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GOVERNMENT COHERENCE: THE ROLE OF THE CENTRE OF GOVERNMENT

Meeting of Senior Officials from Centres of Government on
Government Coherence: the Role of the Centre of Government
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GOVERNMENT COHERENCE: THE ROLE OF THE CENTRE OF GOVERNMENT

I. Why should the Centre focus on coherence?

1. For some time, many OECD Members have tried to improve policy co-ordination within their governments. They have set-up task forces, created new co-ordinating bodies and hired consultants who have come up with evermore-complicated data collection exercises and co-ordination mechanisms. But how far has this achieved better coherence in policy formation?

2. There are several reasons why coherence is important. First of all, coherent policies are more likely to be effective and more readily applied in a consistent and equitable way. Secondly, governments are increasingly faced with complex and difficult issues, which may impact differently on different areas of society, and on different interests. Thirdly, they frequently have a range of objectives – social, economic, environmental and welfare – which cannot easily be reconciled and may even be in direct conflict. And fourthly, faced with greater accountability and challenge, through parliaments, civil society and the media, lack of coherence becomes readily apparent and results in loss of confidence and uncertainty.

3. Following traditional mechanisms of co-ordination does not necessarily guarantee coherence. The institutional change that is required to increase coherence involves more than just new structures and processes, it requires a change in the culture and expectations of the administrations that define and carry out policy. Strengthening government coherence requires an administrative culture that promotes cross-sectoral co-operation and a systematic dialogue between different policy communities. This may, in turn, involve the ranking of priorities if policies are to be maximised in terms of outcomes rather than sub-optimal compromises.

4. This paper will focus on the role and challenges of the Centre of government for strengthening government coherence. While Centres of government are not the only public actors concerned about coherence, they are strategically placed to bring the concrete implications of policy coherence to the attention of political leaders. The Centre's proximity, and ready access to the political leadership, puts it in a strong position systematically to monitor and evaluate the implications of new policy proposals for the overall coherence of the government's agenda, and to highlight those implications in advice to the head of government.

Defining the issue

5. In the context of public policy making, strengthening policy coherence is a question of reinforcing the collective decision making, communication, learning and implementation capacities of government in the face of pervasive and profound change.

6. Coherence is not a goal in and of itself. Building coherence, however, is an important tool in setting guidelines for policy change and development as well as for structural adaptation to a changing society. Centres of government first need to identify their overall needs and then look at how strengthening coherence can meet some of those needs. In order to break down the task to manageable proportions, coherence can be considered at different levels, each reflecting a different dimension of coherence:

- **Horizontal coherence** ensures that individual policies build on each other, to the extent possible, and minimises inconsistencies in the case of conflicting policy goals. Strengthening the “whole-of-government” perspective across Ministries or other sectoral divisions is one way to help build horizontal coherence.
- **Vertical coherence** ensures that public outputs, including services delivered to citizens, are consistent with the original intentions of policymakers. Improving communication across levels of government and ensuring the proper incentives to meet policy objectives serves to improve vertical coherence and, therefore, programme effectiveness.
- **Temporal coherence** ensures that today’s policies continue to be effective in the future by limiting potential incoherence and providing guidance for change. Taking into account future costs and anticipated changes (e.g. demographic, economic, environmental etc.) helps to ensure temporal coherence.

7. Of these three levels, horizontal and temporal coherence have been the priority concerns for most Centres of government. Vertical cohesion, to the extent that it focuses on the transmission and implementation of policy guidance, has generally been less of a concern for the Centre. Vertical coherence is increasingly back on the agenda of the Centre, however, in response to (i) the realisation that building a common understanding of policy priorities across levels of government involves “bottom-up” consultation as well as “top-down” dissemination of policy objectives and decisions; (ii) the growing need for coherence between national and sub-national policies, on the one hand, and international agreements and conventions, on the other hand and (iii) the higher expectations of the public as consumers of services.

