Defining the Challenge, Making the Change

A STUDY OF PUBLIC ADMINISTRATION REFORM IN ARAB TRANSITIONS

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Acknowledgements

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Women sing the Libyan national anthem during an UN-sponsored event designed to encourage female candidates to participate more fully in the country's first free elections in nearly half a century. (Photo: UN Photo/Iason Athanasiadis)

THE POLITICAL ECONOMY OF PUBLIC ADMINISTRATION: A STUDY OF THE ARAB TRANSITIONS

SIGHTING SHOTS

The Arab Spring demonstrated the widening gap between ordinary citizens and their political institutions and the need for more inclusive, transparent and accountable governance. In mass protests, ordinary citizens expressed a desire to recast the relationship between the State and the citizen through a new social contract based on parity of esteem and equal opportunity irrespective of ethnicity, class, age, gender, religion and political affiliation. This constituted both a social and an institutional challenge that requires a focus on governance rather than government. Arab States have seen changes in the nature of the social problems that they are confronting and in the way they can be talked about and addressed. In the past, governments could simply command people to do things but this is not so easily done now. The problems that Arab States face are often multi-dimensional and complex. We live in a world where more interests have specialized knowledge, more citizens are educated and articulate, and more individuals use social media to rapidly form and then reform collective identities. To solve the collective problems they face requires action from government but also action from a range of non-governmental actors and citizens themselves. Change governance is the phrase we use to capture this new terrain of governing.

It is noteworthy, however, that despite the evident observation that business as usual in government terms cannot continue, international attention has remained firmly focused on political and security reform such as ensuring free and fair elections, building legitimate constitutions, conflict mitigation and security sector reform. The critical role of public administration in either facilitating or resisting change governance has been largely ignored. Unlike countries in other transition contexts (see Verheijen, 2002 & 2003), Arab transition states have been slow to engage in structural reform of their administrative systems; although it must be noted that these processes are still in their infancy. UNDP and partners aim to help bridge the gap through the organisation of a "Regional Conference on Public Administration in the Arab States—Stronger Networks for Responsive Institutions." The conference has four main aims, to: firstly, evaluate progress in developing and implementing public administration reform; secondly, to compare experiences across the region; thirdly, facilitate lesson-drawing between national and local policy-makers on the ingredients of effective change governance; and, fourthly, identify a series of priorities for future work on public sector reform.

THE PURPOSE OF THIS REPORT

The purpose of this report is to provide an evidence-base, some signposts to an effective change governance strategy and a series of critical questions to inform deliberation. It does this through the completion of five core components of research: (1) a meta-analysis of existing public administration reviews in both developing areas and transition states; (2) the comparison of reform processes and instruments; (3) the identification of better practices; (4) the evaluation of reforms centred on using decentralization and local strategies for building social cohesion and better primary service delivery; and (5), using the evidence-base developed in the four components of research to identify the critical questions and issues that would need to inform a successful change governance strategy in transition states.

This paper surveys the extant literature on development administration, identifies relevant case studies from a sample of transition states (Egypt, Libya, Tunisia and Yemen), and provides conference participants with a comprehensive contextual understanding of the reform of public administration – including at the local level – in the Arab region, drawing out issues, challenges, and lessons relevant to the transition.

It is hoped that the report will be useful to transition governments embarking on processes of problem-solving in response to social and political change. It is mainly intended as a reference document for conference delegates with responsibility for managing and delivering different aspects of administrative reform. However, it has not been written as a 'one-size fits all' solution to critical challenges in administrative development. It provides the start of an on-going conversation between governments, other partners in governance and crucially, citizens themselves, about the best way to solve administrative problems, target scarce resources and prepare for the future.

THE STRUCTURE OF THE REPORT

The report is organised into eight sections, the latter six sections reflecting the purposes of the conference. In section one, we provide an overview of the research design informing the development of the report. Here, we also identify the constraints which emerged in the process of data collection which need to be recognized at the outset. We then identify the principles of engagement, informing our approach to the research task including operational terms and methods.

Section two presents both an overview of the common features of public administration in development administration and a snapshot of the current state of public administration in transition Arab States.

Section three firstly identifies the common administrative reform strategies pursued in developing areas and assesses their strengths and weaknesses. It then evaluates the current reform strategies implemented in our four transition states.

Section four presents a range of case studies in transition innovation highlighting potential lessons for policy learning across the region.

The purpose of section five is twofold. Firstly, to highlight common barriers to administrative reform experienced in developing areas and secondly, to compare those barriers with experiences in our four transition states.

Part six seeks to identify the most appropriate forms of decentralization for affecting stabilization in a transition state focusing on different forms of localism for delivering different development tasks.

Part seven draws on the evidence-base developed in the previous sections of the report to identify the core questions and issues that would need to inform a successful change governance strategy in transition states.

The final part of the report identifies a series of guiding questions to inform deliberation at the conference.

KEY FINDINGS

On the state of public administration in Arab Transition states

Section two observes that while all are agreed on the proposition that the nature and performance of public sector organisations are critical elements in determining developmental success, there remain significant differences over the identification of the right paths to institutional development. The contestation is largely reflected

in discussions over how to address four critical governance dilemmas. Firstly, institution-building impacts upon and often seeks to reconstitute or remove existing power structures. It is therefore a wholly political process and resistance will occur. Secondly, the crafting of 'good enough' governance – i.e. the pursuit of accountable, transparent, competent and responsive public administration underpinned by the rule of law – needs to be understood as a culturally defined aspiration. It will mean different things in different places, reflecting the state of development of the country, existing norms and values and institutional capacity. Reform is therefore as much a behavioural challenge as a problem of institutional design and structural reform is often used to mask deep-seated cultural problems and a failure to confront reality. Thirdly, New Public Management (NPM) is simply a toolkit used to varying degrees by public organisations in developed countries; it is certainly not the panacea to all the problems of administrative development. Fourthly, the success of administrative reform in transition contexts rests on the establishment of strategic purpose in relation to the direction of the reform process and the development of inclusive implementation governance structures to affect meaningful and legitimate change.

Section two also notes that:

■ Improvements have been made with regard to Voice and Accountability in Egypt, Libya and Tunisia. Yemen, despite the NDC, is still in decline.

■ Political instability and violence has increased in all four states.

■ There has been a marginal decline in perceptions of effectiveness from 2010-2012 in all four countries with Egypt and Libya experiencing the most dramatic reverses. The *Failed State Index Report*

2012 by the Fund for Peace also shows that the Arab Spring countries ranked highest of the world's 'most detriorated public apparatuses" in that year.

■ All four countries have experienced a marked decline in regulatory quality and the operation of the rule of law which is unsurprising given reported increases in political instability and violence.

■ Egypt and Tunisia appear to be stabilising corruption but Libya and Yemen are still losing the battle.

All four transition states are struggling with four governance dilemmas: developing a clear understanding of what progress would look like and articulating a coherent vision for future governance; removing or managing barriers to progress – *confronting the reality*; developing the capacity to advance an alternative future; and, building trust between government and citizen.

The European Parliament hosts debate on the way forward after the Arab Spring. (Photo: European Union 2013 - European Parliament)

On reform strategies

In section three, four central observations are made about the key features of the reform processes in our sample of transition states. Firstly, in most countries (with the possible exception of Libya) no unified vision of future governance and the role of public administration have been articulated. There have been new constitutions and development plans but the role of administrative reform in supporting development aspirations has largely been downplayed. Secondly, although single ministries have been created to coordinate reform efforts, there appears to have been limited attention paid to implementation issues and outcomes. Tunisia is the possible exception in this regard. Thirdly, progress in competency reform in central government has been marginal in all four cases; although a concerted effort has been made in local governance in both Tunisia and Libya. Fourthly, no capability reviews have been conducted in any of the four countries and information is very patchy about who conducts learning and development activities.

In terms of the types of reform which are being introduced, we can see a significant uptake of NPM reforms aimed at enhancing the quality of service delivery and regulatory and deregulatory reform, and governance reform focusing on improving public transparency and accountability. Competency reform has had less of an impact. The most popular administrative reforms are quality and governance related, but there has also been a genuine interest in market reforms particularly those aimed at improving performance.

We asked our Delphi Group to identify what administrative reforms they thought could make a big difference and what could transition states do together?

Unsurprisingly, an emphasis was placed on interventions that fostered trust between government and the citizen and built the problem-solving capability of government. When we asked them to identify what transition states could usefully do together, responses centred on issues of strategic learning and development such as leadership development including coaching and mentoring, general capacity building initiatives, lesson-drawing conferences and workshops on different transition tasks, and co-learning about effective monitoring and evaluation. Proposals were also advanced for the development of a Policy Hub website for sharing knowledge about transition experiences and a regional school of government for transition states focusing on leadership development and transition strategy.

