GOVERNANCE, MARK TURNER AND DAVID HULME aring the state work

administration & Developi



Governance, Administration and Development

Making the State Work

Mark Turner

University of Canberra

and

David Hulme

University of Manchester





© Mark Turner and David Hulme 1997

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No paragraph of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, 90 Tottenham Court Road, London W1P 9HE.

Any person who does any unauthorised act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 1997 by MACMILLAN PRESS LTD Houndmills, Basingstoke, Hampshire RG21 6XS and London Companies and representatives throughout the world

ISBN 0-333-56752-8 hardcover ISBN 0-333-56753-6 paperback

A catalogue record for this book is available from the British Library.

10 9 8 7 6 5 4 3 2 1 06 05 04 03 02 01 00 99 98 97

Copy-edited and typeset by Povey-Edmondson Tavistock and Rochdale, England

Printed in Hong Kong

Governance, Administration and Development

Also by Mark Turner and David Hulme

SOCIOLOGY AND DEVELOPMENT: Theory, Policy and

Practice

(D. Hulme and M. M. Turner)

PAPUA NEW GUINEA: The Challenge of Independence (M. Turner)

PROFILES OF GOVERNMENT ADMINISTRATION IN ASIA (M. Turner and $\tilde{\jmath}$. Halligan)

MINDANAO: Land of Unfulfilled Promise (M. Turner with R. J. May and L. R. Turner)

REGIME CHANGE IN THE PHILIPPINES (M. Turner)

MAKING A DIFFERENCE: NGOs and Development (D. Hulme and M. Edwards)

NGO PERFORMANCE AND ACCOUNTABILITY: Beyond the Magic Bullet

(D. Hulme and M. Edwards)

NGOs, STATES AND DONORS: Too Close for Comfort? (D. Hulme and M. Edwards)

FINANCE AGAINST POVERTY: Volumes 1 and 2 (D. Hulme and P. Mosley)

Preface

The idea for this book arose over the breakfast table in Canberra in 1990. At that time both of us had deep concerns about the ways in which the public sector in developing countries operates. However, we had even deeper concerns about the dominant policy agenda of that period, which focused on minimizing the role of the public sector, rolling back the state until it almost disappeared and which had just begun to naively decree 'good government' for all.

From our years working together at the Administrative College of Papua New Guinea – reinforced by research and consultancy in Asia, Africa and Latin America – we were well aware of just how difficult it is to improve the performance of bureaucracies. However, we were convinced, and remain convinced, that public sector activity can make a major contribution to the achievement of developmental goals and the creation of reasonably stable societies that can meet the material, social and, perhaps, spiritual needs of the bulk of their populaces. In part this was an analytical conclusion of our readings of East and Southeast Asian development and of the history of Western Europe. It was also grounded in our personal experiences – two Liverpudlians who had benefited from high-quality state education, a national health service free at the point of delivery and the knowledge that a public social security net underpinned our efforts to secure livelihoods and careers.

While elements of ideology no doubt support our belief that the public sector has a major role to play in development, neither of us are ideologues. The claims of the far left ('the state must do everything') and the far right ('the market can do everything') have always appeared fallacious to us. The 'either . . . or' analyses of most of the twentieth century must be replaced by 'both . . . and' in coming years. The big question is not 'public or private': rather it is, how do we get 'public and private' to most effectively meet social needs.

This book has been a long time in the writing, but fortunately as the decade has rolled on we have found that the simplistic 'privategood, public-bad' propositions that we heard in 1990 have been largely discredited. Policy debate about 'governance' still remains in its infancy, though, and none of the major international development

agencies have yet found a way of relating their normative political models to the complex and very varied societies of the developing world.

Everything has a history, and many of the ideas and issues that we explore here were part of the debate about 'development administration' in the 1960s. From these roots the reader will find that s/he has a vast interdisciplinary range of concepts and analytical frameworks to explore. On one side is the development studies literature, with its web of economic, sociological and political ideas. On the other is the literature of management, grounded in organization sociology, psychology and business studies. We have tried to relate and bridge these literatures throughout the volume, and hope that we have achieved some success in this endeavour.

