

PROBLEM-SOLVING CAPACITY OF THE STATE



Martin Lodge

THE CHALLENGE

- Concern 'state' and technological innovation
 - varieties of capitalism and economic cycles
- States face considerable challenges - welfare, sustainability, infrastructure and integration state
- What role does bureaucracy play in governance innovation - or what is a 'fit for purpose' civil service?

THE CHALLENGE

- Previous waves of governance reform have ‘disaggregated’ the state - ‘dispersed power’
- Governance innovation is supposed to mitigate harmful effects of these challenges in context of dispersed authority
- Technological innovation is creating challenges and ‘regulatory innovation’
 - AI & ‘sandboxes’

RECIPES

More ‘impartiality’

promote impartial rule application

More ‘Weberianism’

decouple bureaucracy from politics
& solve ‘trust-honor game’

More ‘marketisation’

encourage capacity and motivation
of actors to govern themselves

More ‘public value’

collaborative judgement and advance
‘public value’ in dispersed field

FOUR KEY CAPACITIES

Analytical

Regulatory

Delivery

Co-ordination

ANALYTICAL CAPACITY

- Uncertainty over future trends & impacts of interventions
- *Dienstwissen* and *Fachwissen*
- Boundary spanning capacity: whom and what to ask
 - political advice
 - internal expertise
 - external expertise
 - organisation/contestation

REGULATORY CAPACITY

- Organisation and technologies of control
 - capture and credible commitment problems
- standard-setting challenges
 - beyond ‘technology-based standards’
- behaviour-modification challenges
 - risk-based regulation
- information-gathering challenges
 - inspection

DELIVERY CAPACITY

- Capacity to make things happen in the ‘contract state’
- Mediated authority
 - coercion & support
- Discretion & Technology
- Bespoke & at large

CO-ORDINATION CAPACITY

- Co-production among inter-dependent units
 - decision-rules
 - overlap & underlap
 - definition authority
- overarching bodies
- joint targets

TOOLS

- Regulation [Authority]
- Information [Nodality]
- Finance [Treasure]
- Organisation

EMPHASES

.....

	Delivery	Regulatory	Co-ordination	Analytical
Weberianism	professional public servants	inspection, rules, procedures	task forces & procedures	experts in government
Impartiality	execution in impartial way	rule-based & minimised discretion	proceduralism	detached and impartial advice
Marketisation	market-type incentives	individual self-regulation	benchmarking & targets	ad hoc procurement of advice
Public Value	co-production	move beyond efficiency considerations	align diverse stakeholders	identification of public value

IMPLICATIONS

- Measurement?
- Innovation needs understanding of administrative pre-requisites
- Innovation of administration and of policy tools

RECOMMENDATIONS

- Start with the problem, not with well-sounding solutions
 - What capacities are bureaucracies expected to have?
 - Accept limitations within dispersed governing