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🏛 The Future of Government

🏛 The Global Challenge

In recent years, the debate in contemporary political science has centred around the political institutions that limit or check power, like democratic accountability and the rule of law. However, as Francis Fukuyama has pointed out in his article, "What is Governance", little attention has been paid to the institution that actually accumulates and uses this power - the state. While there have been repeated claims of the withering of the state over the past decades, few of these have proven accurate. In fact, there has been a need for increased government capacity to deal with the increased demands placed on the state. In many countries, this has been exacerbated by an underinvestment in public sector capacity over the past few decades. We need to go beyond the usual conversation about how the state carries out the business of governance and back to the more fundamental questions of what is the role of the state and why this is important.

To understand the trends that affect the role of the state, we have to consider the context in which the state operates. Governance falls roughly between the fast- and slow-moving components of society, nature and culture on the one hand and infrastructure, commerce and fashion on the other. This presents an interesting challenge for states because the components that change quickly get all the attention, but those that change slowly have all the power. The fast learn, propose, and

absorb shocks; the slow remember, integrate, and constrain. Managing the tension between the fast- and slow-moving components of society is core to the role of the state and how it will evolve. In Singapore, it might mean that while it is relatively quick to change policies with regard to home loan restrictions, cultural norms and values around home ownership can take a longer time to shifts.

In his book, "The End of Power", Moises Naím suggested that we were "on the verge of a revolutionary wave of positive political and institutional innovations". Naím described the shift in power through three revolutions, which in turn would impact the role of the state:

The More Revolution: As people became more numerous and were living fuller and longer lives, they became more difficult to regiment and control.

The Mobile Revolution: As people became more mobile with the ease of migration, power lost its captive audience.

The Mentality Revolution: As people became more affluent they had higher expectations of living standards.

Looking at this from the perspective of relative rates of change, one observes that these revolutions have taken place within the timespan of one to two generations,

Meeting Demand With Limited Capacity
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Outdated Measures of Success
When institutions and markets were the dominant organisational form, there were economies of scale allowing for the efficient management of large units, in many cases by the state. However, in a network, the state is but one of many stakeholders. Without economies of scale through centralisation, common market-based measures of state performance, like efficiency and productivity, also become less useful.

Changing Role of Government
Other entities compete with the state for influence within the web, like environmental, human rights, and other activist nongovernmental groups, which operate at many levels of government around the world. This new dynamic changes the role of the state. Non-state actors are starting to have state-like power and capability, ranging from diplomacy to urban planning to provision of public services.

much more quickly than similar changes that have taken place in the history of societies. This has led to a compression of timescales within which the state operates. The middle-class uprising in countries like Brazil, where there has been a mismatch of expectations around the sustainability of economic growth and improved standards of living, is a manifestation of the tensions that can emerge from these revolutions.

So the key question to answer is can governance keep pace with the changes in the rest of society?

According to David Ronfeldt, new information and communication technologies have enabled dispersed, often small actors to connect, coordinate and act jointly as never before. This favours and strengthens network forms of organisation and represents a structural change in the operating environment for states.

When institutions and markets were the dominant organisational form, there were economies of scale allowing for the efficient management of large units, in many cases by the state. However, in a network, the state is but one of many stakeholders. Without economies of scale through centralisation, common market-based measures of state performance, like efficiency and productivity, also become less useful.

Not all participants in a network are equal, and leadership still matters. In a network structure, the state would have to adapt the way it exercises power and performs its role. Leaders can have a louder voice, but have to build the legitimacy to exercise it. This would increasingly become the challenge for states operating within the network. Ronfeldt therefore suggests that power and influence appear to be migrating to actors who are skilled at developing multi-organisational networks, and at operating in environments where networks are the dominant organisational form. In general, non-state actors are ahead of state actors operating in this environment and this may present a shock to established centres of power, as will be described in the following section.