On case studies in transition innovation

Section 4 seeks to identify new ideas that make a difference to the transition process; in particular, the creation and implementation of new strategic interventions, processes, services and methods of delivery which result in positive social and/or economic outcomes for the citizenry. We organise our thoughts in this report around case studies reflecting four types of innovation: (1) strategic innovation; (2) process innovation; (3) service innovation; and (4), collaborative governance innovation. Nine key lessons for better innovation practice can be drawn from these case studies.

1. The capacity to spot gaps in service provision, or methods of delivery is essential for public service innovation to take place. By implication, including front line workers in the process of problem-solving provides a rich seam for developing progressive new ideas.

2. The ability to forge strong partnerships with organisations across traditional organisational boundaries (international, voluntary, private sector or knowledge institutions) that possess resources (knowledge, finance, political or social capital) that are integral to the production of good community outcomes is a key feature of our sample of innovations.

3. This must be combined with an ability to act, that is, either through a clear legislative framework or a programme design that empowers actors to be creative in implementing the policy. This also means making use of the right political circumstances when they present themselves.

4. This endeavour must also be combined with the capacity to absorb new knowledge which is often at odds 'with the way we do things around here'. NPM tends to privilege certain forms of data (e.g. quantitative economic data) at the expense of qualitative data that is more difficult to collect or measure. Unfortunately, 'soft governance' normally requires the collection of qualitative data because winning the war of ideas requires us to understand what citizens think.

5. A condition of successful innovation is often the existence of a needy political or administrative leader with a reform agenda to spearhead innovation. Support from political leaders, senior management and other community leaders (reform champions) are essential for the successful introduction of innovative policies, services or ideas.

6. Genuine cross-departmental or cross-service collaboration facilitates the introduction of innovative services, especially when combined with effective communication between all levels of delivery.

7. Engagement with citizens on the ground through place – be it at the local or sub-local level – in order to tailor service provision to their needs has been shown to be effective for the introduction of innovative services.

8. New technologies can both spark innovations and support their successful implementation.

9. Design issues (i.e. how things are done) are crucial to the achievement of progressive outcomes.

Items 1 to 9 can all be constraints on problem-solving with damaging consequences of action if executed poorly.

The most popular administrative reforms are quality and governance related, but there has also been a genuine interest in market reforms particularly those aimed at improving performance.

On barriers to reform

Section 5 presents further evidence of the need for administrative reform processes to be informed by an effective change governance strategy that recognizes the potential destabilizing impacts of cognitive, environmental and institutional barriers to reform. Critically, transition governments and their partners must recognize that transition interventions tend to fail if they are characterized by: ambiguous and inconsistent objectives; an inadequate theory of change; compliance problems due to inappropriate resources or instruments for support from implementation actors and agencies; lack of support

from affected groups of citizens; not to mention coping with unstable and uncertain security and socio-economic contexts which can undermine either political support and/or the causal theory of change.

On decentralization, localism and development

Seven key findings arise from this review of the role of territoriality in contemporary development governance. The first is the observation that identifying the most effective form of territorial governance is inextricably linked with the broader state of development underpinning the

Women gathered in a special section at a rally for the ruling National Democratic Party listen to speeches by candidates three days before Egypt's election for its lower house of parliament. (Photo: Al Jazeera English)

country. For certain developing countries, a centralizing strategy may be appropriate to its state of development, while for other developed countries the excessive concentration of decision-making and authority within central government can be a major obstacle to development.

The second finding is that nation states throughout the globe are responding to similar trends and challenges: urbanization and the need to coordinate the activities of various sub-national governments; globalization and the development of new divisions of labour in the territorial state to meet the socio-economic imperatives of globalization; new substantive demands on the local state brought about by social and political change, increasing the need for regional and local problem-solving; and, new participatory demands on the local state precipitated by the belief in public engagement, networking and partnership.

Thirdly, although these challenges and trends appear to point to uniform state responses which emphasize the changing character of governance, the national context remains important, particularly, variations between federal and unitary states as they produce different patterns of intergovernmental relations. However, there is substantial evidence of a shift occurring from local government to local governance, reflected in the emergence of new forms of localism – managerial, representative and community.

Fourthly, decentralization strategies are meaningless without planning for implementation, backed by political will (not easy, given the often prevalent paranoia of central power) and accompanied by consideration of local capacity or its' strengthening.

Fifthly, whilst donors have a role to play in encouraging central authorities in the developing world to decentralize in meaningful ways, there can be no substitute for national leadership in exercising judgement and taking tough political decisions.

Sixthly, the notion of decentralization lies at the heart of dominant contemporary theories of development. However, many of the decentralization policies that Third World countries have pursued have proved unequal to the development challenge. This is partly because of the absence of effective capacity development in governmental organisations at provincial, regional, and local levels and the over reliance on INGOs and partly because attempts at devolution have rarely been accompanied by the genuine devolution of executive decision-making to the periphery. Humanitarian agencies can also be reluctant at the institutional level to transfer real responsibility and control over resources to local governmental organisations, and communities. Indeed, in certain developing countries they may not even exist.

Finally, in most instances, power devolved to local government has meant power retained by the centre because without the resources necessary to assume a community leadership role, citizens will look to informal power structures for leadership.

On change governance – "Seeing like a citizen"

The purpose of the final section of the report is to identify the core questions and issues that would need to inform a successful change governance strategy in transition states. By change governance we refer to the introduction of new governance interventions that "enable"

(i.e. *remove barriers to participation*), "encourage" (i.e. *provide incentives and disincentives to achieve the right behaviours*), and "engage" citizens. But crucially, in the aftermath of the Arab Spring, it involves developing public organisations that "exemplify" a culture of "seeing like a citizen". It concludes by presenting 11 conditions for the establishment of effective development administration in transition states:

1. The establishment of a constitution that is representative of the people, safeguards the rights of the individual, minority groups and private associations and provides an anatomy of legitimate public power, is essential in order for the state to be viewed as legitimate.

2. Perhaps the greatest challenge confronting governments in transition states is the need to establish a legitimate and functioning state. The establishment of strong, but legitimate, central state authority is a key instrument for successful state-building and ultimately development.

3. Identifying the most effective form of territorial governance is inextricably linked with the broader state of development underpinning the country. For certain developing countries a centralizing strategy may be appropriate at particular states of development, but for most developed countries the excessive concentration of decision-making and authority within central government will be a major obstacle to development. Localism thus provides an important instrument of change governance.

4. Administrative reform processes require a clear understanding of what progress will look like and a coherent vision for future governance.

5. Given the implausibility and ahistorical nature of 'good governance' as a development project, a 'good enough governance' approach based on the importance of integrity, place, culture and national development priorities should be advanced.

6. Effective administrative development requires the creation of an effective, legitimate system of collaborative multi-level governance involving the participation of central, regional and local governmental organisations, donors, international non-governmental organisations, and, local non-governmental organisations. Collaborative governance provides the institutional framework in which a national development plan can flourish. It should be based on clear operating rules, mutual respect and trust.

7. The establishment of a 'national' development plan is a crucial mechanism for ensuring the legitimacy of the state but should be as inclusive as possible. Successful development requires effective 'bottom-up' participation by civil society organisations in processes of programme planning, management and delivery. Where possible, community-driven development should be used. All citizens should be involved in the development process through meaningful decision-making and management.

8. National development plans should not only focus on the reconstruction of public infrastructure and economic management but also on developing the human resources, appropriate institutions of governance and forms of public management to deliver on development goals. This will require a comprehensive review and needs assessment for reform of the

Change governance which recognizes the need to share power, can lead to radical improvements in social cohesion. It can contribute to creating more active citizens, help in the management of complex problems in public service design and delivery, foster new collaborative relationships required for development governance, and develop political literacy, skills, confidence, and ambition in the citizenry.

civil service. By implication, the development of effective public administration is a prerequisite for successful development.

9. The indigenous civil service and elected state personnel (where appropriate) should, in most instances, be the prime mover in development with the exception of community-level governance. Consequently, successful development requires the establishment of a strong, efficient and effective central administrative system. This will normally involve restructuring through administrative reform aimed at improving efficiency, effectiveness and responsiveness. A national civil service college should be established to ensure the long-term sustainability of this aim.

10. Public value management is more suited to transitions states than NPM because it accentuates the concepts of responsiveness to the needs of the public through effective collaboration and thus allows for the pursuit of pro-poor growth aspirations.

11. Successful administrative development often requires engaging in progressive lesson learning from international experience. However, local solutions must be found to local problems. Public administrators must only engage in 'rational' policy transfer and draw on only the best overseas expertise.

