Advancing Public Sector in the 21st Century

A Quest for the New Paradigm

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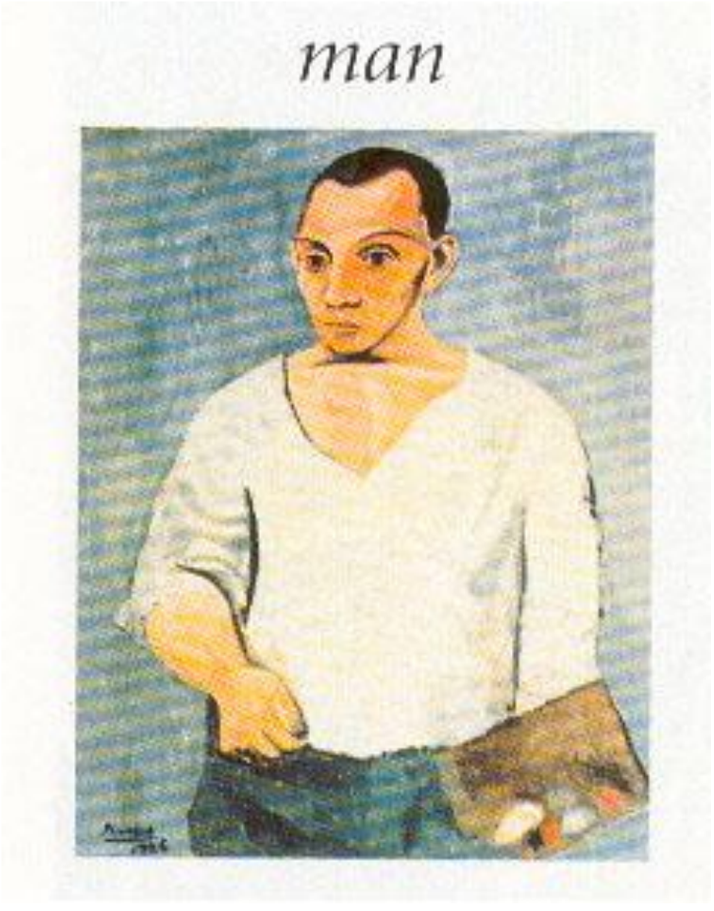
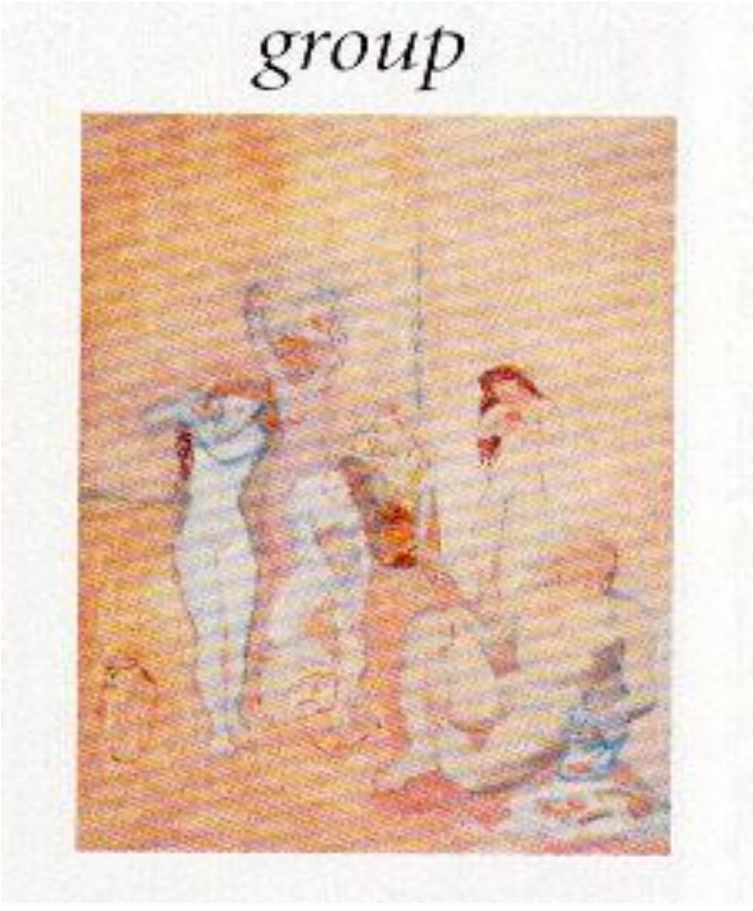
Sasin Institute for Global Affairs (SIGA)

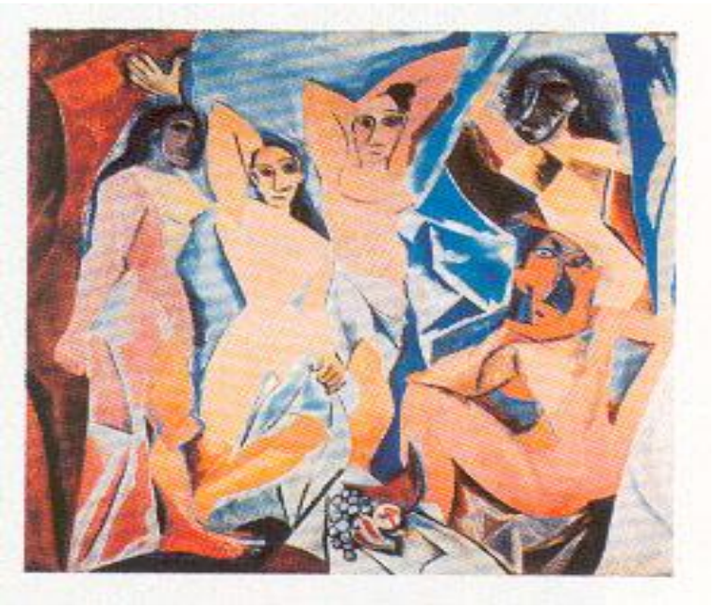
digitalblasphemy.com

In the past, even though sometimes chaotic, images were understandable.





Then, things started to get harder to recognize….

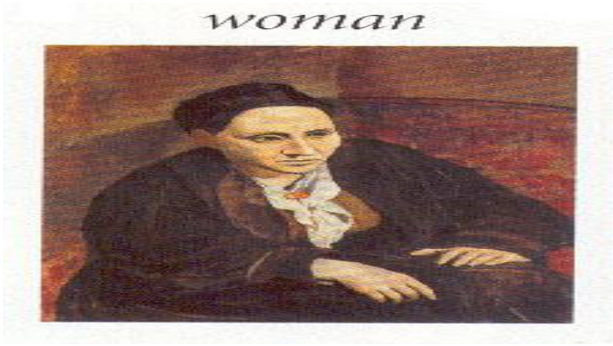


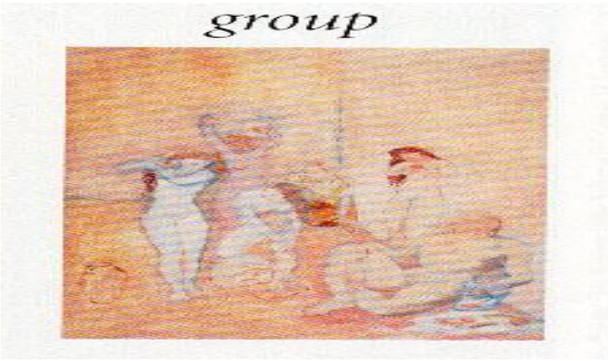
…we can still tell what is going on, but it is getting harder to understand what is going on.

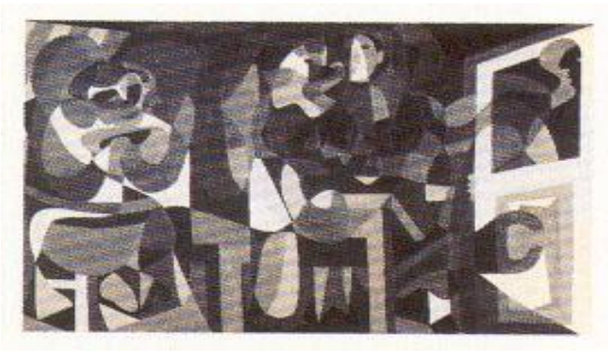
Finally, it becomes impossible to see what is going on...

If one is looking at things in a conventional way

Passing through the Sea of Change—Picasso's Work



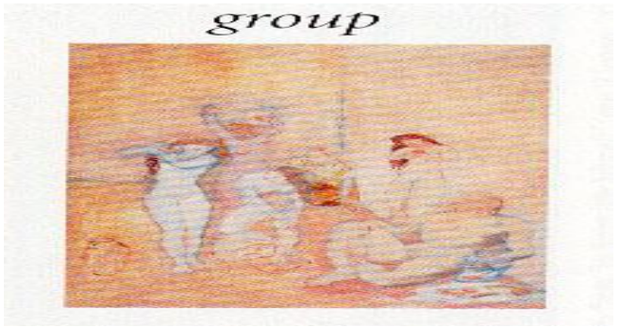


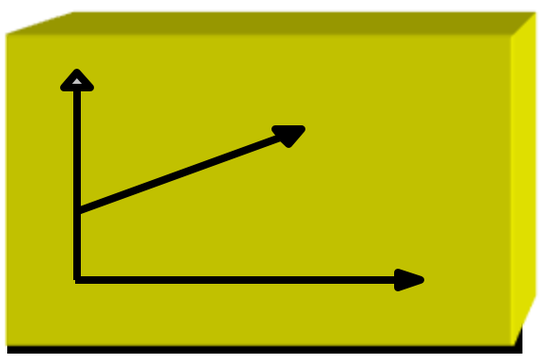


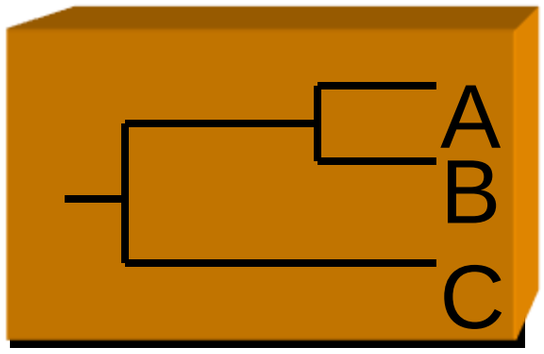
Passing through the Sea of Change—Our Time

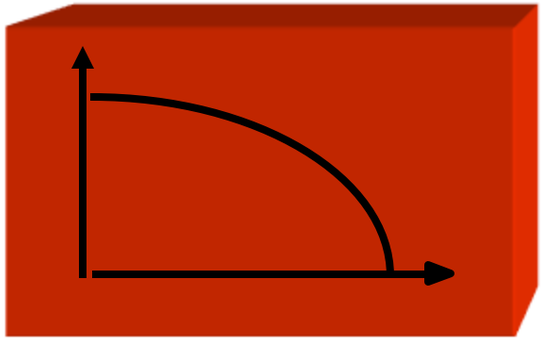
Picasso Time

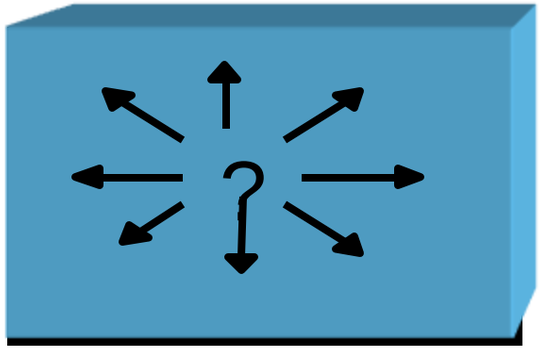
Our Time











A Clear Enough Future

Alternate Futures

A Range of Futures

True Ambiguity

Is Public Sector Ready to Make Change?

20th Century		21st Century
Assumptions About Environment	What is the new global landscape?	Given the new global landscape, what will be the likely vision of the public sector?
		Strategic Gap
Assumptions About Strategic Thrusts	What are our strategic position?	Given our vision, what will be the likely our strategic platform for creating value of the public sector ?
		Capability Gap
Assumptions About Core Competencies	What are our core values, competencies?	Given our future strategic thrusts, what capabilities/ values will be necessary?