No book of this sort could be produced without the help and assistance of many other people. We name only a few here but our sincere thanks to all who have indirectly helped us in our task. First mention must go to our long-suffering publisher, Steven Kennedy. We have missed final deadline after final deadline, but never once has he let this spoil his good humour - sincere apologies Steven! In Canberra, our thanks to Sheila Wood for applying her multiple skills and technological expertise to the production of the manuscript. In Manchester our thanks to Debra Whitehead for processing the manuscript and Jayne Hindle for managing the lines of communication between Manchester and Canberra (and Dhaka and Nairobi, and Manila and Vientiane amongst others). Thanks also to Paul Mosley, now at the University of Reading, for tutoring David Hulme in the gentle art of academic overcommitment and helping him develop the confidence and energy to handle several writing tasks at one and the same time.

Colleagues and students at the Universities of Canberra and Manchester have contributed greatly to the evolution of the book, as have contacts with public servants, NGO staff and aid agency personnel in the many countries we have worked during the 1990s.

And last, but never least, our thanks to Lulu, Georgina, Andrew, Edward, Jasmine and Saffron for tolerating our absences and our preoccupation with governance and administration, as we struggled to find the time to write this book. We have all learnt that lawns do not need cutting!

David Hulme
Manchester

Mark Turner Canberra

Acknowledgements

The authors and publishers wish to thank the following for permission to reproduce copyright material: Arrow Publications for permission to quote from E. Duncan (1989) Breaking the Curfew: A Political Journey through Pakistan (Box 4.7); AusAID for permission to reproduce their project cycle diagram (Box 6.4); Canberra Times for permission to quote from the issue of 13 October 1991; CIPFA, P. Dunleavy and C. Hood for permission to quote from 'From Old Public Administration to New Public Management' (1994) Public Money and Management, July/Sept, pp. 9-16 (Box 10.4); Earthscan for permission to quote from J. Clark (1991) Democratising Development: The Role of Voluntary Organisations (Box 9.1); Elsevier Science Ltd for permission to quote from D.D. Gow and E.R. Morss (1988) 'The Notorious Nine: Critical Problems in Project Implementation', World Development, vol. 16(12), pp. 1399-418 (Box 3.4), J. W. Thomas and M.S. Grindle (1990) 'After the Decision: Implementing Policy Reforms in Developing Countries', World Development, vol. 18(8), p. 1165 (Box 3.5) and p. 1167 (Box 3.6), and M. Nellis and S. Kikeri (1989) 'Public Enterprise Reform: Privatisation and the World Bank', World Development, vol. 17(5), pp. 659-72; EROPA for permission to quote from M.R. Hayllar (1991) 'Accountability: Ends, Means and Resources', Asian Review of Public Administration, vol. 3(2), pp. 10-22; Guardian & Observer News Services for permission to quote from W. Sachs (1992) 'Development: A Guide to the Ruins', New Internationalist, June, pp. 4-6 (Box 1.1); Addison Wesley Longman for permission to quote from R. Chambers (1983) Rural Development: Putting the Last First (Box 1.1); Marcel Dekker Publishers for permission to quote from A. Farazmand (1991) Handbook of Comparative Development Administration (Box 4.6); Monthly Review Foundation for permission to quote from H. Alavi and T. Shanin (1982) Introduction to the Sociology of 'Developing' Societies (Box 1.1); Oxford University Press for permission to quote from J. K. Nyerere (1966) Freedom and Unity (Box 1.1), G. M. Meier and D. Sears (1984) Pioneers in Development (Box 1.1), World

