

T01W03 / Bad Governance, State Capacity Deficits and Public Policy Management Problems in Developing Countries: What Do We Know?

Topic : T01 / Policy Process , Policy & Politics, Policymaking, Policy implementation

Chair : Luciano Andrenacci (Universidad Nacional de General San Martín)

Second Chair : Julian Bertranou (National University of San Martín, Argentina; National University of Cuyo)

CALL FOR PAPERS

The workshop welcomes papers on the following areas of study, also admitting other subjects reasonably related to them:

Conceptual constructions and discussions on good (bad) governance, state (in)capacity, public (mis)management in developing countries, including comparative studies crossing sectors, levels and regions.

Analytical and research strategies capable of detecting state capacity deficits and/or public policy management issues in developing countries, including comparative studies crossing sectors, levels and regions.

Studies aiming to isolate specific recurrent or path-dependent management issues and/or problems, whether independent or not of specific policy sectors, governments and/or countries.

Studies aiming to trace the relationship between specific recurrent or path-dependent management issues and/or problems to regions and/or political regimes.

ABSTRACT

Governance, in many developing countries, is often presented as problematic, if not outright 'bad': an issue-scarred process, reflecting opaque polities, state capacity deficits, and public management problems, all of them related to insufficient and/or arguable development outcomes. Yet, most of the times, evidence and cause-effect links are incomplete or unsystematic, as well as presented against imprecise and/or non-explicit idea of 'good' governance. Because of the sheer amount of information involved, the natural diversity of state agencies and levels of government, as well as the very important obstacles derived from the way actual government works, research is usually limited to case-studies or government assessment. The workshop proposes to receive papers dealing with these issues, in the aim of bringing together strategies and results, to better grasp the conceptual and methodological challenge public policy research in developing countries entail. We hope to offer a place to discuss, among other related questions: On what conceptual/normative basis do we speak of good and bad governance in the developing world? What analytical strategies should be used to detect state capacity deficits and/or public policy management issues in organizations usually prone to lower reliance on protocols? Is it possible to isolate recurrent or path-dependent management problems independent of specific policy sectors, governments and/or countries of the developing world? Are there patterns of mismanagement or bad governance that can be traced to specific regions and/or political regimes?

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Session 1 Workshop Presentation: Governance, Public Management and State Capacity

Tuesday, June 26th 10:15 to 12:15 (Posvar Hall - 2800)

Public policy issues in Latin America. Is it possible to assess bad governance or mismanagement through research?

Luciano Andrenacci (Universidad Nacional de General San Martín)

What analytical strategies should be used to detect state management issues during the specific phases of public policy design and implementation? Is it possible to isolate recurrent or path-dependent management problems independent of specific policies and/or specific governments? If so, is it possible to detect patterns of mismanagement or bad governance? Because of the sheer amount of information involved, the natural diversity of state agencies and levels of government, as well as the very important obstacles derived from the way actual government works, research is usually limited to case-studies or government assessment. In this paper, I put forward a strategy to study these issues, and some educated conjectures about the nature of public policy mismanagement, based on the evidence of Argentina (2007-2015). I isolate the two management-intensive phases of policy making (design and implementation), choose a number of public policy processes of key importance for the government, check for patterns of mismatch between goals (as derived from the incumbents) and achievements (as derived from both the incumbents and public opinion), and identify patterns common to cases where this mismatch is evident. The evidence may provide keys to design better responses to public policy problems in the developing world, as well as to understand why and how classical capacity building strategies repeatedly seem to fail.

Building State Bureaucratic Capacity for Effective Public Management in Developing Countries: Lessons from Co-Design Perspective

Frank Ohemeng (Concordia University)

Augustina Adusah-karikari (Ghana Institute of Management and Public Administration)

Abigail Hilson (Royal Holloway, University of London)

The question of state capacity continues unabated. It continues to divide scholars, especially on what the concept means and how it could be measured. In developing countries, there is the overwhelming acknowledgement that state capacity is weak and that there is the need to build such capacity if wicked problems, in particular, poverty and diseases are to be effectively addressed. Unfortunately, while the debate, as already stated, has been about how to measure such state capacity, little attention has been paid to the “how” to build the state’s capacity in developing countries. State capacity cannot be measured if it does not exist. On the other hand, some scholars believe that without measuring the existing levels of state capacity, one cannot propound solutions, much more, effective solutions, in resolving what obviously has become a conundrum in the developing world.

In this paper, the intention is not to join the bandwagon in the discussion about how to measure state capacity but rather, we are interested in how to build such state capacities in developing countries. Our focus from this perspective stems from the fact that there is some level of state capacity in these countries, which enables them to perform certain basic functions. Unfortunately, this level is not strong or high enough to enable the state to address wicked problems. The resultant effect then is bad governance, as corruption is ripe, while public service delivery is low, if not abysmal.

