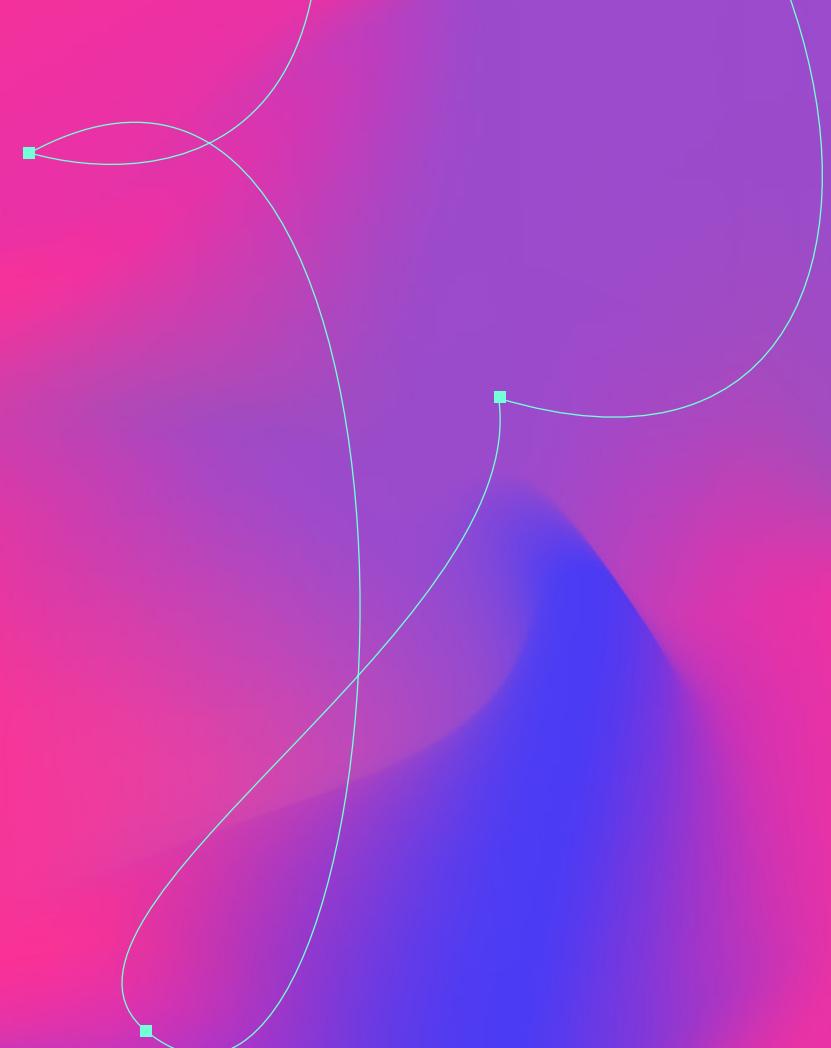


# Steering through capability

How governments can – and should –  
steer their societies

Paper by Geoff Mulgan  
December 2020



DEMOS  
HELSINKI ✓

# Contents

**04**

Background

**05**

A very short history  
of steering

**07**

Tools for steering  
and patterns

**10**

Steering tools  
of the 2020s

**14**

Five keys for future steering

- 15** 1. Direction plus experimentation through constellations
- 16** 2. Data and knowledge organised as commons
- 17** 3. Formal cross-sector partnerships
- 17** 4. Democracy as a verb not a noun
- 18** 5. Capability-based governance

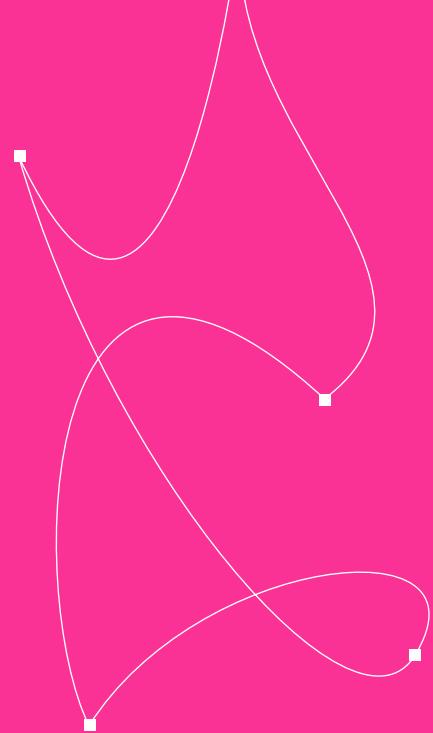
**19**

Some conclusions



an a society be steered? Should governments even try to do that? Or should they just preside? Here I summarise some ideas on why governments should steer – whether in relation to big challenges like climate change or social ones like ageing – and how they should do this. If there is to be any meaning to the widespread rhetoric of building back or ‘bouncing back stronger’ from the coronavirus crisis there will be no avoiding a role for government in conscious steering.

