Innovating Public Governance to build back better & greener with Sustainable Industrialization

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The impact of COVID-19 on global poverty: the first increase in global poverty since 1998

Source: Committee for the Coordination of Statistical Activities, 2020

We have a problem...

- The climate & biodiversity crisis and the Covid-19 pandemic are destroying economic, social and environmental systems globally;
- This affects the SDGs – but differently across countries;
- Inequality and poverty are on the rise

... and this has a huge impact on industries in all countries, in different ways ...

- Industry is affected by supply- and demand-side effects
- Some local industries will be the winners: Firms are rethinking their business models, as supply shortages from overseas lead to increase in buying from local businesses
- This puts export from developing countries at risk
WHY the need to innovate governance?

... but many state institutions and their governance are not able to cope with the challenge.

- For decades, economic forces have resulted in small and weak governments and agencies, because the ‘invisible hand of the market’ would solve all problems
- Part of this ideology was that governments should not have an industrial policy to steer and condition developments
WHAT to do? (1)

We’ve seen that the ‘invisible hand’ cannot solve our very visible crises -> the only option is to bring industrial policy back ... and green

- Example: The European Green Deal (2019) requires major shifts in the European industrial structure, including transitions from fossil fuels to renewable energy
- The EU’s new Industrial Strategy (2020) is part of the Green Deal
- It promotes investment in clean technologies and disruptive innovation
WHAT to do? (2)

This means bringing back the State and promote effective governance

- The response of governments to the pandemic showed
  - the power and importance of the state in a crisis,
  - the failure to act accordingly.

- International experiences show that the correct response to the pandemic is to demand better government, not less

Governance is one of the 4 levers of sustainability transformation (GSDR 2019)
HOW to innovate governance?

1. Innovative governance requires a fast evolution to more adequate rules, tools, resources and skills

- The most common public governance style is still hierarchy: centralist, legalist, top-down, with a silo mentality – and not inclusive & geared to partnerships and co-production

- The most needed innovation is therefore shifting the balance between the institutions, tools and mind-sets of hierarchical, network and market governance

- Innovating public governance should become a strategic policy area
1. HOW to innovate governance?

2. Innovative governance must be embedded in mission-oriented public administration and governance reform, to achieve the SDGs by 2030

- On all great transformation areas, we need bold and inspirational missions, with involvement of business and civil society

- This helps focusing on the ends rather than the means: policymakers should create the space for creativity, experimentation and collaboration across sectors

- For public administration and governance, such a mission-oriented approach is to be recommended

But do the ends justify any means?
3. A central part of the mission-oriented reform is creating the capacities and mindsets for innovative governance

- Use the 11 principles of effective governance
- Work on at least seven priority areas:
  1. digitalise government and integrate multiple public services;
  2. improve access through multi-channel service delivery;
  3. open government data;
  4. simplify administrative processes;
  5. decentralize public services;
  6. make partnerships with private sector and civil society;
  7. change the mindset and behaviour of civil servants
(7) Change the mindset and behaviour of civil servants

- Working in political, institutional and mental “silos” is a main cause of ineffective governance for the SDGs
- But silos are also good: they give structure, help responsibility, transparency, accountability; they give identity
- Instead of “breaking down all the silos” , “Teach the silos to dance” -> make them work together, and more flexible and permeable, without losing the necessary structure
- Communication and collaboration skills can be learned, e.g. The Harvard Mutual Gains Approach (MGA);
- ‘Bureaucracy hackers’ and ‘Boundary spanners’ can play a role
Thank you for your attention!

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