
The Art of the Long Term in Politics and Policy

The Hon. Dr. Geoff Gallop

Keynote Address at the Public Sector Leadership Series Conference

Sydney

24 August 2008

I will begin today's talk with two case studies which remind us why the long-term should be an important part of the policy process.

The first is a positive story and it is about the Australian Constitution. Once it was accepted that the six colonies needed to unite and form a new nation the question of what type of political system would be best needed to be answered. Belief in the English system of parliamentary government was the basis upon which the Founding Fathers proceeded. However, in looking to the future they understood that such a system was not adequate to their current or future needs. From America they incorporated federalism and judicial review and from Switzerland the referendum.

The mixed system they designed was unique and has proved to be most effective in providing a framework for politics and an evolving democracy. It has survived the test of time and changing circumstances. By thinking deeply and creatively the Founding Fathers served their new nation well.

The second example is an illustration of what goes wrong when short-term advantage is given precedence at the expense of longer-term sustainability. I refer to the salinity crisis throughout rural Australia which is undermining agricultural productivity and regional infrastructure. The costs are enormous and growing.

I would like to think that this was a case study in ignorance. Unfortunately, that is an argument that cannot be sustained. Indeed in 1924 an article was published in the Journal of the Royal Society of Western Australia describing the process by which the destruction of native vegetation led to salinity. Put simply the powerful development ethic and the prospect of good returns from agriculture proved to be more important than the warnings of science about the long-term damage to the environment.

What do we mean by the long-term?

Whilst these case studies illustrate the importance of long-term thinking they don't fully disclose the various meanings we give to this important concept. Just what do we mean when we refer to the "long-term"?

Firstly, we may be referring to **that which we seek to create**. It is that place where our leaders would like to take us – "the good society" or "the light on the hill". For the left this has traditionally meant socialism and for the right free market capitalism.

The image we have here is of an imperfect present and a better, perhaps perfect future. The future is a motivator and a guide for policy and politics. It is the all-important visionary element in politics.

Secondly, we may be referring to **that which we seek to avoid**. Here we have in mind those predictions that are made by scientists – physical and social – about the long-term consequences of our current behaviour. We may also be talking about external forces such as terrorism and international insecurity.

This is an arena where the sciences have such an important role to play – often as critics. It is all the more essential that they do given the habit of human beings to underestimate threats and overestimate our ability to respond to these threats. It is also an arena where scenario planning and contingency planning have relevance to policy makers.

Thirdly, we may be referring to **that which we seek to manage**. We note that the world is constantly changing due to new technologies, social expectations and political movements. Each of these trends have the potential to transform relevant and healthy organisations into irrelevant and decaying ones. It is a case of needing to keep up-to-date in order to survive and prosper.

A science of change?

The one common theme in each of these definitions is change. We may want change or we may be experiencing change. The change may be internal or external. It may be clearly observable on the surface or it may be below the surface rumbling away waiting for some trigger to bring it to the light of day. Looking to understand these processes in order to make good decisions is central to any definition of political judgement.

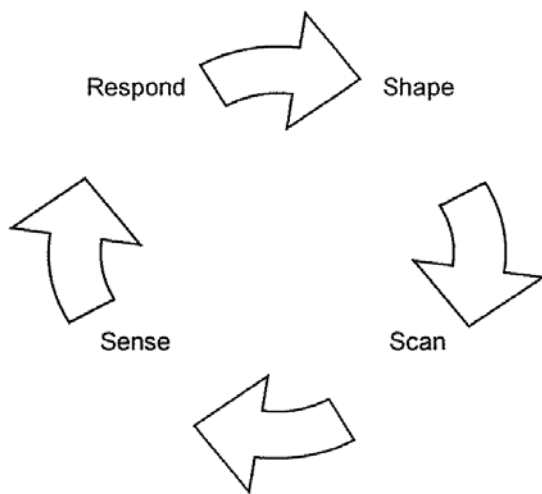
The problem of course is that we are dealing with a complex set of connections and relationships, so complex in fact that any notion of watertight laws of history is bound to fall short of the mark. As Thomas Homer-Dixon has observed

We can't possibly know the future's precise contours. Human affairs are too sensitive to serendipity and chance, to fad, to the whims of leadership, and to the unexpected advent of new technologies.

In such a world small, seemingly insignificant events may have enormous consequences and yet big events may have little impact.

This leaves us with a dilemma. We can't predict the future but we do need to make predictions in order to survive and prosper. Part of the solution can be found in our efforts to shape the future through the interventions we make today. Long-termism can't just be about responding, it must also involve this process of shaping.

We also need a way of looking at the issue which recognises the limits of the science of prediction but nevertheless understands its potential to assist. Such a method is available by way of "the agility cycle" as developed in the Victorian State Services Authority paper on Agile Government:



Let me briefly describe the four elements in the cycle.