My focus is on the idea of ‘**steering through capability**’: how governments can steer their societies by growing the capabilities of citizens, businesses and other tiers of government, rather than just through coercion or incentive. To do this, the paper describes how governments can combine direction with experimentation, linking multiple partners through what I call ‘**constellations**’<sup>1</sup>; I show how these can be supported by ‘**intelligence assemblies**’ that orchestrate rapid learning and mobilisation of data, and the curation of **knowledge commons**; and I emphasise methods of steering that grow capability rather than only using downwards control and upwards accountability.



---

<sup>1</sup> I like this word because it captures the idea of many bodies moving in the same direction.

# Background

**THE IDEA THAT GOVERNMENTS** can and should steer is very old: the word government itself literally means steering in its Latin origins. To do this, governments have developed a comprehensive set of tools, from laws and regulations to spending programmes and public education. Over the last two centuries many governments have tried not just to rule but also to shift society in a different direction, to new ways of being, doing and living. Sometimes they did that in response to the wishes of a small elite; sometimes in response to the aspirations of the majority.

An alternative view is that governments' role should be minimal. At most it should preserve the conditions for society to steer itself – government will either mess up the job of steering or steer in the wrong direction. To paraphrase Ronald Reagan, some would argue

that the most frightening words in the English language are 'I'm from the government and I am here to steer'.

But the pressure of events has often made this more minimalist view impractical and as I will show some of the new ways of steering are much more open, and more shared, than the traditional methods.

After a decade when the effects of the financial crisis forced many countries to cut their ambitions and shrink their horizons, COVID-19 has forced governments to steer far more than in recent history: ordering citizens to stop flying, stay in their homes and wear masks; raising massive debt, bailing out businesses and workers; and engaging in massive communications programmes. ■

# A very short history of steering

THERE ARE MANY EXAMPLES of states attempting to steer a society in a fundamental sense – to change values, behaviours and institutions all in tandem. Some were more benign, some more malign. These are just a few prominent examples:

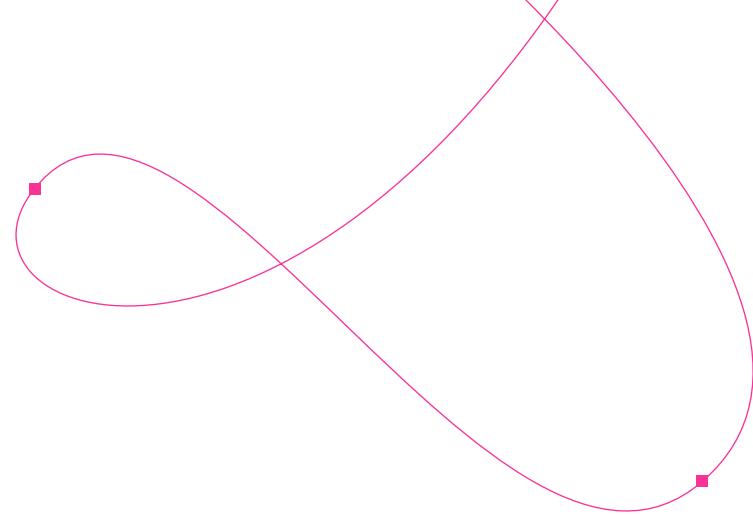
- **IN THE 19<sup>TH</sup> CENTURY**, almost every major government tried to train the population for an industrial era, promoting punctuality, clean hands and other changes, through universal education and other means
- **MEIJI JAPAN** went further, introducing new dress codes, ethos and ambitions and later Ataturk's Turkey made similarly sweeping changes to scripts, dress, beliefs and habits
- **STALIN'S USSR** sought to engineer a new kind of human as well as a new society over the corpses of famines and the gulag;
- **POST-WAR SWEDEN** promoted new approaches to parenting and home life, often with very detailed prescriptions;
- **THE US** tried to wean the population off alcohol, and later off drugs through prohibitive laws (neither with much success) and also attempted to introduce not just civil rights but also new attitudes to race.