Transformation Gap

- **When Patterns are Broken, New Worlds Emerge**

- **The New Power Shifts**

- **A Final Call for Change**

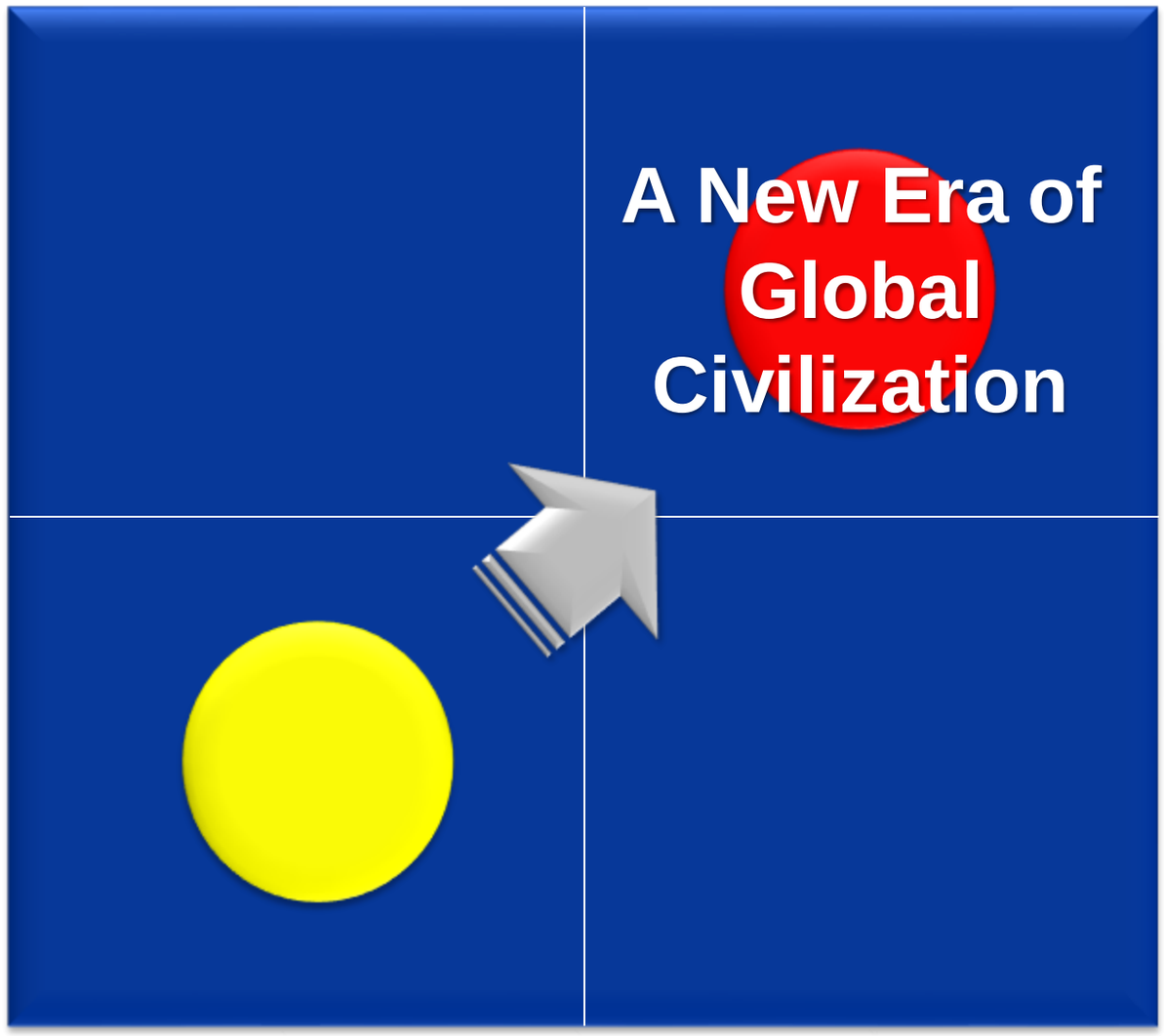
- **When Patterns are Broken, New Worlds Emerge**

- **The New Power Shifts**

- **A Final Call for Change**

A New Era of Global Civilization

Post Carbon-Based Society



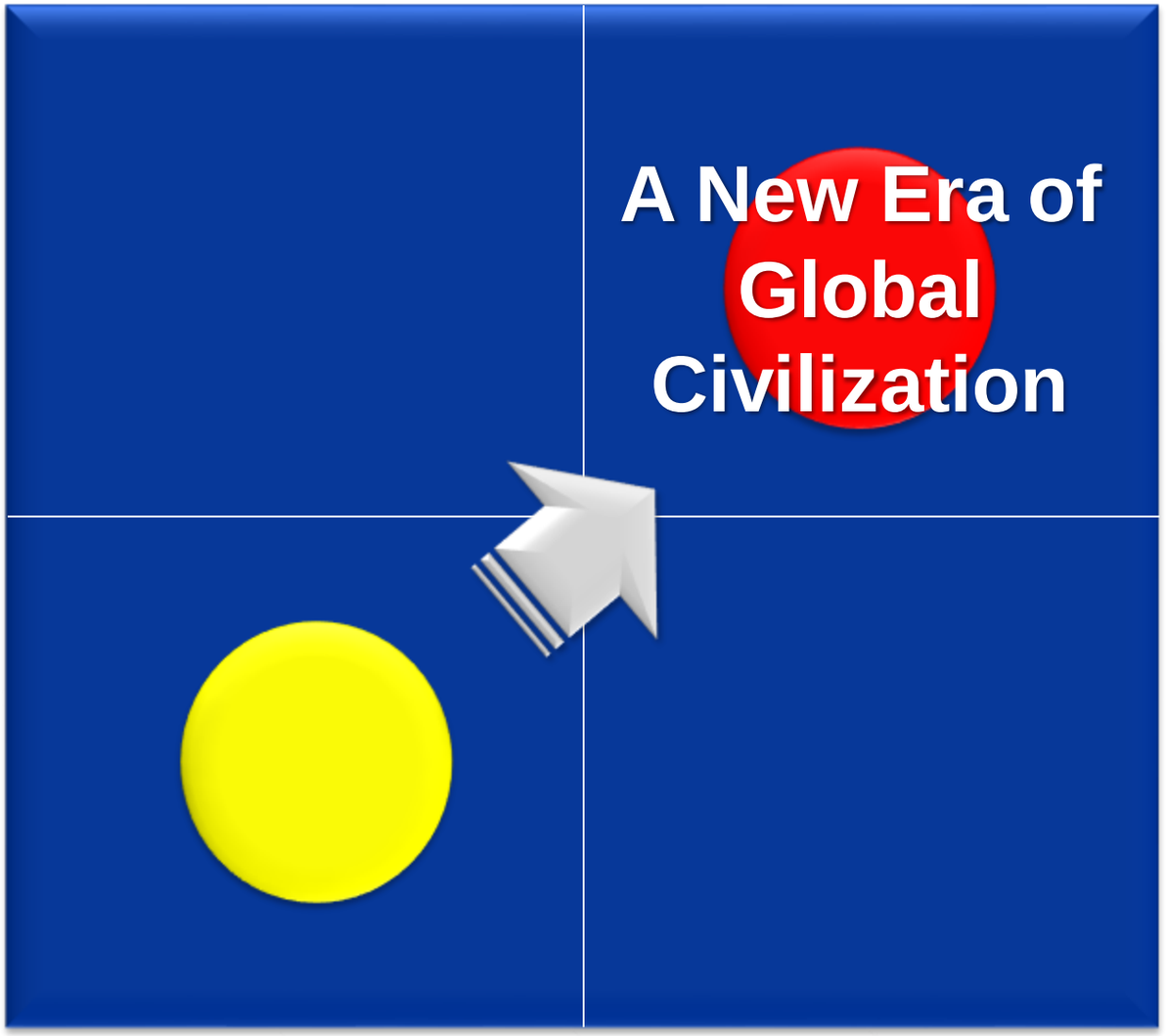
Carbon-Based Society

Industrial Age

Digital Age

Challenging Issues Facing Public Management

Post Carbon-Based Society



Carbon-Based Society

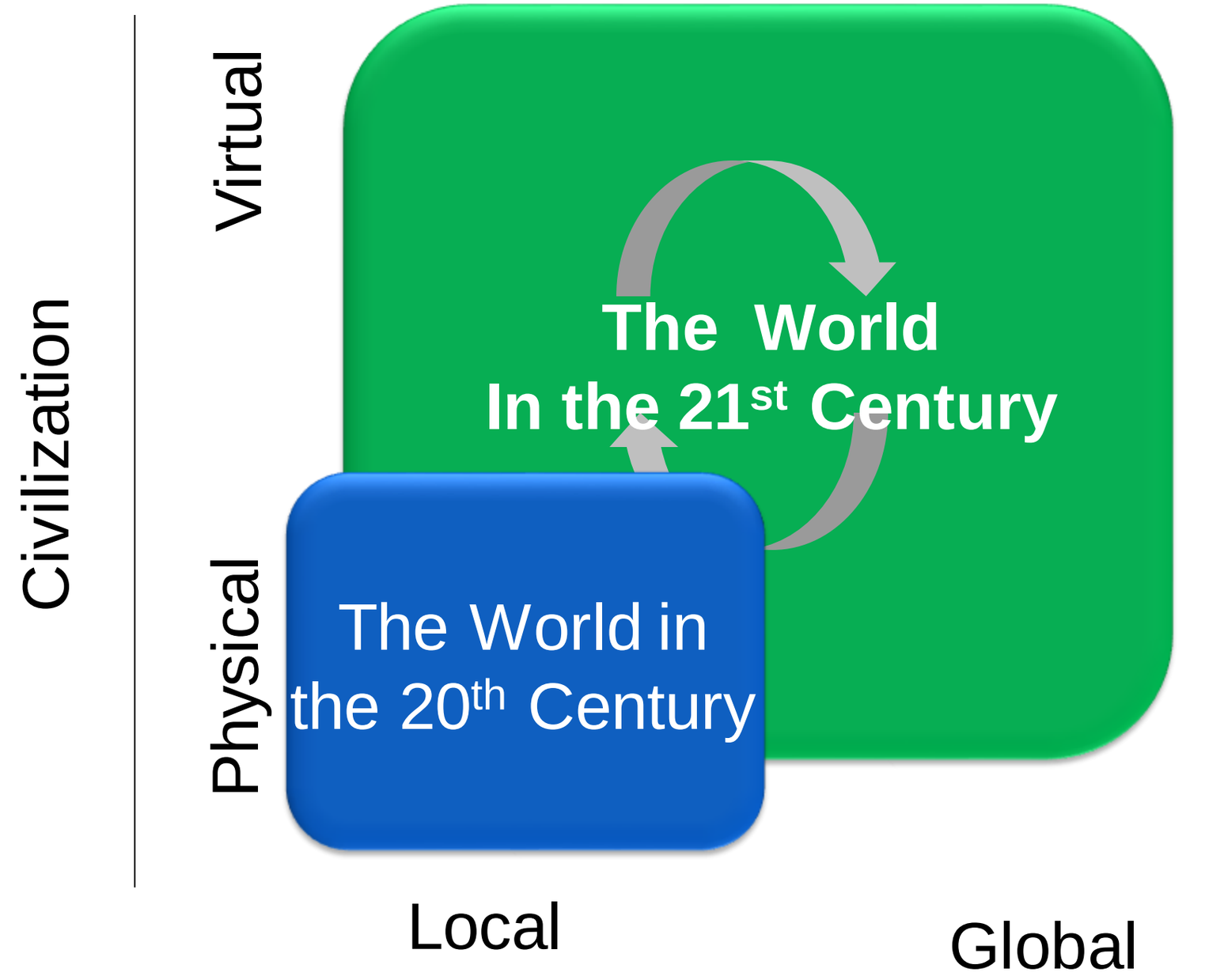
Industrial Age

Digital Age

- What should the public sector be like in the new era of global civilization?
- What role should public sector play in order to thrive in the 21st century?

