# Notes to self – Public sector
# new institutional complexity action problems

*Lucy*

Public sector management is supposed to be the real heart of governance – I am told it's where my technical skills will be properly tested and improved. I know that there are different views of how to approach the issue of public sector institutions. I have read Willy McCourt's six models of public sector reform, which he says explains the evolution of thinking from the 1950s and 1960s to the present day. But then he also says: "I pay respect to successful reform models; we can all learn from them. But they must be understood in terms of the environment in which they have arisen; or, …. in terms of the "problem situation" as particular policymakers have perceived it."

Willy McCourt's point seems to be important because I also know that the discussion of public sector reform happens at both a broad and high level – general questions about why "reform" does or does not happen.  And also at a more technical level, what has been called "the plumbing," related to different ideas on models, strategies and technical assistance.  Lant Pritchett, Matt Andrews and David Booth are among those who have really questioned whether development agency staff properly understand the drivers and constraints of reform.  Their work pushes us to think differently about the way that we work in terms of understanding the contexts for reform. Others have pointed to the need to look specifically at a more technical level at the process of engagement with partners on the delivery of public sector programmes.  This means recognising that successful incremental reforms can add up over time, particularly if support for reform brings measurable results that can help to inform successive generations of programmes.

I do sense that there is a common theme which echoes McCourt, all seem to suggest that recognising and defining the problem is key.  However, I have scrawled down at least fifty different problems from the country report alone. The "centre of government" clearly does not work very well: the President's Office does no real co-ordination of ministries and does not prioritise. The Ministry of Finance tries to prioritise but is distrusted by all the other ministries, the Civil Service Commission

is chronically corrupt. There are few coherent policy settings and the budget is all over the place. The informal job-pricing system seems to suggest that jobs in regulatory bodies and Customs are most sought after, but then again the biggest part of the civil service are the service delivery ministries (and nobody really knows how many civil servants there are). I know everybody says focus on the problems identified by the partner – but which partner and which of the many problems?

Simone Bunse and Verena Fritze make me feel more hopeful – in a report for the World Bank they said that success was more widespread than often thought. They advocate taking an explicitly political approach to planning – but even then argue that windows for reform may be limited. I know that some writers, such as David Booth and Heather Marquette, have suggested we need to consider the "collective action problems" that partners face – and that certainly features in the study from the ODI on "unblocking results" in service delivery. The ODI said that there are a set of common constraints that undermine progress in service delivery. But if this is true and there is an "inability of actors to work productively together because the costs of cooperation are distributed in a way that deters participation" then what can development actors really do?

In trying to understand those problems I know that people used to talk about collective action issues as part of the informal "real story". The idea being that there is a "formal" and an "informal" system – with the real game going on behind the scenes while aid agencies deal with a formal technocratic façade. Now, though, the advice is to avoid the trap of peering into the house through something called a Weberian window, which assumes that the façade and the interior don't match. The argument is that the system is neither formal, nor informal, it is just "the system" and it makes sense in its context to those who live and work within it – whatever they might feel about the results. If we do not understand the real underlying problems that exist it is not because there are two systems, one hidden and one on the surface, it may just be that the system is complex.

Which brings me naturally to the issue of Complexity Theory. My notes on this say that governance is messy, unpredictable and non-linear (tell me about it) and must elaborate "the problem-solving capacity of existing multilevel governance systems in the face of change characterized by nonlinear dynamics, threshold effects, and limited predictability". It is not something I can ever imagine writing in a report. I better make a note of complex adaptive systems as a way to deal with complexity theory.

But how do I actually use any of this? Can we programme support for public sector reform from complexity theory, and what about collective action problems? I must not be gloomy – ODI do say that there are "enabling factors" that can help to improve results and that can be encouraged or built into programmes. I also read Matt Andrew's book on the limits of institutional reform and his idea of Problem-Driven Iterative Adaptation is something that I can consider when I sit down with

partners. Even some of the complexity theorists seem to think that we can get over "stickiness".

I also made a note of what I heard Alan Whaites say at the "New Directions in Governance" conference. He said that we focus on ideas and theories more than on the way that we actually support governance reform; and that as a result we usually change our ideas more often than our aid instruments. I think the point was that we generate new theories to support public sector reform, then we use the same approaches, systems and technical advisers to design the programmes, and to advise the partner bodies, and to evaluate the impact. And so perhaps not surprisingly the results can also often be the same.

But that is a cynical view – there is no reason why traditional aid instruments cannot support effective public-sector reform if we follow the ideas of Matt Andrews and the ODI team. And anyway there are ideas on new instruments – Stephan Klingebiel from the German think tank DIE argued that results-based aid could be applied to some areas of governance; paying on delivery on issues such as public financial management.  Nick Manning's work also makes me hopeful that we are moving into an age of greater choice and contestation between approaches and ideas – helping to break the monopoly of old models.

I just need to remember all these ideas and the different ways to understand public sector reform. Six models, problem-driven, Weberian, complexity theory, and collective action. I need to make a note – ask local colleagues if our counterparts' plans make all this clear?

### Reading

Andrews, Matt, "The Limits of Institutional Reform in Development: Changing Rules for Realistic Solutions," Cambridge University Press, 2013

Bunse, Simone and Fritz Verena (2012), "Making public sector reforms work: Political and economic contexts, incentives, and strategies", *Policy Research Working Paper*, No. 6174, World Bank, Washington, DC.

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Klingebiel, Stephan (2012), *Results-Based Aid (RBA): New Aid Approaches, Limitations and the Application to Promote Good Governance*, German Development Institute (DIE), www.die-gdi. de/uploads/media/DP_14.2012.pdf.

McCourt, Willy (2014), "Public service reform", GSDRC Professional Development Reading Pack, No. 1, GSDRC website, www.gsdrc.org/go/professional-development-packs/public-service-reform.

Tavakoli, Heidi et al. (2013), *Unblocking Results: Using Aid to Address Governance Constraints in Public Service Delivery*, ODI (Overseas Development Institute), London.