The Abu Dhabi Economic Vision 2030 is a strategy of grand transition.

The Abu Dhabi Economic Vision 2030 aims to broaden the basis for economic growth and prosperity in the Emirate. It is a roadmap for grand socio-economic transition, facilitating major policy and institutional changes in government investment and operations. Whilst the 2030 Vision will continue to be an important driver of policy change and institutional reform in the Abu Dhabi Government, the actual transformation from strategy to action will present opportunity spaces for forces within and outside government to influence and shape the direction of change. These forces may have positive or negative outcomes depending on how well government departments and agencies recognize and incorporate plans to deal with these contingencies in their implementation plans.

Long term transition requires an ability to adapt to changing external conditions.

In the early 1970s, the Brazilian Government decided on a long term strategy to reduce the country’s dependence on fossil fuels as a primary source of energy, to sugar-derived ethanol. The sharp drop in oil prices and the worldwide rise in the price of sugar in the 1980s necessitated that the Government modify its strategy for energy security and adopt less ambitious targets. The Brazilian Government, however, did not make a U-turn on its strategy, but revised it to adapt to changing conditions.

In a similar vein, while the Abu Dhabi Government endeavours to implement the ‘2030 Vision’, there will inevitably be significant unforeseen socio-economic, political, natural, and other
factors that will both influence and challenge the present strategies for implementation. The ability to adapt requires the capability in government to detect and understand changes as they emerge, as well as an inherent flexibility in budgeting and resource allocation mechanisms. Therefore, along with regular policy evaluation and monitoring, it is essential that internal and external risks be managed efficiently through an agreed ‘common template’ on how to respond to sudden and urgent need changes.

Adaptations come in the form of a response to slowly evolving conditions or as a response to external shocks to the status-quo.

Budgeting is a government activity that often reflects the pulse of policy change so it is a good example of how governments adapt in response to changing conditions. Under ordinary circumstances, when policy change is slow and incremental the accompanying budget tends to be based largely on the previous year’s expenditures, modified on year by year basis to incorporate incremental shifts in policy. The name of the game is “muddling through”, where decisions are based on incremental experience derived from trial and error. But when a shock occurs such as the 2008 global financial crisis, “last year’s” budget rapidly becomes invalid as a basis for determining next year’s allocations and the budgeting process all of a sudden takes on a new rationale based on new parameters, priorities, targets and outcomes. The books are open again and rationale calculations become the name of the game.

Thus, on the road towards achieving the 2030 Vision, participating government departments will have to expect to make adjustments to their strategies and budget allocations in response to sudden or incremental changes in local, regional and global economic and political conditions. A key issue for government departments here is preparedness, which is largely a quality that needs be integral to the structure and the culture of the governance system as a whole.

Adaptations also imply changes in the scope and scale of the policy framework and the institutions supporting the transition process.

The ‘2030 Vision’ has already caused significant changes to the scale and scope of the work of many government departments and agencies. In this respect, the ‘Vision’ has been a driver of change in Government. But as new policy objectives continue to emerge in response to demands from certain groups in the society or as a result of feedback from the 5 years planning cycles (i.e. learning cycles); government departments will be revisiting existing practices and re-focusing strategies. The learning generated from each implementation cycle will be a driver of further scope and scale expansion for various government departments. A critical issue to keep in mind here is that changes in scope and scale do not lead to unnecessary duplication of tasks and missions or the creation of excessive layers of new institutions in the public sector. Changes in scope and scale should come about as a result to a rationalization process rather than as rewards.

Inertia and bureaucratic legacies, however, may slow down or undermine adaptation processes and transition.

Bureaucracies are arguably the ultimate
shapers of political change. They are the carriers of legacies, the preservers of national styles of governance, the reservoirs of policy learning, and most importantly, the proliferators of risk minimizing templates. They can therefore exert great inertia on the change process. A case in point is the 2000 European Union (EU) Lisbon Strategy (Agenda) aimed at transforming the EU into the world’s most competitive region by 2010, which failed to achieve this target. Its failure was largely due to not having planned for the significant differences in approach among the bureaucracies of its 27 member states, to making local reforms to achieve this goal. Implementing policy changes in the EU in a consistent fashion proved difficult because directives from Brussels were being interpreted and administered through a myriad of pre-existing bureaucratic legacies and traditions. This is not to suggest that bureaucracies are necessarily a negative force for change, especially in matters involving significant technical expertise and high levels of risk, such as with health and safety issues, where their job is to minimize potential risks to the public. Ideally, the bureaucracy should be a partner in the transformation process right from the beginning with clear mandates for action so as to minimize confusion and redundancies in the latter stages of the process.

What is needed is a governance structure and a public service culture that encourage agility and broad participation

Three critical public sector capabilities are required for the 2030 Vision to succeed

Strategic insight is about the exercise of judicious governance based on a strategically informed appreciation of the situational context in which change is seen and managed through a wider lens. This capability requires government departments to have structures and personnel with the ability to gather, analyze and utilize relevant intelligence for planning, objective setting, and prioritization purposes. Without such a capability, organizations may quickly find themselves partly or wholly redundant in the face of rapid change and their leadership ill-prepared to reconfigure the business because thinking is rigidly focused and trapped within an obsolete mindset.

While strategic insights help government departments chart the way forward, ‘collective commitment’ is the key for actually moving ahead.