When Patterns are Broken, New Worlds Emerge…

From Sense of Place to Sense of Space



Sense of Space

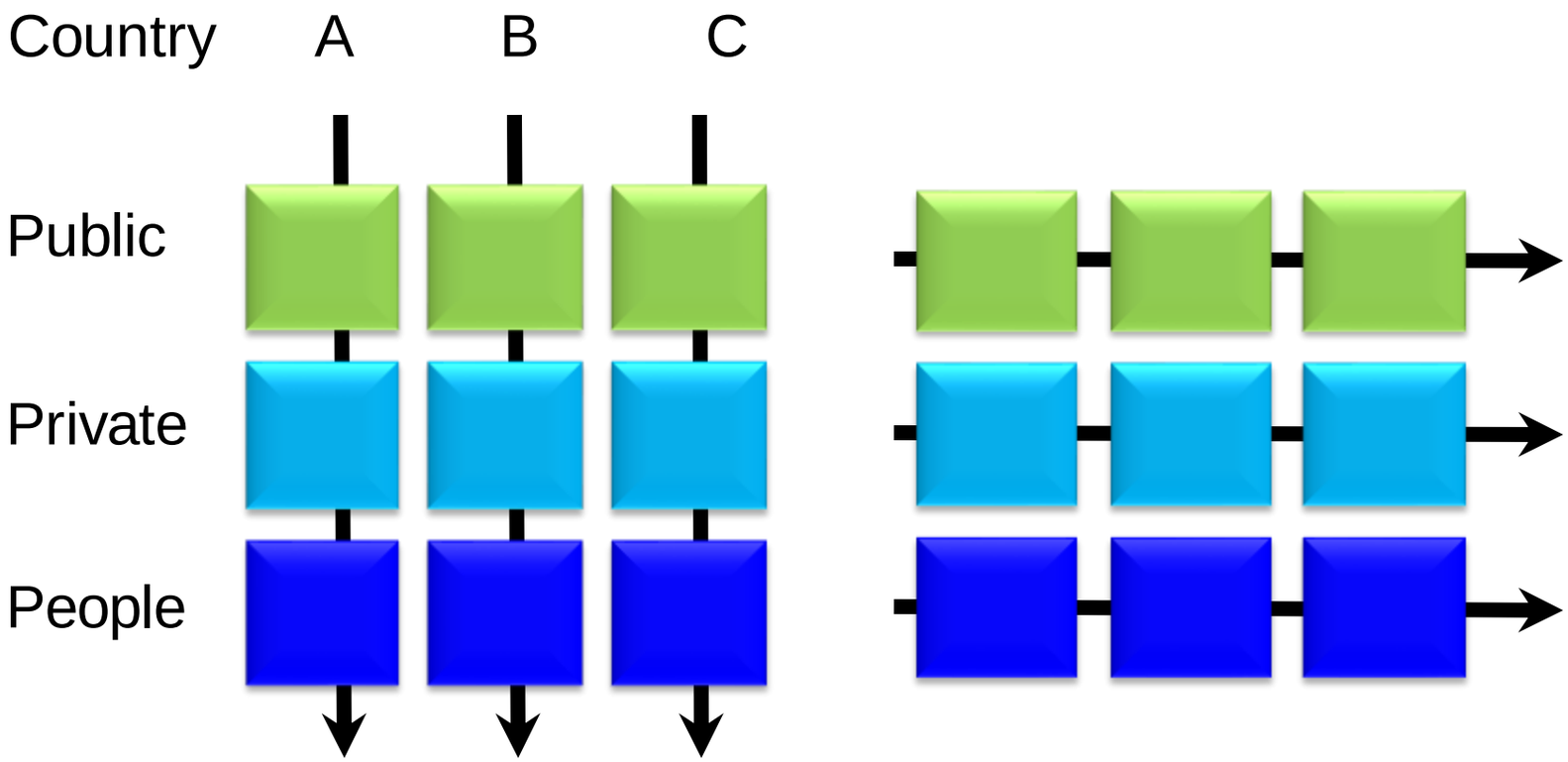
- Anyone
- Anywhere
- Anytime

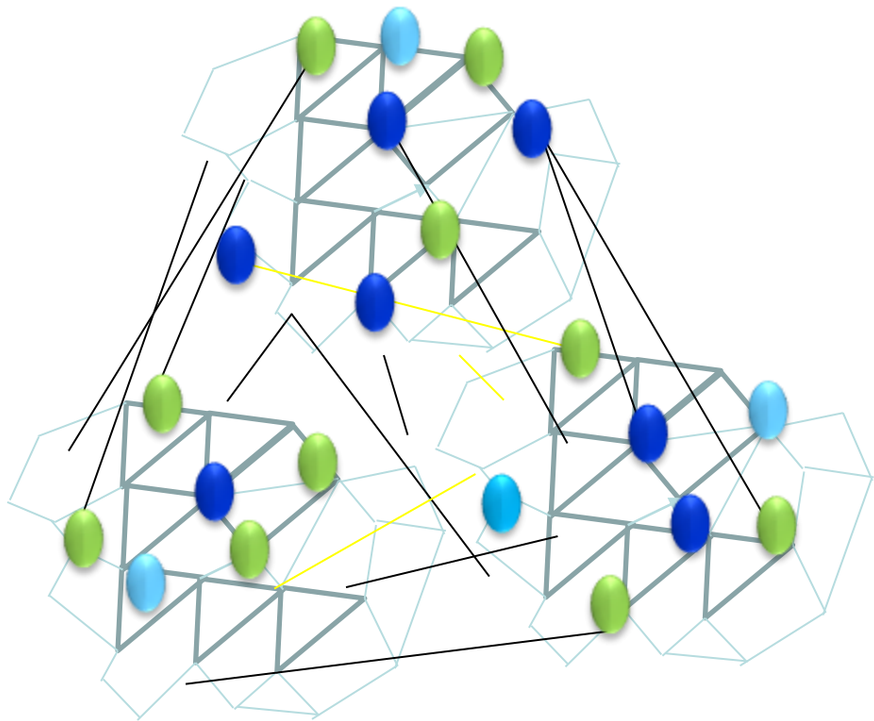
Sense of Place

- Someone
- Somewhere
- Sometime

When Patterns are Broken, New Worlds Emerge…

From Solid Phase Locality to Liquid Phase Globality



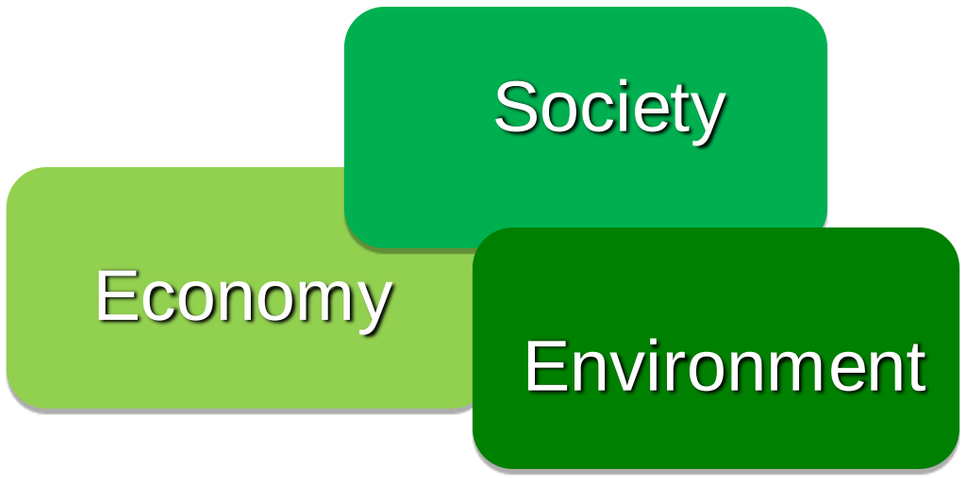


Solid Phase Locality → **Liquid Phase Globality**

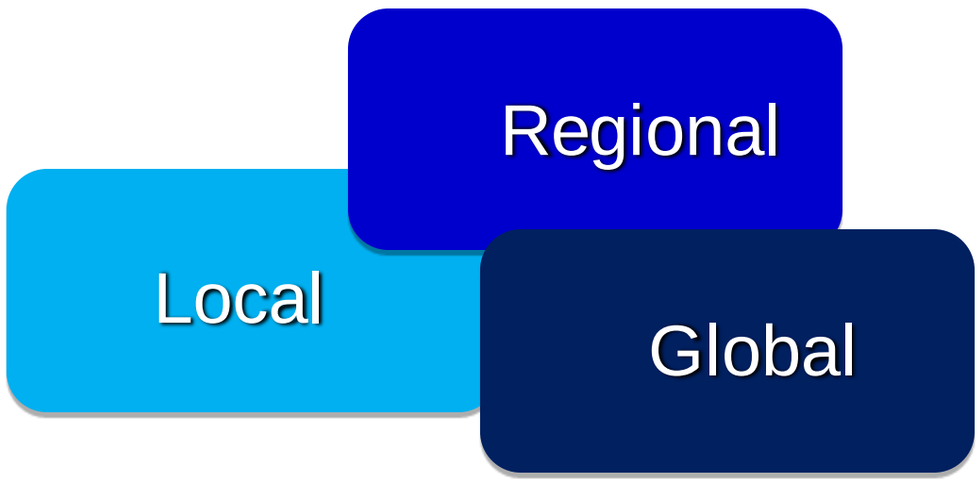
When Patterns are Broken, New Worlds Emerge…

