# Governing in turbulent times: how to redesign the ‘strategy stack’ for the late 2020s

**Briefing note, Geoff Mulgan, TIAL, March 2026**

**National governments are struggling to be strategic in the often-turbulent environment of the late 2020s – with many trapped in short-termism, reacting to events rather than making the weather. A significant proportion have structural imbalances in their central teams – with many working on communications or performance management/delivery but far fewer working on strategy or imaginative policy design. This paper looks at current and past examples of strategy teams in governments and proposes designs for future ones that can combine intelligence, speed and relevance.**

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# Summary

**This paper looks at the methods and processes used by strategy teams in governments across the world, prompted by recent work with governments in very big, medium and small countries. It describes why strategic capacity is needed, particularly in an era of complex, connected crises; some of the key elements needed in strategy teams; the newer tools that can be used, including uses of AI; and some of the dilemmas (from links to fiscal decision-making to time horizons).**

**One of the biggest risks for governments in the late 2020s is to live in an eternal present, constantly responding to every event. Yet to survive in the present requires also aiming at the future.**

**The challenge of responding to AI strategically (from trade and industry policy to regulation, procurement and R&D to skills) is just one particularly important current example that shows how depleted many governments' strategy capability has become. Most simply lack any teams with the capability to think strategically about AI and there is a growing asymmetry with the resources deployed by the big commercial players.**

**The paper therefore describes how strategy teams could be better organised including lighter variants which may be more practical in some contexts, particularly where political time horizons are short. It points to the value of a 'strategy stack' as an organising principle that can maximise intelligence and agility.**

# 1.Why bother with strategy?

All countries now face multiple complex challenges: technology, trade, defense, growth, equity, demography, against a background of an unpredictable geopolitical environment, disruptive social media and public distrust. The priorities vary greatly but all governments need ways to align short, medium and long-term decisions if they are not to be driven by events rather than making the weather.

This requires capabilities inside and outside government to help busy ministers and officials avoid poor decisions. This is the heart of the strategy function, often orchestrated around a unit or team close to the centre of government power. Its task is to help a government and a society act effectively over multiple time horizons – from immediate threats and shocks to long-term priorities.

Some of the tasks will come from politics and electorates – achieving promises. Some will come from events. Some will come from awareness of new challenges. But the role of a strategy function is to help achieve four related goals that are essential to successful government:

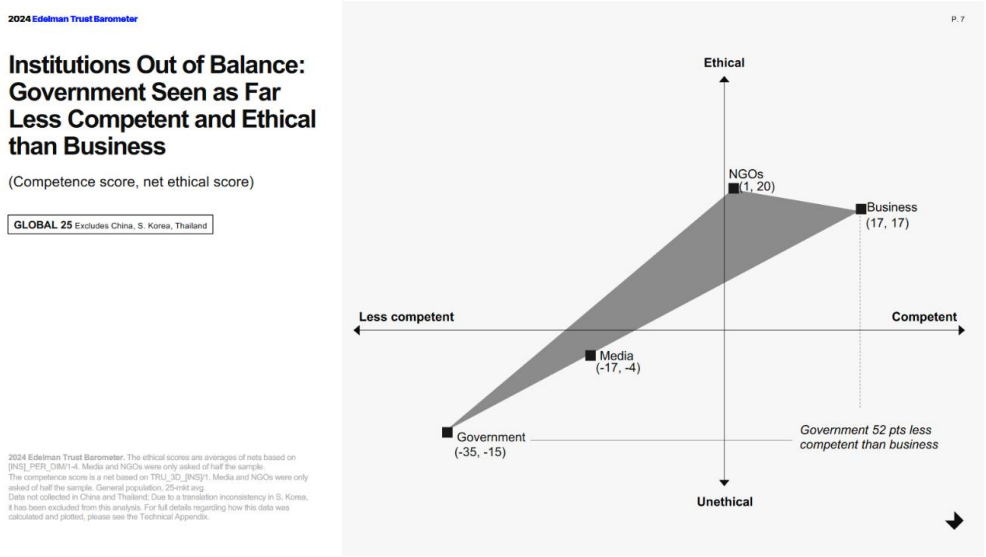
- Clear direction and priorities
- Future readiness
- Problem-solving
- Coherence across government


However, since the financial crisis of 2007/8 the time horizons of many democracies have shrunk. Tactics have tended to replace strategy.

