

HELPING GOVERNMENTS GOVERN

By Adrian Brown

IMPROVING THE IMPACT OF government is one of the greatest challenges of the twenty-first century—and there are examples of governments demonstrating what is possible, from which others can learn. This year, BCG is launching the Centre for Public Impact, a not-for-profit global foundation, which will bring together world leaders to learn, exchange ideas, and inspire each other to achieve better outcomes for citizens. As the Centre prepares for its launch in June, BCG will be sharing stories of public impact from around the world and analyzing key aspects of this important issue, starting with the following introduction.

Do an Internet search for “government failure example” and you get more 13 million results. This is admittedly a somewhat arbitrary test—policy makers can point to many positive achievements—but there is little doubt that good ideas in government often struggle when implemented. The launch of HealthCare.gov in the U.S. is one example. Another is the problems surrounding welfare reform in the UK. This discrepancy has been called the “policy im-

plementation gap,” and it’s a problem that continues to resonate globally.

To examine why government policies often falter at the delivery stage, BCG interviewed senior government figures from around the world, all of whom agreed that implementation is both vitally important and a real weakness for government. And in our subsequent global survey of 1,000 public officials, 92 percent of respondents said there was room for improvement in how government achieves impact, with nearly half agreeing that government is ineffective in this regard. This result was remarkably consistent across the 29 countries surveyed and across different policy areas and levels of seniority.

The Impact Imperative

It is important to note that the occupants of today’s corridors of power are confronted by a deeply challenging environment. The financial crisis continues to cast a long shadow, leaving government budgets drained of funds and forcing many policy makers to implement extensive deficit re-

duction proposals under fierce public, political, and media scrutiny. Lower than expected tax revenues and demographic changes are putting further pressure on public-sector balance sheets.

Governments are facing increasing and often divergent points of view in the public arena. Think tanks, academic institutions, nongovernmental organizations, media commentators, and consultancies offer different perspectives on policy and implementation, as well as on the impact achieved. The movement toward open data and greater transparency means that outsiders are often at least as well informed as insiders regarding the performance of public-sector systems.

At the same time, the public's expectations of government are continually rising. And when those expectations are not met, legitimacy declines. Between 2007 and 2012, confidence in national governments declined from 45 percent to 40 percent, on average, according to the Organisation for Economic Co-operation and Development. This, in turn, is undermining the willingness of populations to support public institutions through taxation and to participate in the democratic process.

These developments have resulted in what we refer to as the “impact imperative.” If performance does not improve, governments face a future of increasing fiscal stress, rising scrutiny, and declining legitimacy and public trust.

Spotlighting Successes

While few governments, if any, are wholly impact oriented, there are some that are demonstrating what is possible—and other governments can learn from them. Singapore, New Zealand, and the Scandinavian countries are regularly cited as countries with particularly effective systems of public administration (although it should be noted that they all have populations of less than 10 million). Similarly, there are examples of city governments, such as those of New York, Baltimore, and Copenhagen, that are focusing on impact and outcomes.

Some macro trends are encouraging a greater focus on impact. Digital technology offers new possibilities for services to be transformed through open data and makes it far easier to build flexible services around the needs of users. And government labs are helping to foster a new, more innovative mind-set and are testing new techniques, such as those based on behavioral insights.

The challenge for any senior public official or politician is understanding how to make sense of these trends and examples in ways that will help them improve the performance of their own organizations.

The Centre for Public Impact

This year, BCG is launching the Centre for Public Impact, a not-for-profit global foundation dedicated to improving the positive impact of governments. We will bring together world leaders to learn, exchange ideas, and inspire each other to achieve better outcomes for citizens.

The Centre for Public Impact will be overseen by a board of trustees co-chaired by Sir Michael Barber, the former head of the UK Prime Minister's Delivery Unit, and Hans-Paul Bürkner, the chairman of BCG. Our advisory board comprises independent international experts in public-service delivery. Sharing insights from around the world, our global events, roundtables, and website will highlight what has worked and where challenges require new approaches. Our findings will help governments and their partners gain a greater understanding of what works and why.

We believe that improving the impact of government is one of the greatest challenges of the twenty-first century. At the Centre for Public Impact, we look forward to playing our part in bringing this issue to the fore and helping policy makers deliver better outcomes for citizens around the world.

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