Thus, the need to focus on building effective state capacity is paramount in these countries. Consequently,

we are of the view that one way to build such state capacity is through co-design theory. Focusing on Ghana, the paper examines how local government authorities are using this approach in building their bureaucratic capacity for effective policy making and public service delivery. Using the 2017 Local Government League table (a performance table), four local governments were selected. In each of the local governments, four senior bureaucrats and five randomly selected civil servants will be interviewed.

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Session 2 Governance and Corruption

Tuesday, June 26th 13:45 to 17:00 (Posvar Hall - 2800)

Auditing Against Corruption: A Design-Oriented Theory for Performing the Security Function in Public Administration

Michael Barzelay (London School of Economics and Political Science, University of London)

The wrongful exercise of organizational authority over the use of public money is a pervasive form of public sector corruption. The importance of the security function in public administration has increased in step with concerns about corruption. This paper provides professional knowledge for use in adapting audit agency strategies to performing the security function. That which is designed and operated is seen as auditing-against-corruption programs and their corresponding organizational strategies of audit agencies. The form of professional knowledge about auditing-against-corruption developed here is a design-oriented theory. It draws on many aspects of the conceptual ecology of public administration, including ideas about operational capacity and institutional support. The paper's design-oriented theory of auditing-against-corruption is illustrated by an empirical case where this approach to performing the security function in public administration was implemented by Brazil's Comptroller General Office (CGU), through a program of auditing and enforcement covering more than 5,000 local governments on a nationwide basis.

The Prosecution of Corruption as a Political Strategy

Daniel Zirker (The University of Waikato)

The prosecution of corruption in developing countries has received increasing attention as the understanding and technology of corruption abatement has improved (Klitgaard; Rose-Ackermann; Johnston; Quah; among many others). Pressures from the World Bank and the IMF, as well as from foreign aid-granting agencies in Europe and North America, have encouraged a range of developing countries long beset with both 'need' and 'greed corruption' to show tangible results in their prosecution of corrupt practices. In a number of such countries (e.g., Brazil, Tanzania), however, these prosecutions have apparently come to represent strategies in more banal power struggles, show trials that remove potentially popular candidates from political contention. This paper will compare and contrast cases in Brazil and Tanzania in an effort to shed light on the changing nature of corruption and its prosecution in developing countries, and the promise and pitfalls of such prosecutions in the context of domestic political contestation.

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Session 3 Governance and Public Management Problems

Wednesday, June 27th 09:00 to 12:15 (Posvar Hall - 2800)

Multi-Level Governance and Local Government Reform in Pakistan

Taj Aamer (Institute of Management Sciences)

Keith Baker (College at Brockport)

Devolution is often held to be essential to local government reform. However, this assertion is usually accepted uncritically. Local government reform in Pakistan's Khyber Pakhtunkhwa province between 2001 and 2009 is examined through the lens of multi-level governance. The empirical focus of the paper is the reforms that were initiated by the military-led government of Pervez Musharraf and involved a structural devolution of power, which entrenched the power of the federal government. This can be understood as an example of good governance from the point of view of the regime but bad governance from the perspective of democratic reform. The reforms of 2001 - 2009 were similar to the reforms implemented by the military government of Ayub Khan in the 1960s and Zia-ul-Haque in 1979. The paper draws upon original fieldwork conducted in Pakistan. Between June and August 2008 and December 2009, 46 semi-structured interviews were conducted with local, district and provincial officials to explore the dynamics of reform. The paper argues that three different military governments pursued similar programs of constitutional reform with the intention of using devolution to secure themselves in power. We show that the pattern of three sets of reforms were shaped by similar socio-political dynamics. We conclude that devolution may not always enhance democracy and that in emergent economies, we need be critical and sensitive to the character of the government implementing them. The paper contributes to the study of governance by highlighting a largely unremarked case, an under-researched country and showing that 'bad governance' may be by design.

Public Policy and policymaking in multi-ethnic state, Macedonian case and rule of government

Besa Kadriu (South East European University/Faculty of Social Science of Contemporary Social Science)

Abstract

Public Policy and policymaking in multi-ethnic state,
Macedonian case and rule of government

From a scientific point of view, in the practice of developing countries, there is no doubt that policy-making and the concept of public policy are still considered as new terms and a form of a new practice of management and establishment of principles or new rules by government authorities that want to put in place new working principles and meet the needs of citizens' interests by referring to a more efficient and effective form.