From Separate Worlds to Connected World

Separate Worlds

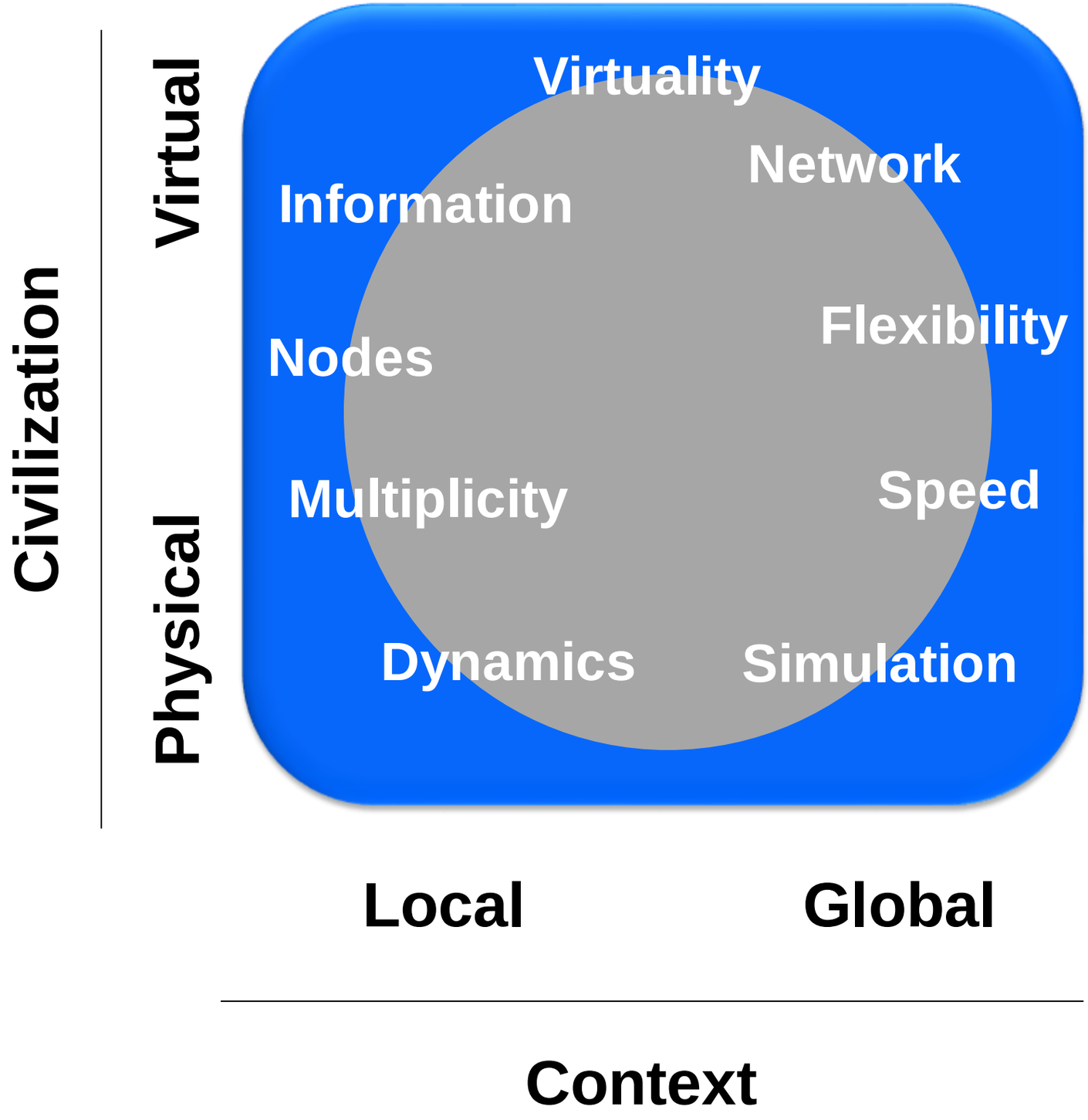


Connected World



When Patterns are Broken, New Worlds Emerge…

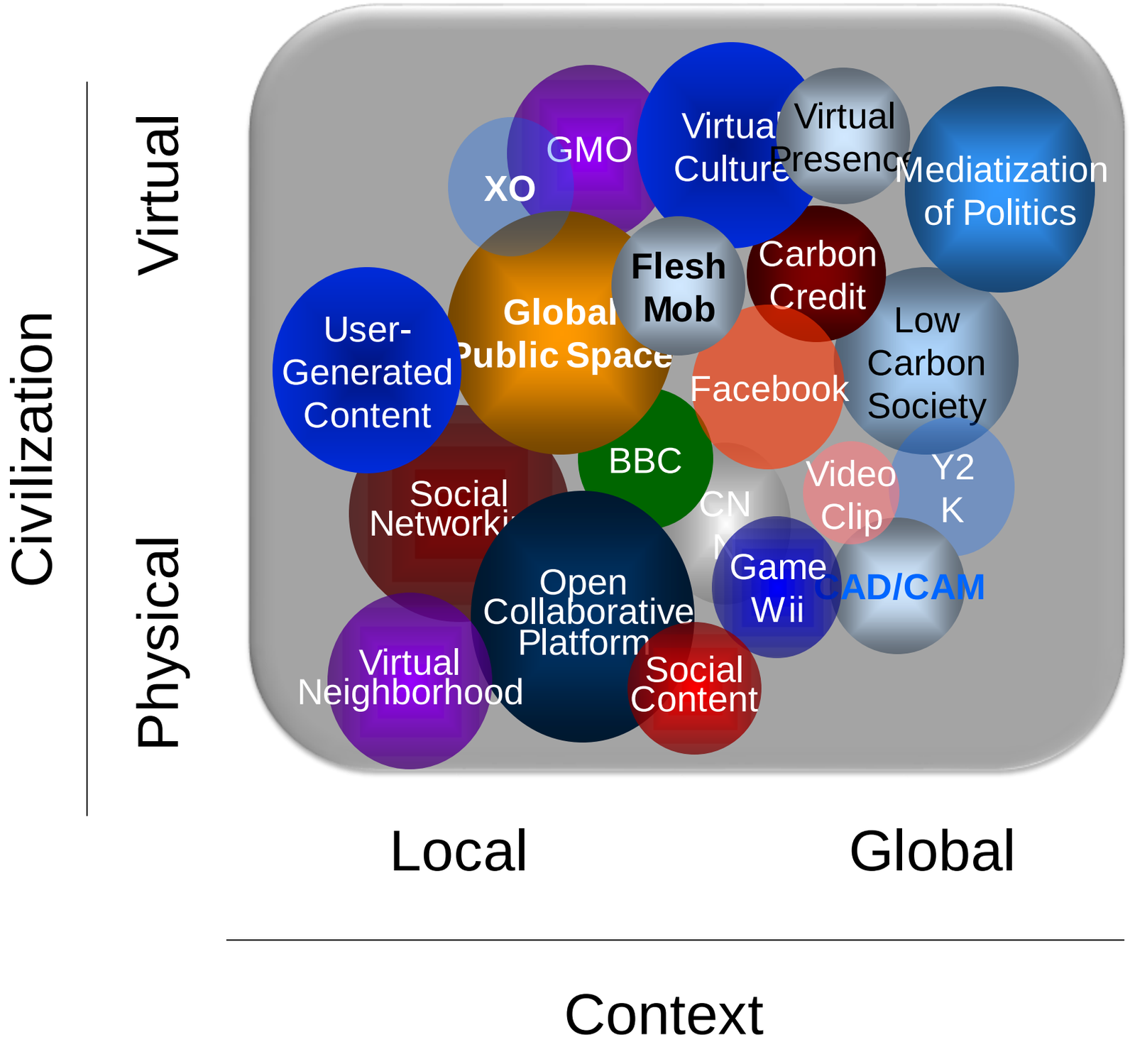
From Social System to Socio-Technical System



- Interactive Platforms
- Operating Systems
- Communication Protocols
- Standard Procedures
- Intellectual Property
- Virtual-Reality

When Patterns are Broken, New Worlds Emerge…

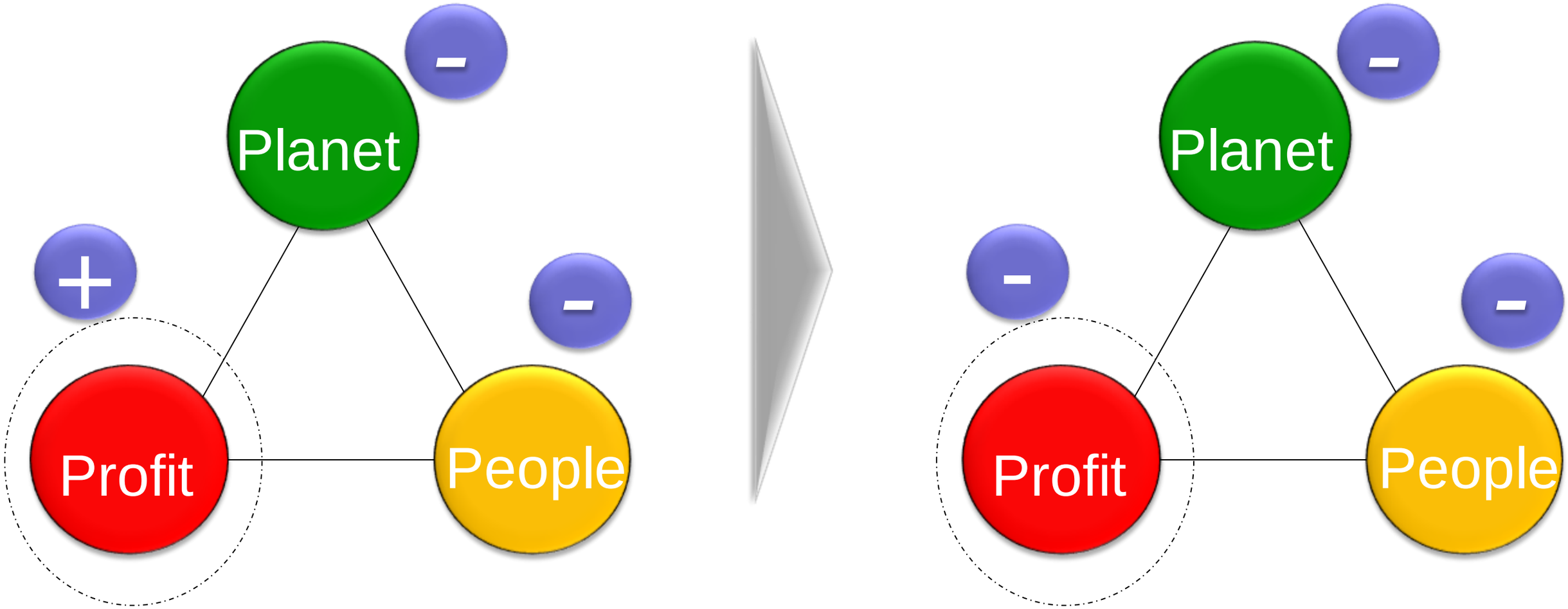
From Physical Humanity to Digital Humanity



- A Quest for New Culture of Living, New Culture of Working as well as New Culture of Learning
- A Quest for the New Forms of Cultural, Political & Social Interaction
- A Quest for the New Modes of Knowledge Formation as well as the New Modes of Production & Consumption

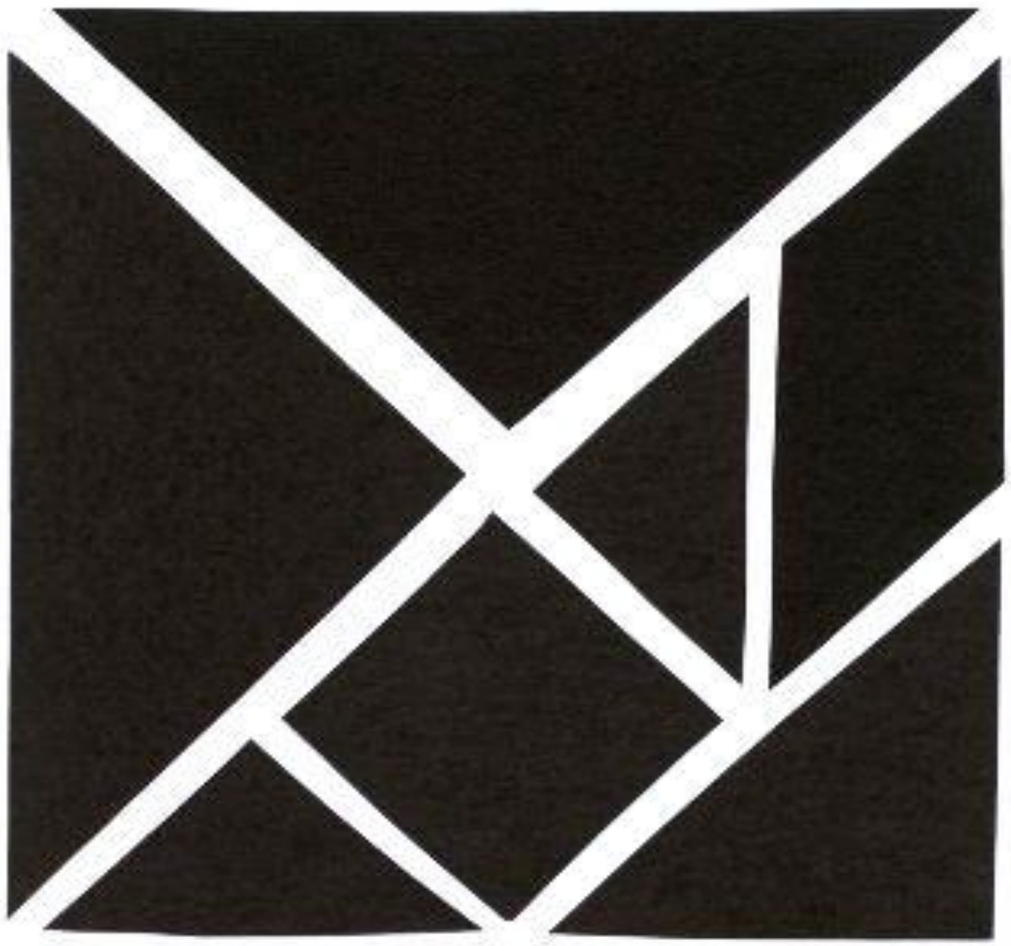
When Patterns are Broken, New Worlds Emerge…

From Zero-Sum Society to Negative Sum Society



When Patterns are Broken, New Worlds Emerge…

From the Age of Abundance to the Age of Constraint



When Patterns are Broken, New Worlds Emerge…

New Ways to Coexist with the Planet

Imagined the Limitless	→	Creative Power of Limits
Perishable, Disposable & Expendable	→	Renewable Reusable Recyclable
Nature as Resource	→	Nature as Source

Sustainism is the New Modernism

New Ways to Deal with People

The Power of Knowledge	→	The Power of Shared Knowledge
You are what you have	→	You are what you share
Rewards Competition	→	Rewards Cooperation
Exclusiveness	→	Inclusiveness
Appropriation	→	Open-Source Exchange

When Patterns are Broken, New Worlds Emerge…

New Ways to Secure Profit

- Scale & Scope
- Control Supply Chain
- Reactive & Risk Averse

- Scarcity & Proportionality
- Engage in Open Collaborative Network
- Small-Win

When Patterns are Broken, New Worlds Emerge…

Current Management Paradigms

Space

- Economies of Scale
- Economies of Scope

Big Vs. Small

Time

- Economies of Speed
- Turbo-capitalism

Fast Vs. Slow

When Patterns are Broken, New Worlds Emerge…

The Paradox in the Paradigm

Paradigm	Paradox
The faster, the better	Time-sickness
The bigger, the better	Over-invest, overcapacity, hyper-competition
The shock therapy	Too many shocks, too little therapy