Economic growth has stagnated in many countries and there has been more political instability. A fast-moving social media environment has forced attention onto very short-term issues. All of these factors have reduced governments' ability to think and act strategically.

Yet in every society many of the most important tasks are by their nature long-term: planning for demographic change in an era of 100 year lives; climate change; mobilising science; education; public health; infrastructure. This is why strategy teams are so essential.

The steady weakening of strategic ability is one of the many reasons why governments are increasingly seen as neither very competent nor very ethical, as summarised in this survey by Edelman:




Citizens are entitled to hope that governments can cope with short, medium *and* long-term tasks. After all many businesses take a very long view, particularly ones in fields like oil and mining, pharmaceuticals and technology and much work in science is very long-term in nature.

But strategic capability also becomes even more vital in an era of overlapping and connected crises – economic, ecological, political and military. Each crisis may be distinct in its character, but often they

influence each other (as war in Ukraine effected energy prices which in turn had a big impact on politics), and the more crises there are, the more they weaken resilience, threatening snaps and tipping points and at worst collapses.

But how should governments do strategy in practice? As I show, in order to do their work well, strategy teams need a repertoire of methods and a quick ability to assemble knowledge, people and expertise, with a range of options for very different tasks, from the highly political to the highly technical, the fast to the slow.

Good strategy, however it's developed, then provides a guide to the other functions of government, including:

- Communications
- Performance management/delivery
- Finance
- Legislation
- Structures and institutional forms
- Preparation for emergencies

Governments go adrift if any of these become too strong, the tail wagging the dog. Yet this is quite common. In some governments the communication function becomes dominant, which can lead to over-reaction to events and a loss of clear purpose and direction. Some become over-dependent on polling (governments can be steered by polls but should never be led by them).

In others, delivery teams are established without adequate teams working on policy and strategy – which can lead to intensive measurement and management of the implementation of flawed policies. This may make sense for leaders who only expect to be on power for a year or two, but not for others (and no large business would have a strong marketing or

performance management function without an equally strong strategy, R&D or product development function, and many businesses have gone in an opposite direction with some of the world's most successful companies now spending 20-30% of turnover on R&D, one cause of the widening gulf between business and government capabilities).

## 2. Examples of strategy teams

There are many examples of strategy teams around the world. India's Niti Aayog is one of the most developed, succeeding the earlier Planning Commission. Others include the 'Haut-commissariat à la Stratégie et au Plan' in France; Singapore's Centre for Strategic Futures; Spain's National Office of Foresight & Strategy; and Brazil's 'Ministry of Planning, Budget, and Management'.


Others can be found inside Chancelleries and Prime Minister's offices, or in central structures like the State Council and NDRC (China). The US is an exception that has always had strong strategy capability for international policy (NSC etc) but usually weak cross-cutting capability for domestic policy in the executive. Singapore's central teams are probably the most embedded and systematic, with a long history of serious engagement by senior ministers and officials.

In some cases, important strategic advisory functions sit at arms-length from government – SITRA in Finland; Ireland's National Economic and Social Council; and Policy Horizons Canada are all examples.

Some structures persist for many decades, but others thrive for a time and then are dismantled when a political new leadership takes over. An example in the mid-2010s was the EU's European Political Strategy Centre which did important work on topics ranging from the refugee crisis to innovation. But it was not retained when Ursula von der Leyen became President of the European Commission.

The UK's Prime Minister's Strategy Unit (PMSU), which I ran for its first few years, lasted for a decade (2000-2010) until a new government chose to disband it. It became quite large (150 at its peak, about half civil servants and half secondees from consultancy, business, academia and civil society). It worked on commission to the PM and Cabinet Ministers, and with a wide range of types of project, including a high proportion of policy projects which went through Cabinet for implementation. Other projects were more speculative (eg on social mobility or resource productivity) and some were secret (eg nuclear proliferation, drugs). Detailed methods were set out in a 200 page 'Strategy Survival Guide' published by the Cabinet Office. Departments were encouraged to set up their own strategy teams and to develop their own strategic plans.