Coherence as a strategic concern

8. Strengthening government coherence begins with a comprehensive set of goals and priorities that allow a strategic perspective on the government’s overall policy agenda and future directions. Strategic planning can often be overwhelmed, however, by the immediate concerns of shorter-term policy problems. This is why many governments reserve a strategic role for the Centre of government, reinforcing its ability to remain above the fray of lesser issues.

9. The effectiveness of the Centre’s support for coherence is therefore dependent on its capacity to carry out a number of key functions, including:

- a strategic overview of governmental policy activities, including an anticipatory “look-out” function aimed at detecting emerging issues; (horizontal and temporal coherence)
- a co-ordinated view of where new policy proposals stand in relation to existing policies and the government’s overall objectives; (horizontal coherence)
- reducing the risk of policy conflicts by ensuring that all affected interests are involved at appropriate stages of policy development; (horizontal and vertical coherence)
- establishing authoritative mediators and arbitrators whose remit is to achieve fully effective and coherent outcomes (horizontal coherence)
- communicating policy decisions to all concerned players and implementation oversight; (horizontal and vertical coherence)
- maintaining links to other advisory streams while staying close to the head of government; (horizontal coherence)
- maintaining collaborative working relations with and among all sectors of the administration. (horizontal and vertical coherence)
- applying effective regimes of performance management and policy evaluation (horizontal and vertical coherence)

- seeking to ensure that policies are presented publicly in a coherent and consistent manner (horizontal, vertical, and temporal coherence)

10. A strategic framework allows government to define and plan for longer-term policy objectives. By laying out a common set of principals around which to build coherence, it also provides common criteria for policy decisions. A strategic framework also serves as a tool to orient policy development in line ministries and to ensure that individual policies are consistent with the government's goals and priorities.

II. What are the challenges of coherence?

Fostering a culture of coherence

11. An important contribution of the Centre is to help shape the administrative culture of government by building up the prominence of coherence as a positive value in the system. In order to function well, co-ordination processes are dependent on the commitment of decision-makers and managers to coherence in pursuit of a common goal rather than concentrating exclusively on their own objectives. Without such commitment, co-ordination processes can become just another administrative exercise devoid of meaning. Structural reforms may seek to create incentives in support of coherence such as bringing together related functions. All too often, however, such reforms focus on shifting the boxes of an organisation chart without enough thought to the people within those structures.

The need for political leadership

12. Government leaders need the ability to balance conflicting interests, while striving to maintain a consistent line of action based on the government's agenda. Coherence therefore depends on the ability of political leaders to set priorities and of the Centre to translate those priorities into a corresponding degree of administrative discipline.

13. Strengthening coherence relies on the commitment of the political leadership for two reasons: (i) adherence of the political leadership to a consistent policy agenda reassures the government that administrative decisions based on this agenda will not be undermined by decisions based on political expediency; (ii) sustained political commitment underlines the value of coherence, supporting a change in administrative culture.

14. The Centre's effectiveness and credibility in strengthening coherence is particularly dependent on the political leadership's ability and willingness to maintain the discipline of political priorities in the face of internal and external pressures. This does not mean that political hands should be tied by coherence considerations, but it reinforces the importance for the Centre to be able to alert the political leadership early on of potential policy incoherence.

Setting objectives

15. Developing a strategic perspective requires the Centre to develop overall objectives for government and to prioritise these objectives, in itself a necessary precondition of coherence. Overall objectives provide the criteria against which to weigh competing claims for resources, especially between line ministries. Objectives should be broad enough, however, to give line ministries the flexibility to figure out how to meet them.

16. Setting objectives involves consulting the needs of civil society and experts, anticipating future issues and weighing political concerns. For many governments, setting objectives also implies the ability

and willingness to critically examine the role of government in light of the private and voluntary sectors' capacity to perform functions that were traditionally in the public domain.

Coherence and civil society

17. The concept of coherence extends beyond the internal co-ordination of government decision-making. Government institutions are only one part of a broader set of governance arrangements in society that include citizen actions, political parties, the media and other civil society institutions.

