

Overcoming short-termism after COVID-19: how can policymakers better prepare for the future?

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Housekeeping

- We will be taking some live questions during the event. Submit your questions using the box on your screen.
- If you are having any technical difficulties you can also submit technology questions via the box on your screen.
- Today's webinar is being recorded and will be shared with you all after the event.
- Join the conversation on Twitter #THFfutures.

Long-term decision-making in a short-term world: Preparing better for the future

24 September 2020

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#THFutures

Four key questions:

1. What is long-term decision-making?
2. Why does long-term decision-making matter?
3. Why is robust long-term decision-making hard?
4. How can long-term decision-making be better embedded within the political system (e.g. what commitment devices might be beneficial)?

General comments

1. The four questions are important: poor long-term decision-making poses serious risks, including irreversible harms
2. Improving long-term governance is a large, complex topics – only time for brief comments
3. There are multiple relevant literatures and perspectives
4. There are no simple answers or magic bullets; but many reform options are available, of varying feasibility
5. The current global context requires ambitious, proactive, anticipatory long-term governance to deal with unprecedented policy challenges (e.g. climate change, biodiversity loss, COVID-19)
6. But the capacity and political incentives for sound anticipatory governance are currently both low, across much of the democratic world

Some relevant references

1. Jonathan Boston, *Governing for the Future* (Emerald, 2017)
2. John Kay and Mervyn King, *Radical Uncertainty: Decision-making for an unknowable future* (Bridge Street Press, 2020)
3. Vincent Marchau, et al., *Decision Making Under Deep Uncertainty: From Theory to Practice* (Springer, 2019)

What is long-term decision-making?

Key features:

1. **Timeframe:** involves looking beyond the near-term (e.g. an electoral cycle); may entail a planning horizon of decades or centuries, depending on the issue (e.g. sea level rise)
2. **Approach:** involves anticipating future risks and opportunities, recognizing uncertainties, taking the available evidence seriously, etc.
3. **Decision rule:** involves choosing near-term options that help protect long-term interests or are likely to achieve desirable long-term goals
4. **Context:** long-term decision-making can occur in multiple governmental and non-governmental contexts

Note: not all decisions with long-term impacts are the result of long-term decision-making as defined above

Why long-term decision-making matters

1. Human beings can cause serious, widespread and irreversible harm – this capacity is increasing with technological change
2. A failure to anticipate and plan for future risks and vulnerabilities can result in highly undesirable long-term outcomes
3. Some policy settings are demonstrably unsustainable – whether fiscally, environmentally, socially or politically
4. The variable quality of long-term decision-making is readily apparent:
 - Resource rentals and sovereign wealth funds – compare Alberta and Norway
 - Uneven investment strategies – e.g. maintaining and upgrading critical public infrastructure
 - Variable risk management strategies for natural hazards, pandemics, etc.
 - Variable levels of fiscal prudence
5. While all policy options have costs and benefits – and arguably there are no *optimal or ideal* intertemporal policy choices – some options are preferable in terms of sustainability, fairness, cost-effectiveness, etc.

Why long-term decision-making is hard

1. The human condition – impatience, cognitive biases, attention deficits
2. Deep uncertainty and policy complexity
3. Dynamic or time inconsistency – the credible commitment problem
4. Conflicting values and intertemporal preferences
5. Incessant ongoing political demands and policy overload
6. Multiple political barriers to non-simultaneous exchanges:
 - Difficult to impose short-term costs for long-term gains
 - Resistance of powerful interests, and multiple veto points
 - Political polarization and low trust
7. Some types of policy problems are particularly hard to address – e.g. creeping or slow-burner problems (out of sight, out of mind)

Ways to improve and embed long-term decision-making

1. No silver bullets; need multiple, context-specific strategies
2. Possible strategies include:
 - Improve the evidence base, monitoring and quality of analysis
 - Improve foresight via multiple techniques and integrate into normal decision-making processes
 - Strengthen institutional ‘voices’ for future-oriented interests (e.g. strategy units, long-term planning and advisory units, commissioners for future generations, etc.)
 - Insulate specific decisions from short-term political pressures
 - Build an authorizing environment for prudent long-term governance – societal values, shared goals, trust, etc.
 - Strengthen and expand the use of ‘policy commitment devices’ – procedural and substantive across multiple levels of government, policy domains, and at different stages in the policy cycle

Policy commitment devices – examples

1. Legal requirements for governmental bodies to consider the interests of future generations (or long-term outcomes) as part of their normal policy processes
2. Legal requirements for regular, independent, long-term policy reviews in multiple policy domains
3. Legal requirements for regular, independent risk assessments
4. Legal requirements for governments to set long-term policy targets in specific areas and monitor performance
5. Legal requirements for governments to adhere to substantive policy rules or principles – e.g. fiscal, environmental, etc.
6. Legal requirements for governments to adhere to the precautionary principle (somehow defined)
7. Legal requirements for governments to maintain (or enhance) specific capital stocks

Note: the Wellbeing of Future Generations (Wales) Act 2015 incorporates a series of policy commitment devices and institutional arrangements

Thank you

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Thank you