In a network form, other entities compete with the state for influence within the web, like environmental, human rights, and other activist nongovernmental groups, which operate at many levels of government around the world. This new dynamic changes the role of the state. Non-state actors are starting to have state-like power and capability, ranging from diplomacy to urban planning to provision of public services. For example, Zappos' founder, Tony Hsieh, invested $350 million to transform the decaying and blighted part of the old Vegas Strip into the most community-focused large city in the world. The Downtown Project has already funded over 60 tech start-ups and 21 small businesses with the ultimate goal being to invest in 100-200 entrepreneurs. This makes Tony Hsieh the de-facto mayor of downtown Las Vegas. This type of activity is not limited to entrepreneurs. According to a CNN report in 2006, "Hezbollah did everything that a government should do, from collecting the garbage to running hospitals and repairing schools".

Globalisation and the free movement of capital have enabled multi-national corporations to become a network of supranational entities, exporting goods and services as well as culture and ideology to the states in which they operate. For example, Procter & Gamble was the first company to hire women in Saudi Arabia. Although Saudi labour laws have a provision for employing women, many companies have been unwilling to cause cultural controversy. Multinationals also form the basis of connectivity in a transnational network, providing air travel, sea freight and global telecommunications capabilities. What results is that domestically, multinationals have assets and access to resources that can rival some states. They have a disproportionate say on the regulation and public policy agenda when they represent industry lobby for national safety standards as a result of their global supply chain.

The state is relatively good at dealing with the problems that are defined in terms of the Westphalian concept of state, for example, sovereignty and international trade.

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It typically has established mechanisms to safeguard its interest and power. However, it has become increasingly difficult to establish what the state actually has jurisdiction over and this creates new forms of market failures. While states retain the jurisdiction to manage resources within their physical and geographical boundaries, many resource and public-good problems resist a state-centric approach. For example, governance by norms, spheres of influence and interlocking societal relations rather than comparatively inflexible international law could make the management of trans-boundary problems easier.

In a G-Zero world, where every state is for itself, ineffective mechanisms to deal with the growing trans-boundary nature of problems will lead to more pressure for a distributed, bottom-up model of global governance system. Small states like Singapore have a clear interest in an open, rule-based system as they face heightened risk in a system where there are no longer strong institutional platforms to safeguard their interests. Such states may find themselves shifting from playing price-taker or "pivot" roles to advocating for strong international rule of law and no unilateral actions.

Today, many individuals regard themselves as "city-zens", that is, their residency in a city is core to their identity regardless of their actual citizenship and voting rights. However, the current governance system is not good at taking into account factors such as the preferences of the non-voter (for example, city-zens), the environment and future generations. What results is not only rising expectations on the part of citizens (voters in the political process), but that the state increasingly also has to look at the interests of non-voters as well.

As technology expands at an ever-increasing rate, society struggles to keep up. This has led to the erosion of Social Mobility: The rise of robotics and automation is wiping out many middle-skill jobs. Coupled with the expansion in higher education opportunities in emerging markets, there will be fierce competition for such jobs. In addition, the structure of the modern economy is changing. The increased demand for high value services imposes a high barrier to entry. Only a fraction of the workforce is able to participate in value creation that these sectors provide. What results is what Kenichi Ohmae called the "M-shaped society", where income distribution in Japan is becoming polarised due to the impact of technological change and globalisation. The ability to provide education and middle-skilled high-paying jobs was one of the state's levers for upward social mobility in the past, but this has eroded over time.

The rise of social media and surveillance technologies has led to changing expectations of the policy making process. On the one hand, individuals are more empowered; on the other, empowered individuals demand more from the state. What results is what John Keane calls "monitory democracy", where "the powerful consequently come to feel the constant pinch of the powerless". New technology also presents governance challenges as the state struggles to regulate in an increasingly complex and uncertain environment. For example, stringent IP laws may become obsolete with new production technologies like 3D printing and autonomous vehicles could change the transport landscape, creating new liability issues.

City-zens
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🏛 Options and Possibilities

Hard Choices
In a society where there is a widening gulf between rich and poor, the rich may live increasingly separate lives and provide for their own "public services".