These new principles, especially in the circumstances of a country faced with many new challenges, including those of the economic, social and political sphere, are certainly more difficult to apply for a new period of time that we are living.

These issues become even more discouraging, especially when it comes to the dimension of public policies and policymaking of governing authorities in a multi-ethnic state, as is commonly the case in Macedonia's practice, not so enviable experience of the functioning of a multi-ethnic state.

This paper aims to give some clarification about the practices of this country, referring to the suggestions of the European Union, which is often addressed by special acts, the space of countries that are like the case of Macedonia, the tendency whose country is to integrate into the European Union.

Scientific research will be based on two main pillars, namely:

The experience of policymaking in the practice of a multi-ethnic state as part of the experience with lack of professionalism and public policy which have been part of the political preferences oriented towards a form of discrimination between the differences of ethnicities living in Macedonia.

In this respect, the paper will give some recommendations which would be a dimension and new approach to contemporary forms of management which refer to this process of creating public policy roles that should be referred to a governing authority that should have the cautious care of the diverse society.

Key words: policy making, diversity, governance, new principles, public policy!

Oversized public employment, natural resources and clientelism: empirical findings

Mata Lorenzo Elizabeth (University of Maryland)

Are rentier states more likely to use public sector employment as a redistribution mechanism? A standard probabilistic voting model by Robinson & Verdier (2013) predicts they are: in rentier states politicians have incentives to prefer public employment to other means of redistribution, because it yields a device for credible mutual commitments with voters. Our paper provides the first empirical test of this model, exploring the predicted link between natural resources rents (as a proxy for rentierism) and public sector employment shares as a proxy for clientelistic redistribution. Our cross-national analysis, covering 92 countries for the 1990-2015 period, confirms that public sector employment increases with low productivity and poor institutions. However, contrary to Robinson and Verdier's predictions, we find that public sector employment size does not correlate to natural resources revenues.

The use of public employment as a redistribution mechanism is widespread, across countries with different political institutions, income levels and cultures. However, are resource rich governments more likely to prefer public employment as a redistribution mechanism? Could this be a popular clientelistic vote-buying device despite the existence of alternative, better targeted programmatic redistribution approaches? The empirical literature offers no large-scale attempts to explicitly link natural resources, public employment size and clientelism. This study aims to fill this gap. Based on Robinson & Verdier's model, we empirically tests under which conditions public sector employment is used as a preferred redistribution mechanism.

Contrary to Robinson and Verdier's hypothesis, we find no clear relationship between the size of public workforces and rents extraction capacities; nonetheless, public sector employment does increase in low productivity and poor institutions setups. This finding appears robust to different sample sizes, definitions and measures of government employment and rent-seeking, the addition of control variables and alternative econometric specifications. We draw on cross-sectional data from multiple sources at the country level, and the main empirical specification is an OLS with regional dummies, averaged by 5 years sub-periods.

Studying under which circumstances public employment is used for income redistribution, clientelism and rent-seeking, is policy-relevant. It can inform country policy-makers' and donors' risk-mitigation strategies as they design redistributive programs or public service reforms. If, resource rich countries have particularly large public workforces, this can undermine social welfare, among others by crowding out investment expenditures. Further, redistribution mechanisms other than public employment could perhaps better target low productivity individuals. Finally, rent seeking bureaucracies can also distort markets (Jaimovich & Rud, 2014), by hurting private investment and misallocating human resources, leading to segmentations in the labor markets.

Our research contributes to four separate strands of the literature: to the inefficient redistribution literature by testing a central comparative static from Robinson and Verdier's model; to a closely related literature on clientelism and public employment (Calvo & Murillo, 2004; Rodrik, 2000); to research on the political economy of the natural resource curse (Beblawi, 1987; Dunning, 2008), by testing one key mechanism; and to a small emerging empirical literature on the impact of natural resources on the size of public employment (See Ali & Elbadawi, 2016).

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Session 4 Transnational Governance

Wednesday, June 27th 13:45 to 17:00 (Posvar Hall - 2800)

Are international capacity strengthening policies able to compensate State Capacity deficits and Public Policy Management Problems in Developing Countries? A literature review of the impact of capacity strengthening initiatives in the field of tropical di

Pierre Abomo

Background: State failure in developing countries, especially in sub-Saharan Africa, is not based solely on their inability to provide security and stability. This State deficit is also reflected in the inability to design and manage effective public policies in economic and social matters. The health policy sector is particularly revealing of this failure. With repeated health crises and epidemics, the State deficit in this area is jeopardizing any development effort. Recognizing this reality, international aid actors, such as the International Development Research Center (IDRC), the UK Department for International Development (DfID), the Wellcome Trust Fund, the Royal Society, and the Bill and Melinda Gates Foundation, have developed over the last decade, research capacity-building activities in the field of tropical diseases. The aim of such initiatives is to build local institutional capacities for research. These policies are becoming more and more important components of a new international public policy strategy.