When Patterns are Broken, New Worlds Emerge…

Paradigm Shift

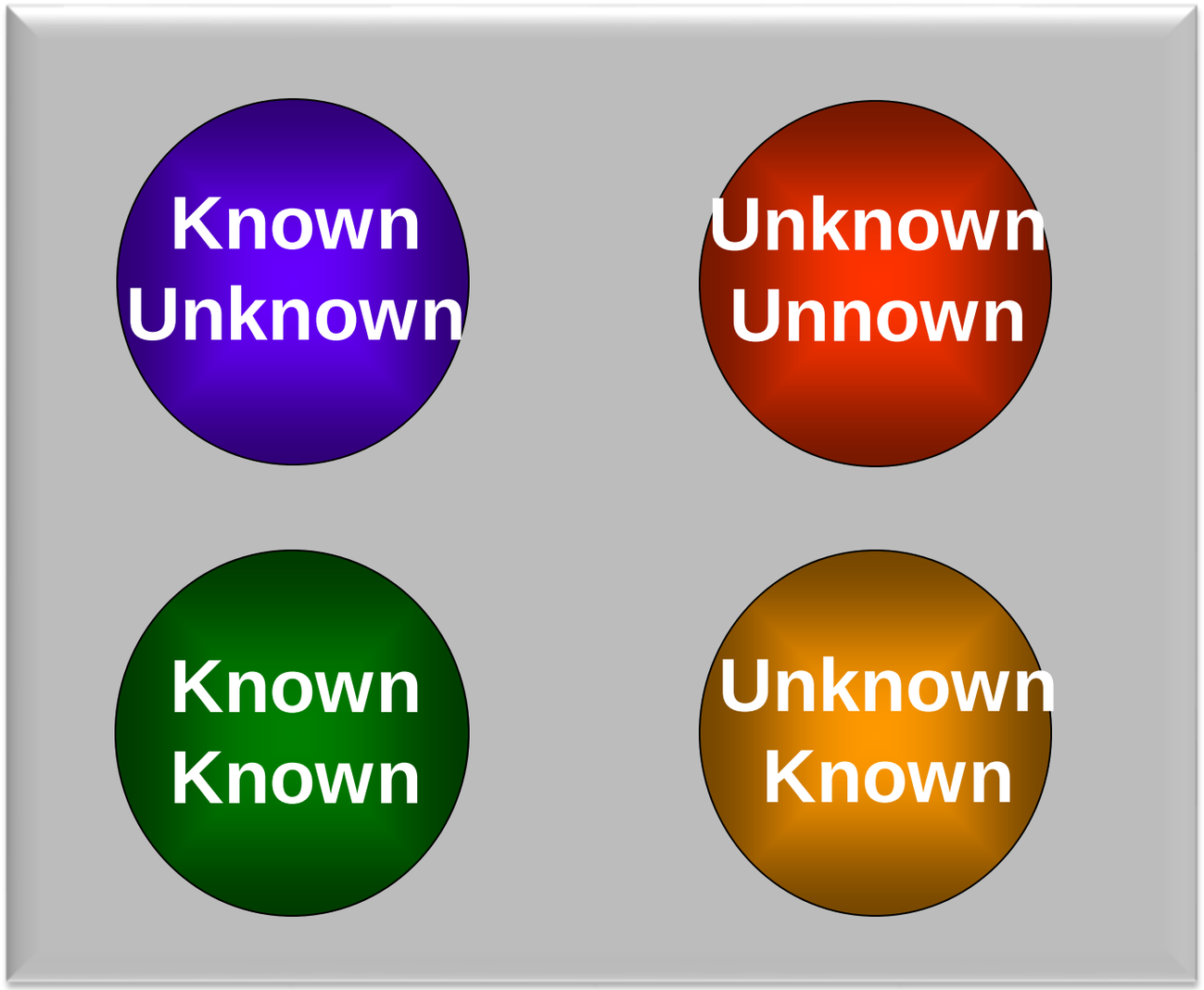
Old Paradigm		New Paradigm
The faster, the better	▶	The better, the faster
The bigger, the better	▶	The smarter, the better
The shock therapy	▶	One Step at a Time

When Patterns are Broken, New Worlds Emerge…

Living in the World of Paradox

When Patterns are Broken, New Worlds Emerge…

The More We Know, The More We Don't Know



"There are known knowns; there are things we know that we know.

There are known unknowns; that is to say, there are things that we now know we don't know.

But there are also unknown unknowns – there are things we do not know we don't know."

United States Secretary of Defense--
Donald Rumsfeld

When Patterns are Broken, New Worlds Emerge…

From Exploitation to Exclusion

Knowing, Certain World

Power & Wealth is executed through **“Exploitation”**

Non-knowing, Uncertain World

Power & Wealth is executed through **“Exclusion”**

When Patterns are Broken, New Worlds Emerge…

9 Major Shifts

Sense of Place	→	Sense of Space
Solid-Phase Locality	→	Liquid-Phase Globality
Separated Worlds	→	Connected World
Social System	→	Socio-Technical System
Physical Humanity	→	Digital Humanity
Age of Abundance	→	Age of Constraint
Zero-Sum Society	→	Negative-Sum Society
Knowing Zone	→	Not-Knowing Zone
Exploitation	→	Exclusion

When Patterns are Broken, New Worlds Emerge…

5 Capabilities for Thriving in the 21st Century

- Conducting **"Strategic interdependence"** in the Connected World

- Managing **"Predictable & Unpredictable Surprises"** in an uncertainty world

- **Relaxing Constraints** by leveraging open collaborative networks

- Dealing with **"True Ambiguity"** by optimizing the seemingly paradoxical issues

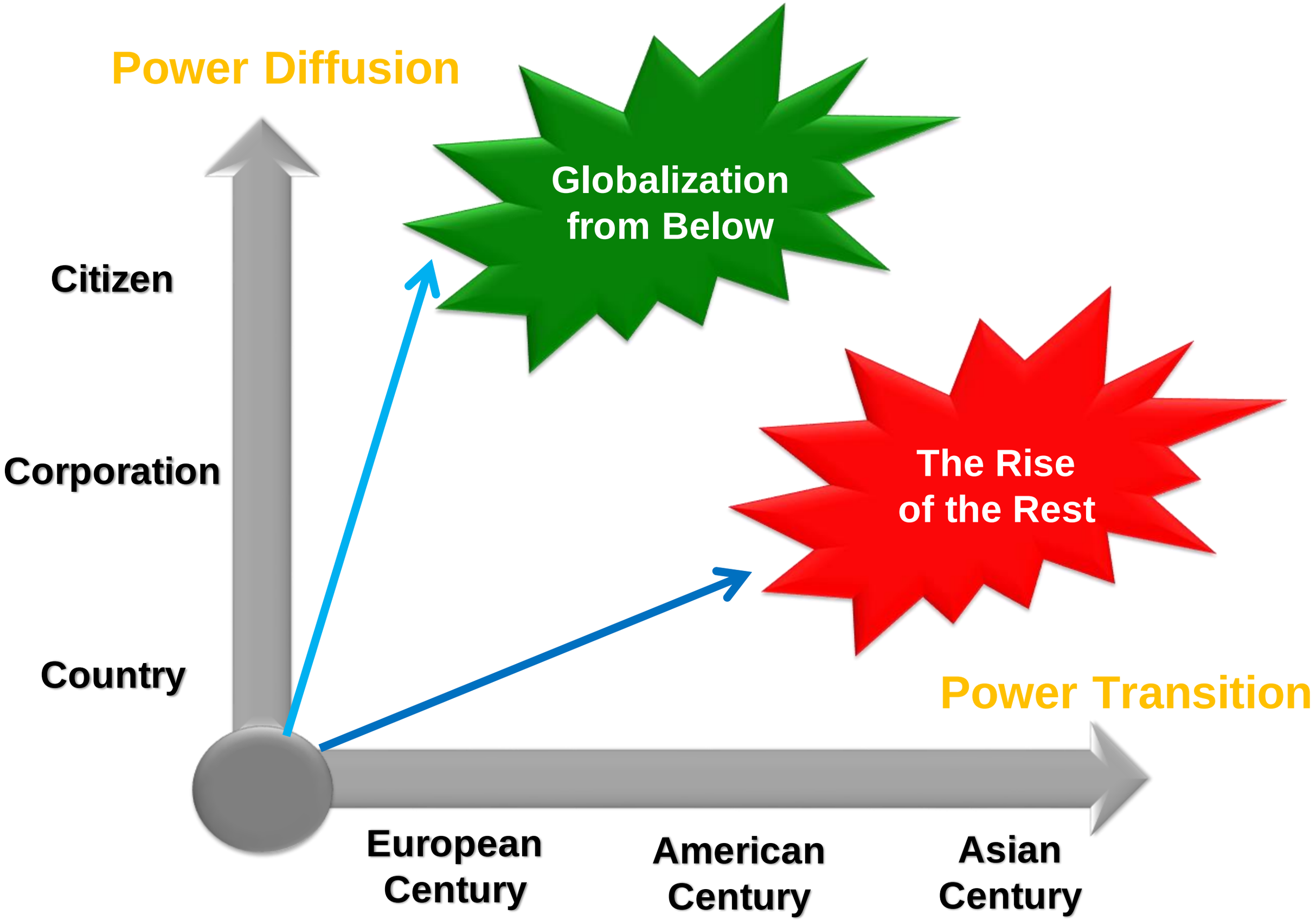
- **Balancing complexity and simplicity** to fight against chaos and disorder