The goals for the ‘2030 Vision’ require joint action by stakeholders within and beyond government. Internally, no individual agency has the capacity to undertake all the overlapping policy reforms required to achieve the high level outcomes called for in the plan. Beyond government, the collective buy-in of communities and private sector stakeholders’ must be won for the plan to be achieved (see Table 1). The reason being that the public’s

interest in and demand for participation in the setting of policies that affect their lives is growing and 2. the private sector is typically driven more by economic necessities than by the edicts of government, which implies a potential misalignment of incentives. Bringing together key internal and external stakeholders around a shared vision of the purpose and scope of the change is essential for moving ahead. Achieving agreement and commitment to a common agenda provides a framework and starting point for identifying the actions needed to bring a vision to fruition. Government departments are typically structured to be singularly accountable for a discrete set out of outcomes. Moving beyond the narrow thinking that can come to dominate within single department or stakeholder spheres, makes it easier to see other courses of action and to engage with external partners who may think differently, but who have ideas or resources that could be used to help in the transition process.

It is equally important that government departments are structured to re-allocate resources quickly to wherever they are needed most. Strategic insight and collective commitment help to overcome the tunnel-vision that prevents new solutions from being seen and resources from being shifted away. However, public sector agencies may also be constrained in adapting to change by a lack of resource fluidity. In a public sector context where accountability is paramount, resources can sometimes be highly purpose-specific (for example, only for the purchase of tractors for farmers) and committed for long periods of time (e.g. 10 years) so that they cannot be re-committed to newly emerging conditions (for example, irrigation works to save farms in the face of drought conditions). When resources are assigned in a more fluid way, a greater balance between accountability and stability, and agility and response-ability, can be achieved.

### The 2030 Vision: A Vehicle towards a New Mode of Governance and Organizational Values across Government

The Abu Dhabi Government has launched the 2030 Vision as a road map for socio-economic transformation towards a more knowledge-driven economy.

To this end, new tasks and responsibilities have been delegated to existing departments, and new government agencies, centers, committees and councils created to serve other new functions. The General Secretariat of the Executive Council (GSEC) has been tasked with

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1. Examples of Instruments for Positive Adaptation

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of this early stage of change settling, there is a growing sense of clarity in terms of organizational boundaries, missions and roles. Nevertheless, Abu Dhabi remains in a ‘trial and error’ learning phase insofar as new government departments are concerned and it will take some time before they achieve stability and operational excellence.

**But to be successful in the long run, it still needs to deal with the challenge of organizational values.**

These guide the behavior and performance of government workers and it is important that they align not only with the purpose and mission of each organization but those of the 2030 Vision. There is a pressing need to shift beyond the old value system driven by hierarchy and its culture of pleasing a single boss and working towards narrow departmental goals, to a new value system aligned to the 2030 Vision and the achievement of cross-agency outcomes in partnership.

**This requires an urgent shift in governance model, evaluation, and incentives and rewards systems.**

Moving from a command and control governance structure to participatory governance that seeks to influence and deliver in partnerships, entails moving from vertical to more horizontal governance networks, where government (e.g. GSEC) acts as a central facilitating node among a wide network of partnerships.

**The capacity for strategic insight and building collective commitment must be nurtured.**

The unprecedented nature and scope of the 2030 Vision means there may be few senior managers with the experience necessary to have developed the strategic agility typically needed to successfully lead such large scale change initiatives, or collaborated with other departments to achieve common goals. An ongoing human capital development strategy needs to be rolled out alongside other reforms, to nurture these necessary leadership skills and talents among the senior managers whose leadership style and example will set the tone and culture and ultimately, the behavior of their organizations.

**Performance evaluation of individuals and departmental units and individual agencies needs less focus on outputs and more on outcomes.**

This entails reducing the emphasis on quantity of outputs and more on quality of outcomes, as well as less credit for individual agency performance and greater recognition for collaborative effort to achieve outcomes that are aligned with the overall 2030 vision.

**At the level of the individual staff, there is a need for a shift in the reward and incentive system.**

Particularly, there is a need to move away from a hierarchy based evaluation system that is largely driven by line manager-satisfaction (i.e. the boss) to a 360° driven performance evaluation system that is that takes user-satisfaction as it’s central proxy for success. This should help bring about a culture that emphasizes collaboration and the integration of the expertise of the many, rather than merely emphasizing “super” expertise of individual staff members.
About the Authors

Dr. Sami Mahroum
Academic and Executive Director, INSEAD Innovation and Policy Initiative
Dr. Sami Mahroum has a PhD in the Social Studies of Innovation from the German Armed Forces University in Hamburg, and a MSc in Science and Technology Dynamics from the University of Amsterdam.

Dr. Yves L. Doz
Professor of Strategic Management, Executive Education Program Director, Managing Partnerships and Strategic Alliances
Yves Doz is the Solvay Chaired Professor of Technological Innovation at INSEAD and Visiting Professor at Alto University (formerly Helsinki School of Economics). Yves Doz received his Doctoral degree from

Dr. Allen Gomes
Specialist in Social health and economic policy research, Leadership and management coaching
Allen Gomes has a PhD in Psychology and an MSc of Clinical and Health Psychology from Curtin University of Technology, Western Australia.

Prodyumna Goutam
Research Associate, INSEAD Innovation and Policy Initiative
Prodyumna spent two years in the doctoral program in economics at the University of California, Davis specializing in Industrial Organization and Applied Econometrics.

The Abu Dhabi Center for Economic Knowledge is an entity of the Department of Economic Development. Our mission is to create and disseminate valued knowledge by leveraging thought leaders and strategic partners with an aim to inform decision makers and contribute to Abu Dhabi’s sustainable economic prosperity.