More recently, many countries have tried to steer in other ways: transforming attitudes to waste, with large scale recycling to replace disposal, or much more attention to disposal of plastic bags and litter of all kinds; cutting smoking including its cultural encouragements; and promoting fitness (with everything from cycle lanes to subsidies for gyms) or better diets (through mass education campaigns). Each of these latter cases is an example of democratic steering, where the public (through campaigns, lobbies and political parties) try to steer government which in turn steers the public, in what's hoped will be a virtuous circle. ■



# Tools for steering and patterns



**GOVERNMENTS HAVE BEEN ABLE** to use a wide mix of tools to steer. They include: force, law and coercion, which have all played a role – including penalties for non-compliance. They have also used: rewards, recognition and praise; persuasion and enthusiasm; explanation, information and public education; public ritual and celebration.

Some imagine steering in purely hierarchical terms, setting out rules and directions from the top and then cascading them down, while others see things much more in terms of networks. As I will show, most steering exercises combine elements of hierarchy, networks, competition, cooperation and emulation.

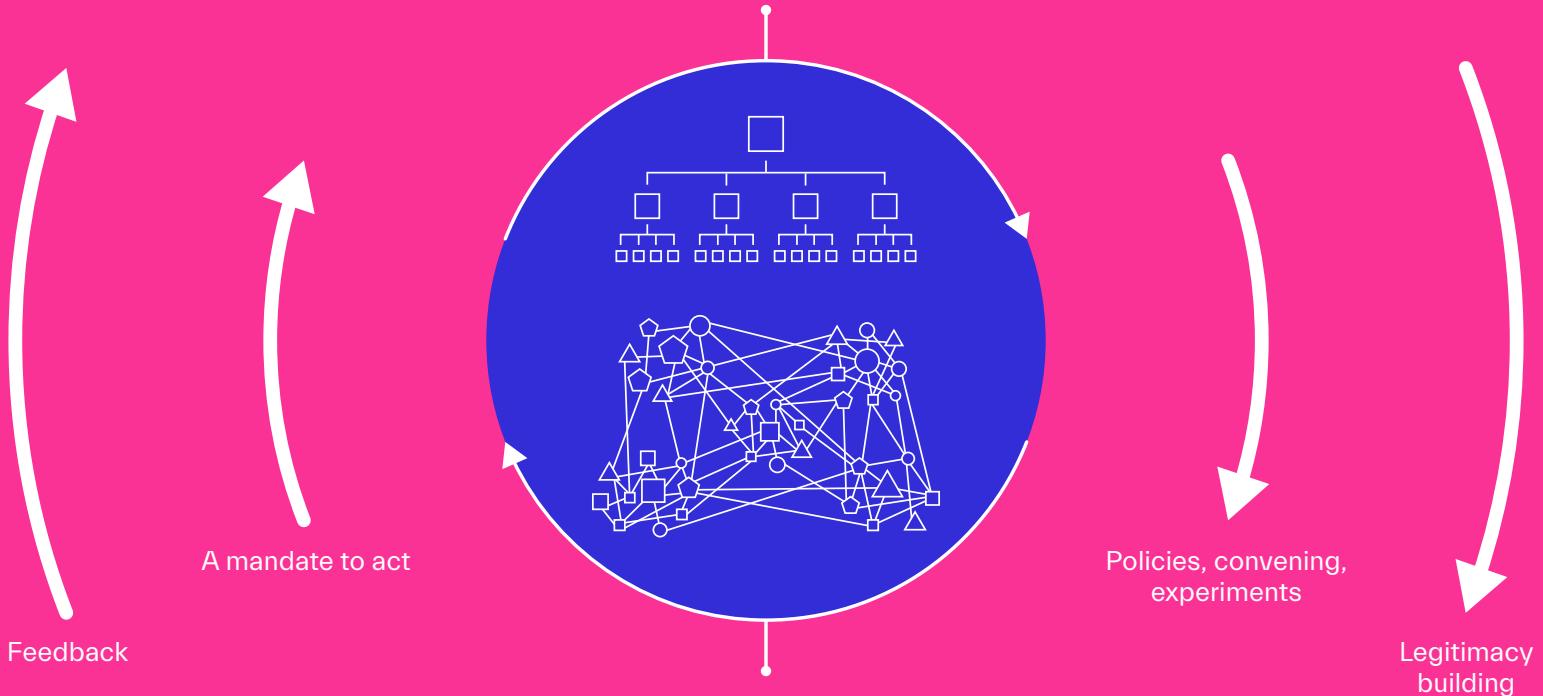
In a democracy, steering has to be circular. The goals for steering come from the people who create the mandate to act; government then has to translate that mandate into programmes and actions; both the goals and the means for steering have to be legitimate; and then the people become part of the steering process, offering feedback.