In sum then, change governance which recognizes the need to share power, can lead to radical improvements in social cohesion. It can contribute to creating more active citizens, help in the management of complex problems in public service design and delivery, foster new collaborative relationships required for development governance, and develop political literacy, skills, confidence, and ambition in the citizenry. Change governance is thus not only the essential ingredient of effective decision-making and operational delivery in development administration but a key measure of the quality of democratic life.

Prologue

DEFINING THE CHALLENGE

Politics at both the national and sub-national levels are dominated by power bargaining between interests organised through patron-client systems in tribal groups […] The Government of Yemen's formal structures, including its legal institutions, are not only weak and ineffective outside the main cities but are also increasingly mistrusted. In consequence, informal governance structures have been an important valve for regulating relations and conflicts for centuries.

UNDP 2014, Assessment of Formal and Informal Governance in Yemen, Project Document, p. 3.

There is a general observation shared by a large number of users of public services and public servants themselves that nothing much has changed…the Tunisian administrative system faces a crisis on several levels: the absence of a clearly expressed vision of change; a limited understanding of the key issues for administrative reform; and how to go about modernization of the management system and the overhaul of the public service. Worse, for some time the quality of public management has been neglected because it has become the scapegoat, wrongly or not, for the burden of all the evils of the past.

Miled Achour, President of the National Union of Public Service, 29 December 2014

The Egyptian economy suffers from the crushing weight of a leviathan bureaucracy that negatively impacts on inward investment and economic growth. This bureaucracy, exemplified by time-consuming and protracted government procedures, overlapping and conflicting laws and regulations, and high cost business regulation has led to the Egyptian economy's lack of global competitiveness.

CIPE, Tackling the Leviathan: Reforming Egyptian Bureaucracy for Improved Economic Growth, 2009

Goodwill is running the country (Libya) now, but soon we have to build real institutions with real participation by the people.

Dr. Lamia Bousedra of the NTC's Executive Office of Cultural and Civil Society

MAKING THE CHANGE

The capacity to act

Progress would begin by addressing the vast 'experience vacuum' in Libya, with intensive capacity building programs for all involved in public administration. **LIBYA**

Inclusive governance

The unique nature of the revolution means that the inclusion of all groups in society, especially minorities and youth (65% of the population) is key. These groups have so far been neglected and must be included in order to provide legitimacy, as well as the political objectives/goals that guide the reform/function of administrative bodies. Youth want to be involved and see tangible changes during the transition. **LIBYA**

Citizen-centred service delivery

If we can just deliver decent primary services, that would make all the difference in improving our relationship with the citizen. Trust is crucial and at present there is no trust. Let's get back to basics. **EGYPT**

Sustainability

Tunisia has embarked on a radical reform process. In many ways it is an innovative reform process. But the proof as always will lie in its implementation. **TUNISIA**

Introduction: establishing the parameters for debate

Arab and European parliamentarians meet at the Spring Forward for Women Conference. (Photo: UN Women/Emad Karim)

SIGHTING SHOTS

The Arab Spring demonstrated the widening gap between ordinary citizens and their political institutions and the need for more inclusive, transparent and accountable governance. In mass protests, ordinary citizens expressed a desire to recast the relationship between the State and the citizenry through a new social contract based on parity of esteem and equal opportunity irrespective of ethnicity, class, age, gender, religion and political affiliation. This is both a social and an institutional challenge that requires a focus on governance rather than government. This is because Arab States have seen changes in the nature of the social problems that they are confronting and in the way they can be talked about and addressed. In the past, governments could simply command people to do things, but this is not so easily done now. The problems Arab States face are often multi-dimensional and complex. Moreover, we live in a world where more interests have specialized knowledge, more citizens are educated and articulate, and more individuals use social media to rapidly form and then reform collective identities. As a result, to solve the collective problems we face often requires action from government but also increasingly involves action from a range of non-governmental actors and citizens themselves. Governance is the phrase we use to capture this new terrain of governing.

It is noteworthy, however, that despite the evident observation that business as usual in government terms cannot continue, international attention has remained firmly focused on political and security reform, such as ensuring free and fair elections, building legitimate constitutions,

conflict mitigation and security sector reform. The critical role of public administration in either facilitating or resisting change governance has been largely ignored. By change governance we refer to the introduction of new methods of governing that "enable" citizens and stakeholders (i.e. *remove barriers to participation*), "encourage" citizens and stakeholders (i.e. *make it easier for them to exercise their rights of citizenship*), "engage" citizens and stakeholders (i.e. *provide incentives and disincentives to achieve the right behaviours*) and "exemplify" (i.e. *distil a whole of governance responsibility for achieving and maintaining the valued culture*) through citizen-centred public policy and services. This is reflected in the concept of "seeing like a citizen".

The governance terrain is fraught with dilemmas. Can politics change to enable citizens to share the burden of resolving social and economic problems rather than the endless demand and expectation for government to take action? Can governments work without having the stick of hierarchical control as their dominant tool? What are the new strategies for change? Could these include participatory modes of governance including new forms of decentralization (localism), citizen-centred governance including deliberative exchange and action in policy development and operational delivery? Can we ensure that powerful groups do not dominate decision-making and issues of social exclusion are addressed? Can we construct solutions that work for the ordinary citizen? In short, the constituent elements of a change governance strategy for affecting stable but meaningful reform in transition Arab States remains a significant challenge.

THE CONTRIBUTION OF THE REPORT

UNDP and partners aim to help bridge the gap through the organisation of a "Regional Conference on Public Administration in the Arab States – Stronger Networks for Responsive Institutions". The conference has four main aims, to: firstly, evaluate progress in developing and implementing public administration reform; secondly, to

A young girl holds an Egyptian flag in Tahrir Square on 30 November 2012. (Photo: VOA/Y. Weeks)

compare experiences across the region; thirdly, facilitate lesson-drawing between national and local policymakers on the ingredients of effective change governance; and, fourthly, identify a series of priorities for future work on public sector reform. The purpose of this report is to provide an evidence base and a series of critical questions to inform deliberation.

The report that follows surveys the extant literature on development administration, identifies relevant case studies from a sample of transition states (Egypt, Libya, Tunisia and Yemen), and provides conference participants with a comprehensive contextual understanding of the reform of public administration – including at the local level – in the Arab region, drawing out issues, challenges, and lessons relevant to the transition.

It should be noted that this report has been compiled, mindful of two salient issues. Firstly, lessons will only be drawn where there is clear evidence, otherwise the nature of contestation between different perspectives on the problem will be illustrated. We therefore clearly identify where and where not objective data is available to support knowledge claims. Given the tight deadline and limited resources available for this project, we have had to rely heavily on the availability of secondary research on public administration reform and access to primary data to inform the selective transition state case study investigation.

Secondly, we have been asked to pay particular attention (as far as it is possible), to issues of representativeness, diversity (especially gender equality), and accountability as well as how incentives are created to generate support for the reforms within the public service.

THE STRUCTURE OF THE REPORT

The report is organised into eight sections, the latter six sections reflecting the purposes of the conference.

In part one, we provide an overview of the research design informing the development of the report. Here we also identify the constraints which emerged in the process of data collection which need to be recognized at the outset. We then identify the principles of engagement informing our approach to the research task including operational terms and methods.

Part two presents both an overview of the common features of public administration in development administration and a snapshot of the current state of public administration in transition Arab states.

Part three firstly identifies the common administrative reform strategies pursued in developing areas and assesses their strengths and weaknesses. It then evaluates the current reform strategies implemented in our four transition states.

Part four presents a range of case studies in transition in innovation highlighting potential lessons for policy learning across the region.

The purpose of part five is twofold. Firstly to highlight common barriers to administrative reform experienced in developing areas and secondly, to compare those barriers with experiences in our four transition states.

Part six seeks to identify the most appropriate forms of decentralization for affecting stabilization in a transition state, focusing on different forms of localism for delivering different development tasks.

Part seven draws on the evidence-base developed in parts two, three, four and five, to identify the core questions and components that would need to inform a successful change governance strategy in transition states.

The final part of the report identifies a series of guiding questions to inform deliberation at the conference.

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1 | Research design

1.1 APPROACH

A 'realistic evaluation' approach is adopted for this research (see: Arksey in Taylor and Baloch, eds., 2005; Palfrey, Thomas and Phillips, 2012; and, Pawson and Tilly, 1997), appropriate to a complex initiative in which interventions are multi-faceted and goals are not always uniform across participants. The evaluation design seeks to ameliorate these complexities through the adoption of a co-design approach to the research process with key stakeholders and participants at key stages in the learning process. This involves integrating the views of key stakeholders and participants in the research design to discover what works, for whom and under what circumstances. This approach recognizes the importance of focusing on both project process and outcomes with a strong emphasis on combining data from multiple sources. Such an approach also allows for systemic factors influencing the project to be identified and moderated ensuring the achievement of better overall outcomes. The approach will help us to navigate problems in terms of the availability of primary and secondary data through the development of four core components of research which are presented below.