Oversight of PMSU came through a committee made up of the most senior officials and political advisers in No 10 and Treasury. Periodic 'Strategic Audits' were designed to help government take stock of its direction and future priorities, including analysis of how different parts of the population were faring and anonymised interviews with all Cabinet ministers and senior officials to identify key challenges and future priorities. Senior outside figures were brought into oversee projects, including John Birt, former DG of the BBC, and Adair Turner, former head of the business association, the CBI. The Unit then worked alongside an ecosystem of other bodies including a Delivery Unit and various teams responsible for digital, policy planning in the foreign office and a strong policy capability in Treasury.

# 3. Essentials and desirables

Strategy functions need to be useful and seen as useful, particularly by the political leaders who they serve. They typically require some of the following elements (though bringing all of these together is usually hard):

i. **A structural position that links to political power** – direct accountability to a President or Prime Minister, but some removal from everyday issues and events, with this reflected in commissioning principles (eg 50/50 division between commissions from a PM and ministers) and sometimes close involvement of a finance ministry/Treasury.

ii. **A wide mix of people combining experience from many fields, expertise, analysis, street-wise skills and a feel for politics -** usually mixing civil servants (from permanent to very temporary, who know how to navigate the system) and outsiders (again permanent to temporary, from business, academia, consultancy, civil society), and wider circles of associates and contributors.

iii. **A repertoire of project types -** from quick responsive work to complex design tasks including budgets and implementation plans; foresight/scans; simulations; thorough strategy exercises, from very public to very private. There also needs to be the right mix of project based and synthetic work (Strategic Audits, reviews, national plans etc).

iv. **A repertoire of methods and networks** – a wide range of analytic and design methods to suit the tasks, increasingly supported by AI

to do quick scans, evidence synthesis, modelling, red teaming, all supported by networks of contributors, advisers, collective intelligence methods, including global bodies like OECD. Some will be very technical. Others will feed into big national conversations about crucial long-term choices.

v. **Good methods for embedding diagnosis and prescription** - effective methods for absorption by principals, both political and civil service (awaydays, in-depth sessions, taking through Cabinet for decision). Without these, strategic analyses risk having little impact.

vi. **End to end approaches** – some try to ensure a clear focus on implementation through including people with frontline experience on strategy teams, and working on staged implementation plans with some of the team taking ideas through to delivery (ie the opposite of new public management approaches). These methods were in part a reaction to the mistakes of New Public Management theories which tended to separate policy from implementation. There is little point having sophisticated performance management and delivery oversight without good strategy; and there is little point having elaborate strategies if they don't take account of the practicalities of implementation.

vii. **Resolving and negotiating -** effective methods for spotting tensions, resolving conflicts and contradictory policies across government, often working in tandem with other Cabinet Office and political capabilities. If these skills are not held within the

strategy team then close links are needed to the people who are good at resolution.

viii. **Links to innovation** – strategy teams need to work in tandem with innovation teams especially where there aren't ready answers. Sometimes the best option is not a new policy or law but rather experiment, testing, trying and then synthesising the results (whether the experiments are in the public sector, business or civil society, or some combination).

ix. **Links to knowledge management** – remarkably few governments have even basic knowledge management systems in place that capture over time key questions, evidence, answers and tacit knowledge. As a result, they risk reinventing wheels inefficiently.

x. **Flow, circulation and networks of strategy teams** – it's useful to have a flow of people in and out of the teams, to create networks, relationships and shared understanding, ideally with a network of strategy teams in the main departments as well as at the centre, alongside a core of permanent staff who become skilled at the craft of strategy.

xi. **Effective communications and legitimation** – a repertoire of effective methods for communicating, including some secret/private projects and some very public ones, some that emphasise engagement of parliament and some that prompt national conversations through media on big strategic challenges, ensuring shared diagnosis before moving onto prescriptions.

xii. **Engagement with stakeholders** – one advantage of a reasonably sized strategy team is that it enables dialogue with multiple interest groups, civil society, business, local government etc, helping them to feel listened to. This can sometimes be formalised in very open projects.

