

INTRODUCTION

Over the past two decades, the common global changes – political, social, economic, technological and environmental, and the upsurge in liberal-market economic policies and democratic systems of governance – have led to a reassessment of the role of government in the planning and management of economic and social policies. This has led to a new and more focused definition of the role of government.

The new institutional economics, combined with a wave of private, business-style management practice breaking through, have altered the structure and management of public services. As the role and responsibilities of government transform, the efficiency of the public service is seen as a necessary condition for generating a more rapid rate of economic and social development, and significantly greater emphasis is placed on policy management and the sphere takes a higher profile.

Responsibility for deciding on national policies and securing their implementation rests with governments. Policy management requires effective action by heads of government (Presidents/Prime Ministers), cabinet ministers and by the civil service. It also demands independent scrutiny by parliament and impartial enforcement by the judiciary. The challenge for governments is to create the best conditions for good political decision-making in the changing environment.

In a democracy, the electorate is increasingly not satisfied with being consulted only once every four or five years at the time of elections. People are becoming better informed and more confident in articulating and putting forward their demands.

The new culture of policy management emphasises such traits as participation, accountability and transparency. Participation, in particular by civil society and the private sector, is clearly of primary importance in all phases of the policy process. Moreover, fostering participation also ensures the responsiveness, accountability and transparency of governance. Other traits include accountability of public officials and politicians for their policies and the proper functioning of public institutions; and transparency in the disbursement of public finance and in the operation of state power.

Governments are under increased pressure because of global economic changes and trends. These competitive, financial and institutional pressures will demand new solutions and innovative policy choices. The autonomy of governments is being reduced by the need for international agreements as a result of international competition and global financial markets. Governments have to continuously respond to competitive pressures, facilitate private sector adjustments and develop

public-private sector partnerships. These pressures on governments are not only in the direction of reducing government expenditure, tax, regulation and debt, but also to improve the effectiveness of safety nets, make investments to increase attractiveness for investors, improve the country's competitive advantage for foreign investment and protect enterprises and citizens from undesirable activity.

In light of the changing environment, the challenge for Commonwealth governments is to develop the capacity for effectively managing policies that are most appropriate for socio-economic development. There are three dimensions to this:

- the **personnel** dimension: identifying and developing skills for policy managers;
- the **organisational** dimension: the organisational framework within which policy can be efficiently and effectively managed; and
- the **institutional** dimension: the necessary institution, or hierarchy of institutions, with specific authority or power to formulate or execute policies, and charged with the responsibility for ensuring that they are implemented and reviewed.

This publication looks at ways in which process aspects, as well as institutional arrangements for policy management, can be improved by drawing on the experiences of Commonwealth countries.