NEW DIRECTIONS FOR PUBLIC SERVICE REFORMS

A problem-solving approach

Bureau of Public Service Reforms
Federal Republic of Nigeria

THE WORLD BANK

Outline

- From “best practice” to problem solving
  - Public service reform: from failure to success?
  - The problem-solving approach
- Six reform “tools”
  1. Public administration
  2. Decentralization
  3. Employment and pay reform
  4. New Public Management
  5. Integrity and anti-corruption
  6. Bottom-up reforms
- Delivery units
  - Malaysia (and Myanmar)

From best practice to problem solving

The failure of reform

Problem solving as a solution

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The failure of reform

- Only 33% of World Bank civil service reform projects rated as satisfactory between 1980 and 1997 (World Bank Independent Evaluation Group [IEG], 1999)
- “Performance usually improved for public financial management, tax administration, and transparency, but not usually for civil service. Direct measures to reduce corruption—such as anticorruption laws and commissions—rarely succeeded.” (IEG, 2008)
- Titles of two World Bank papers:
  - *Why is civil service reform so difficult in developing countries? (2003)*
  - *Why do Bank-supported civil service reform efforts have such a poor track record? (2010)*

Why has it failed?

- The politics wasn't right ("politically unrealistic" – IEG)
- Reforms were mostly in 'difficult' countries
- The context wasn't right
  - "Vice may be virtue uprooted" (David Jones)
- Reform is HARD
  - 25-75% of business start-ups in the US fail
  - "People are embarrassed to talk about their failures, but the truth is that if you don't have a lot of failures, then you're just not doing it right, because that means that you're not investing in risky ventures."
    (David Cowan, US venture capitalist)

Success as a motivating factor

Norberia Brito shopping with her *Bolsa Familia* card: poverty in Brazil down from 9.7 to 4.3%, income inequality down by 15%

NAFDAC HQ: NAFDAC reduced the incidence of fake drugs from 55% in 2001 to 9% in 2013

Sources: Abah (2012); Bebbington and McCourt (2007), World Bank (2013).

How can we get reform to work?

- *Start from a problem, not from 'best practice' :*

Stakeholders identify the problem (informed by analysis)

↓

Analyse political and institutional "binding constraints"

↓

Review national and international evidence

↓

Identify a range of possible solutions

↓

Implement incrementally (iteratively)

(Source: World Bank (2011) *Approach to public sector reform)*

Different problems need different solutions

... every problem starts to look like a nail!

(Abraham Maslow)

Manoeuvring in a tight political space

- "Obamacare" health reform in US is 'second-best' practice
- "In many respects, political will is a function of the quality of advice provided to politicians (by officials)" (WB handbook)
- … so our job as officials is to offer a range of options (or *tools*) to the politicians
- … not a hammer, but a Swiss army knife!

Six reform “tools”

Models of public service reform

Examples of success

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Problem-led reform

Problem	Model	Main Action Period
How can we put government on an orderly and efficient footing?	'Weberian' public administration and capacity-building	Post-independence period in south Asia and sub-Saharan Africa
How can we get government closer to the grassroots?	Decentralization	1970s to present
How can we make government more affordable?	Employment and pay reform	1980s and 1990s
How can we make government perform better and deliver on our key objectives?	New Public Management	1990s to present
How can we make government more honest?	Integrity and anti-corruption reforms	1990s to present
How can we make government more responsive to citizens?	'Bottom-up' reforms	Late 1990s to present

1. Public administration

- Separation between politics and administration
- Continuous, predictable administration following rules
- Administrators are appointed on merit and are trained
- Functional division of labor
- Hierarchy of staff
- Administrators serve public, not private interests
- Resources belong to the organization, not the individuals who work there

(Writers' Building, HQ of West Bengal state government, Kolkata, India: 1975)

2. Decentralization

- Deconcentration
- Delegation
- Devolution

Chief Minister Jyoti Basu, leader of a major decentralization in West Bengal (India)

3. Employment and pay reform

- Measures to avoid redundancy
- Remove ghosts
- Delete empty posts
- Enforce retirement ages
- Part-time and flexible working
- Appoint staff on temporary contracts
- Natural wastage/ recruitment freezes
- Suspend automatic advancement
- Redeployment
- Voluntary redundancy
- Privatisation/ contracting out
- Freeze salaries
- Compulsory redundancy

Source: Nunberg (1994).

