Policy advice
MASTERCLASS

NZIER PUBLIC GOOD PROGRAMME
THINKING ABOUT AOTEAROA NEW ZEALAND'S FUTURE

Paper 63

# Short cut thinking – two examples

## Simple tools can help in complicated times

The challenges in offering policy advice are not getting any less. In general, there are no general solutions to the tricky parts of developing and providing useful advice.

But sometimes, there are ways to simplify thinking that can be helpful. And we've long advocated analysts looking high and low for useful help – to take it if it is helpful.[1]

In this Masterclass, we put forward two (rather) oversimplified analytical devices that can be helpful in a couple of these dilemmas. They are not all-purpose solutions but rather rough and ready ways of cutting through the situational jungle to expose the key factors.

But first, a reminder of the advisor's role – they need to be aware of the role's scope and limits. As then Prime Minister John Key said in 2016:

"Officials' advice should avoid second-guessing the politics of the choices we face. As Bill English has on occasion remarked, leave the politics to the politicians – that's our job. But I expect officials to understand the political context in which we are operating."

That line between politics and the political context must be considered. In an earlier section of this speech, the Prime Minister stressed the value of free and frank advice.

## We show two examples of possible aids

All advisors operate in a variety of situations – often complicated and with time-related stress, making the work demanding.

Overload is increasingly becoming the norm, and in our reviewing role at NZIER, we have seen plenty of evidence that quantity is the enemy of quality.

### Little in advising turns out to be as straightforward as one would hope

This is all compounded by the normal difficulties of the ministerial advising situation: selecting and presenting the background material for policy discussions and managing and enhancing the long run relationship with the Minister.

The background to providing advice is typically more intricate than one would like. For instance, an advisor providing counsel in an area where they can claim expertise may be facing a fraught setting with interwoven issues and a range of interest groups with strongly held opinions.

These environmental differences affect how the relevant material is best chosen, assembled and presented.

However, recognising that still leaves the advisor with the task of making the hard design and editorial decisions. It means taking the key aspects of the setting down to their base elements to choose how to organise the advice.[2]

Below, we discuss our two examples of simplifying devices that may be of assistance.

1 Masterclass No. 2 Learning from other professions https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief_no_2_learning_from_other_professions.pdf

2 See Masterclass No. 62 Frameworks revisited, which deals with this.

## 1. Stay in your lane: advisors have their role

We start with the increasingly relevant question of how to organise the presentation to tell the necessary story.

We all know Machiavelli to a degree – with time and distance, we see him as a product of his time and where he grew up. Even in the Byzantine world of sixteenth-century Italy, with many rulers and even more advisors and hangers-on, Machiavelli's work stood out. It was a sensation because he took a hard-nosed view of life, particularly of what it took to acquire and hold onto power.

His notorious work *The Prince* was written for a scion of the famous Borgia family – Cesare, brother of the better known Lucrezia.

Machiavelli.

It takes the pursuit and use of power as the obvious pastimes of those who engage in affairs of state.

Within this framework, it sets out to advise those rulers on how to maintain their positions.

As such, it is a raw piece of policy advice. It also has an insightful framework that can, if used carefully and with the appropriate degree of distance, assist modern ministerial advisors.

This means ignoring the original setting – the raw use of power side – to focus on the framework that may help cut through complicated situations.

### Balanced needs and wants is a sweet spot

A crucial part of being a high calibre advisor is selecting from the bewildering array of accessible information to provide the decision-maker with just what is required.

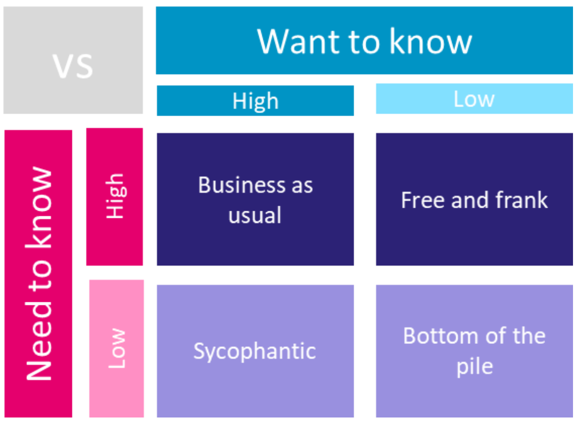
This includes situations when the decision-maker has more or less lost sight of what really matters. Often, this may be the result of prior personal preferences blocking new ideas.

Finding a way to sift the available material down to the core elements is vital – just the amount of information that fits within their timetable while satisfying the advising need.

Such a situation will usually come amid the demanding tasks of building a sound piece of advice – specifying the problem, understanding the issues, collecting and analysing material and pulling it together in a sound analytical framework. The advisor can risk losing a clear sense of what is important for the decision-maker. Just what ideas and evidence should be presented?

It can be helpful to simplify the relationship between fundamental need and the (transient) attitude of the Minister. A quick guide is summed up in the 'two by two' presentation in Figure 1.

### Figure 1 Types of advice




Source: NZIER based on tradition

This is a simple, if cynical, approach – it is not sophisticated. Rather, it is a device to remind the advisor about the aspects of the issue that really matter.

It hinges on the line between advice that the decision-maker may *want to hear* and the advice that the decision-maker *needs to hear*.

In this 'cartoon world' (with a basis in reality), decision-makers have their own (maybe political or possibly just passing) preferences (the **want to know** elements). These are not always the best way of looking at the issue from a national interest viewpoint (the **need to know**).