Research question: The question is whether these international uncoordinated and often competing initiatives can overcome the difficulty of the intrinsic incapacity of the State. Do these capacity building policies succeed in such a context, and if so, to what extent and under what condition? Can they have an impact in a general context of State failure?

Methods: This paper will conduct a systematic review of the literature on the various impact assessment studies of health research capacity building activities in sub-Saharan Africa in the field of health. Also, this work will be based on data capacity strengthening projects managed by the Liverpool School of Tropical Medicine (LSTM) to address tropical diseases in sub-Saharan Africa.

Can Transnational Business Regulation lead to “Good Governance”? Towards an Analytical Framework for Assessing Governance Challenges in Developing Countries taking Timber Legality Verification in Southeast Asia as Example

Iben Nathan (University of Copenhagen)

Benjamin Cashore (National University of Singapore)

A range of scholars have endeavored to assess, conceptualize, and understand what is the role of transnational efforts in contributing to and providing innovative governance solutions for the world's most pressing problems such as deforestation and forest degradation, and other issues for which there exist perceived “governance gaps.” The aim has been to assess how transnational interventions in the form of regulation and/or service provision may work within nation-states. Much attention has centered on whether transnational and non-state governance might provide synergistic solutions, create compliance, efficiencies, legitimacy, and/or challenge existing unequal power relationships. Especially for “areas of limited statehood,” scholars have proposed two profound questions: Can transnational interventions substitute, complement, or improve the capacity of States? And what are the most promising cases of transnational public or private authority for enhancing governance in developing countries? This paper focuses on one of the most recent and innovative examples of Transnational Business Regulation (TBR), i.e. Timber Legality

Verification (LV). The main aim of LV is to combat illegal logging and related international trade, which play major roles in ongoing tropical deforestation and forest degradation, loss of biodiversity, and climate change. Our conceptual and theoretical point of departure is that students of LV have done well in disentangling international influences and identifying a range of interaction across multiple levels of governance in developing countries. However, much work remains to better conceptualize, and assess, the causal effects of different types of transnational governance on the one hand, with a clear and specific “dependent” variable on the other hand, i.e. the types of governance challenges and policies that are the ultimate targets of influence. Our general argument is that sweeping generalizations about the influence of TBR rarely hold up to scrutiny because they, on the one hand, conflate incredible different “independent variables”, such as “non-state market driven” (NSMD) certification, corporate social responsibility efforts, industry self-regulation efforts, and the recent LV initiative. On the other hand, they rarely distinguish between different “dependent variables” such as the precise governance and substantive challenges each of these different intervention types have been posited to have influenced in developing countries. Potentially meaningful implications that might be generated to improve “good” governance “on the ground” are therefore left uncovered. Or worse, conflation has led to recommendations that hold little promise and/or were created to maintain, rather than alter, status quo power dynamics. Hence, efforts to understand the effects of TBR in developing countries must expand from assuming support will foster improved governance to theorizing, and measuring, three potential effects on domestic governance: improve, have no influence, exacerbate. This paper aims at theorizing and conceptualizing these effects in drawing on examples from Southeast Asia as a way to justify, and position, future empirical research. To gain analytical traction, we draw on a range of existing research exploring the domestic influence of LV in “areas of limited statehood,” and then focus especially on domestic governance challenges in Southeast Asia.

Divided Island, Shared Governance Challenges? State Capacity and Disaster Risk Reduction in Haiti and the Dominican Republic

Julia Harrer (IUSS Pavia & University of Padua)

It seems to be consensus that institutional capacity is a key determinant for effective and successful institutions. In particular, institutions in developing countries often suffer from lacks in such capacities, and are, therefore, often subject to capacity building; however, the contexts in which those institutions operate, the functioning itself of the institutions and their capacities are often not well understood. This paper investigates institutional capacity in the context of reducing disaster risk on the divided Caribbean island Hispaniola: Haiti and the Dominican Republic face comparable natural hazards such as, for instance, hurricanes, flooding, drought, and earthquakes, but vary greatly in terms of their levels of development, vulnerability and capacity to address those issues. A comparative qualitative study, containing the results from semi-structured interviews in the two countries, sheds light on how the two neighbours implement disaster risk reduction (DRR) policy and reduce disaster risk. This contribution shall enhance the understanding of institutional capacity in general, and contribute to a better understanding of institutional capacity for DRR in Haiti and the Dominican Republic.