

CHAPTER 1

A Complex World: How Do We Know What Works?

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“The Government must change its approach to policymaking. We no longer have the luxury of making policy ‘in a lab’. Today’s environment is more complex and fluid, and our trade-offs more stark. Ideas are more vigorously and widely contested, especially online. Our policy process must adapt to this new landscape. We must gather a wider range of views, especially from outside the Government. We must market-test and adjust our policies more. We must also acquire a better feel of how our policies impact different groups, and what their likely reactions and concerns will be.”

(Prime Minister Lee Hsien Loong 2013, 10)



Public policymakers face complexity on a daily basis. They are expected to deliver results in an environment that is fast-paced, messy and constantly changing. It is increasingly difficult for policymakers to fully comprehend the range of social, technological, economic and political trends, and to take the best course of action for policymaking. Public policy decisions are made in a more *complex* environment where many factors are not easy to analyse and the outcome of the interaction of these factors is not predictable *ex ante*.

Singapore, in its relatively short 50-year history as an independent nation, has undergone a remarkable transformation through a combination of strong leadership, good governance and pragmatic policies. In the course of nation-building, and often out of practicality, several principles of governance emerged. These include zero tolerance for corruption, meritocracy, an emphasis on self-reliance and pragmatism in designing and implementing policies. A stable

political environment has also allowed the government to develop long-term thinking, and adopt unpopular policies where needed.

Self-reliance, for example, is a fundamental principle that has been intertwined with our economic policies. In the design of the Workfare Income Supplement (WIS) Scheme,¹ workers receive income supplements from the government only if they remain employed. Through the Central Provident Fund (CPF) system, workers are mandated to set aside savings for their retirement, thereby ensuring fiscal sustainability. More broadly, the government has promoted meritocracy to ensure the best use of talent and create opportunities for everyone.

These principles of governance, along with the Public Service Values of Integrity, Service and Excellence, form a common ethos for public policymakers and serve as a guide to dealing with complex issues that have no obvious or straightforward solutions.

However, governing principles and values cannot ensure that Singapore's public policies will continue to succeed. Events, trends, and policies will continue to interact with one another in complex ways. This creates interdependencies and second and third order effects that are inexplicable, emergent and difficult to predict. For example, when WIS was implemented, did workers increase or decrease their working hours? Did it change the work patterns of other family members, and in what ways? How should the CPF system change with the rise of self-employment in the sharing economy? How do we nudge the self-employed to save for their retirement?

Beyond the few examples provided, Singapore faces some complex policy challenges — such as its ageing population; rising healthcare costs; impact of climate change; and efficiency and accessibility of public transport. Policies designed to address these challenges often produce winners as well as losers, and normative trade-offs may be required. Satisfying one stakeholder could well make others unhappy.

1. See www.workfare.gov.sg.

In addition, the citizenry has become more heterogeneous. Their needs have evolved from basic ones like housing and healthcare to more aspirational goals like a more fulfilling pace of life, environmental sustainability, and holistic education with more diverse pathways. Citizens also demand a more collaborative relationship with the government, and yet they want to hold the government solely accountable for many policy outcomes.

Against this backdrop, policymakers will have to be adaptive and able to develop policies under conditions of incomplete information, ambiguity and constant change. Tackling one part of a complex problem is more likely to lead to new issues in other parts. A key challenge for governments therefore is to move their stakeholders towards a broad alignment of perspectives and goals. But this requires patience, skilful stakeholder engagement and consensus building.

It is thus important for public policymakers to understand complexity in public policymaking. In complex situations, the right answers cannot be ferreted out by simply relying on experts. Instead, the priority should be to seek out evidence that can help to identify key patterns, problems, and interventions that are likely to work better. In some cases, patiently allowing experiments that are *safe-to-fail* is required so that instructive patterns can emerge.



“The human mind can play tricks on us. We see what we want to see, and sometimes miss out the glaringly obvious. We miss out on signals not only because of the limitations of our tools and methods, but also because of the nature of human cognition.”

(Peter Ho, Ethos Issue 7, January 2010)



It is no coincidence that there has been an increasing emphasis on evidence-based policymaking in recent years. Disciplines such as behavioural insights, data analytics, cost-benefit analysis and randomised controlled trials have also taken on new prominence in the last decade.

Evidence-based policy tools are key to a more robust policy planning cycle because they offer more structured ways to analyse data, to understand how people think and to envision the impact a policy would have on the ground. They provide more evidence on the issues to be addressed, so that policymakers can enlarge their policy lens and find impactful ways to deal with the intractable policy issues of today. To ensure continued policy success for Singapore, these instincts and capabilities will have to be continually developed in the public sector in the years to come.

References

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