Component 1: A Meta-analysis of existing review of public administration

Component 1 recognizes the importance of firstly, building a base-line understanding of the present state of public administration in the Arab region through a meta-analysis of existing reviews of public administration, both in development administration more broadly and in our sample of transition states (Egypt, Libya, Tunisia and Yemen). This has involved four stages of investigation and analysis: the development of a base-line understanding of the nature and challenges of development administration; identification

of pertinent reviews; analysis of findings; and, development of a common assessment framework so that we can make meaningful comparison across our sample of transition states. Our thoughts thereafter will be guided by four questions: what would progress look like? What are the key barriers that are impeding progress? How might these barriers be mitigated? What could Arab states usefully do together to help further mitigate these barriers?

This work stream has allowed us to generate the content for sections two and four of the report – *The State of Public Administration in the Arab Region* and *Barriers to Reform*.

Component 2: Comparing reform instruments and identifying better practices

Component 2 of the research project sought to evaluate the quality of reform processes in terms of strategic management and identify examples of better practices to help construct the ingredients of an effective change governance strategy. Here we adopted an approach to data collection that was used in the European Union (EU) in relation to the Lisbon Strategy. The aim here was to make the EU "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion", by 2010 (by 2010, most of its goals were not achieved!). The reform of public administration was identified as a key policy instrument for achieving this objective. All Member States were asked a series of questions relating to their approach to administrative reform and were asked to identify examples of better practice. We therefore emulated this method to help generate primary data for the report. These questions can be found in Annex 1.

This work stream draws on examples of better practice to develop strategies for affecting better systems navigation of the main barriers to reform. It focuses on the following questions:

■ Can ingredients of effective change governance be derived from the findings?

■ What lessons could be applied broadly across transition Arab States?

■ What resource requirements (people, technology, and funding) would be required for broader application of the approach?

This work stream has allowed us to generate the content for sections three and six of the report – *Reform Strategies* and *Towards Change Governance*?

Component 3: Decentralization, localism and development

Our third work stream evaluates the application of different models of decentralization in developmental administration for affecting change governance. It observes that the concept of localism – *the devolution of power and/or functions and/or resources by central government away from central control and towards front-line managers, local democratic structures, local institutions and local communities, within an agreed framework of minimum standards* – provides a more practical and stable approach to affecting inclusive territorial governance in transition Arab States.

This understanding of localism in Arab States would require new ways of being local governance with a particular emphasis on: 'joining-up' government administration through the provision of local knowledge to the

planning processes of multi-level governance; acting as a conduit for citizens engagement on a raft of central government initiatives; an enhanced role as a delivery partner for central government and NGO initiatives; and, assuming greater responsibility for facilitating local entrepreneurship and pursuing the development agenda.

This third work stream has allowed us to generate the content for section five of the report – *Decentralization, Localism and Development.*

Component 4: Delphi Analysis

The findings in sections two, three, four and five have been further interrogated through the use of Delphi Analysis and translated into a set of concrete policy actions in section six. The Delphi method is used to collect data on administrative subjects and evaluate the feasibility of the suggested interventions. Delphi is a useful method for eliminating negative impacts of 'face-to-face' or group discussions (Hsu and Sandford, 2007) by participants not interacting directly with one another. Country experts were asked a series of questions relating to the current state of public administration, the character of administrative reform processes, barriers to reform, success stories in the reform process and putative new directions for policy-makers to pursue. Arising recommendations were then presented to another expert group through email for their comment and prioritization. The primary objective of this process is both to test possible strategies for project enhancement and fine-tune the research team's final recommendations.

This work stream has allowed us to fine tune the content for section five of the report – *Towards Change Governance*.

1.2 THE CASE STUDY SAMPLE

As noted in Box 1.1, our sample of case studies – Egypt, Libya, Tunisia and Yemen – were selected for four main reasons. Firstly, they have all been impacted significantly by the Arab Spring and require root and branch change governance strategies. Secondly, they represent different forms of political system (uni-cameral, bi-cameral and transitory authorities). Thirdly, they represent countries experiencing different forms of transition at contrasting states of development.This is reflected in the composition of their economies and the governance problems that they are experiencing. Libya and Yemen have energy-based economies, whilst Egypt and Tunisia have more diverse economic bases which once yielded high growth rates but have been subverted by political mismanagement and low social cohesion. The governance challenge in Libya and Yemen is particularly acute; in many instances we are not talking about administrative reform but institution-building from scratch. And fourthly, they represent a good spread of countries in terms of population size and urban and rural mix.

1.3 CRITICAL ISSUES FOR THE PROJECT

This research project has been complex in at least three ways; a) it involves the study of administrative systems that are not well documented, particularly Libya and Yemen; b) data for evaluating organisational performance is not easily accessible in any of the countries[1]; and c) administrative reform questions are normally highly politicized so it is often difficult for evidence-based thinking to prevail over politics. In sum, unlike countries in other transition contexts (see Verheijen, 2002 & 2003), our four countries have been slow to engage in structural reform of their administrative systems; although it must be noted that these processes are still in their infancy. In consequence, it is important to identify certain principles of engagement to underpin the project from the outset. The complex nature of this research project requires the research team to operate five principles of engagement.

BOX 1.1. CASE STUDY SAMPLE

	POLITICAL SYSTEM	HDR	TI	ECONOMY	POPULATION IN 2014
Egypt[*]	Uni-cameral	123	105	Diverse economy including textiles, food processing, tourism, chemicals, pharmaceuticals, hydrocarbons, construction, cement, metals, light industry.	88,895,099
Libya	Uni-cameral	53	126	Energy-based (95% exports/80% GDP/99% of government income).	6, 244, 174
Tunisia	Uni-cameral	98	65	Diverse economy including textiles, food processing, petroleum products, chemicals, phosphates and strong tourism with about 80% of exports directed at the European Union. Tunisia was blessed with decades of growth at 4.5%.	10, 937, 521
Yemen	Bi-cameral	140	146	Oil-dependent but water scarce economy (25% of exports/63% of GDP)	26,052, 966

*It is noteworthy that Egypt is ranked 27th/195 in terms of the number of internet users. This illustrates the significant potential for digital democracy and public service production. **Sources:** HDR – 2010 Human Development Report; TI – Transparency International 2008 Corruption Perceptions Index, CIA World Factbook (Accessed 13/6/2014).

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1. The paucity of data represents a significant problem in terms of strategic learning – identifying what works and under what circumstances. This presents an important research challenge for the UNDP and its partners.

The Arab Region Parliamentarians Against Corruption leadership group meets in Beirut in 2013. (Photo: GOPAC/Akaash Maharaj)

Systematic and objective assessment

We understand this project as involving the systematic and objective assessment of on-going or completed projects, programmes or policies, their design, implementation and outcomes. The aim of our work is to determine where the gravity of evidence lies in terms of fulfilment of objectives, effectiveness, impact and sustainability of reform interventions. We therefore seek to provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process.

A developmental approach

A developmental approach is adopted, anchored in designing a research project which has broad ownership amongst core stakeholders. The emphasis in this form of work is placed on organisational learning and lesson-drawing i.e. drawing lessons from best practices nationally and internationally and using them to promote progressive change. This required the creation of a participatory learning environment based on the concepts of mutualism and reciprocity between the research team, project brokers and members of the UNDP project Governance Group.

Collaborative analysis

The findings have been synthesized through collaborative analysis in research team meetings. Hence, the learning process will involve iterative processes in which findings are presented, collaborative analysis takes place and a review of prescriptive possibilities is undertaken. This process maximizes utilization of the research findings and ensures that the research provides information that is credible and useful, enabling the incorporation of lessons learnt into the project work plan and broader institutional memory.

Action-based research

The research will draw on the best traditions of action-based research. Action-based research refers to the production of research which has 'explanatory', 'descriptive' and 'prescriptive' objectives. It differs from applied research in two respects. Firstly, *it includes senior practitioners in both the production and the analysis of research findings*. Secondly, *it aims to produce research which can immediately be integrated within decision processes*. This approach recognizes that academic knowledge about public administration should be used for its

betterment not just because all that we do as scholars of public administration and public policy is rooted in practice but that because the defence of bureaucracy and the achievement of social progress demand it. Furthermore, engaging in 'enlightened' prescription founded on strong principles of inclusiveness, academic freedom and social scientific rigour helps to improve explanations and understandings of public policy subjects.