What are the Implications on the Role of the State? In response to these trends, we should consider what the implications on the role of the state might be. We will also highlight weak signals that suggest how the role of the state might evolve in Singapore. Broadly, the state faces two challenges to its role, as follows:

The first is the redistribution of wealth through taxation and the provision of public services. Globally, austerity measures have forced states to cut back on their fiscal spending and this has constrained their ability to supply public services. In Singapore, one of the fiscal challenges highlighted in the "Singapore Public Sector Outcomes Review" is how to raise sufficient revenue to invest in the range of capabilities and infrastructure that Singapore needs to survive and succeed in the future. In this constrained environment, the state needs to find other ways to increase the "supply" of the state.

B.1 Building Trust in a Network Structure

Secondly, governance is a competitive marketplace. There can be both private and public supply of social services and individuals are mostly free to choose which they prefer. For example, in a society where there is a widening gulf between rich and poor, the rich may live increasingly separate lives and provide for their own "public services". On one hand, this could allow the Government greater focus in providing services for the needy; on the other, the rise of gated communities and privatised social services could signal the beginning of deterioration in the quality of public services as the rich opt out. The state also needs to consider what public services it has a role in supplying vis-à-vis other stakeholders, and how it might partner them to deliver better services. The provision of public services by the state may not necessarily keep pace with the increase in demand; in fact, sometimes the increase in supply of public services also increases the demand. In this case, the role of the state might be to play specific coordination functions, and allow civil society or private sector partners the space to grow as new providers of public services.

🏛 Proposed Way Forward

Joseph Nye argues that transactional hard power skills, like organisational ability and political acumen, are just as important as transformational soft power skills, like communications, vision and emotional intelligence. The state must develop a kind of "contextual intelligence" to be able to apply the best combination of hard and so power skills in different situations. It bears consideration what new capabilities the state should invest in to be able to ensure "supply" for the future, both in the ability to deliver on its promises and the ability to shape the direction that it is moving in. In retail parlance, "consumer insights" provide a key to what the "supply" should be. Likewise, for the state to undertake this type of sense-making work, it has become important not only to get data from economists and engineers but also insights from sociologists and anthropologists.

As Singapore approaches fifty years of rapid progress, sense-making would also have to take into account the development of its slower-moving components – in terms of its history, culture and heritage. In August 2011, the Government launched the Singapore Memory Project, a nationwide movement that aimed to capture and document precious moments and memories related to Singapore. Intangible assets such as collective memory are important in maintaining the resilience of our country, as Singapore seeks to become more adept at managing its pace of change. As the state seeks to be more responsive to growing public pressure, how can it work with new or existing providers of public services to split the load? What capability gaps have arisen because of the change in the operating environment? What new capabilities should the state invest in to

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ensure "supply" for the future?

The rise in the network structure and the expanding influence of non-state actors also presents opportunities for states to facilitate networks of responsibility and build inclusive institutions in place of traditionally more extractive ones. What results is greater experimentation and decentralisation, leading to more robust processes and outcomes. There are weak signals of this happening in Singapore. In 2013, local social enterprise SYINC launched a collaborative, community focused project "Under the Hood" to crowdsource innovative solutions to Singapore's urban poverty challenges. The initiative brought together a range of organisations from the private and people sector, and acted as a lab to prototype

micro-level, local solutions that are scalable, if proven successful. The potential for greater collaboration with such initiatives creates a specific role for the state in the network to identify successful ideas and scale them, leveraging its resources and existing infrastructures to augment the delivery of public services.

Some argue that only looking at increasing the "supply" of the state with limited resources leads to a vicious cycle. One of the reasons for this is that increasing the "supply" of the state can enlarge the issues that come under the purview of the state, thereby creating its own demand. When there is surplus demand for public services, the instinct is for the state to fill the gap. However, this sometimes generates more demand for said services. Therefore, a more sustainable solution might be to find ways to reduce the "demand" on the state that can lead to a more virtuous cycle.

The nature of trust may be different in a networked structure. Even though the quality of public services has improved, there has still been a declining level of trust in governments, institutions and elites. There is a growing sense amongst the middle class that the "system" is rigged in a self-serving way and that it lacks the capacity to deal with emerging challenges.