- **When Patterns are Broken, New Worlds Emerge**

- **The New Power Shifts**

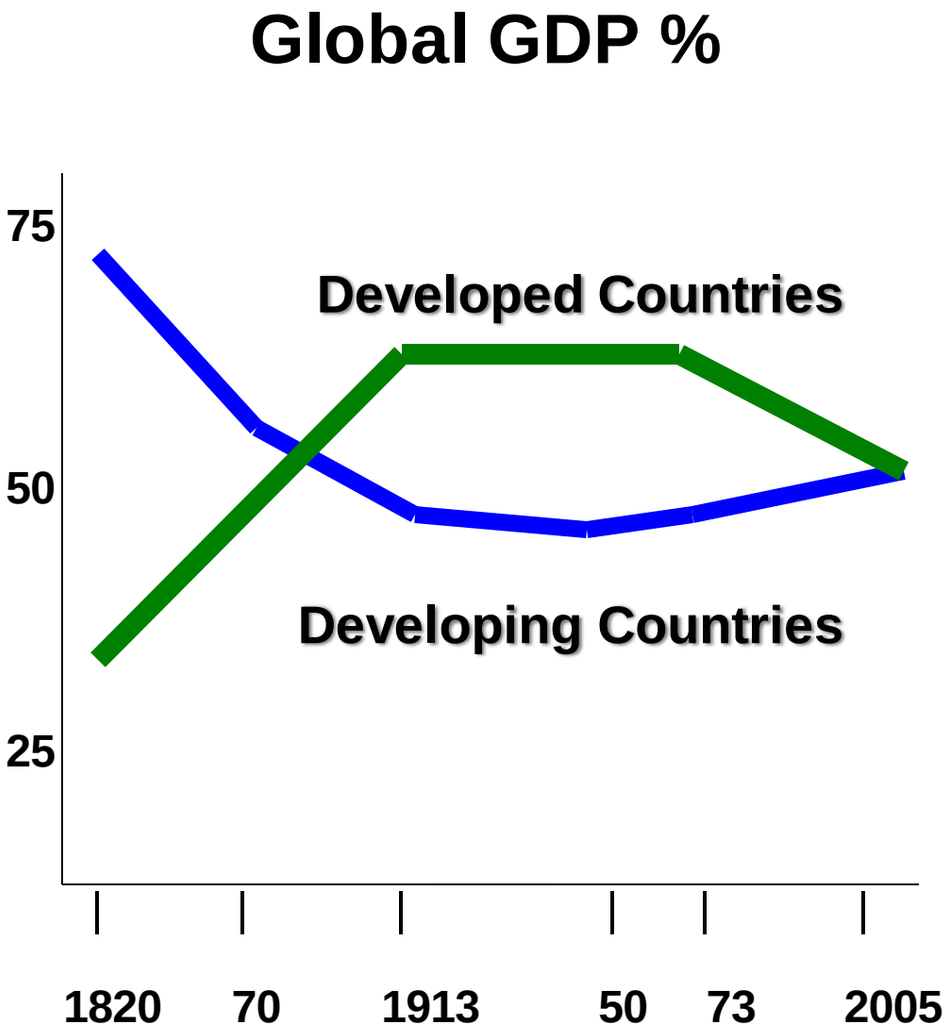
- **A Final Call for Change**

The New Power Shifts

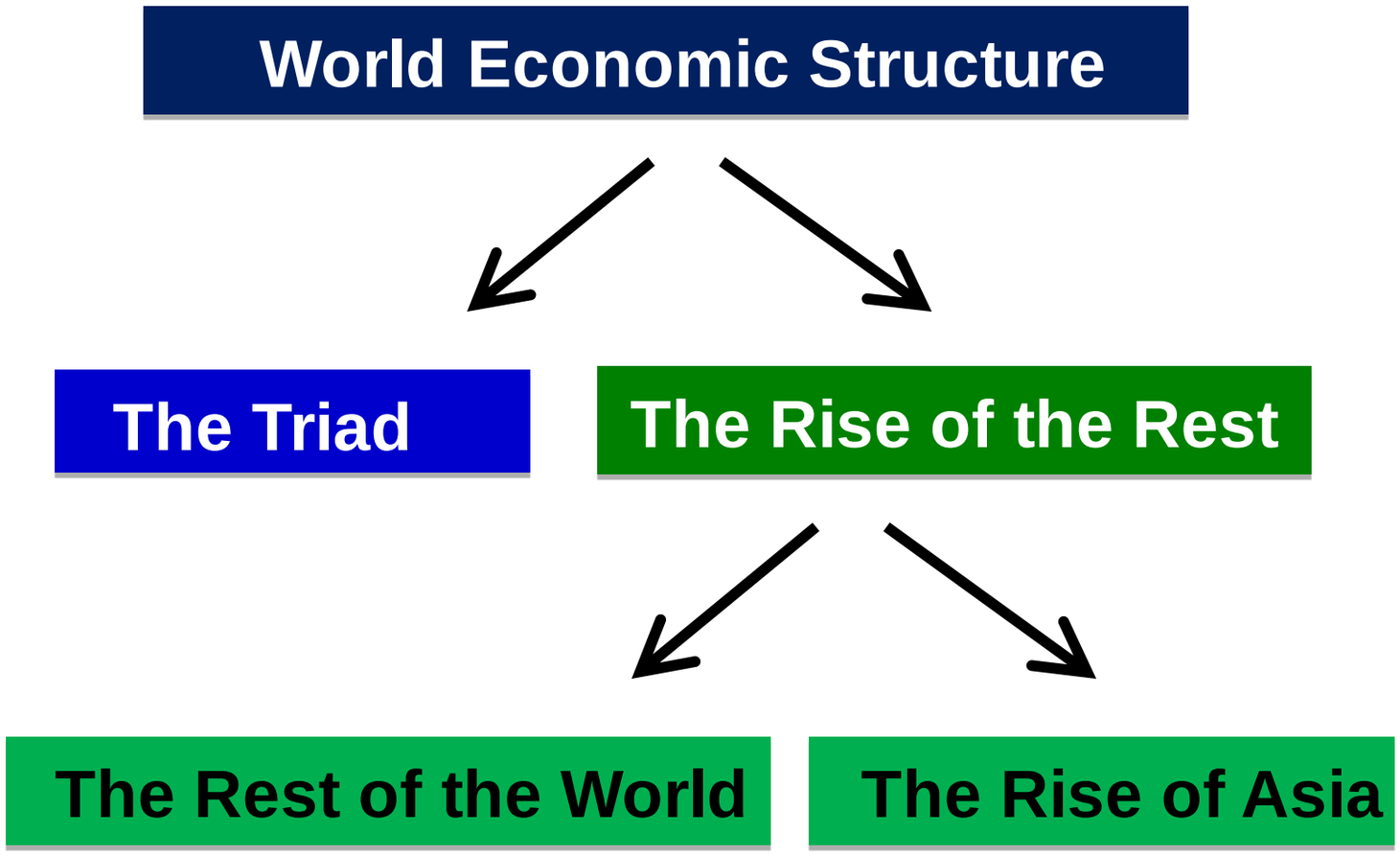


From the American Century to the Asian Century

The Transition of Power



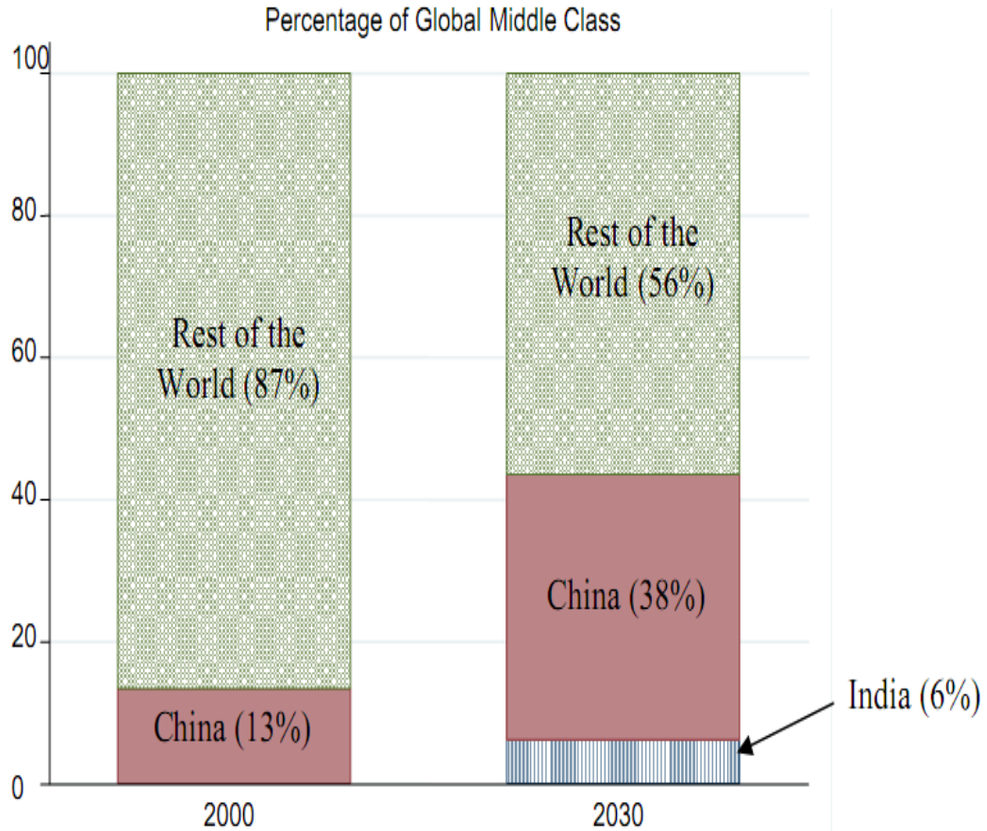
Source: The Economist



The New USA

Kazakhstan
Mongolia
Uzbekistan
Kyrgyzstan
Turkmenistan
Tajikistan
Dem. People's.
Rep. of Korea
China
Afghanistan
Pakistan
Nepal
Bhutan
India
Japan
Laos
Thailand
Philippines
Vietnam
Cambodia
Pacific Islands
Sri Lanka
Malaysia
Maldives
Indonesia
Timor-Leste

The Rise of the Asian Middle Class Sector



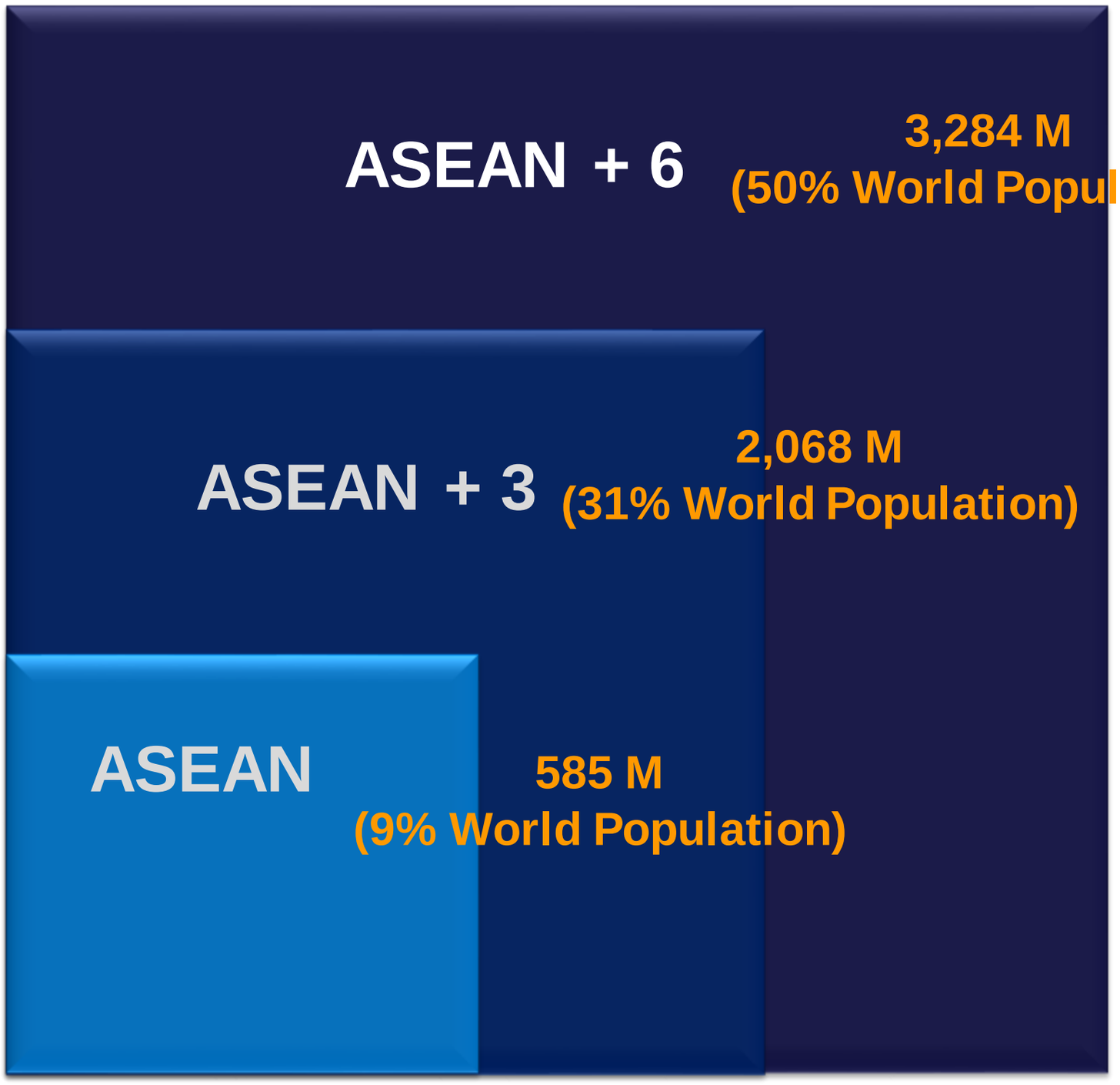
Source: *Bussolo, Maurizio (2007)*

In the year 2000, the middle classes in East Asia and the Pacific region were estimated to be around one sixth of the total global middle class (approx 72 million people or 1.4% of the global population)

In 2030, the World Bank predicts this proportion will rise to nearly half of the total global middle class , approx 600 million people or 8.9%, accounting for 7.7% of global income

World Bank, Australian Government

Regional Economic Integration



The Rise of ASEAN Middle Class

- **ASEAN Middle Class: 156 million people (26% of ASEAN population)**

- **Financial Times expects ASEAN to have middle class population at approximately 300 million people by 2015**

- **By 2030, the number of middle class segment in Indonesia could rise by more than 50 million, in Malaysia by 20 million and in Thailand by more than 25 million**