Mixed methods

The success of this research primarily rests on the selection of the appropriate methodology or mixtures of methodologies for assessing the delivery of organisational aims and objectives through the evaluation of the impact of institutional outputs. The project adopted a mixed methods approach and identifies both qualitative and quantitative metrics for measuring the success of the project. We rely heavily on secondary data sets, the views of country experts, participatory observation and the drawing of lessons from other cases that are similar or comparable. This approach does not require the establishment of given truths ('proof' of impact), but seeks to provide a narrative interpretation of the links between an intervention and any impacts that occur.

2 | The state of public administration in transition Arab States

The 2015 Government Summit opens in Dubai, United Arab Emirates.
(Photo: UN Photo/Mark Garten)

> For forms of government
> let fools contest, whate'er is
> best administered is best.

**Alexander Pope, An essay on Man,
Epistle 3, 1, 303-4, 1733.**

> It seems that all are agreed
> on the proposition that
> the nature and perform-
> ance of public sector
> organizations are critical
> elements in determining
> developmental success.

Mark Turner and David Hulme, 1997, p.1.

The purpose of this section is to present a snapshot of the current state of public administration in transition Arab States. It is organised into four parts. Part one begins by providing an understanding of contemporary thinking on institution-building for development. In addition, it provides an overview of the different models of public management that are practiced to varying degrees in developing areas, largely as a result of the influence of international organisations and the conditions associated with foreign aid and other forms of investment. It then outlines the governance dilemmas which need to be confronted by governments embarking on administrative reform processes from the outset. Part two then proceeds to an analysis of current administrative arrangements and capacities across our sample of transition states. Part three provides an overview of current perceptions of the quality of governance in our four countries. Part four then presents a meta-analysis of existing reviews of public administration and part five, an insight into the costs of public administration in the four countries.

2.1 WHAT WE THINK WE KNOW ABOUT INSTITUTIONS AND DEVELOPMENT

Three overlapping claims about the centrality of institution-building in development gained apostles over the past two decades in both developing areas and in the development industry and have an important influence on administrative reform efforts. The first claim is that institutions matter in development because they provide stable governing parameters (Leftwich 2005 & 2006); the second claim is that the achievement of good governance in public administration ensures that institutional rules remain both stable and effective (TIRI, 2008).

Hence the deepening and consolidation of the reform of the administrative system is perceived by reformist elites to be of vital importance to ensure the continuation of the success of economic reform.

We can identify at least three generations of international discursive thinking about the concept of good governance: good governance as a methodology of market and political reform in the era of structural adjustment (Burki and Perry 1998); the rise of 'good enough governance' in the era of poverty reduction (DFID 2005, 2007, Grindle 2004); and, the present era of 'integrity in public administration' as a normative project for realising 'good enough governance'. Good governance was initially a 'top-down' neo-liberal discourse of modernisation born from the Washington Consensus which advocated the role of NPM 'economy', 'efficiency' and 'effectiveness' reforms as key policy instruments in market and liberal democratic transitions. However, the failure of structural adjustment and shock therapy to understand the particularities of the dynamics of development both in African states and former Soviets, led to a period of revisionism over the character of institution-building required for development. This had two evident manifestations – the emergence of a more participatory approach to national development planning and programming reflected in the development of country poverty reduction strategies and an emphasis on bottom-up processes of governance reform such as community-driven development. In combination, these factors reflected a growing international recognition that developmental aspirations could not be met in the medium to long-term without stable and effective institutions. At the level of political rhetoric, Merilee Grindle (2004&2007) emphasised the implausibility of 'good governance' as a project that should inform development administration and made the case

for a 'good enough governance' approach based on the importance of place, culture and national development priorities. As Grindle (2004, p. 525) puts it:

> *The good governance agenda is unrealistically long and growing longer over time. Among the multitude of governance reforms that "must be done" to encourage development and reduce poverty, there is little guidance about what's essential and what's not, what should come first and what should follow, what can be achieved in the short term and what can only be achieved over the longer term, what is feasible and what is not. If more attention is given to sorting out these questions, 'good enough governance' may become a more realistic goal for many countries faced with the goal of reducing poverty.*

Grindle's (2004, pp. 525-548) notion of 'good enough governance' has had a significant influence on the development thinking of the institutions of global governance (Stone and Wright 2007). It refers to accepting 'a more nuanced understanding of the evolution of institutions and government capabilities' and 'being explicit about trade-offs and priorities in a world in which all good things cannot be pursued at once'. More recently, TIRI's (2008) appeal for integrity in public administration has taken this argument one step further. TIRI is an off-shoot of TI, largely funded by George Soros, with a focus on finding practical solutions for achieving administrative integrity in developing areas. TIRI has established a working definition of administrative modernisation rooted in ensuring accountability, competence and anti-corruption in public administration. TIRI views this approach to be an essential component of sustainable development, of the safeguarding of human rights,

of strengthening democracy and of poverty reduction[2] .Of course, these are longstanding principles of public administration which, as Ferrel Heady (1984 and 2006, pp. 61-127) notes, can be traced back to ancient civilisations from the Egyptians through to the Greeks and Romans and the administrative traditions that emerged under Confucius in 478BC; they are not the preserve of liberal democracies.

And, the third claim about the centrality of institution-building in development is that the tools of New Public Management (NPM) provide a methodology for ensuring transparency and accountability and creating an economic, efficient and effective public sector. NPM is a toolkit of administrative techniques which had its origins in the English-speaking world but was always practiced very differently in the US, Australia, the UK, New Zealand and elsewhere (see Hood 1995; Peters, 1997). Table 2.1 describes the range of administrative reforms delivered under the banner of NPM – a short hand term for describing the raft of reforms geared around issues of 'economy', 'efficiency' and 'effectiveness' which were introduced in the 1980s in a big bang response to global economic crisis and incrementally thereafter. These can be organised around market-inspired reforms and deregulatory/regulatory reforms. In the 1990s the toolkit was supplemented with a range of governance and competency reforms as described in Table 2.1.

Developing countries have been regular plunderers of the NPM and Governance toolkits. But what does the evidence tell us about the performance of NPM? Does it provide a methodology for ensuring transparency and accountability and creating an economic, efficient and effective public sector? This of course depends on how well these tools of public management are applied and whether there is the capacity within the administration to use them. There is therefore plenty of evidence to suggest that NPM can be used to embed dominant administrative norms and values and insulate bureaucratic elites from meaningful reform (Common and Carroll, eds., 2013; Common 2011a, b, &c). Moreover, while many developing countries have adopted certain tools of NPM it has had most impact at the level of political rhetoric rather than in substantive institutional reform (see Common 2001 and Polidano 1998&1999).

Most significantly, although NPM provides important tools within the public management toolkit, they are not sufficient to meet the challenge of administrative development in transition states. This is because NPM tends to privilege the role of public servants as the arbiter of the public good at a time when there is a need for broader ownership of development problems. NPM takes the politics out of public policy deliberation and its market orientation is at odds with the concept of public service sitting more easily with the language of the consumer rather the language of the citizen. In a transition period, citizen and stakeholder engagement in policy development and delivery becomes pivotal to the achievement of social progress. This is not least because many components of administrative reform require co-production and adaptive behaviour from citizens and often stakeholders. Moreover, the critical challenges confronting development administration in a more complex, fragmented world require the most adaptive form of power to enable community interests to blend their capacities to achieve common goals. This is called soft power or *the power to persuade*. In the aftermath of the Arab Spring, the most difficult problems confronting public administration tend to require soft power solutions rather than managerial ones.

BOX 2.1. THE NEW PUBLIC MANAGEMENT TOOLKIT

NEW PUBLIC MANAGEMENT – MARKET-INSPIRED REFORM

Privatisation of state assets, and certain services

Internal markets - separating purchasers from providers within the Public Sector to create new markets e.g. care for the elderly

Performance budgeting – results-oriented, target driven budgeting

Performance contracts and **pay-for-performance** – establishing performance targets (PSAs) for departments and individualised pay scales for public employees

Programme review – systematic analysis of costs and benefits of individual programmes

Compulsory competitive tendering – services delivered by the private or voluntary sectors

One-stop-shops – coordination of programmes through one delivery system to eliminate duplication

Invest to save budgets – venture capital for oiling the wheels of government

Quality standards – applying principles of quality management e.g. Citizens Charters, 'Best value' or 'Comprehensive Performance Assessments', Public Service Agreements

GOVERNANCE REFORMS

Decentralization – moving responsibility for programme delivery and delegating budgetary authority from central government to provincial or local governments or neighbourhoods or through 'total place'

Open government – freedom of information, e-Governance and public engagement mechanisms – e.g. Citizens Juries and other deliberative forums

Standards in public life – constituting effective public administration frameworks (e.g. executive machinery, departments, planning and coordinating mechanisms);

Development of **codes of ethical practice** (e.g. codes of conduct, transparency, accountability, effective audit, monitoring and evaluation).