Trust in a network structure depends on long-term reciprocity of relationships, where there needs to be fair outcomes for stakeholders in these networks, and a perceived "fair" allocation of costs and benefits. Contribution, participation and reciprocity then lead to trust outcomes over time. In this environment, the appropriate scale of decision-making may

be smaller, which can favour small states like Singapore, although it bears consideration how we might further localize decision-making to build more trust.

Efforts to invite participation from the network have to be designed with care. In 2006, the New Zealand government undertook a review of their Policing Act. One stage was to open up the act on a wiki for two weeks and the public was able to contribute. However, the parliamentary council office came out to express concerns at the format required and

the expertise of the public in being able to meaningfully contribute to drafting legislation. Furthermore, in a low-trust environment, the public may question the role of a preventative government in protecting its citizenry and the potential legality of an infallible prosecutor.

How might the state create more space for network actors to take greater responsibility?

The state often retains the reputational risk and overall accountability for outcomes.

How can the state share responsibility while maintaining the influence over outcomes?

One of the ways that the state can legitimize itself to its constituents might be to facilitate the building of relationships with the people and other sectors to co-provide solutions to problems. There are many well-studied factors that contribute to the demand for the state, for example, the origins of crime, educational failure, indebtedness, family breakdown, psychological trauma, ill health, and others – yet the demand for the state is derivative, that is, people are actually demanding for certain services to be provided, and not necessarily for the state to provide it. This delineation opens up many possibilities for the state to co-opt

Enabling Scale
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Participatory Government
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Closing the Inequality Gap
One of the challenges facing the state, especially in the area of public policy innovation, is how to balance equity and autonomy. A centralised system is often viewed to be more equitable at the expense of autonomy. However, as the governance system gets more complex, there are also hidden forms of inequity in a centralised system, like the difficult In navigating the system.

other partners into the picture, with the state retaining an important role in designing the architecture of the networks in the sector, and facilitating access. In Singapore, the mytransport.sg app functions as a gateway for all things to do with transportation by aggregating available data, facilitating greater access to other non-state partners, and enabling the public to find solutions for themselves.

One of the challenges facing the state, especially in the area of public policy innovation, is how to balance equity and autonomy. A centralised system is often viewed to be more equitable at the expense

of autonomy. However, as the governance system gets more complex, there are also hidden forms of inequity in a centralised system, like the difficulty

in navigating the system. Decentralised service provision at the hyper-local level can actually help to reduce this inequity. For example, the emergence of chartered schools is a good example of how this decentralised approach worked in practice because the focus was on outcomes, rather than the process. This represents a shift in the role of the state from ensuring equity in process to equity in outcomes.

🏛 Impacts and Implications

.A New Operating Environment
The influence of non-state actors, in particular multinationals has expanded. Jurisdiction has grown beyond boundaries. Technological change has outpaced society.

One of the roles of the state is to ensure parity in process, if not outcomes. However, for certain areas, enforcing strict levels of compliance generates a greater demand for state intervention. For example in Singapore, the Workplace Safety and Health Act was amended in 2006 to focus on Workplace Safety & Health systems and outcomes, rather than merely on compliance, to allow for flexibility and robustness in the regulation to keep pace with technology and the nature of work. Setting and monitoring outcomes of individual agencies, while useful, is insufficient. In recognition of this, the Ministry of Finance and other Ministries have therefore worked to jointly establish whole-of-government outcomes along with suitable indicators to track our progress towards achieving them. In addition, when the state is better able to measure outcomes, greater possibilities in funding design, beyond grant funding, open up to states to more effectively measure and manage their resources and increase their impact, for example, with the incorporation of behavioural insights.

The operating environment for the state has changed. Networks dominate institutions as the dominant organisational form. The influence of non-state actors, in particular multinationals has expanded. Jurisdiction

has grown beyond boundaries. Technological change has outpaced society. Consequently, the role of the state has had to evolve and to succeed in this new operating environment, the state needs to both increase the "supply" of the state and reduce the "demand" for the state.