Bank (1993) The East Asian Miracle: Economic Growth and Public Policy (Box 3.3), World Bank (1995) Bureaucrats in Business: The Economics and Politics of Government Ownership (Boxes 8.1, 8.3, 8.4 and 8.8), World Bank (1994) World Development Report 1994 (Box 8.5), and J. Boston, J. Martin, J. Pallot and P. Walsh (1996) Public Management: The New Zealand Model (Box 10.3); Penguin for permission to quote from A.G. Frank (1971) Capitalism and Underdevelopment in Latin America (Box 1.1), and W. Bello and S. Rosenfeld (1992) Dragons in Distress: Asia's Miracle Economies in Crisis (Box 3.2); Prentice-Hall for permission to quote from W. Moore (1963) Social Change (Box 1.1); Routledge for permission to quote from J. Farrington and A. Bebbington (1993) Non-Governmental Organisations, the State and Sustainable Agricultural Development (Boxes 9.3, 9.4 and 9.5), and D. A. Rondinelli (1993) Development Projects vs Policy Experiments: An Adaptive Approach to Develobment Administration (Table 6.1); Sage Publications for permission to quote from D. A. Rondinelli (1992) 'UNDP Assistance for Urban Development', International Review of Administrative Sciences, vol. 58(4), pp. 519-37, and W. E. Bjur and A. Zomorrodian (1986) 'Towards Indigenous Theories of Administration', International Review of Administrative Sciences, vol. 52(4), p. 406; The World Bank for permission to quote from B. Nunberg and J. Ellis (1990) 'Civil Service Reform and the World Bank', Policy Research and External Affairs Working Paper No. 422 (Box 5.3), J. van der Gaag (1995) Private and Public Initiatives: Working Together for Health and Education (Box 5.4), G. Lamb and R. Weaving (1992) Managing Policy Reforms in the Real World (Box 8.2), and International Finance Corporation (1995) Privatisation: Principles and Practice. Every effort has been made to contact all the copyright-holders, but if any have been inadvertently omitted the publishers will be pleased to make the necessary arrangement at the earliest opportunity.

To our wives and children – for their tolerance and good humour when we retreat to our studies!

Contents

List	t of Boxes and Tables	ix
Prej	face	xii
Ack	nowledgements	xiv
1	Development and its Administration	1
	Development	4
	Development administration	12
2	Organizational Environments: Comparisons,	
	Contrasts and Significance	22
	Making sense of the environment	23
	Elements of the environment	25
	Economic factors	25
	Cultural factors	34
	Demographic factors	39
	Political factors	44
	The public sector and its environment	52
	Distinctiveness	52
	Diversity	53
	Turbulence	53
	Opportunies and constraints	54
	Competing perceptions	54
	Cause and effect	55
	Foreign models and Third World realities	55
3	The Policy Process: Politics and Technics	57
	What is policy?	58
	The contribution of policy	59
	Explanations of the Third World policy process	64
	Society-centred models	64
	State-centred models	67

	Participation in the policy-making process Policy, politics and implementation Conclusion	70 75 79
4	Bureaucracy: Obstructing or Facilitating	
	Development?	82
	What is bureaucracy?	83
	The origin of Third World bureaucracies	85
	Bureacracy and development	86
	Size	86
	Capacity	88
	Culture	91
	Power, politics and authority	93
	Bureaucratic bias	96
	Gender and bureaucracy	97
	Corruption	100
	Conclusion	104
5	Administrative Reform: The Continuing Search	
	for Performance Improvement	105
	Defining administrative reform	106
	Administrative reform strategies	107
	Restructuring	107
	Participation	113
	Human resource issues	116
	Accountability	122
	Public-private mixes	126
	Conclusion	129
6	Planning for Development: The Solution or the	
	Problem?	133
	Planning in developing countries: a short history	133
	National development planning	134
	Promise and performance	13.
	The end of development planning?	13
	Project planning	139
	Alternative approaches to project planning	14
	Adaptive administration	14.
	Participatory rural appraisal	140
	Conclusion: planning in the real world	149

7	Decentralization within the State: Good Theory	
	but Poor Practice?	151
	The meaning of decentralization	152
	Why decentralize?	156
	Devolution and deconcentration	159
	Devolution	159
	Deconcentration	160
	Decentralization in practice	162
	Africa	162
	Asia	165
	Latin America	166
	The South Pacific	167
	The performance of decentralization policies	167
	Prospects and prescriptions	172
	Conclusion	174
8	Public Enterprise Reform: Private Sector	
	Solutions	175
	The origins of public enterprises	177
	Public enterprise performance	179
	Rethinking the state	183
	Strategies for public enterprise reform	185
	The policy framework	186
	Management reforms	188
	Privatization	190
	Politics and feasibility	194
	Conclusion	198
9	Beyond the Market, Beyond the State: The Rise of	
	Non-Governmental Organizations	200
	Types of NGO	201
	The rise and rise of NGOs	202
	The comparative advantage of NGOs: competing	
	concepts	207
	NGOs and the state	210
	NGOs, empowerment and politics	215
	Strategic choices for NGOs	217
	Conclusion	218