Collaborative governance with stakeholders

Co-production with citizens

NEW PUBLIC MANAGEMENT – DEREGULATORY/REGULATORY REFORM

Personnel deregulation – open competition in recruitment, performance related pay and elimination of civil service controls over hiring, firing, promotion, etc.

Purchasing deregulation – permits individual organisations to make decisions about procurement, rather than using centralised purchasing organisations

Creation of **new regulatory bodies** to supervise privatisation and collaborative governance

COMPETENCE REFORMS – INCREASING THE CAPACITY OF PUBLIC SERVANTS TO ACT

Staff audits to determine what personnel is on hand;

Getting the right people into the administration, partly by stronger incentives to attract and retain them, partly by changing objectives and procedures in an effort to make the work situation more challenging and rewarding; and,

Establishing **integrated training programmes** through the establishment of a civil service college/ schools of government and professional skills for government/occupational skills frameworks

Coaching and mentoring

Capability reviews

BOX 2.2. KEY FEATURES OF NEW PUBLIC MANAGEMENT – THE '4' S MODEL

	TRADITIONAL MANAGEMENT	NEW MANAGEMENT
Structures	Bureaucratic, hierarchical, centralized	Small core, broad, flat periphery, decentralized
Systems	Central 'hands-on' control, detailed oversight exercised through multiple tiers	Performance targets, cost centres, talks and teams, internal markets/trading 'hands-off' control
Staffing	Large staff corps, fixed, permanent, centralized bargaining	Small core, flexible, large periphery, localized bargaining
Super-ordinate Culture	Sound administration, legal and financial probity, professional, quantity in service delivery	Flexible management, measuring output, managerial, customer-orientated, quality in service delivery

There are also problems with the NPM approach that are brought about through attempts to affect cultural change. As Box 2.2 observes, NPM signals a shift in administrative structures, systems, staffing and superordinate culture from traditional forms of public administration and by implication, seeks to change dominant norms and values; elite resistance is therefore an inevitable corollary. The marketization of public service production also brings further governance problems because it involves the increasing use of non-accountable third parties to manage and deliver government services. An integrity paradox often emerges in which the quest for 'economy', 'efficiency' and 'effectiveness' through NPM, governance, and risk management, actually increases rather than reduces the scope for maladministration or corruption (see Gratto, Preston and Snilsberg, 2002).

In consequence, the success of administrative reform in transition contexts particularly rests on the establishment of strategic purpose in relation to the direction of the reform process and the development of an inclusive change governance strategy to affect meaningful and legitimate change (Evans, 2012).

In this section we have drawn attention to four governance problems that must be carefully considered in any reform process.

Firstly, institution-building impacts upon and often seeks to reconstitute or remove existing power structures. It is therefore a wholly political process and resistance will occur.

Secondly, the crafting of good enough governance – i.e. the pursuit of accountable, transparent, competent and responsive public administration underpinned by the rule of law – needs to be understood as a culturally defined aspiration. It will mean different things in different places reflecting the state of development of the country, existing norms and values and institutional capacity.

Reform is therefore as much a behavioural challenge as a problem of institutional design and structural reform is often used to mask deep-seated cultural problems and a failure to confront reality.

Thirdly, NPM is simply a toolkit used to varying degrees by public organisations in developed countries; it is certainly not the panacea to all the problems of administrative development. Moreover, its success is determined by a range of conditions that we would normally associate with the ability to affect rational forms of policy transfer from overseas such as feasibility of cultural assimilation into existing administrative systems, evidence of technical compatibility, capability to deliver the objects of transfer, appropriate resources and so forth (see Evans 2004 and Marsh and Evans 2012).

Fourthly, the success of administrative reform in transition contexts particularly rests on the establishment of strategic purpose in relation to the direction of the reform process forged through an inclusive change governance strategy.

2.2 ASSESSMENT OF CURRENT PUBLIC ADMINISTRATION ARRANGEMENTS AND CAPACITIES

In this section we examine current administrative arrangements and capacities across our four transition states focusing on the key administrative characteristics of public administration. We begin by identifying the key administrative characteristics of public administration organised around the following features – structures, systems, staffing, superordinate culture and strengths. What we will term the "5 S model" (see Boxes 2.3 and 2.4). The common features of the systems are outlined in red and the unique features in purple. It is immediately evident that the institutional challenges confronting the four states are qualitatively different in scale.

BOX 2.3. ADMINISTRATIVE CHARACTERISTICS – STRUCTURES AND SYSTEMS

ADMINISTRATIVE CHARACTERISTICS		ARAB REPUBLIC OF EGYPT	LIBYA	REPUBLIC OF TUNISIA	REPUBLIC OF YEMEN
Structures	Legislative branch	Uni-cameral House of Representatives elected through universal suffrage for post 18 year olds. Multi-party system	Uni-cameral General People's Congress comprised of elected representatives from local Basic People's Congresses (BPC) through universal suffrage for post 18 year olds. Limited party list	Uni-cameral Constituent Assembly elected through universal suffrage for post 18 year olds. Multi-party system	Bi-cameral system (Shura Council) and House of Representatives elected through universal suffrage for post 18 year olds. No election held since 2003. Multi-party system
	Executive branch	Chief of State: President Mansour Head of Government: PM Mehlab	Transitional government Chief of State: President Sahmayn Head of Government: PM Matiq	Transitional government Chief of State: President Marzouki. Head of Government: PM Jomaa.	Chief of State: President Hadi Head of Government: PM Sindwah
	Judicial branch	Mixed legal system Highest Court: Supreme Court	Court system in transition	Mixed legal system Highest Court: Court of Cassation.	Mixed legal system Highest Court: Supreme Court
	Territorial system	27 governorates New directly elected local government units	Libya has a history of decentralization through its large 22 Sha'biyat, or districts sub divided into 600 BPCs	24 governorates 264 delegations (mutamadiyah) and 2084 sectors (Imadats)	22 governorates 333 local districts 1 municipality
Systems		Central 'hands-on' command and control oversight and vertical budget allocation exercised through line ministries with Directorates in the governorates	Governing systems are being built. Traditionally centralized systems combined with the decentralization of functions to local militia based groups funded through the Rentier State	Decentralized territorial administration revolves around municipalities and governorates. Each municipality has its own legal personality and budget	Yemen is governed through central government and local authorities with line ministries and agencies at the governorate and district levels. Weak local budgetary autonomy

The scale of Libya and Yemen's challenges as fragile states are considerable, yet fortunate to a degree by the existence of resources to combat the problems and, of course, the attention of the international community for geo-political reasons has and will lead to investment. Hitherto the focus on stabilizing the security situation and affecting political reform in both states has masked the scale of the institution-building challenge. Moreover, the persistence of rentier state activities – *states which derive all or a substantial portion of their national revenues from the rent of indigenous resources to external clients* – **presents a core barrier to development.**[3] In contrast, both Egypt and Tunisia have a history of development success and failure to remind them of the importance of affecting balanced social and economic change.

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3. It is most frequently applied to states rich in highly valued natural resources such as petroleum.

BOX 2.4. ADMINISTRATIVE CHARACTERISTICS – STAFFING AND COSTS, SUPERORDINATE CULTURE AND STRENGTHS

ADMINISTRATIVE CHARACTERISTICS	ARAB REPUBLIC OF EGYPT	LIBYA	REPUBLIC OF TUNISIA	REPUBLIC OF YEMEN
Staffing and Costs	Large staff corps, fixed, permanent, and neutral with centralized bargaining. No systematic capability review of the civil service has been undertaken. Public administration costs constitute 12% of GDP.	Public administration costs constitute 50% of GDP with 81% working in the Sha'biyat. While the Libyan public workforce is one of the largest in the world[a] intentional policies of statelessness to ensure no opposition to his rule were pursued by Qaddafi.[b] Hence there is a vast leadership gap, limited capability and lack of transparency and accountability.[c]	Large staff corps, fixed, permanent, and, in theory neutral with centralized bargaining.[d] Present focus on removing politicized civil servants. No systematic capability review of the civil service has been undertaken. Public administration costs constitute 30.3% of GDP.	Large staff corps, fixed, permanent, and neutral with centralized bargaining. Legal framework is poorly applied and is not merit-based. Public administration costs constitute 14% of GDP. Reviews suggest a significant capability challenge, low leadership competence, limited primary service coverage and weak harmonization between fiscal budgets and public investment programmes.
Super-ordinate Culture	Traditional public management punctuated with some NPM-type market and governance reforms Hierarchical, centralized. Neutral[e] and permanent, featured by closed systems of policy-making. Weak culture of collaboration.	Traditional public management system. Centralized power and resources, rampant corruption and statelessness.	Traditional public management punctuated with some NPM-type market and governance reforms. Strong focus on anti-corruption interventions. Featured by closed systems of policy-making.	Traditional public management system. Weak culture of collaboration and accountabilities.
Strengths	A thin core of capable civil servants. Potential in the ICT area. Possesses some successful initiatives to build on.	Libya has a failed state apparatus hence the task of reform is to build rather than rebuild public administration. Its strengths lie in the continued existence of oil reserves and some positive steps towards the inclusion of women in political life. In 2012 33 women were elected (out of 200) after the NTC adopted electoral laws that required parties to run equal amounts of female and male candidates.	Constitutional commitment to citizen-centred governance (Article 15) and decentralization. A fundamental role is accorded to local authorities.	Possesses some successful initiatives to build on. 2000 Local Authority Law, and National Dialogue Conference (NDC) appears to have established a federated vision for Yemen with a strong localism component. Evidence of greater participation by citizens and stakeholders. Potential in the ICT area. Strong international support.

