows lessons from operational experience to be reflected in timely design tweaks and allows new modules to be added to the overall structure. That sort of approach could be a great way of better bringing together government and academia to drive experimental improvements in policy and service delivery.

In summary then, I've stressed the following points:

> Evidence-based policy is not (alone) going to solve complicated policy questions.

> We should recognise that there are different species: 'evidence based policy', 'policy driven policy', 'politics driven policy'. Each have their role in the ecosystem – and co-evolve.

> Theory is important too.

As is the synthesis of different (disciplinary) perspectives.

We need an engagement framework that allows for all of this – hence the importance of ongoing relationship building, experimentation and innovation.

It might be useful to think about building upon what has been started, the Eidos Institute, the HC Coombs Policy Forum, the Crawford School's new set of policy institutes etc by establishing an entity designed to foster enhanced government-academic collaboration at a national level – and covering all layers of government. Officially endorsed but independent (the RBA model). An *Institute for Experimental Governance*?