4. New Public Management (NPM)

- Devolving authority, providing flexibility
- Ensuring performance, control and accountability
- Strengthening steering functions at the centre
- Improving human resource management
- Developing competition and choice
- **Providing responsive service** ⟶
- Optimising information technology
- Improving the quality of regulation

- *Source:* OECD (1995)

'One stop shop' in Mongolia

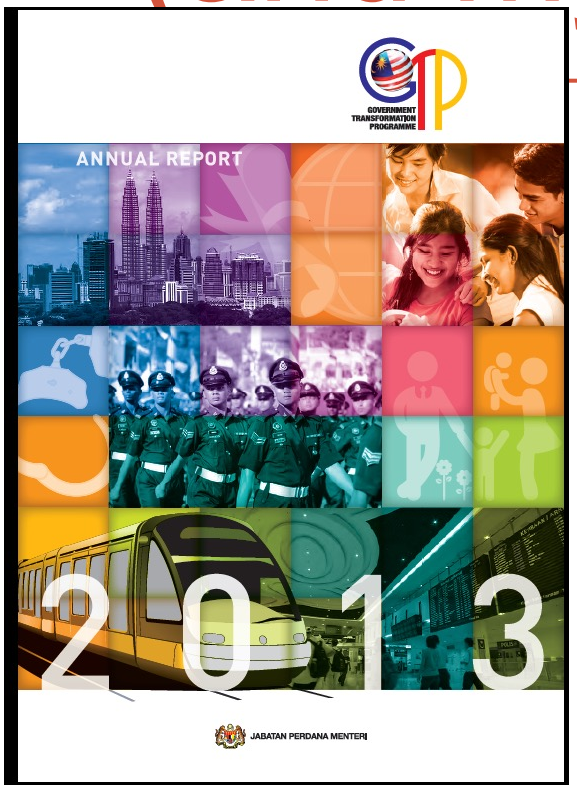
5. Integrity and anti-corruption

6. Bottom-up reforms

A participatory budgeting meeting in Porto Alegre, Brazil (also the venue for World Cup Group H!)

- Information campaigns
- **Participatory budgeting /planning**
- Citizen report cards
- Social audit
- Complaint mechanisms
- Courts

Delivery units: Malaysia (and Myanmar)



A current application of NPM thinking

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National Key Result Areas (NKRAs)

- Fighting corruption
  - TI Corruption Perceptions Index
- Reducing crime
  - General crime and street crime
- Reducing poverty
  - Overall and ‘hardcore’ poverty
- Enhancing education
  - Literacy and numeracy
- Improving rural infrastructure
  - Roads, electricity, clean water
- Urban public transport
  - Especially greater Kuala Lumpur

(Malay word for “people”)

Progress against three NKRAs

2010 target	2010 progress	2011 target	2011 progress	2012 target	2012 progress	Target met?	Outcome?
FIGHTING CORRUPTION							
CPI score at 4.9 (from 4.5)	4.4	4.9	4.9	5.5	5.0	X	✓
37% finding Government efforts effective in TI Global barometer (from 28%)	48%	50%	(49%)	60%	31%	X	✓
Average audit findings per ministry at 10.6 annually (from 11.2)	n.d.	(no target)	n.d.	n.d.	n.d.		
REDUCING CRIME							
5% reduction in overall crime	16%	5%	11.1%	5%	4.3%	X	✓
20% reduction in street crime	37%	40%	39.7%	no data	n.d.		
ENHANCING EDUCATION							
Pre-school enrolments at 72% (from 67%)	72.42%	80%	77%	88%	81.7%	X	X
Literacy and numeracy		All children with basic literacy & numeracy (by 2012)	98.6% (literacy) 97.5% (numeracy) at end of year 2	95% 95%	93.2% 94.5%	X ✓	✓ ✓

Did anybody say this would be easy?!