a. European Commission (2013), Strategy Paper & National Indicative Programme 2011-2013. b. Wolfram, Lacher (2011), 'Families, Tribes and Cities in the Libyan Revolution', Middle East Policy Council. c. Mercy Corps & The Governance Network (2011), Context, Beyond Gaddafi: Libya's Governance. Executive Summary, Mercy Corps, 2011. d. The civil service has been accused of politicization in recent times but the present technocratic non-partisan government is supposed to remove politicized civil servants and promote administrative neutrality. e. Although it did become more politicized after Morsi was elected president. He sought to extend the power of the Muslim Brotherhood through appointment to senior positions in the public administration. A purge therefore occurred in the aftermath of the 30 June revolution (Hamouda, 2013).

The development problem in both of these countries is more squarely placed on affecting inclusive change governance that helps to foster greater trust between state and civil society. As we will see later, Tunisia has made the structural reforms necessary to meet this challenge and enter a recovery phase, however, it remains to be seen whether these reforms will be implemented effectively. The key obstacle is the public administration. Egypt continues to suffer from institutional sclerosis and is in urgent need of triage; a bloated bureaucracy characterized by low productivity, poor morale and the inability to affect collaborative governance due to its traditional, centralised and hierarchical style of public administration. Small steps have been made to integrate digital capabilities into public service production but the system lacks a unified vision of change and is dominated by a culture of deference.

It is noteworthy, that in theory, all four countries possess permanent and neutral civil services but in practice they are all perceived to have been politicized to some degree. Hence, the depoliticization of the civil service remains a key task for reform in all four countries. This provides a unique opportunity to re-evaluate public service values and codes through an inclusive 'bottom-up' change strategy. Moreover, all four countries require a culture shift in the norms and values informing public administration to develop the structures, systems, superordinate culture and staff to affect change. It is also noteworthy, that all four countries need to address issues of territorial management as a matter of urgency, both to ensure more inclusive and stable government and to build trust with the people. Decentralization is therefore viewed to be a panacea for many of the social and political problems that our four countries are confronting. However, as we shall see later, decentralization strategies often fail and it

is therefore critical that a comprehensive, evidence-based approach rooted in indigenous learning is taken to the formulation of such strategies. Capability development and the need for an integrated learning and development framework to underpin the process of change is also a critical problem that cross cuts all of our cases. However, little progress appears to have been made in this regard providing an important opportunity for collective action.

Let us now turn our attention to current perceptions of the quality of governance in our four transition states.

2.3 THE QUALITY OF GOVERNANCE

The latest report from the Worldwide Governance Indicators Project in 2013 seeks to measure and compare country performance on the basis of six broad dimensions of governance:

1. Voice and Accountability (VA) – capturing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

2. Political Stability and Absence of Violence (PV) – capturing perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.

3. Government Effectiveness (GE) – capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

4. Regulatory Quality (RQ) – capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

5. Rule of Law (RL) – capturing perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

6. Control of Corruption (CC) – capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Country performance is scored on the basis of percentile ranking among 215 countries ranging from 100 (highest performer) to 0 (lowest performer). The findings for our sample of transition countries are reported in Charts 2.1 to 2.6 and make gloomy but predictable reading:

- Improvements have been with regard to Voice and Accountability in Egypt, Libya and Tunisia. Yemen, despite the NDC, is still in decline (see Chart 2.1).

- Political instability and violence has increased in all four states (see Chart 2.2).

- In terms of the effectiveness of government in the four transition states, Chart 2.3 suggests a marginal decline in perceptions of effectiveness from 2010-2012 in all four countries with Egypt and Libya experiencing the most dramatic reverses. The *Failed State Index Report 2012* by the Fund for Peace also

shows that the Arab Spring countries ranked highest of the world's 'most detriorated public apparatuses" in that year.

- All four countries have experienced a marked decline in regulatory quality (see Chart 2.4) and the operation of the rule of law (see Chart 2.5) which is unsurprising given reported increases in political instability and violence.

- Egypt and Tunisia appear to be stabilising corruption but Libya and Yemen are still losing the battle (see Chart 2.6).

The next section will investigate whether these quantitative findings are commensurable with the more qualitative findings which have emerged from key reviews which have been conducted in our sample of transition states over the past decade.

Exhibition on UN Support in Post-Conflict Libya Opens at UN Headquarters in New York. (Photo: UNDP/ UN Photo/Mark Garten)

■ 2008 ■ 2010 ■ 2012

CHART 2.1. VOICE AND ACCOUNTABILITY
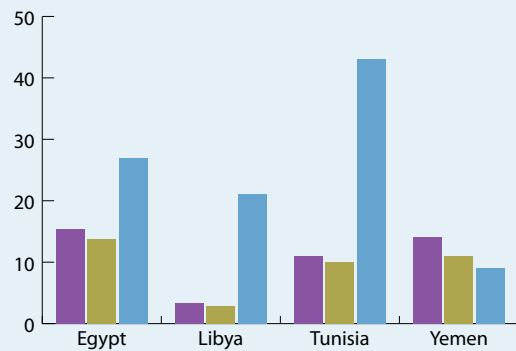
CHART 2.2 POLITICAL STABILITY AND ABSENCE OF VIOLENCE
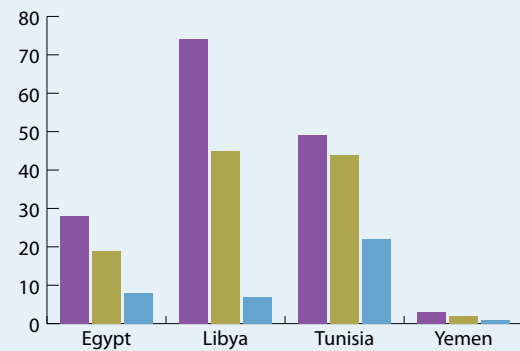
CHART 2.3. GOVERNMENT EFFECTIVENESS
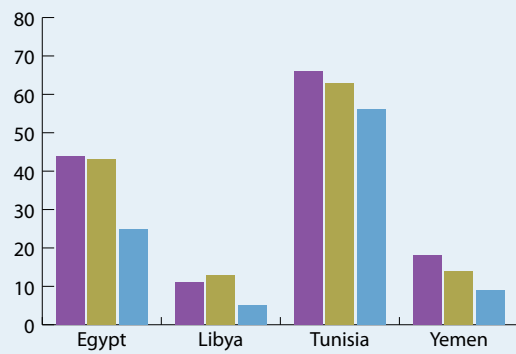
CHART 2.4. REGULATORY QUALITY
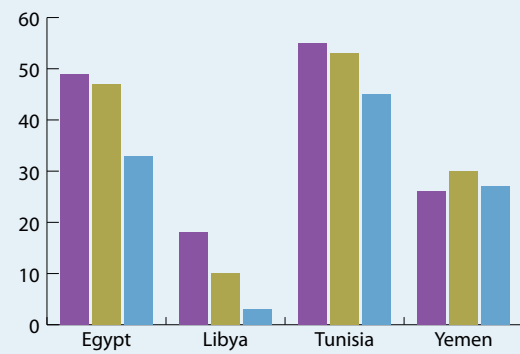
CHART 2.5. RULE OF LAW
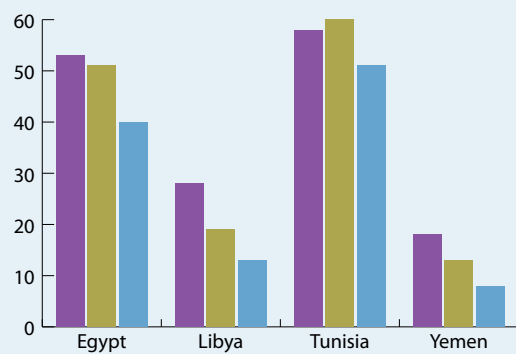
CHART 2.6. CONTROL OF CORRUPTION
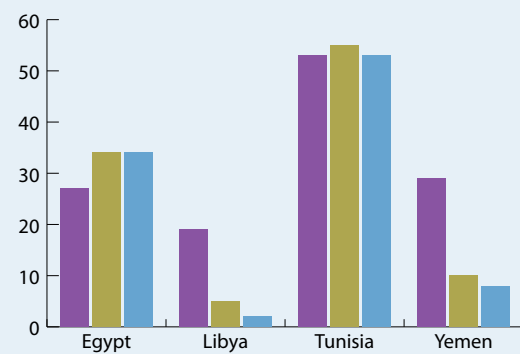
2.4 REVIEWS OF PUBLIC ADMINISTRATION

There follows a brief overview of the key reviews which have been conducted in our sample of transition states. This account provides us with insights into the administrative dilemmas they are experiencing. It also allows us to identify gaps that will need to be bridged in any change governance strategy.