# 4. Common problems

**T**he most important measure of success for most teams is the confidence of clients/principals. This requires strategy teams to be useful; aligned with political priorities and time horizons; and able to make the case for longer term action against the inevitably powerful pressures towards short-termism, tactics and superficial fixes. But strategy teams often lose support, with three typical problems:

**Strategy as a paper exercise:** a first common mistake sees strategy reports as an end not a means. Lengthy documents may be produced with the word strategy in their title. But if these don't come from rigorous analysis of options, and if they often don't have any buy-in from the main actors, they are likely to remain as paper documents with little impact in the world. Some strategy processes work better without any reports – especially if all the main players have been sufficiently involved in the work of diagnosis and prescription.

**Being captured by the tyranny of the immediate**: Some teams become pulled too much into everyday decision-making and crisis management. This makes it hard to achieve the distance needed to see patterns clearly. There is no ignoring the intensified pressures of 24/7 media environments. The challenge is to recognise the needs of the 'front of house' in ways that don't damage success in the 'back of house' functions of government.

**Too blue skies**: The opposite problem, also common, is that teams become too focused on foresight and 'blue skies' futures rather than strategy. In other words, they study possible scenarios for the future and produce reports but don't offer sufficient insight into the real choices facing government. This tends to make them too detached from decision-making and too concerned to analyse rather than prescribe.

# 5. Dilemmas and choices

There are then many choices to be made about both structures and processes, which often depend on context:

- The **fiscal dimension of strategy** is vital in many countries, with inevitable tensions between planning and long-term goals (which often require new money) and fiscal constraints, particularly where there are high levels of debt. Some countries in the past merged budget planning and strategy to minimise these tensions, but this can make the planning and strategy functions unduly conservative.
- The **time horizons of work** – all governments are inevitably focused on urgent priorities and pressures, so strategy teams need to be careful to balance short, medium and long-term prerogatives, wherever possible showing the immediate implications of any longer-term recommendations.
- **The right interaction with implementation and delivery**: as mentioned earlier there needs to be a good balance between the design of policies and strategies, their execution and performance management. In some governments shortened time horizons have led to a growing imbalance between short-term implementation (which is prioritised) and policy/strategy design (which is not).

- **Internal structures** that mirror departmental silos or cut across them: usually it's preferable to use different organising principles, more around themes and issues.
- The balance of **permanent and temporary staff**: there usually needs to be a strong core that can retain memory and methods but a high proportion of temporary staff, some seconded from departments.
- How **closely tied into formal decision making, budget setting, and law:** as indicated earlier there is a spectrum from teams that work on detailed, end to end plans, and others that work more upstream.
- **Optimum scale** to combine breadth and depth with agility: here there is a wide range from 20 to over 200, with some arguing that anything much larger than 100 loses agility and clear ethos.
- How to involve **non-executives in project work** – some teams have boards of non-executives with backgrounds in business, civil society and academia, who often wish to become directly involved in projects, for example chairing project teams.

# 6. Topics and current priorities

Current topics being addressed by strategy teams around the world are diverse but there are some convergent topics:

- the interface of technology/trade/industrial policy;
- energy security and affordability;
- defense procurement;
- migration;
- rebuilding trust;
- tax reform;

- coping with ageing and demographic change; and
- coping with slow growth.

For example, Europe has seen a big shift towards the military, as well as new kinds of defense – such as the Swedish Total Defense Program which links the military, civil resilience and new institutions like the agency for psychological defense, part of a broader focus on cognitive warfare. Australia is currently prioritising social cohesion in response to terrorism in the wake of the Bondi attack. Very different strategic priorities include raising the birthrate (on which South Korea announced a national emergency), and the work in many countries to accelerate house-building and ensure affordability. Other newer topics rising up agendas include: laws for disinformation; lifelong learning as AI disrupts labour markets; and new models of healthcare.