Scanning is the process of gathering and analysing useful, timely and actionable information. Such information may come from routine data collection, case studies, or longer-term horizontal planning. Sensing is the process of interpreting relevant information into the basis for decision-making. We should recognise that whilst decision making is often based on the best available information it is more than often not a complete set of known facts.

Sensing, then, will involve a range of factors starting with hard evidence through to political awareness.

Responding to the opportunities and risks revealed by information is a crucial link in the equation. An evidence-based approach is the desired path even though we recognise the uncertainties involved in all decision-making. There will always be an element of risk whatever the policy option chosen. However, we are learning more all the time about the sorts of policies appropriate to the circumstances that apply.

This takes us to the process of shaping the future. Policy-making ought not just be seen as adjusting to change but also as creating change – in the environments in which we live as well as our behaviour, practices and institutions. Ironically, we are increasingly finding that it is early intervention that has the best chance of influencing future outcomes.

All organisations, be they government or non-government, could usefully ask the question – how effective are our scanning, sensing, responding and shaping capabilities? The answer to that question will reveal a good deal about our agility in the face of and on behalf of change. Indeed, we might ask of Australia itself: how agile are we today?

How agile is Australia today?

In looking at Australia today we can't help but note the massive changes that have occurred in our political economy over the last thirty years. It has been a period of massive economic and political change. The public sector was part of that change with

the implementation of the principles of new public management.

The basic argument behind the changes was simple. If Australia was to preserve and improve its living standards in an increasingly competitive world it needed to overthrow the system of protection and regulation it had established with federation. It would only be through a more open and competitive economy and a more efficient and market-driven public sector that productivity could be improved and sustained. It was long-termism in practice – a less risk averse and more entrepreneurial nation would a stronger and more sustainable nation in a competitive world.

Coupled with this economic reform were significant political changes and a diminution of the differences between the major parties. The new economy needed a new politics and it came with a new centre. The primary task of this new centre was to manage the contradictions that flowed from openness and the market. The right often complained that economic reform was being compromised and the left often complained that economic reform was being consolidated. Liberals complained about the influence of populists and populists complained about the influence of the liberals. This was, indeed, a type of "third way". To some it even looked like the "end of history" – enough certainty to keep people relaxed and enough conflict to keep them excited.

However, at the heart of this politics of the centre was the idea of appeasement. The new kings were the pollsters and marketers keen to see to it that as many interests as possible – certainly that which represents a majority – were properly catered for. It is true that pockets of interests were occasionally challenged in the interests of ongoing economic sustainability but any notion of upsetting the status quo and radical change are anathema to the modern, centrist politician.

What we have, then, is what I would call a form of blinkered long-termism. It is a long-termism that has focussed very much on the economy and economic competitiveness. Inasmuch as strategic government is practiced it is to this end of economic reform and economic efficiency. Other longer-term issues like social inclusion and global environmentalism don't have the same status.

However, what has really exposed the current system and culture of governance is the co-existence of a range of complex issues in the early years of the twenty-first century, starting with the terrorist attacks in America. Add to that the diabolical problem of global warming, the shifts in global power towards China and India and other nations such as Russia and Brazil, the twin diseases of affluenza and social exclusion and the continuing destruction of the natural environment. History has certainly not come to an end.

What is important about each of these issues is that they represent a significant threat that requires a comprehensive response from government and community. A system and culture designed just to manage the economic consequences of globalisation through a wide-ranging accommodation of short-term interests will be inadequate to meet such a complex set of challenges.

The art of the long-term

This takes me, then, to a description of what the art of the long-term would look like for politics and policy in the contemporary situation. I would identify five elements.

Firstly, **political leadership for change**. It is important that someone explain the nature and depth of the problems as well as develop a means by which they can be tackled. In recent times this has been described as having a "narrative". Without it the development of consensus around the need for change would be difficult. It is uniquely the job for political leaders.

Secondly, **a strategic approach to government** and all that entails such as proper planning, joined up initiatives, the alignment of budgets with priorities, and systems of performance management. Increasingly government will need to be organised around major themes if the complex challenges are going to be met and the future shaped around a clear set of values.

Thirdly, **a culture of sustainability**. Governments will need to go beyond economic rationalism and accept that issues like ecological sustainability, social relationships and social justice will need to be given equal status if contemporary problems are to be tackled. Much better to adopt a multi-disciplinary approach and search for the inherent complexity in any situation than to bask in the illusory order which comes from simplicity.

Fourthly, **engaging the community**. Any serious program of reform designed to tackle long-term problems will need to involve the community. Not only will they need to be part of the solution but there is bound to be a political challenge posed with any tackling of vested interests. Perhaps more than anything else this will be the key factor determining the success or failure of a long-term strategy. Unless the reasons for the change are understood and process to achieve it is acceptable to the wider community it will in all likelihood fail.