18. The interaction between government and civil society can influence government coherence in many ways. On the one hand, social and political factors bring into play an array of forces that rarely converge toward coherent sets of policies. By focusing on single, narrow causes, some civil society organisations can distort the political process simply because they are more vocal than the quieter majority. The information media can mobilise public opinion and create expectations of quick governmental responses. Opinion polls can bring contradictory short-term pressures to bear on longer-term policy direction.

19. On the other hand, civil society institutions can also provide forums for the comparison of public policies and feedback on real and expected outcomes. The impact of public policies often reveals policy incoherence, which reflects the sometimes artificial organisational dividing, lines within government.

20. As one of many players, Centres of government are subject to scrutiny from civil society partners. They can choose to react defensively or else they can choose to make use of civil society relationships to get feedback and ideas with which to strengthen government coherence. The challenge is to manage the disparate pressures of interest groups in a way that helps bring to light the interdependencies between different issues and highlights a global perspective.

Enhancing information flow

21. The paramount tool of coherence is informed decision-making. Information needs to flow both outside and inside of government in order to build coherence. Government needs to make information available outside of government in order to improve the quality of feedback from civil society partners and to communicate the necessary strategic tradeoffs made by government.

22. Inside of government, regular exchanges of information between the Centre and line ministries, and among line ministries, is of paramount importance to the achievement of consistency at every stage of policy development. Strengthening government coherence also requires that the Centre work with other parts of government (the legislature, the judiciary, semi-independent institutions) in order to exchange information and get feedback. A high premium is therefore put on developing information systems and analytical capacities.

Ensuring analytical capacity

23. Providing strategic advice to the head of government is a key function of the Centre. To carry it out effectively, the Centre must assure the capacity to develop strategic perspectives and options. Analytical capacity and program knowledge is necessary to compare information, set priorities and make decisions. This capacity is reliant on comprehensive, multi-sectoral information and analysis. While capacity need not be concentrated in the Centre of government, the Centre needs to assure that adequate capacity exists and that channels of information are open.

24. Some countries may find that they can draw on the analytical capacity of line ministries for strategic decision-making. This is especially the case in smaller countries. Increasing diversity of interests

and competition for scarce resources, however, means that governments will be able to rely less and less on informal communications networks and “naturally occurring” shared cultural values. Instead, governments should learn how to actively manage and promote networks of communications, both formal and informal.

25. The more analytical capacity is focused at the Centre, the easier it is for government to issue comprehensive directives and ensure co-ordination among its different parts. Diffusing capacity throughout a network of agencies can result in increased responsiveness and flexibility in serving the public (though this is not always the case), but at the cost of a decreased ability to co-ordinate. A tendency towards increased decentralisation in OECD countries means that a shared culture of coherence is increasingly important. Increased autonomy requires more sharing of information.

Managing incoherence

26. Governing in a democratic political system necessarily involves a degree of incoherence. The complexity of contemporary policy making, and the virtual impossibility to be consistent in all matters at all times, are factors that have led many practitioners to the view that what matters most is not simply whether contrasted policies are being pursued, but whether they are being pursued knowingly or unwittingly.

27. If contradictory decisions must be made, the key concern is that they be made lucidly and deliberately. Decision takers need information and analysis not only to avoid incoherence but also to mitigate the costs of choices that are deliberately incoherent and to explain their course of action in the context of the difficult choices that confront them.

Coherence at what cost?

28. Coherence is but one among several criteria of good governance in democratic societies, where governments are expected to be responsive to competing interests. One of the goals of strengthening coherence should be to increase the government’s flexibility to respond to changes in societal needs by overcoming sectoral interests. Efforts to strengthen coherence should therefore maintain a concern for promoting flexibility and the ability to respond to change. Centres of government should avoid construing a concern for coherence as a mandate to micromanage the decision-making process of line ministries. Nor should they allow concerns for coherency to stifle innovation, especially at the level of provision of public services.