# 7. AI as a meta-strategic challenge

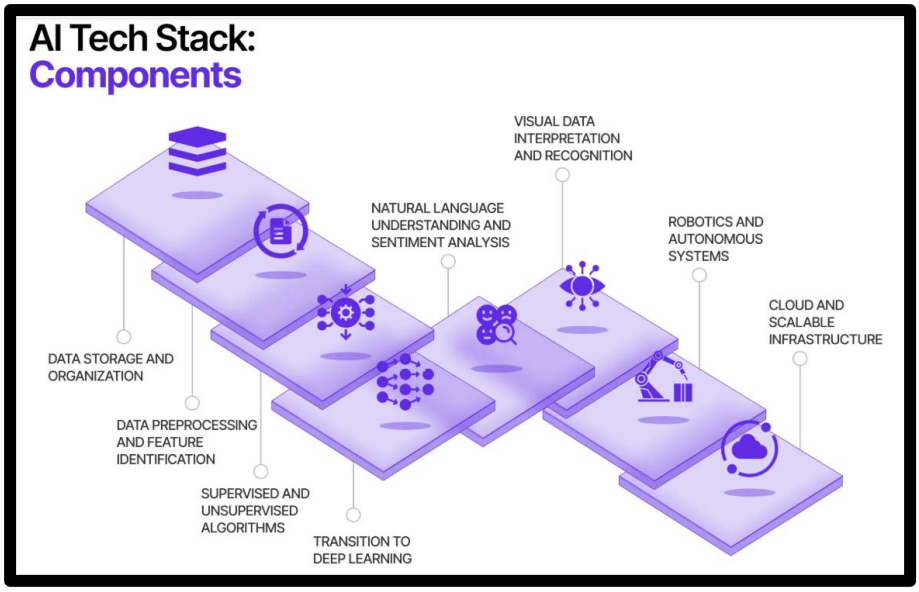
One of the most pressing current issues is how to respond to rapid changes in AI. This is already affecting almost every aspect of government, from industrial policy to skills within the civil service, geopolitics to health and education.

Commercial investment in AI (some $1.5trn in 2025) vastly exceeds government spending and commercial capability vastly exceeds the brain power within governments.

Many governments now have offices for AI – sometimes in finance ministries, ministries of technology or Cabinet Offices. Some have set up 'safety institutes' though with little 'real world' impact so far.

All are struggling with a series of serious connected challenges:

- How to think about sovereignty and how far to go with 'sovereign AI'.
- How to be positioned across the AI stack.
- How to organise regulation of AI and the vast range of regulatory choices to be made in every sector.
- How to deploy public funds for R&D, skills or promoting adoption, both in business and the public sector.
- How to organise procurement and commissioning within the public sector.
- How to promote AI skills.
- How to handle the extraordinary energy needs of data centres




Very few governments have adequate capabilities to think through their options, or up-to-date intelligence. This means a widening asymmetry between the big companies and government and a likely continuing flow of value from most countries into California.

# 8. New methods

A general issue for all teams is what timescales to work on – in a more uncertain, fast-changing environment, it's natural to reflect this in faster turnarounds. It is intrinsically harder to design pathways and roadmaps in what President Xi calls an era of 'changes not seen in a hundred years': no one can be certain about the trajectory of energy prices, the next revolutions in technology, or where hot wars may break out. It follows that the key for any nation is to combine strategic direction with agility to change quickly if necessary. Some quite old methods may be more useful in this environment, including simulations and games to work through the potential impact of an economic shock or military threats. So are methods like red teams, pre-mortems and others that challenge overly rosy assumptions about the future. But there are also some genuinely new methods that should be part of the toolkit of any strategy team.

## AI and LLMs

The most important is use of multiple AI tools and LLMs (rather than being restricted to Co-Pilot) that allow teams to assess, analyse and reshape strategies. Specifically, they can be used for:

- Foresight and scenarios
- Scanning for potentially relevant innovations
- Evidence synthesis
- Strategy generation and synthesis
- Mathematical model creation (eg for implementation plans)
- Critique and red teaming

These can greatly accelerate the early stages of strategy projects providing inputs, framing and ideas so that the teams can focus much more on detailed design, fitting to context, politics and implementation. It is key

for teams to remain sceptical and vigilant in their use of any methods, since these will throw up errors and display biases. But used smartly they are a vital help in achieving the pace that's increasingly demanded by politicians.

### Using data

There is now vastly more data available on problems, variations in performance and impacts of policies (though still relatively little progress in linking these effectively to finance). For example, analysis of positive deviants; developing predictive models; and using graph methods to map systems and track the impact of policies; and digital twins to help with budget setting. In some cases, teams are therefore ensuring a specialised data and computer science capacity at their heart to work on gathering data, analysis, visualisation and models, including the full use of administrative data.