viii Contents

10	The International Environment: External	
	Influences and Governance	220
	The colonial era and its legacy	221
	The cold war era	222
	The contemporary international environment: context	226
	The contemporary international environment: key con-	
	cepts	229
	Problems and prospects of the new public management	235
	Conclusion	237
11	Conclusion: What Future for the Public Sector?	238
Bib	liography	242
Inde	xx	260

List of Boxes and Tables

Boxes

1.1	Competing Meanings of Development	5
1.2	Defining Development Today	11
1.3	A Brief Chronology of Management Thought	14
1.4	Some Contemporary Themes in Development	
	Administration	20
2.1	Environmental Factors for Public Sector Managers	26
3.1	How Do People Use the Term 'Policy'?	59
3.2	How Much Does a Miracle Cost?	61
3.3	The World Bank's Functional Policy Approach to	
	Growth	62
3.4	The Notorious Nine Implementation Problems	76
3.5	The Linear Model of Policy Reform	78
3.6	The Interactive Model of Policy Implementation	80
4.1	The Challenge of Big Bureaucracy	88
4.2	Project Implementation and Capacity	89
4.3	Cultural Values and Administration	93
4.4	Regime-Bureaucracy Interactions	95
4.5	Rural Poverty Unobserved: The Six Biases	97
4.6	Barriers and Opportunities for Women's	
	Advancement in the Public Service	99
4.7	Evading the Rules in Pakistan	101
5.1	The Training and Visit System	110
5.2	Suggestions for Desirable Training Outcomes	119
5.3	The World Bank's 'Rationalist' Reform Program	123
5.4	Latin America's Social Funds: Innovative Public-	
	Private Cooperation	128
6.1	India's Five-Year Plans	136
6.2	Sri Lanka's Rolling Public Investment Programme	139
63	The Conventional Project Cycle	141

x List of Boxes and Tables

6.4	The Australian International Development Assistance	
77 1	Bureau's (AIDAB – now AusAID) Project Cycle	142
7.1	A Case Study of Devolution: Decentralization in	1.00
7.2	Papua New Guinea	168
8.1	Decentralization and Land Reform	171
0.1	The Role of Public Enterprises in Less Developed	170
0 0	Countries The Origin of Bublic Fortunation in Boundards	176
8.2	The Origin of Public Enterprises in Bangladesh	178
8.3	Public Enterprises and Pollution	181
8.4	Financial Regulation and Privatization in Chile	187
8.5	Participation as Regulation: An Initial Step in	100
0.0	Bangalore	188
8.6	Privatizing Water and Improving Service in Buenos	100
0.7	Aires	192
8.7	Privatizing Infrastructure in the Philippines	193
8.8	How China's Township and Village Enterprise Differ	100
0.1	From State Enterprises	197
9.1	The Main Types of NGO	203
9.2	The Bangladesh Rural Advancement Committee	112012 12
	(BRAC)	205
9.3	NGO-Government Relationships in Kenya	211
9.4	NGO-Government Relationships in Indonesia: The	
	Case of the Institute for Social and Economic	
	Research, Education and Information (LP3ES)	213
9.5	Government Mechanisms for NGO Coordination in	
	Nepal	214
10.1	The World Bank, IMF and Structural Adjustment	225
10.2	Official Views on Good Government	231
10.3	New Zealand: The New Public Management in	
	Practice	232
10.4	From Old Public Administration to New Public	
	Management	233
Tabl	es	
2.1	The economic environment	28
2.2	Female-male gaps	37
2.3	Environmental features in population and health	40
5.1	Four basic organization structures	109

5.2	Choosing the tools for accountability	124
6.1	Rondinelli's framework for adaptive administration of	
	development projects	147
7.1	Forms of decentralization	153
7.2	The benefits of democratic decentralization	157
7.3	Devolution in four countries	172
9.1	Key characteristics of organizations pursuing a	
	mission and public service contractors	217