# DEMOCRATIC STEERING

## GOVERNMENT

Design, lead, oversee  
a strategy for steering



**THE PEOPLE**  
Public aspirations, hopes, fears:  
a need for steering

Success is a change in habits and in hearts and minds. But the causal process is complex. Sometimes believing precedes doing. Sometimes it's the other way around. For example, first people are forced not to smoke in public places or are required to separate their waste for recycling. Later on they come to believe it's good and start to feel virtuous as they act in different ways. Some governments have succeeded in steering the big ship of society; others just encountered resistance or derision.

### **These are some of the key lessons:**

- **MODEST STEERING** may only require simple methods, such as new regulations or redesign of choice architectures (such as traffic calming measures in cities, or new default rules for pensions)
- **STEERING GRANDER** shifts in society requires a sense of being a movement not just a programme – with an energy that's different from normal bureaucratic procedures
- **SUCCESS REQUIRES** approaches that mobilise all 4 cultures identified by culture and grid/group theory: using hierarchy, individualism and egalitarianism, while also pushing the resistors into fatalism.<sup>2</sup>
- **CHANGE REQUIRES** a narrative of why, how and where to, and one that is constantly reiterated. Within that story there need to be many heroes.

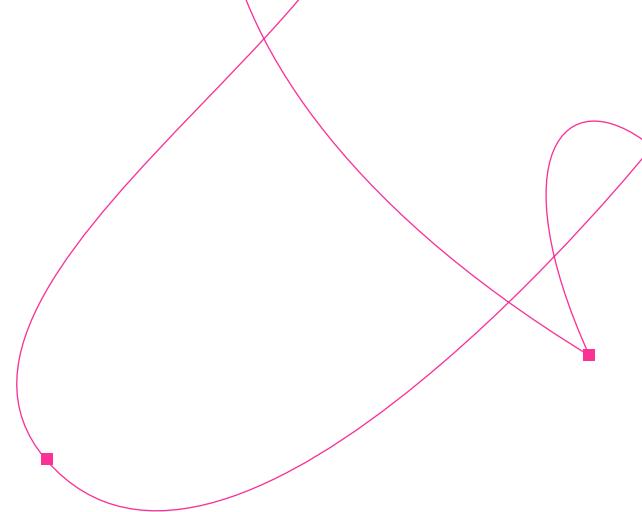
In other words, steering a society is not at all like steering a ship or a plane. It's more like steering a flock or a herd. Along the way it requires reassurance, description of barriers and setbacks, running commentary, and rapid action to overcome blockages.

This can be difficult. Steering societies to greater tolerance (whether of refugees, transgender people or Roma) often sparks backlashes. Take-up of new opportunities – such as for lifelong learning – may be disappointing. Or there may be complex dynamics. A contemporary example is plastics: what narrative should be offered on plastic recycling now that parts of the system have collapsed, and how to deal with complex second order effects (e.g. that awareness of recycling can lead to more materials use not less)? ■

---

<sup>2</sup> I describe culture theory in more detail in chapter 10 of my book 'Social Innovation: how societies find the power to change', Policy Press, 2019

# Steering tools of the 2020s



**THIS CENTURY THERE ARE** plenty of major tasks requiring steering, including achieving net zero goals, adjusting systems and attitudes to ageing, and genuinely moving towards a culture of lifelong learning.

The past couple of decades have generated quite a few new tools for steering. There are the very prominent ones of nudges (derived from [behavioural economics](#) and psychology) and everyday tools like SMS and targeted messaging that can be used to promote fitness or diets. [China's social credit and feedback systems](#) can be understood as a cluster of powerful new devices for steering behaviour. A very different example are [inclusive partnerships](#) with civil society and big business, mobilising its role as employer and provider of consumer goods. There is also now better understanding of how to use

[cellular methods](#) for more profound behaviour change (where the nudge methods don't generally work). Governments also increasingly use the language of systems change and whole systems approaches: [this recent UK government report](#) on climate change is a good example, though it misses many vital dimensions.

In my book '[The Art of Public Strategy](#)' I argued that how government works, and how it steers, has to reflect the extent of its access to both power and knowledge. Where there is very strong knowledge and power some steering tasks can be implemented using classic government methods (law, directive and performance management). But where knowledge is imperfect there needs to be experimentation to discover what actually works; and where government lacks →

power (which is most of the time) there needs to be partnership with society, business and others. It follows that most programmes for steering require a combination of top down, middle out and bottom up.

In my report on [how to organise centres of government](#) I also showed the big gap between how most of them are structured and both the contemporary tasks they face (from pandemics to climate change, trust-building to mental health) and tools available (from data to social media). This framework has been applied in a few governments, but most are much better designed for short-term firefighting rather than long-term steering.