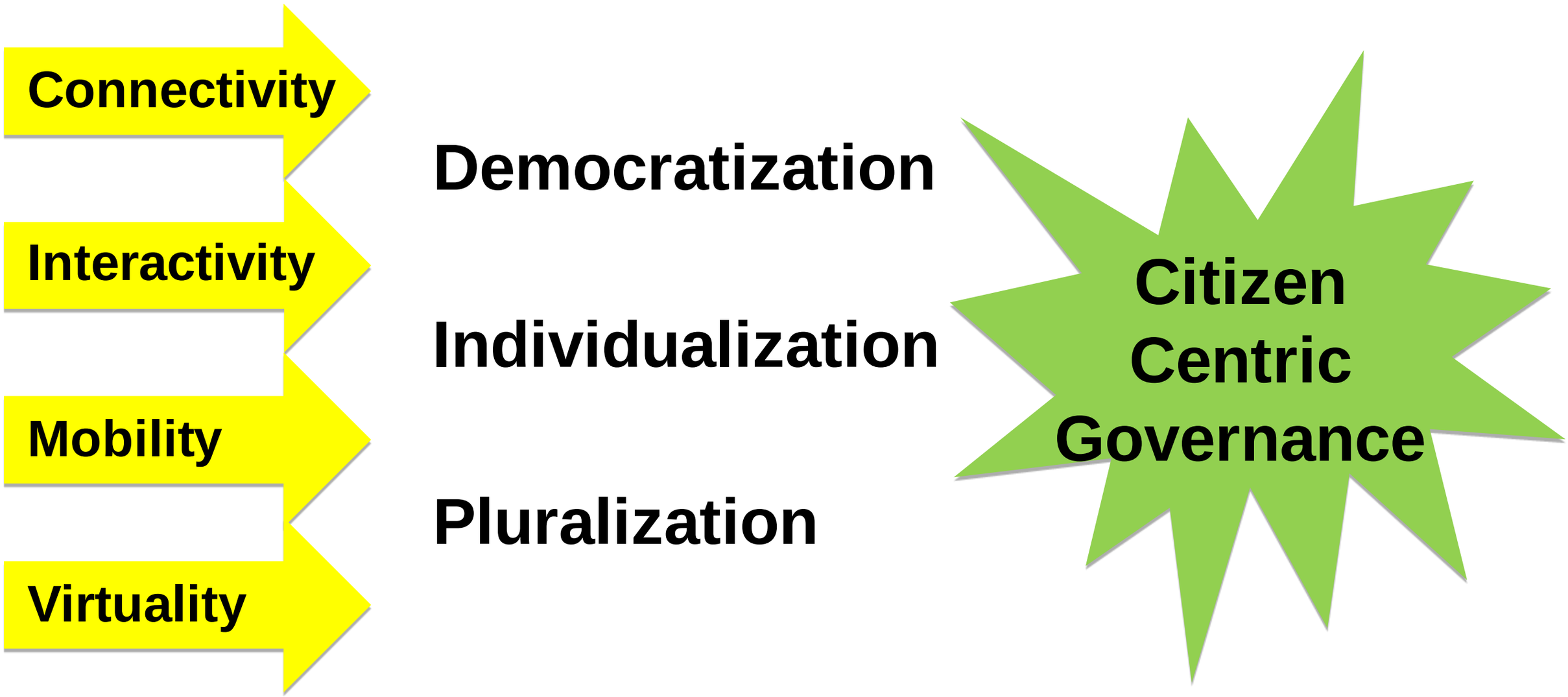
From Vertical Revolution to Horizontal Revolution

Vertical Revolution ⟷ **Horizontal Revolution**

A New Set of Key Players

20th Century		21st Century
• State	→	• Heterogeneous Non-State Actors
• Nation	→	• Transnational Civil Society
• Citizen	→	• Cosmopolitan Individuals
• Society	→	• Communities/ Diasporas

3 Driving Forces Dictate the Citizen-Centric Governance



Democratization

Democratization of Consumption	**From the Top of the Pyramid to the Bottom of the Pyramid**
Democratization of Innovation	**From Intellectual Property to Wisdom of the Crowd**
Democratization of Politics	**From Representative to Participative Democracy**
Democratization of Ownership	**From Private Investors to Citizen Investors**
Democratization of Information	**From Closed Data to Open Data**

Individualization

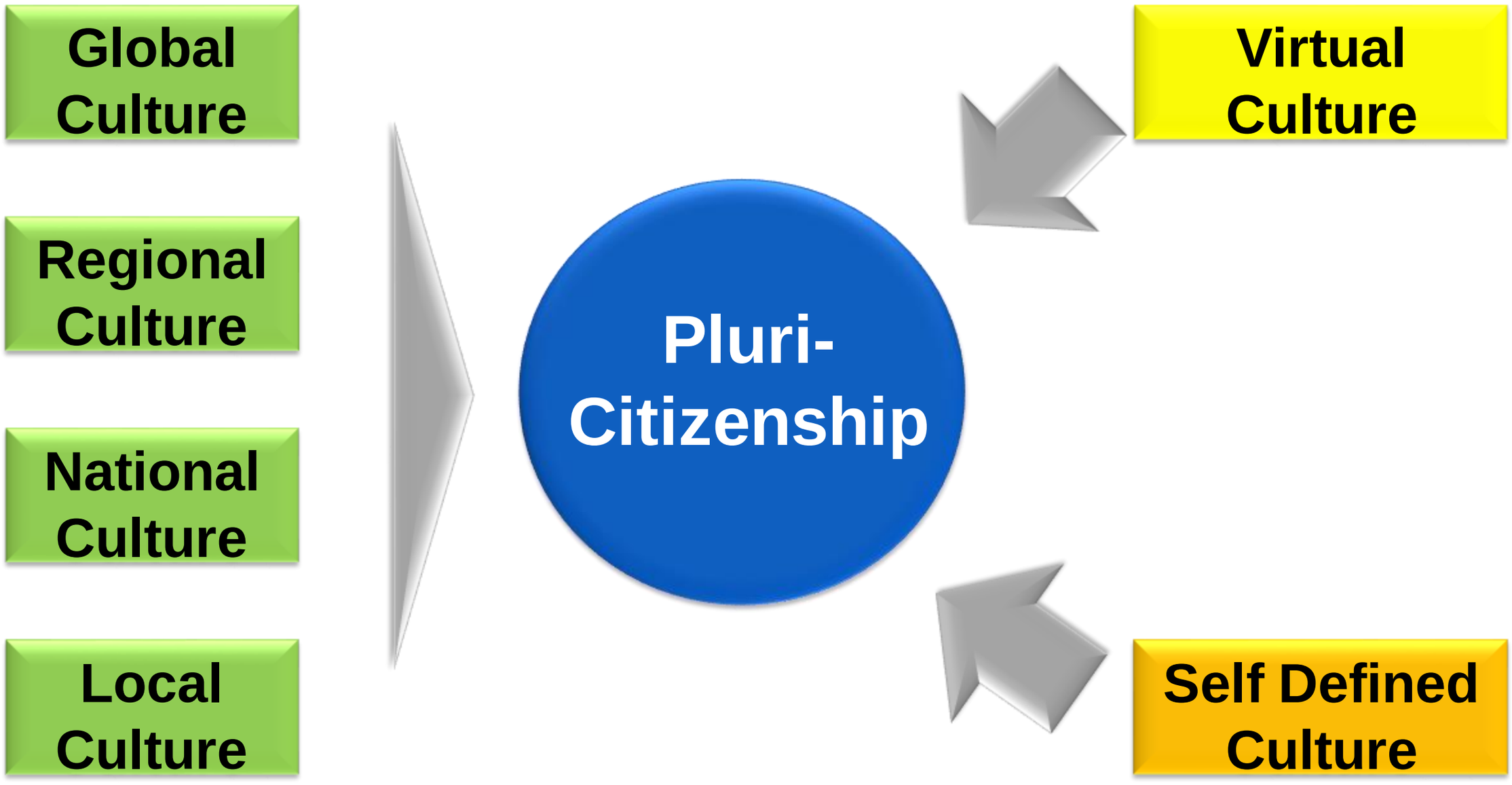
A Self-Defined Culture

- **Technology enables everyone to be an expert**
- **Individuals are becoming authors of their own lives and identities**

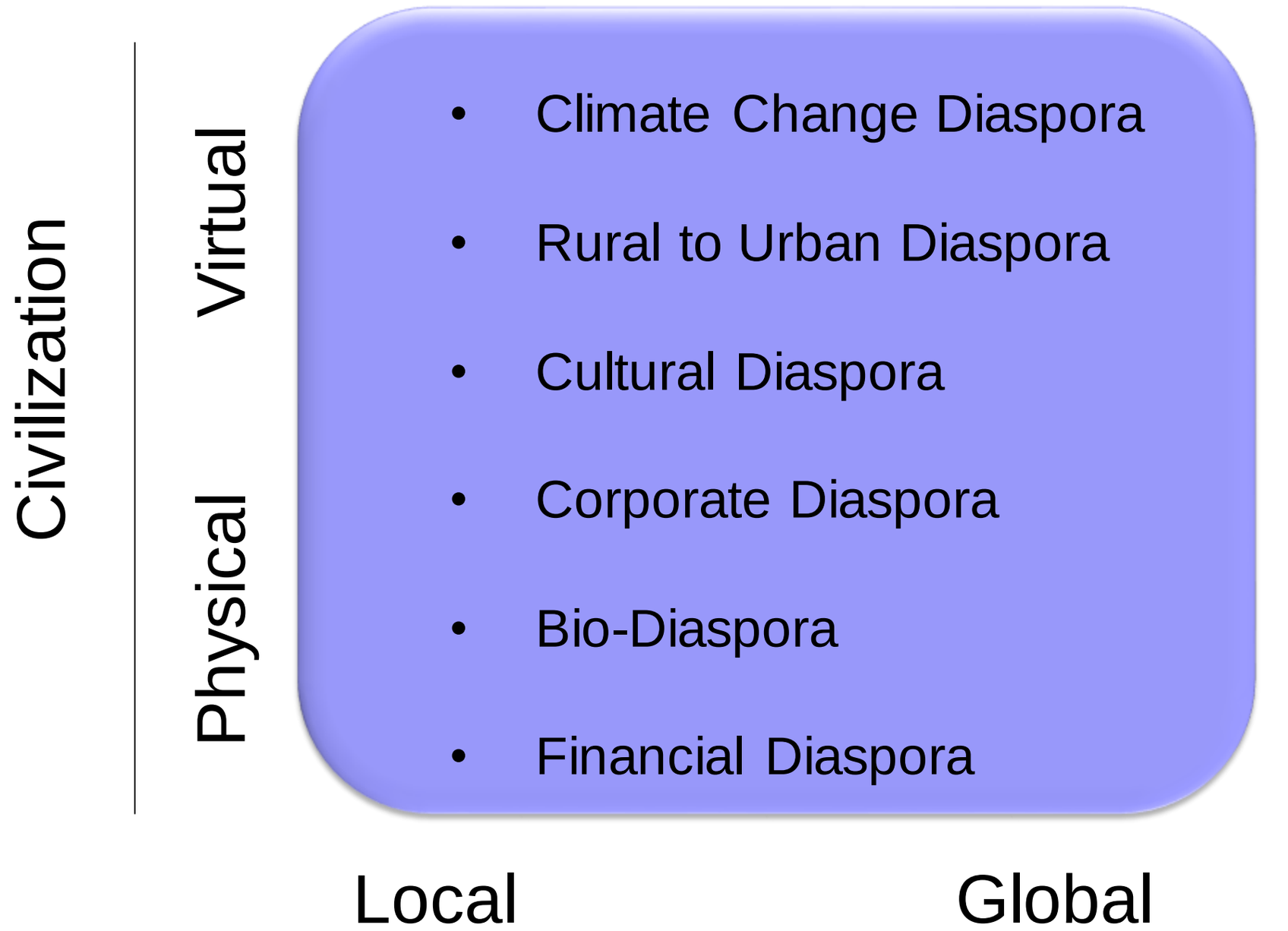
A Conducive Environment

- Know-Oneself
- Control-Oneself
- Care for Oneself
- Recreate Oneself

Pluralization



The Plural Society Has Emerged Reflecting in Various Forms of Diasporas



Source: Bob Johansen, Leaders Make the Future

Bio-Diasporas

groups of people who share biological traits or health conditions. People with similar diseases or illness conditions, for example, form very strong support groups and are very effective users of the Internet, through sites such as **patientslikeme**

Climate Change Diaspora

groups of people who were displaced by weather disruptions and linked by a common tragedy, like the massive Hurricane Katrina Diaspora.

Source: Bob Johansen, Leaders Make the Future

Rural to Urban Diaspora

Over the next decade, this diaspora is likely to be most dramatic in China, India and Africa.

Cultural Diaspora

Examples include offshore Chinese or offshore Indian people in Silicon Valley

Corporate Diaspora

Examples of **Corporate Diaspora** include alumni of McKinsey, IBM, or Apple.