Notes

1 We refer to the state as the functioning of executive branches and their bureaucracies.

2 Mark Joseph Stern, "Can Tony Hsieh turn downtown Las Vegas into a family-friendly startup utopia?", http://www.slate.

com/articles/technology/the_next_silicon_valley/2013/12/tony_hsieh_las_vegas_can_the_zappos_billionaire_turn_vegas_into_a_tech_utopia.html, last accessed Dec 2013.

3 Henry Schuster, "Hezbollah's Secret Weapon", Jul 2006.

4 Procter & Gamble Special Series on "Diversity in Action", http://news.pg.com/blog/diversity-and-inclusion/special-series-%E2%80%93-diversity-action, last accessed Dec 2013.

5 Ian Bremmer coined the term "G-Zero world" to refer to an emerging vacuum of power in international politics created

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by a decline of Western influence and the domestic focus of the governments of developing states.

6 David Skilling, "How Small States Can Navigate a World Without Global Leadership", May 2012.

7"e Singapore Public Sector Outcomes Review, http://203.211.150.164/cms-mof/spor.aspx, last accessed Feb 2014.

Lead Expert – Cheryl Chung

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Lead expert on the Future of Government.

Cheryl has led foresight and strategy activities across several areas of the Government of Singapore for the past decade. Initial with the Policy Planning and Land Policy Divisions, in 2007 she was then appointed as a strategist in The Futures Group of the Government of Singapore - this plays an upstream policy role in facilitating the long-term strategic direction for the Ministry of Trade and Industry and its statutory boards. Cheryl's research focussed on technology as a driver of economic policy. In 2011 Cheryl became lead strategist at the Strategic Policy Office in Singapore and since 2013 she has had a similar role in the Futures Division of the Ministry of Transport. In addition to her government responsibilities, Cheryl is also co-curator of TEDx Singapore.

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About Future Agenda

Context – Why Foresight?

In an increasingly interconnected, complex and uncertain world, many organisations are looking for a better understanding of how the future may unfold. To do this successfully, many companies, institutions and governments are working to improve their use of strategic foresight in order to anticipate emerging issues and prepare for new opportunities.

Experience shows that change often occurs at the intersection of different disciplines, industries or challenges. This means that views of the future that focus on one sector alone have limited relevance in today's world. In order to have real value, foresight needs to bring together multiple informed and credible views of emerging change to form a coherent picture of the world ahead. The Future Agenda programme aims to do this by providing a global platform for collective thought and innovation discussions.

Get Involved

To discuss the future agenda programme and potential participation please contact:

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Future Agenda 1.0

The Future Agenda is the world's largest open foresight initiative. It was created in 2009 to bring together views on the future from many leading organizations. Building on expert perspectives that addressed everything from the future of health to the future of money, over 1500 organizations debated the big issues and emerging challenges for the next decade. Sponsored globally by Vodafone Group, this groundbreaking programme looked out ten years to the world in 2020 and connected CEOs and mayors with academics and students across 25 countries. Additional online interaction connected over 50,000 people from more than 145 countries who added their views to the mix. All output from these discussions was shared via the futureagenda.org website.

Future Agenda 2.0

The success of the first Future Agenda Programme stimulated several organizations to ask that it should be repeated. Therefore this second programme is running throughout 2015 looking at key changes in the world by 2025. Following a similar approach to the first project, Future Agenda 2.0 builds on the initial success and adds extra features, such as providing more workshops in more countries to gain an even wider input and enable regional differences to be explored. There is also a specific focus on the next generation including collaborating with educational organizations to engage future leaders. There is a more refined use of social networks to share insights and earlier link-ups with global media organizations to ensure wider engagement on the pivotal topics. In addition, rather than having a single global sponsor, this time multiple hosts are owning specific topics wither globally or in their regions of interest. Run as a not for profit project, Future Agenda 2.0 is a major collaboration involving many leading, forward-thinking organisations around the world.

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