Perhaps the most important insight of recent years is that steering always involves growing new capabilities, whether in tiers of government, or in business or in society.

### For example, any net zero strategy requires that:

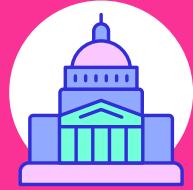
- **TIERS OF GOVERNMENT** learn new skills in understanding emissions patterns and policies for cutting emissions
- **NEW SKILLS** are needed in many industries, from plumbers and electricians to advanced manufacturing and transport
- **NEW SKILLS** and habits are needed amongst the public, e.g. how to live in a net zero environment, practical skills, ways of seeing and thinking about everything from meat to commuting

Similar considerations apply to living with powerful digital technologies, such as how to avoid new pathologies – addictions, compulsions, stresses of debt or bad food.

These point to a **capabilities approach to governance** where higher levels of government emphasise growing the capability of lower ones – their ability to understand and solve problems – rather than making them accountable for inputs, outputs or outcomes (or crushing them, as still happens all too often).

It also points to a more circular picture of how steering happens with top-down processes feeding bottom-up ones which in turn feed the top-down ones, as shown in the diagram below. →

Common stores of evidence organised in 'what works' centres, harvesting lessons from experiments and making available to practitioners



Central government

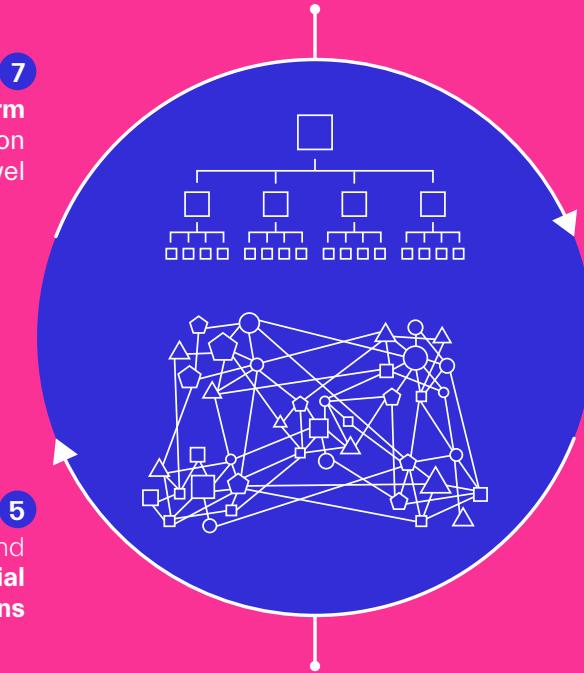


Civil society

## TOP-DOWN

1

**National goals for key systems** like energy, food, health etc.



2

National plans adapted at a province, city, and district-level including systematic experiment and open innovation



Local government

3

Business develops new technologies and operating models **implemented at a local, national and global level**