Based on the belief that "You may no longer be an employee, but you can always be a member of the corporate diaspora"

Source: Bob Johansen, Leaders Make the Future

A Shift from Vertical Power Structure to Horizontal Power Structure

Democratization

Individualization

Pluralization

Vertical Power Structure

Self Governing Individual(s)

Horizontal Power Structure

Critical Issues

Forces & Trends

From the American Century
to the Asian Century

From the Corporate Centricity
to the Citizen Centricity

Key Drivers

- **Asianization**
- **Democratization**
- **Individualization**
- **Pluralization**

Prosperity

Security
Stability

Identity
Harmony

The Changing Public Management Landscape

Forces & Trends

- **From the American Century to the Asian Century**

- **From the Corporate Centricity to the Citizen Centricity**

Managerial Implication

- **New Set of Opportunities & Threats**

- **New Set of Public Policies & National Strategies**

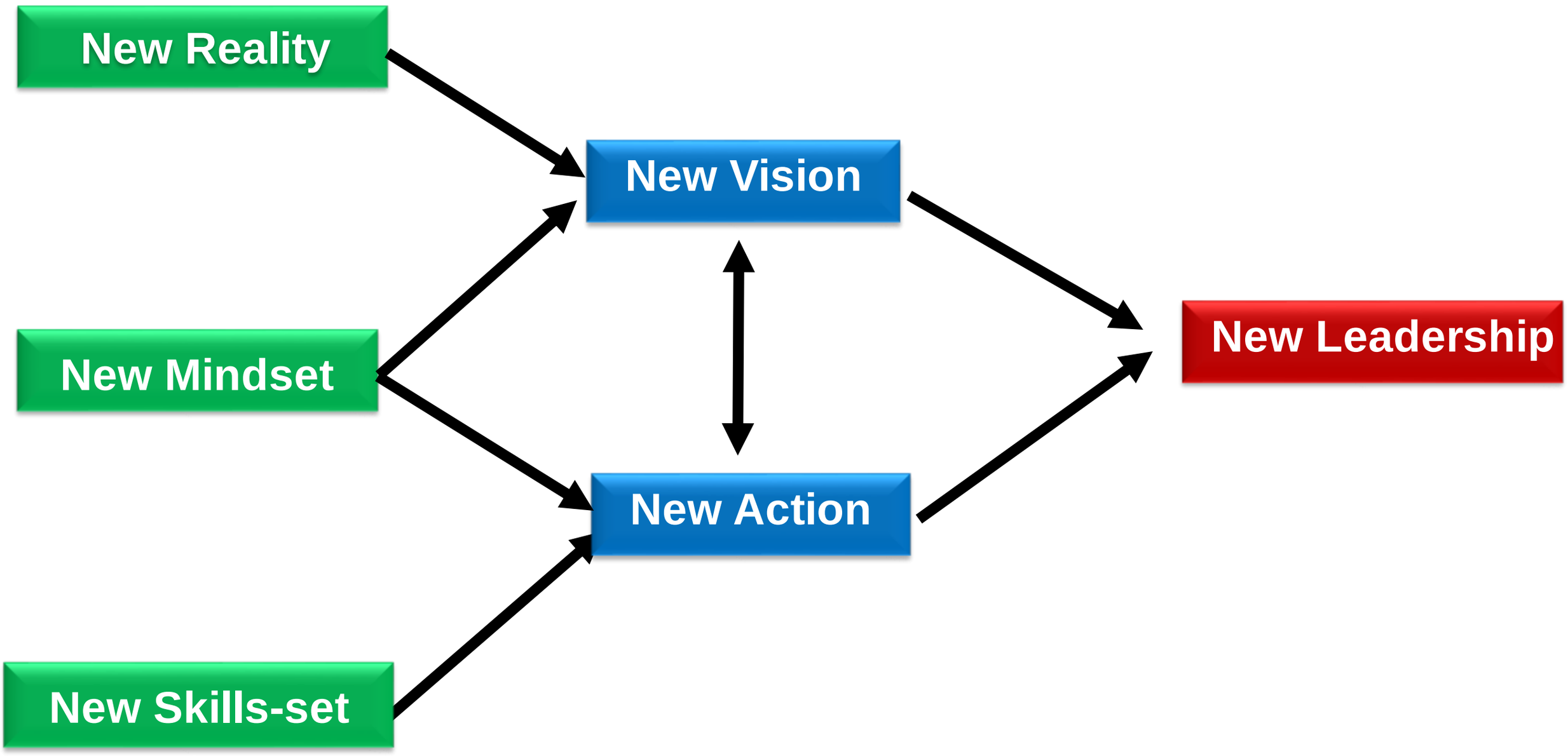
- **New Set of Core Competencies & Collaborative Networks**

- **When Patterns are Broken, New Worlds Emerge**

- **The New Power Shifts**

- **A Final Call for Change**

The New Leadership



The Shift from “People for Growth” to “Growth for People”

Late 20th Century

Investing in Human Capacity

Factor of production

Economic Growth

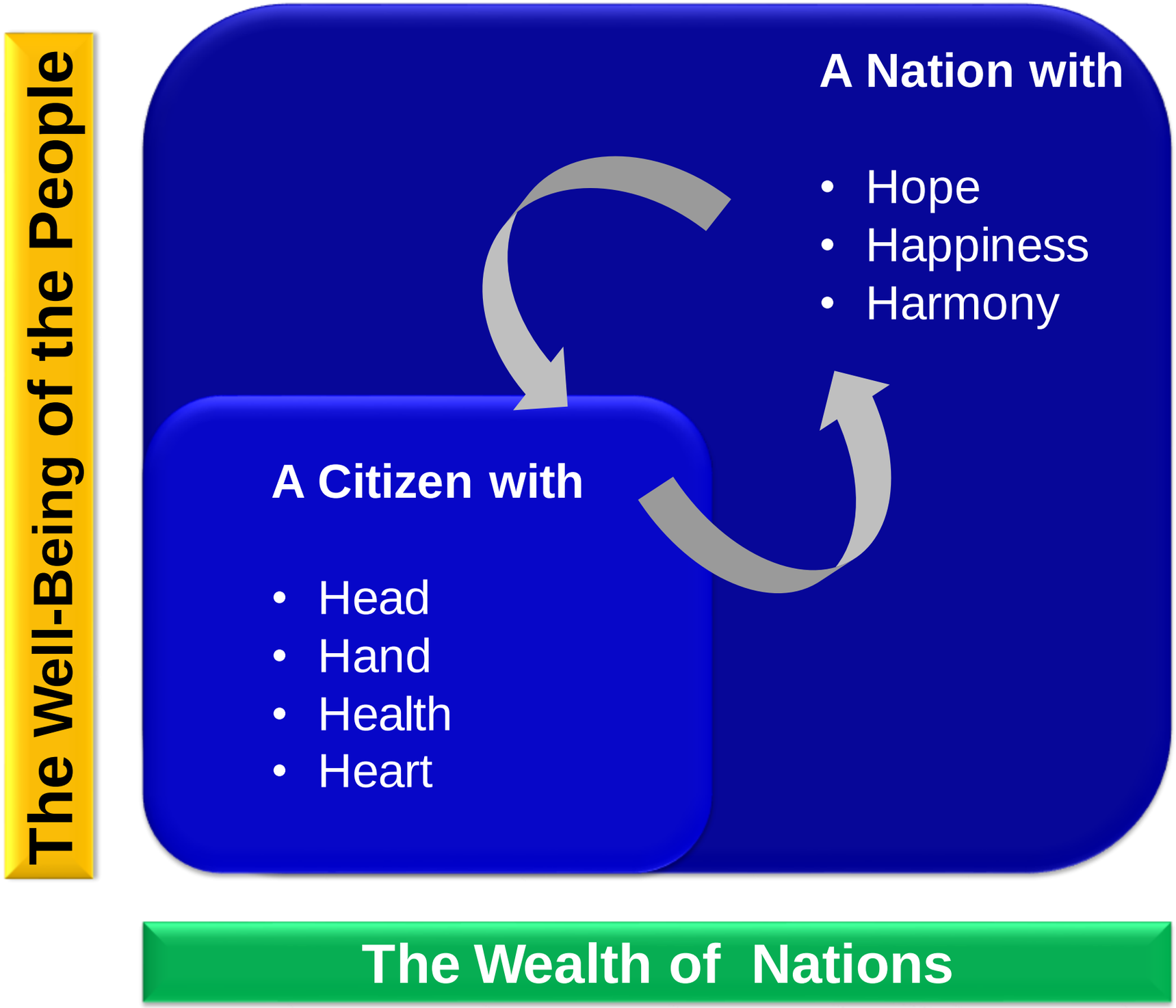
Present Time

Economic Growth

Enabling Environment

Unleashing Human Potential

The Wealth of Nations Redefined



Road Map for Nation's Rebuilding

	Vision	Strategy	Leadership
Conceptual Design	• New Axioms • New Set of Critical Issues • New Definition & Scope of Value Creation	• New Growth Engine • New Development Model • New Investment Model • New Collaborative Model • New Set of Ecosystem - Institutional Framework - Enabling Infrastructure - Open Collaborative Platform - Capacity Building • Structural Transformation	• Collective Leadership • People Empowerment • Soft Power • Renewal Capacity
Mechanism Design			

Every morning in Africa, a gazelle wakes up.
It knows it must run faster than the fastest lion or it will be killed.

Every morning a lion wakes up.
It knows it must outrun the slowest gazelle or it will starve to death.

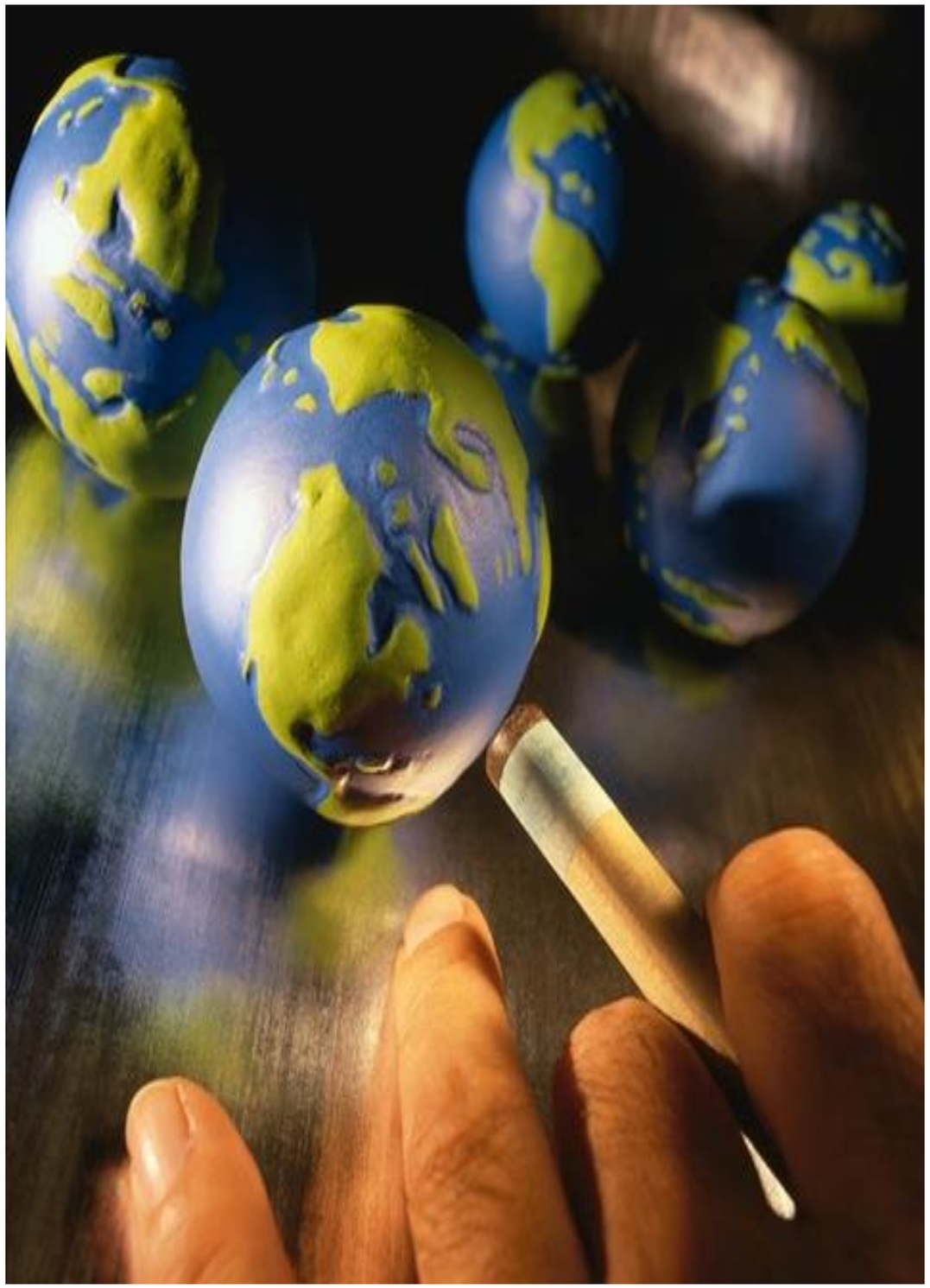
It does not matter whether you are a lion or a gazelle.

When the sun comes up, you better start running.

African Proverb

“If You want to go quickly,
go alone;
if you want to go far,
go together.”

African Proverb



“It is not the strongest of the species that survive,

nor the most intelligent,

but the one most responsive to change.”

Charles Darwin