Taking each of these as high or low gives the four cells:

- **High need/High want** – this is the usual currency of advice. It is the area of overlap between the policy analysis and the private interests of the Minister. So, it will cover the core issues relating to the social problem and propose possible solutions to advance the interests of the Minister.
- **High need/Low want** – difficult territory demanding the advisor provide free and frank material. This is analogous to being the boy who pointed out that the emperor was not wearing anything in Hans Christian Andersen's folktale. He was not popular with the emperor, but it needed to be done.
- **Low need/High want** – favouring the decision-maker's personal wishes, so tending to the sycophantic. This poses problems for advisors. There is usually a shortage of resources to provide well-researched advice on all important areas, let alone the personal 'bee in the bonnet' of the Minister concerned. And there are often influential groups with very different opinions on what is important – or even what the problem is.
- **Low need/Low want** – not important and not desired so a waste of resources. But this does not mean it should be left out of the analysis completely. It is always valuable to include sufficient information and work to show clearly just why it's a dead loss.

## 2. Designing community engagement is demanding

Modern policy-making frequently involves much more than a few public servants working behind closed doors on a Cabinet paper, with the resulting decisions announced at the next stand-up. It typically includes considering community engagement so as to be able to reflect various opinions.

The search for citizens' positions is based on the idea that knowing wider views is a key part of policy advising. Decision-makers need to be aware of the views of key elements of the population.

This intelligence enables the decision-maker to understand the likely broader reception of the decision by those most affected – the stakeholders. So, how can the advisor organise the information gathering and reporting of the various views?

### Think about the politics and get the right approvals

Of course, all this policy process design work shades quickly into the domain of Ministers and can soon become political.

It's always wise to think through the clearance steps carefully. It may be that the nod should come from Cabinet, for instance, if the idea is to release a discussion document that includes possible solutions to a knotty problem.

But there are policy advising advantages in looking to consult or engage with the population.

As the DPMC says:[3]

"Community engagement in policy making allows those who are affected by a decision or interested in an issue to be involved in policy design, development and decision making.

Community engagement (according to the International Association for Public Participation) can involve:

- **Informing** – providing information to help people understand problems, opportunities or issues, and alternative solutions
- **Consulting** – obtaining public feedback on analysis, alternatives or decisions
- **Involving** – working directly with the public to ensure concerns and aspirations are consistently understood and considered
- **Collaborating** – partnering with the public in the design or decision-making process, including to identify alternatives or preferred solutions
- **Empowering** – placing decision making in the hands of the public."

This set of points is a spectrum of ways to treat groups. Obviously, individual policy issue cases need careful consideration to decide how they are best handled.

A typical solution is to implement a 'mixed strategy', which involves using different levels of engagement with different groups.

But how do we determine who gets what treatment?

## A useful step is to classify groups for engagement

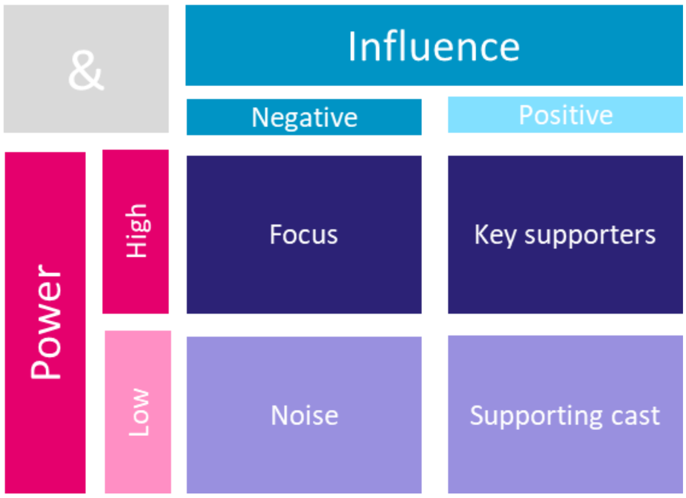
This is helpful in planning an engagement strategy. It can assist with considering the resourcing, timing and other administrative needs.

3 See the useful material at https://www.dpmc.govt.nz/our-programmes/policy-project/policy-methods-toolbox/community-engagement

But as with any part of engagement this needs to be approached with caution and in light of John Key's political context.

With this firmly in mind, one straightforward (if rough) way of quickly classifying the range of stakeholders – and thus what might be done about them is the 'two by two' in Figure 2 below.

### Figure 2 Groups of stakeholders




Source: D Gill – NZIER

This uses two dimensions to create four types of stakeholders. The two axes are the group's level of power and their degree of influence over the outcome.

They can be considered one at a time:

- **High power/Negative influence** – clearly a group with much say over the decision. They need to be squarely in focus. Their capacity to affect the outcome means their views must be kept in sight; thus, they are likely to be closely involved.
- **High power/Positive influence** – these are the key players. Their ongoing support is vital if the decision is to happen. Thus, they are best closely engaged as virtual (or even actual) partners.

- **Low power/Negative influence** – with limited ability to affect the result, they are effectively 'noise' and probably should just be informed as the process progresses.
- **Low power/Positive influence** – these are the useful and helpful general supporters without much power. So they should be kept on side – probably by consulting and keeping them informed.

## These are not the only ways of cutting through complexity

These 'two by twos' show the potential value of simplification in helping advisors distinguish the wood from the trees. Why not try your own?

This paper was written by NZIER, March 2024. For further information, please contact anyone from our policy advice team:

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