Free market

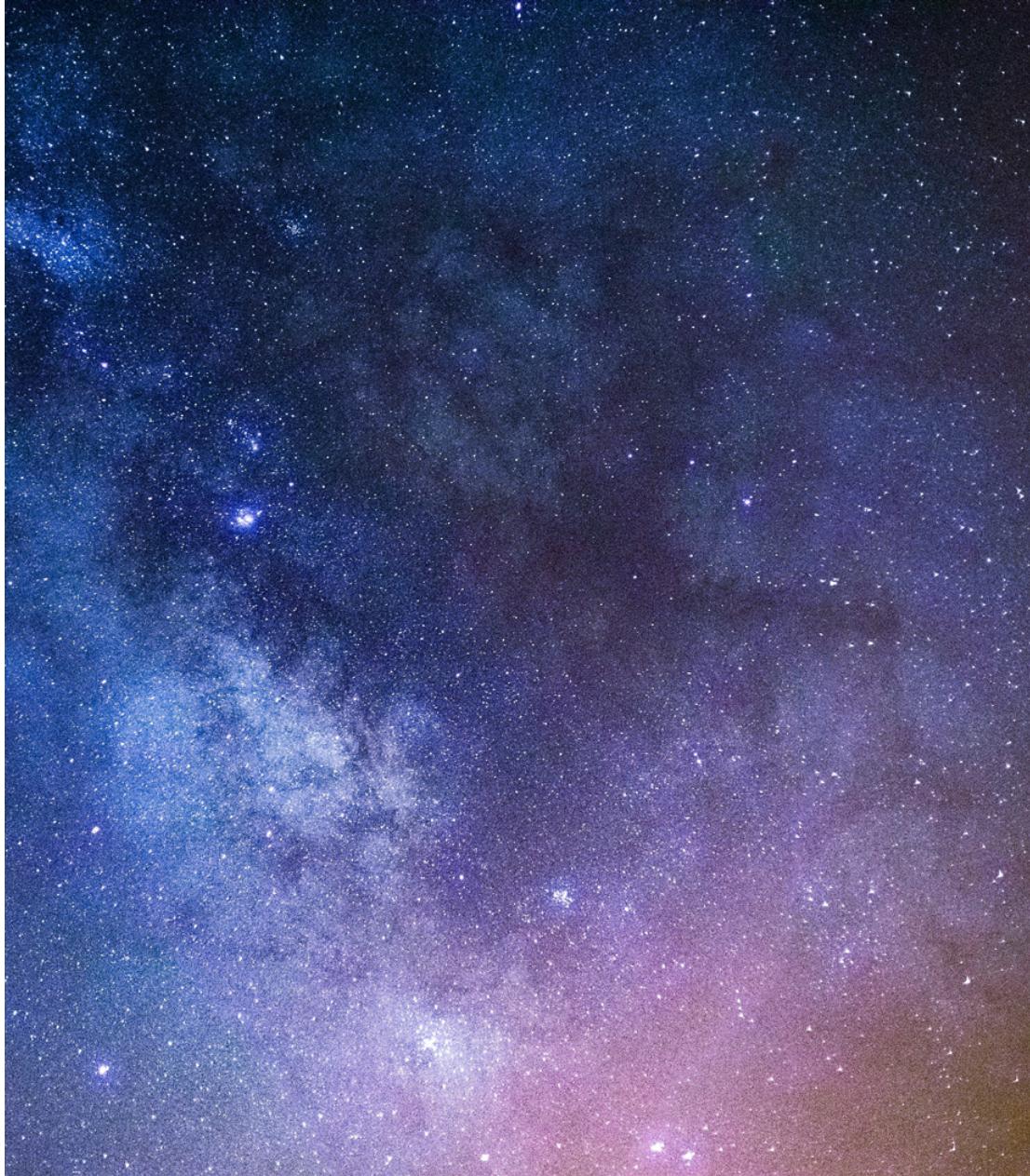
## BOTTOM-UP

7  
New insights inform policy and action at every level

6  
Scaling of effective innovations generated at local level

5  
Communities and entrepreneurs generate social and other innovations

As always, the quality of these partnerships depends on both the tone and content of the relationships: how long they are intended to last; how much risk is shared; how much the goals are shared. Central governments can be controlling and distrusting, making maximum use of penalties and incentives. Or they can be collaborative. ■



# Five keys for future steering

Here I suggest five crucial approaches to steering that I hope will become more common, all of which encourage this capabilities approach.



# 1 Direction plus experimentation through constellations

First, steering can combine clear long-term direction with experimentation and innovation.

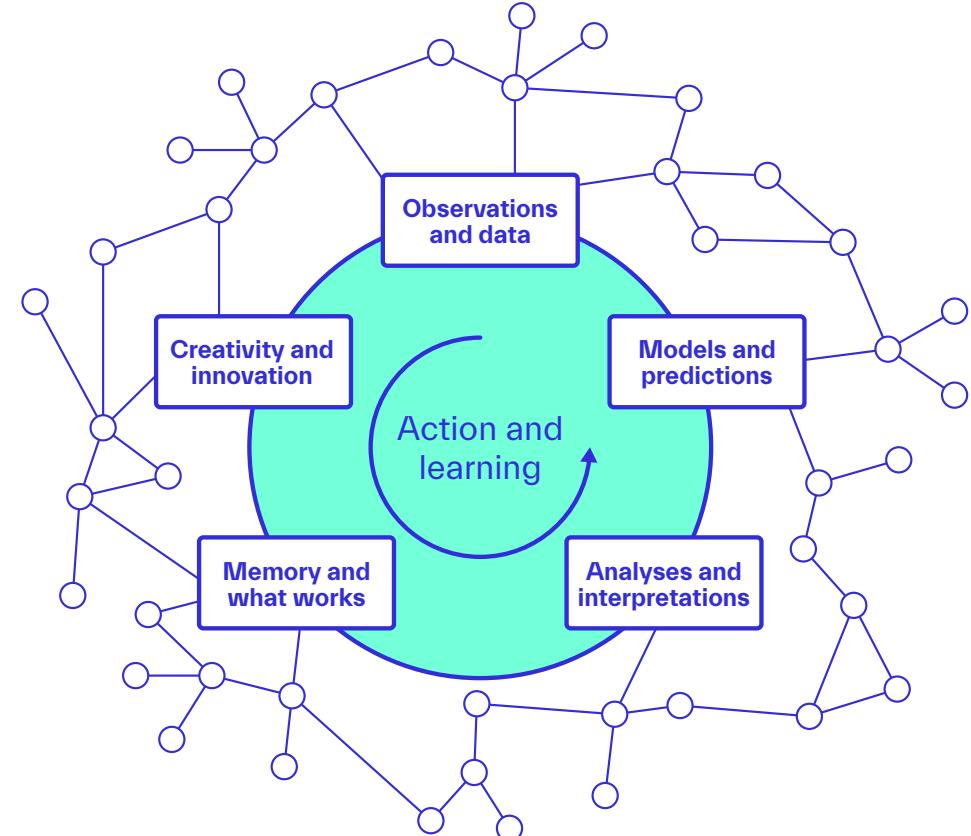
Climate change is an obvious example where governments have set often quite challenging targets for net zero, but have only partial strategies for achieving it. So governments need to combine:

1. A compelling overall narrative and direction;
2. a strategic approach to breaking the target down into some of the component parts (e.g. transport, energy, housing and agriculture in the case of climate change) and developing with partners more detailed strategies for achieving sub goals;
3. using active experimentation ([including the many methods now available](#), from pilots and testbeds to RCTs) to discover the best routes to the future. Ideally this should be as transparent as possible so that what is learned is shared and fed back into policy design;
4. innovation programmes organised within the key fields of steering, such as net zero, ageing and jobs: i.e. mobilising a range of innovation tools such as labs, challenge prizes, procurement within the context of a broader strategy (rather than relying on innovation teams that either wholly generic or solely located within a single department or agency)
5. direct public engagement particularly on some issues such as neighbourhood plans and air quality;
6. collaborative learning and feedback mechanisms to speed up adaptation

These can be thought of as 'constellations' - groupings of governments, business, NGOs and society all working to broadly the same goals, and wherever possible sharing knowledge, data and lessons. ■

## 2 Data and knowledge organised as commons

The next, and connected, requirement is the rapid mobilisation of knowledge to guide these constellations. This again depends on the relevant data and knowledge being actively organised as a commons, so that everyone involved in the tasks can see what is happening, what is working and where adjustments need to be made. This will require some data commons, governed [by data trusts](#); it also requires visible synthesis of the lessons being learned, through variants of ‘what works’ centres; and it requires active orchestration of learning across systems, using the kind of methods pioneered by health collaboratives, or micro-tools such as study circles in education. In some cases, the what works centres need to particularly address the frontline – for example the plumbers, electricians and builders who will play such vital roles in decarbonisation. Together these various methods help to ensure that pilots and experiments deliver the greatest insight to the greatest number. These types of ‘intelligence assembly’ (described in more detail in my book [‘Big Mind’](#)) will increasingly become the glue of all government steering efforts. ■



## 3 Formal cross-sector partnerships

Most big steering projects require collaboration across sectors. There are innumerable examples of how this has been done over the years, though usually focused on economic growth or technology rather than social and ecological goals. Many are little more than cosmetic, but some are becoming more serious, particularly on issues that matter a lot to business like reducing emissions in supply chains or mental health at work.

My view is that the next generation of these partnerships needs to be a lot more disciplined – precise about objectives, the contributions of each partner and accountability. [This piece](#) set out some options. The aim should also be to create collaborative learning communities – where peers in business, government and civil society get to know each other and help each other out. ■

## 4 Democracy as a verb not a noun

Fourth, because legitimacy is so vital to most current steering tasks it is vital not to rely solely on the legitimacy conferred by traditional party democracy. Instead more active engagement with citizens on both the longer-term goals and the means is needed. Citizens assemblies; online deliberations; citizens juries and many other tools are now both [available and being widely used](#). All are means of involving a wider group in discussing options and lessons learned.