29. Ad hoc and permanent co-ordinating mechanisms such as committees or task forces that span various agencies can help break sectoral thinking and build coherence. This need for co-ordination, however, should be balanced against the potential costs of adding new layers of government and the resulting decrease in efficiency. Co-ordinating committees and other mechanisms themselves need to be regularly reviewed to make sure that they are meeting government needs.

III. What can PUMA do to help OECD Members better address coherence issues?

30. Policy coherence is at the core of the activities of the Centres of Government network. The PUMA programme of work for 2001-2002, includes a number of activities and outputs in support of the network’s reflection on coherence issues:

- In addition to elaborating on the concept of coherence and the coherence challenges faced by governments, this **discussion paper** provides a framework for activities related to coherence. It will be updated as work on the subject advances.

- PUMA contributes to an OECD-wide project on **sustainable development** which is developing case studies on coherence.
- The **Senior Budget Officials programme** to better align strategy, budget and management will produce 1) a paper on budget reallocation in response to shifting national priorities; 2) reviews of coherence in budget systems, 3) a report on performance budgeting and vertical coherence and 4) a project on outcome-focused management.
- **The programme on the co-ordination of regulatory reform between levels of government** will address the issue of vertical coherence in integrated regulatory regimes.
- PUMA co-ordinates OECD-wide activities on promoting good governance in non-member countries, including improving government coherence.

31. In addition, PUMA would like to elicit practitioners' perspectives on coherence and to aid in the exchange good practices on lessons learned regarding coherence.

Questions for discussion

1. *What are the issues on which it is most difficult to achieve coherence?*
2. *What mechanisms and processes do you employ to achieve greater coherence?*
3. *How important a role does the Centre of government play in pursuing policy coherence?*
4. *What changes can be made to the administrative-political process interface to strengthen government coherence?*
5. *What resources are available to the Centre and how is responsibility assigned for strengthening coherence?*
6. *What lessons and insights on government coherence can you offer to others?*
7. *On what aspects of coherence or coherence challenges would you like PUMA's research work to focus?*

APPENDIX I:

WHAT ARE THE TOOLS FOR INCREASING COHERENCE?

32. OECD countries have employed a number of structural and procedural mechanisms for strengthening coherence. These mechanisms are necessary for setting priorities, co-ordinating policy and developing formal and informal information and communication networks based on a common understanding of the benefits of government coherence:

Setting priorities and strategic planning

- A **collective priority-setting exercise** provides the head of government with an opportunity to build coherence. The Centre can support that exercise by leading a planning process designed to co-ordinate ministerial priorities, reconcile any conflicts, and seek a balance that will mesh sectoral priorities and the government's main policy goals into a coherent programme.
- Existing mechanisms such as the **budget and regulation processes** can be harnessed to help set priorities. The budgetary process is a particularly powerful tool of coherence. The budget affects all sectors of activity, provides a cyclical opportunity to set political and strategic directions for the future, and plays a determining role in the definition of the government's economic and other policy priorities.

Co-ordinating structures and instances

- **Permanent co-ordination structures** may be needed in fields where policies are intrinsically cross sectoral. Permanent structures also help ensure that the country's foreign and domestic interests are fully integrated and coherently presented in international fora.
- Information flows between ministries can also be enhanced through formal, but less permanent mechanisms such as **consultative or co-ordinating committees**, organised around issues rather than around permanent functions. Working at various levels of the administration, such structures help build networks of officials and "policy communities", which can be widened by creating overlapping networks of committees (obtained by cross-membership). Such bodies can more easily cross ministerial and/or policy boundaries.
- **Temporary structures** such as task forces, created on an "as-needed" basis, provide flexibility and responsiveness and are less likely to outlive their usefulness.
- Centres of government can also recognise the role of civil society in strengthening coherence by creating **forums to represent the interests of relevant actors from outside government**. Advisory committee can help bring to light some crosscutting aspects of policies that might otherwise have remained hidden.
- **Plenary debates in parliament** are themselves an occasion on which to review proposed legislation for their coherence with existing measures within a particular sector as well as with overall policy goals. Several parliaments have adopted procedures, which can potentially reinforce parliament's capacity to monitor policy coherence.

