

# Government policy and the capacity for strategic thinking in Whitehall

## Issues and Questions Paper

The Public Administration Select Committee (PASC) is undertaking a follow-up inquiry into strategic thinking in government. It will consider how policy reflects UK national interests, how such national interests are defined, how the public are engaged in defining them and how they are advanced. This paper sets out the issues and outlines the key questions that those wishing to submit evidence are invited to consider.

### Reasons for the inquiry

In October 2010 PASC published a report, 'Who does UK National Strategy?', which concluded:

The answer we received to the question, "Who does UK Grand Strategy?" is: no-one ... As things stand there is little idea of what the UK's national interest is, and therefore what our strategic purpose should be.<sup>1</sup>

The Committee promised to '*continue to scrutinise the development of strategy making in Whitehall*' and committed to a further Inquiry on such a topic in their further report on the topic once a progress report from the Government on the strengthening the collective working of Whitehall strategy units was received in summer 2011.<sup>2</sup> We are grateful for the Government's response to the inquiry (Sixth Report, Session 2010-12, HC 713) which demonstrated how seriously they take this issue. PASC has also continued to develop its thinking.

Events over the last twelve months underline the urgency of strengthening further the capacity for strategic thinking in Whitehall:

- a) Recent world events, including the Arab uprising, the situation in Libya, the UK riots and ongoing financial turmoil have tested the new government and its new structures.
- b) The Coalition Government programme to modernise government, through the Big Society and the 'post-bureaucratic age', localism and transparency agendas has met with resistance within and beyond Whitehall.
- c) Governance institutions and processes at multiple levels (multilateral, cooperative and national) appear to be increasingly and visibly challenged by the failures of the Euro, the paralysis in the Doha trade round, in the climate change talks, etc

This inquiry widens the scope to look at the full range of policy decisions and policy-making processes that impact on the Government's overall effectiveness as well as on the UK's ability to act as an effective international actor in an uncertain world. These may include policy on energy infrastructure,

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<sup>1</sup> Public Administration Select Committee, First Report of Session 2010-2012, *Who does UK National Strategy?*, HC 435, para 94

<sup>2</sup> Public Administration Select Committee, First Report of Session 2010-2012, *Who does UK National Strategy?*, HC 435, para 88, Public Administration Select Committee, Sixth Report of Session 2010-2012, *Who does UK National Strategy? Further Report*, HC 713, para 15

employment, investment in science, technology and education, responses to the financial crisis and migration. Emergent strategy must address both domestic and foreign policy challenges and opportunities. We will not be seeking to define UK policy on such topics, but instead to assess the capability of all government departments, particularly HM Treasury, to develop policy within the strategic context. We will be interested in assessments of the extent to which policy decisions have reflected such coherence over the past year.

## **Background**

The global system is increasingly multipolar, with power shifting East, potentially diffusing to international institutions and to different non-state actors (like civil society, business, high-net worth individuals, cities and regions, sovereign wealth funds, diaspora groups, international multi-stakeholder fora). The development in social media that harnesses the ‘wisdom of crowds’, cyber-advances, and other technological progress is transforming the context of policy making. This challenges the capacity and nature of government but also provides opportunities for both stronger engagement with the public and clearer national leadership.

The complex and unpredictable nature of many global issues, which stem from multiple and interrelated problems, require systems-based and evidence-based analyses if emergent strategy is to be effective and efficient. Many countries (including the UK) within this context face implicit, diffuse and unpredictable risks rather than explicit and identifiable threats.

In a previous report, we identified a deficit of strategic capacity across Government. In its initial inquiry, the Committee found *“little evidence of sustained strategic thinking or a clear mechanism for analysis and assessment. This leads to a culture of fire-fighting rather than long-term planning”*.<sup>3</sup> We wish to assess what progress has been made since then.

## **Questions**

- 1) **Do we in the UK have a broad enough concept of national strategy in government?**
  - **Where is there a failure to be coherent?**
  - **Where in government are tensions on issues around global public goods and domestic versus international aspects of policy resolved?**
  - **Is the term ‘national strategy’ (or ‘grand strategy’) the most helpful way to describe the requirement?**
  
- 2) **To what extent is Government strategy based on evidence?**
  - **What are the means of gathering evidence and the methods of analysis?**
  - **What are the habits and culture, the institutional barriers and systemic incentives that inhibit strategic thinking or thinking systematically about the future?**
  - **What are some of the longer-term institutional and organisational innovations that could be introduced?**

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<sup>3</sup> Public Administration Select Committee, First Report of Session 2010-2012, *Who does UK National Strategy*, HC 435, para 39

- What are the requirements for secrecy for government strategic thinking on all strategic issues?
- 3) Are there examples of policy-making programmes or processes that illustrate effective strategic thinking and behaviour within Whitehall?
  - 4) How well has the government fulfilled its own commitments in the National Security Strategy, the Strategic Defence and Security Review and its response to the PASC report “Who does UK Grand Strategy?”
  - 5) How effectively does the Government assess the UK’s national interests and comparative advantages or assets, including industries as strategic assets; and how does the Government reach decisions to protect and promote them?
    - How do different government departments work together?
    - Given the centrality of public spending restraint, how well does the Comprehensive Spending Review reflect and enhance coherent emergent strategy?
  - 6) Who is doing the strategic thinking on the UK’s role in an uncertain 21st century?
    - What are the different roles of citizens, social movements, business, civil society and academia in developing an emergent view and national discourse of what the UK is about, including on the UK’s role in the world, our values and interests?
    - How do developments in cyber, technology and social media affect all these discussions?
    - How can government bring the public into more of a conversation with policy makers?
  - 7) What is the role of the UK government in leading, enabling and delivering strategic thinking?
    - Are there roles that need to be conducted by the UK government alone?
    - Should the Government enable cities and regions, businesses and civil society, diaspora and social movements, and mutuals to play a greater role in making, shaping and delivering policy?
  - 8) What are the skills that the Civil Service need to develop to build on existing strategic capacity? What are the relevant institutional, structural, leadership, budgeting and cultural reforms that are needed to support Ministers and the Civil Service?
  - 9) What can we learn from what other countries, both in terms of what they do in strategic policy making and how they perceive the UK?

### **How to respond to this paper**

PASC would appreciate receiving responses to any or all of the questions in this paper, from UK-based and international commentators. Although some of the questions could be answered by a simple yes or no, it would be valuable to have fuller responses in order for us to understand the points being made. Some respondents may wish to concentrate on those issues in which they have a special interest, rather

than answering all of the questions. Respondents may also wish to suggest any proposed recommendations for action by the Government or others.

Written responses to this issues and questions paper will usually be treated as evidence to the Committee and may be published as part of a final report. **If you object to your response being made public in a volume of evidence, please make this clear when it is submitted.**

Responses should be submitted by **Friday 21 October 2011** by email to [pasc@parliament.uk](mailto:pasc@parliament.uk). If you do not have access to email, you may send a paper copy of your response to the Clerk of the Public Administration Select Committee, Committee Office, First Floor, 7 Millbank, London SW1P 3JA.

**Please note**

Each submission should:

- be no more than 3,000 words in length;
- begin with a short summary in bullet point form;
- have numbered paragraphs; and
- be in Word format or a rich text format with as little use of colour or logos as possible.

The Committee will hold oral evidence sessions during November 2011.