### Physical spaces

It is increasingly feasible to organise strategy teams more virtually, distributed over many centres. However physical proximity remains vital to ensuring a shared culture and some kinds of physical space may be useful to support decision-making. There is much interesting experiment taking place to create spaces that make it easier for groups to grasp complex phenomena, from Decision Theatres to Skyrooms and Situation Rooms, adapting methods used for crisis management to the slower burn challenges faced by governments (see the piece on 'Steering Rooms' with Giulio Quaggiotto which provides one promising option).

## 9. Meshes and the 'strategy stack'

The traditional idea of a planning ministry – which was very common in the 1960s and 1970s – now looks anachronistic as these often struggled to

connect efficiently both to the rest of government and to the outside world, instead developing their own world view and sometimes their own bubble.

Instead strategy teams need to be networked – cultivating links both inside and outside government to enable them to think and respond more quickly, allowing collaboration with multiple partners in business, tiers of government and universities and closer links to experiments and 'test and learn' approaches.

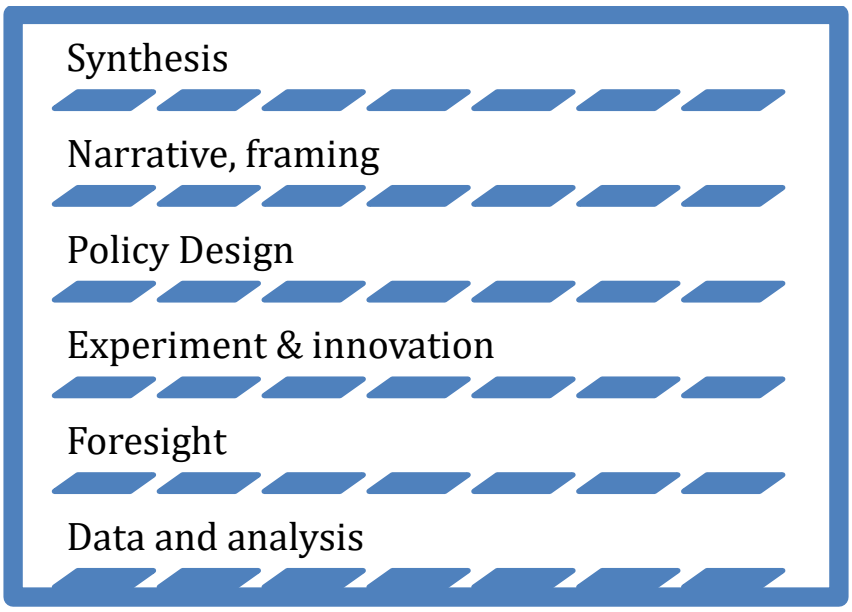
Like much else in government this means moving towards more 'mesh-like' models in place of traditional hierarchies.

For strategy teams the idea of a strategy stack may also be helpful. This suggests that the work of strategy needs to connect layers that are aligned, but distinct, each with its own methods and networks of inputs and contribution. These don't all have to be in a single team. But they do need to be consciously shaped, commissioned and connected:

- A layer of analysis of current data, problems and threats – drawing on the many analytic capabilities across government, including in some cases digital twins
- A layer of foresight, scenarios and futures – also drawing on the best available capabilities in universities, business and government
- A layer for designing experiments and innovations where policy is uncertain
- A layer of policy design capability, feeding into budgets and laws
- A layer for thinking through communications, narratives and frames
- A top layer for synthesis – with people skilled in making sense of multiple inputs, integrating political priorities, and

synthesising them for action (see this for more detail on the vital skills and methods for synthesis).

The stack therefore looks roughly like this, with different organising principles for each layer:



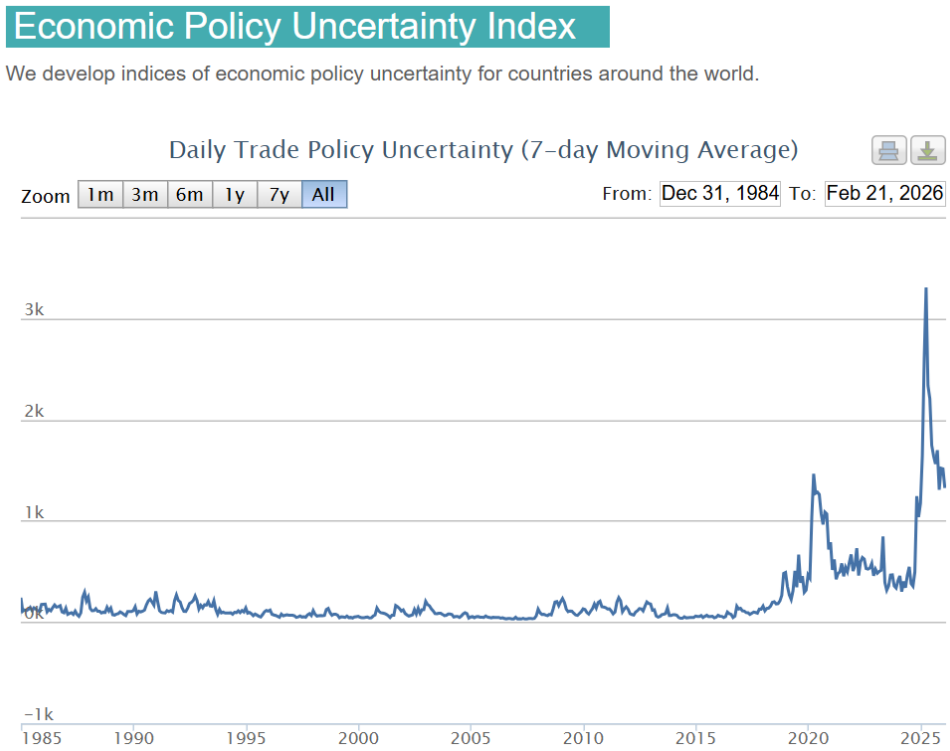

AI tools (described earlier) can help not just with the everyday operation of each level of the stack but also with integration – summarising, distilling and then sharing key knowledge and insights to the relevant people across the levels of the stack and across a wider governance system rather than those who happen to be in a meeting or working group.

Crucially these can help strategy teams work much faster, which is increasingly vital given the pace of political environments.

# 10. Certainty and uncertainty

The biggest challenge faced by strategy teams today is how to handle different timescales and different levels of uncertainty. Many of the vital tasks of government are by their nature long-term: pensions, infrastructure, climate mitigation and adaptation, education, public health, science and R&D. A short-termist government is almost by definition an incompetent one that will fail its citizens (which is partly why some countries are developing institutions to better represent future generations in today's decisions).

Yet the environment is volatile and unpredictable. Crises appear out of nowhere and feed each other. The diagram below summarises an index of economic policy uncertainty, showing unprecedented levels.



For governments this puts a high premium on combining agility and long-term focus. Strategy has always been about both – whether in the military, business or government: combining clear long-term direction with the ability to adjust and adapt fast.

But in the turbulent late 2020s it is more vital than ever that governments are not trapped in an eternal present.

**This paper has been prepared by the Institutional Architecture Lab (TIAL), March 2026.**

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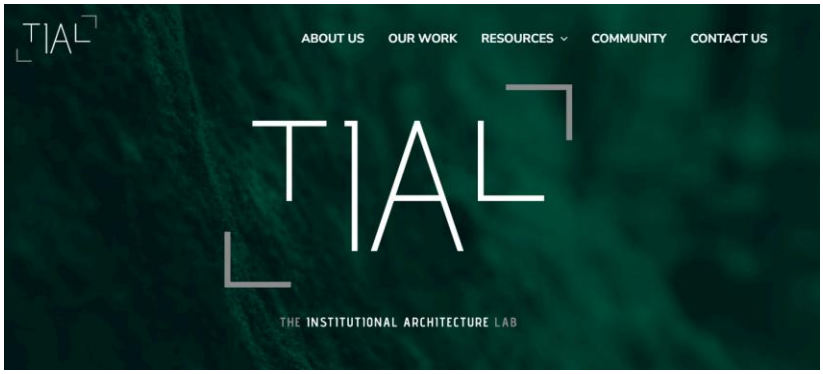
**His most recent book is 'When Science Meets Power', published in 2023. Other relevant papers look at organising centres of governments and how to organise whole of government programmes.**

**Previous TIAL papers covered related issues including the representation of future generations in current decision-making and the Interchange model for handling complex scientific challenges.**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