- In many countries, the concern for coherence has produced a **conflict resolution system** which ensures that contentious issues move up the different levels of the hierarchy toward arbitration, either by a special body, such as a coalition council or a select committee of ministers, or by the head of government, with whom rests the ultimate responsibility. The role of the Centre then is to ensure that the contentious issues are clearly defined, that the interests at stake are identified, and that the head of government has in hand all the elements required to manage the conflict. Dealing with policy conflicts in a non-systematic way increases the risks of confusion and incoherence.

The role of public actors in strengthening coherence

33. Centres of government need to develop a network of partners both throughout and outside government to assist in the strengthening of government coherence.

- The **council of ministers** is an important locus for the management of crosscutting policy issues: all the main actors in policy making and service provision are represented. The challenge is to strengthen the capacity of the council to deal with crosscutting issues, while preserving ministerial accountability. Committees of the council can also be used to co-ordinate defined policy fields.
- **Individual ministers** can also be given responsibility for strengthening coherence. Ministers without portfolio can be charged with co-ordinating broad clusters of programmes that transcend institutional boundaries. Line ministers can be given additional responsibilities to lead crosscutting co-ordination efforts beyond their portfolio mandate. Junior ministers can be mandated to co-ordinate parts of large ministries, and to ensure a more holistic co-ordination of services to designated client groups.
- The **budget ministry** exercises broad co-ordination functions, stemming from its responsibility to integrate a wide range of policy objectives in the budget, and to ensure that the budget provides an accurate fiscal reflection of the government's overall order of priorities. This strategic role can be adapted to incorporate a coherence building function.

Governments use a variety of mechanisms to direct and co-ordinate the preparation of budgets and to control incremental costs associated with policy development outside the budget process. Some systems emphasise bilateral negotiations between the budget ministry and line ministries, with less direct involvement of the Centre. In others (e.g. in systems where a tradition of budget secrecy prevails), the budget ministry might not go beyond informal consultations with line ministries before finalising the budget in collaboration with the Centre. What is essential is that there be mechanisms in place that enable the Centre to integrate expenditure control objectives in the government's overall programme.

- **Senior civil servants** should also be utilised to enhance co-ordination and strengthen the system's capacity to identify and manage crosscutting issues. The careers of key civil servants should be structured so that they have a broader conception of government and policy. Civil servants who have spent time in a variety of ministries have a better perception of the perspectives of other policy fields. They are more likely to understand the range of services delivered by government, and how they can be managed more coherently.
- **Civil society partners** can be a source of incoherence as well as a partner in spotting signs of incoherence. In either case, their views cannot be ignored. Centres of government need analytical capacity in order to weigh competing claims. They also need to create channels of communication to provide information to civil society partners and to receive feedback.

Building communications and information networks

34. Because policy decisions are also political decisions, systems must provide for close linkage of the political and administrative actors.

- **Linkage between co-ordinating structures and the Centre** can be ensured either through the direct participation of Centre officials in meetings, or through reporting mechanisms. For example, the Centre can insist, as a matter of policy, on being informed in advance of the agendas of meetings, and afterward of their outcomes.
- Where possible, **permitting some civil servants to attend ministerial-level meetings** gives them a more direct appreciation of the views, needs and constraints of ministers, and an opportunity to acquire a broader perspective on the policy-making process. It also creates an incentive for officials to do their utmost to consult with colleagues in other ministries prior to ministerial meetings, to review proposals, resolve outstanding issues, explore compromise options, identify issues that cannot be resolved at the administrative level and present them for discussion by ministers.
- In order to build a **culture of coherence**, the Centre must communicate major strategic concerns to the line ministries in order to create a shared sense of purpose. While understanding the concern for coherence will not lead line ministries to give up sectoral interests, it helps them to understand the oftentimes tough decisions that need to be made.