

# DO GOVERNANCE AND PUBLIC SECTOR REFORM MATTER FOR DEVELOPMENT?

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### **AGENDA**

- ➤ The context
- ➤ Governance, innovation and development
- ➤ Good governance and administrative capacity
- ➤ Innovation recipes
- ➤ Conclusion

# THE CONTEXT



### THE CONTEXT



- ➤ Disappointment with 'global doctrines'
- ➤ Transboundary problems renationalisation of politics
- ➤ Electoral short-term vs long-term sustainability
- ➤ Co-ordination vs self-government
  - ➤ Challenges to the welfare state, integration state, infrastructure state, sustainability state
  - 'wicked problems'

### INNOVATION AND DEVELOPMENT

- ➤ Innovation as belief in better public outcomes with less resource
- ➤ Belief in planning and authority
  - vs asymmetric information
- ➤ Belief in market/private ownership
  - vs abuse of market power
- ➤ Belief in 'credible commitment'
  - vs inherent need for flexibility
- ➤ Belief in administrative capacity and 'good governance'
  - > vs more than words?

# PART 2: GOVERNANCE, INNOVATION AND DEVELOPMENT

### **GOVERNANCE INNOVATION**

- ➤ Governance innovation: mitigation of harmful effects in context of dispersed and depleted authority
- ➤ What role can bureaucracy play in governance innovation or what is a 'fit for purpose' civil service?
  - ➤ Innovation: substantive policy, tools, and procedures
  - ➤ Innovation needs understanding of administrative prerequisites
  - ➤ Innovation needs 'acceptance': existence of plan, communication of plan, acceptance of plan

### LIMITS OF ADMINISTRATION

- Dispersion, Depletion and Satisficing
  - 'negative co-ordination'
  - multi-organisational sub-optimisation
  - institutional memory
  - > counter-learning
  - unintended consequences ('Frankenstates' as a result of performance indicators)
    - ➤ Capacity can only emerge when acknowledging limits of administration



### FOUR RECIPES TO ENHANCE 'GOOD GOVERNANCE'

More 'impartiality'
promote impartial rule
application

More 'Weberianism'
decouple bureaucracy from
politics & solve 'trust-honor
game'

More 'marketisation'
encourage capacity and
motivation of actors to govern
themselves

More 'public value' collaborative judgement and advance 'public value' in dispersed field

### FOUR ADMINISTRATIVE CAPACITIES

### Analytical

Capacity to provide intelligence and advice in conditions of uncertainty

### Regulatory

Capacity to provide oversight over heterogeneous private and public organisations

### **Delivery**

Capacity to executive and management policy requirements at the frontline

### Co-ordination

Capacity to mediate between and bring together dispersed actors

# ADVICE ON INNOVATING ADMINISTRATIVE CAPACITIES

	Delivery	Regulatory	Co-ordination	Analytical
Weberianism	professional public servants	inspection, rules, procedures	task forces & procedures	experts in government
Impartiality	execution in impartial way	rule-based & minimised discretion	proceduralism	detached and impartial advice
Marketisation	market-type incentives	individual self- regulation	benchmarking & targets	ad hoc procurement of advice
Public Value	co-production	move beyond efficiency considerations	align diverse stakeholders	identification of public value

# PART 4: INNOVATION RECIPES

### HOW TO ENHANCE INNOVATION?

Rely on 'mess'

Top-down leadership and prescriptive design

based on: spare capacity and unintentional change

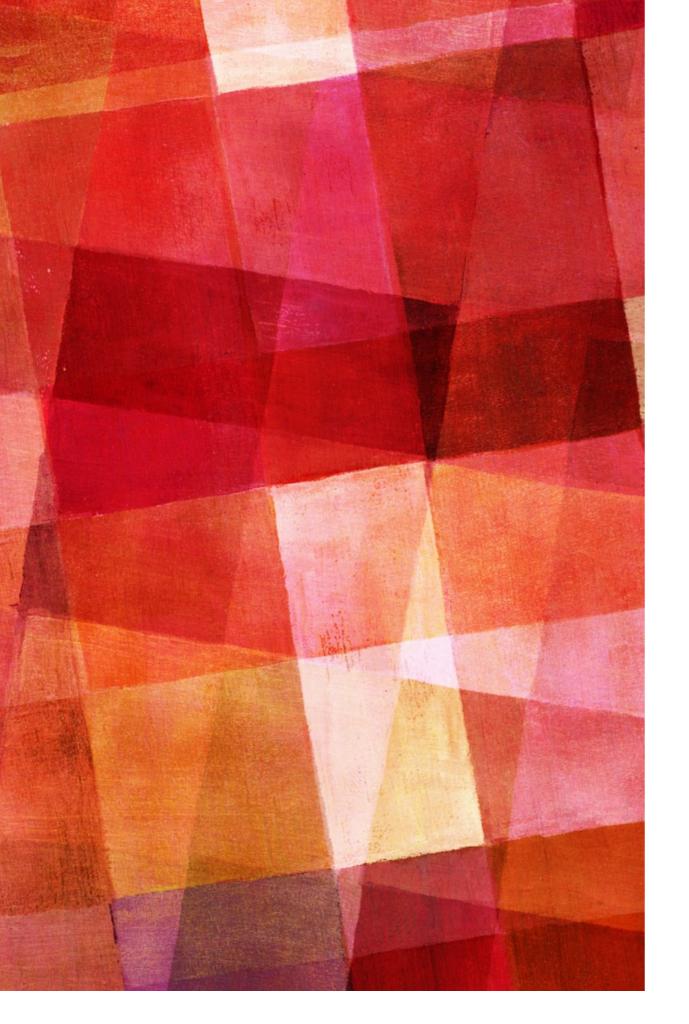
based on: resources and acceptance

Rely on decentralised discovery processes

Rely on peer review and professional ethos

based on: information richness

based on: openess and collaboration



## **IMPLICATIONS**

- ➤ Does it matter? Yes
- ➤ Start with the problem not with well-sounding solutions
  - what capacities are bureaucracies required to have? - and what are the implications for reward, competency and loyalty?
  - acceptance of the inherent limitations of dispersed and depleted authority