Early progress, then consolidation

Resetting of targets (policy learning)

A GTP Open Day in 2009

Source: PEMANDU

Adapting ‘best practice’ 1: on to India?

THE ECONOMIC TIMES
Politics and Nation

Management experts call for Narendra Modi to learn from Malaysia's Performance Management and Delivery Unit model

Vikas Dhoot & Anumeha Chaturvedi, ET Bureau Jun 21, 2014, 07.06AM IST

NEW DELHI: The way the Prime Minister's Office has been going about its business bears a close similarity to the manner in which a new CEO would set the tone of the new regime in the first few weeks at any large company. For this, it could take a leaf from Malaysia's Performance Management and Delivery Unit, or Pemandu, part of the Southeast Asian nation's Prime Minister's Office.

"In charge of overseeing the progress of key government programmes and reforms, Pemandu works on the principle of setting goals for departments that work in synergy, letting them thrash out the road map for that goal's implementation and stepping in periodically to review the status and make course corrections," said Arun Maira, former chairman of Boston Consulting Group and Planning Commission member under the previous UPA government.

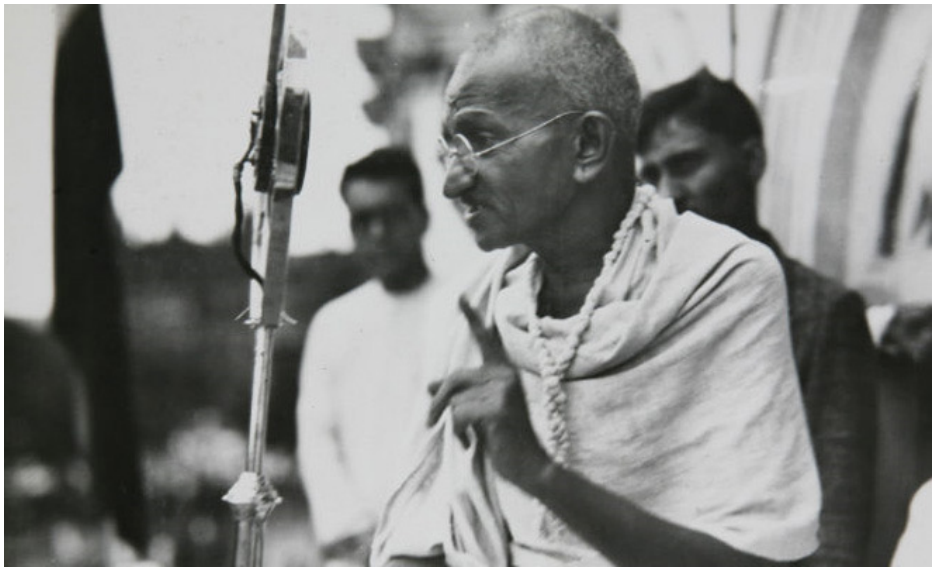
Adapting ‘best practice’ 2: Myanmar’s delivery units

- National priorities:
  - Access to electricity and water
  - Agriculture development
  - Job creation
  - Tourism
  - Financial development
  - Trade
  - Investment
- Emphasis on ‘listening to the people’ after decades of military rule
- (other ‘Myanmar specificities’)

Adapting best practice: conclusion

- State *your* problem first, then look around for solutions – no need to reinvent the wheel!

"I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all the lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any."



Mohandas Karamchand (Mahatma) Gandhi

Summary

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