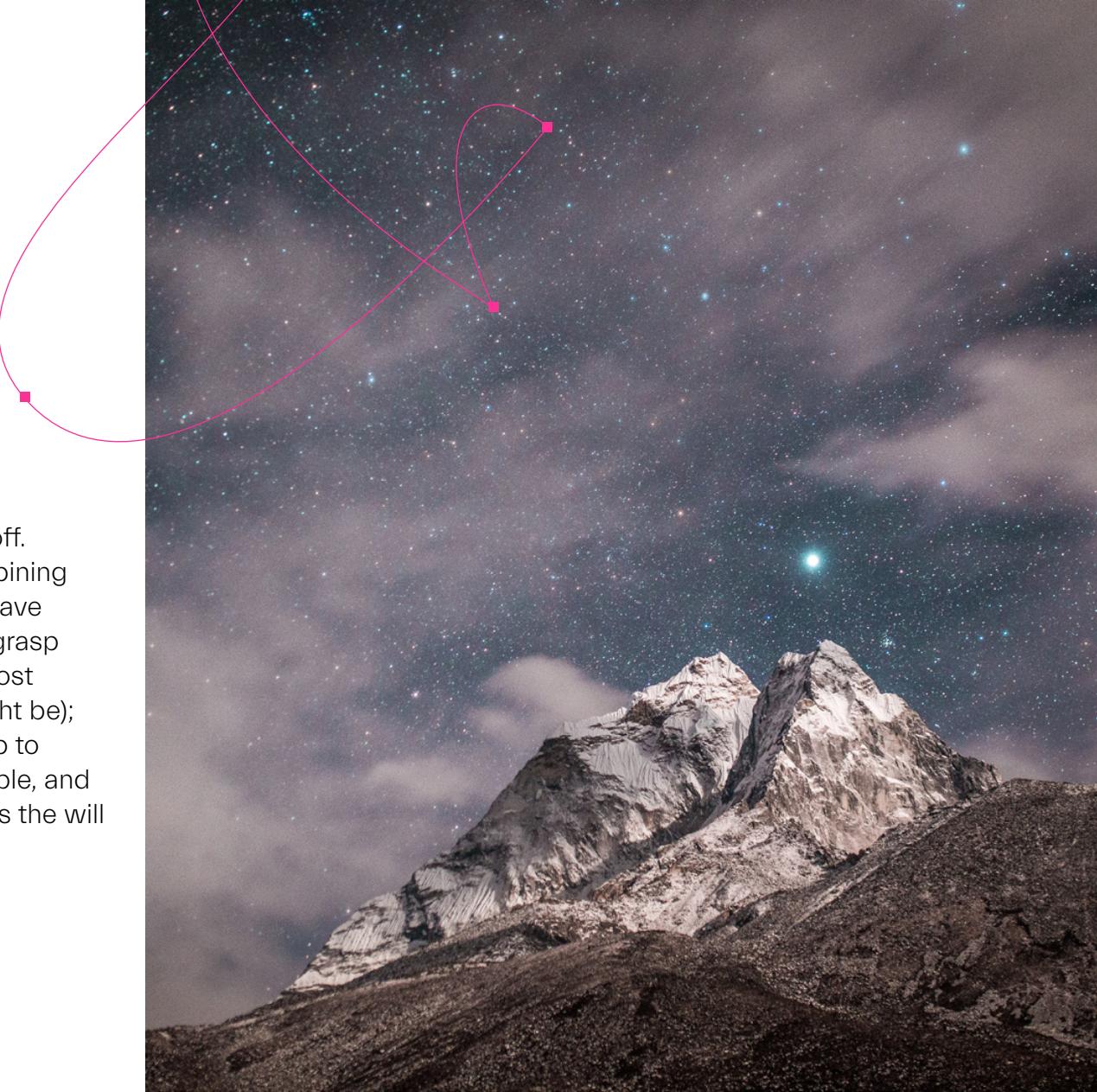
But in some of these cases democracy isn't just a way to transmit opinions and preferences upwards from citizens to the state. For some of the biggest challenges - from achieving net zero to transforming how societies deal with ageing - citizens also need to address their own responsibilities for changing behaviour and outcomes. In other words, agency isn't just about our power to make the system change; it's also about what we do in our own lives. ■

## 5 Capability-based governance

Fifth, as indicated earlier, the primary ways in which tiers of government interact should be about enhancing capabilities and problem-solving skills rather than only demanding accountability for inputs of money, or outputs and outcomes. This is an approach more compatible with democracy than the classic New Public Management methods of targets, rewards and penalties. But it will require better ways to map and measure that capability – in effect the collective intelligence of districts, cities and regions. ■



# Some conclusions



**THE SYSTEMATIC COMBINATION OF** these methods is some way off. No government has yet organised explicit strategies for combining long term targets and active experimentation, though many have parts of this; no governments have yet shown that they fully grasp how to organise data and knowledge as commons (and in most governments it's not even clear whose responsibility this might be); and democracy innovation has yet to be adequately joined up to these big societal goals. But the building blocks are all available, and putting them together is not inherently so difficult – so long as the will and the mindsets are there. ■



DEMOS  
HELSINKI