Egypt

There have been no systematic reviews of public administration undertaken by the government. However, a small number of ad hoc studies and reports have been undertaken by international organisations. An assessment conducted by UNDP in 2008, identified several barriers to administrative development (United Nations, 2008, pp. 33-42). These tend to reflect problems of institutional and capability development:

■ The over-centralised structure of executive authority.

■ The large and complex structure of executive authorities with overlapping functions.

■ Hierarchical and complex systems which have resulted in a system characterised by "procedural stalling, endless red tape, institutionalised bottlenecks, the blurring of responsibility, and the absence of administrative accountability."

■ Low status, salaries and rewards (both intrinsic and extrinsic) of civil servants,[4] which leads to low productivity in public administration. Furthermore, there is no incentive or reward for outstanding performance or initiative.

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4. In spite of government attempts to improve remuneration over the past two decades, civil servants salaries remain low because of high inflation (Sayed, 2004, p. 11).

■ Although it is recognised that human capacity is a main determinant of the success of reforms, training is not conducted based on accurate needs assessment or role allocation. Training is used as an instrument for promotion (whereby civil servants are required to attend a training programme in order to receive a promotion).

■ Indifference and resistance is exhibited by mid-level and junior civil servants to reform, as they are not included in the development of policies, which are laid down by senior officials and are not perceived to lead to "positive change". Furthermore, they are expected to bear the high economic and social costs of reform.

■ Despite progress achieved in ICT and e-Government, a highlight of the reform process, provision of some e-Government services is impeded by "technical, legal, or technological obstacles".

The assessment highlighted that the following areas had been identified by senior government officials as priorities for public administration reform (United Nations, 2008, pp. 33-34):

■ The need to reduce the size of public administration and simplify administrative procedures.

■ Improve the salaries and the working conditions of civil servants.

■ Facilitate ICT integration in government to enhance productivity.

■ Establish performance standards with clear lines of accountability.

■ Affect modernisation through institutional development.

- Enhance human resource development (through more transparent and fair recruitment processes particularly for leaders and senior level officials, and learning and development).

- Improve the quality of public service delivery.

The assessment also acknowledged the high costs of reform and hence the political commitment required for the reform effort to succeed. It recommended the identification of "potential agents of change" whether from within or outside public administration and analysing the causes and effects of resistance to reform both politically and organisationally.

The assessment recommended the establishment of professional networks of actors outside the public administration to stimulate change. Such networks would allow for the exchange of experiences, knowledge and expertise

Secretary-General Speaks on Changing Arab World and UN in Cairo. (Photo: UN Photo/Eskinder Debebe)

in different fields of public administration. They would also help facilitate the dissemination of ideas and best practices at central and local administrative levels.

Remarkably, it was suggested that mid-level bureaucrats, leaders, influential intellectuals, parliamentarians could form pressure and advocacy groups within the public administration to push for change. This is 'remarkable' because while such bodies do exist in the developed world they tend to be known for their resistance to reform rather than being the source of public sector innovation. Or they become known for diffusing fad innovations and ignoring the evidence. Nonetheless, it was hoped that this would help cultivate an organisational and institutional culture conducive to change in public administration (Sayed, 2004, p. 34). This in turn would "help reduce resistance to reform, and ultimately enhance levels of professional motivation and satisfaction among civil servants and the overall efficiency and effectiveness of public administration" (United Nations, 2008, p. 47).

It was also observed in the UNDP assessment that the political and administrative elite lack the skill and expertise to navigate these barriers to reform. Indeed, despite these priorities for public administration reform being advocated by senior public officials since the mid-1980s, progress has been modest because of limited capacity to deal with the high economic and political barriers to reform (Sayed, 2004, p. 33).

Although the recent political changes represent a golden opportunity for change, given the desire to engage in reform and high public expectations (including those of civil servants), implementing change might also be quite challenging given that a sensible reform process would inevitably entail redundancies. In the aftermath of the revolution, civil servants and other public sector

employees have become more active in organising protests and demanding improvements to their working conditions. For example, public sector workers organised 1,355 protests in 2012 (Egyptian Centrr for Economic and Political Rights, 2012). Sustained protest has led to an increase in the minimum wage to EGP 1,200 and the conversion of 250,000 part-time posts into permanent positions (Mada Masr, 2013). There have also been protests by workers from former state-owned enterprises, demanding that these enterprises are taken back into state ownership (Nasr, 2011).

Libya

Through synthesising the findings of various UN, EU, IMF, and World Bank reports, as well as scholarly articles, a clear picture of the state of public administration in Libya can be drawn. The lack of a well-developed public administration system is a key feature of the Libyan system of government in spite of the Libyan public workforce being one of the largest in the world.[5] In many ways it plays the role of a social safety net. By implication, any reform process would need to consider the unintended consequences of institutional downsizing for social cohesion in Libya.

Libya's contemporary history has been characterized by the steady accretion and concentration of political and economic power at the centre by former President Muammar al-Qaddafi and his family combined with the decentralization of functions through the Sha'biyat system (22 districts sub divided into townships represented by councils), paid for through direct payments.

Local councils therefore play a vital role in public administration, and many of these councils and groups are ad hoc, militia-based, or tribal. In this way, it remains unclear how the current government is organised. This is seen in Article (18) of the Constitutional Declaration issued by the National Transitional Council (NTC) which states that:

> *...the NTC shall consist of representatives of local councils, elected and nominated by those councils.[6] Article (35) states that all references to 'People's Congresses', the 'General People's Congress', shall be deemed as a reference to the Interim Transitional National Council or to the National Public Conference. Each reference to 'General People's Committee' or the 'People's Committees' shall be deemed as a reference to the Executive Office, to the members of the Executive Office, to the interim government or to the members thereof, each within its respective area of jurisdiction. Each reference to the Great Socialist People's Libyan Arab Jamahiriya shall be deemed as a reference to Libya".[7]*

These intentional policies of 'statelessness' were pursued by al-Qaddafi to eliminate threats to his rule[8] and thus, there is a vast leadership gap combined with the almost complete absence of transparency and accountability mechanisms in government.[9] In the same vein, ministries fluctuated in size and mandate under al-Qaddafi's rule from 7 ministries to 26 at one time. Policy processes were confusing and arbitrary, based on the whim of

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5. European Commission (2013), *Strategy Paper & National Indicative Programme 2011-2013*.

6. The Interim Transitional National Council. 'Draft Constitutional Charter For the Transitional Stage: The Constitutional Declaration', 3 August 2011.

7. Ibid.

8. Lacher, W. (2011), 'Families, Tribes and Cities in the Libyan Revolution', *Middle East Policy Council*.

9. Mercy Corps & The Governance Network (2011), *Context, Beyond Gaddafi: Libya's Governance*. Executive Summary. Mercy Corps.

the executive. Funds were allocated and removed in the same manner, further destabilizing the core functions of the public sector. Libya faces the additional challenge of reforming its public sector and administration within the context of a failing state apparatus and weak governance.[10]

Institutions in Libya do not function according to a merit-based system; there are also no review or evaluation mechanisms[11] due to the existence of a highly centralized system (at least in financial terms) with no regulatory, accountability, or management mechanisms in place.[12] Governance structures have overlapping mandates, lack quality control, and do not follow due process.[13] As for the modus operandi of the public service in Libya, rampant corruption impacts the function of public administration at all levels. This corruption is found particularly in the areas of contracting, resource (grants and tax) collection, and licensing.[14] The task at hand indicates a need to 'build' rather than 'rebuild' public administration in Libya.[15]

The *Worldwide Governance Indicators Project* (WGI) demonstrates that governance effectiveness in Libya has not improved much since 1995, although there was a slight improvement between the years 2002-2005. However, a decrease was seen after 2005 with all-time low figures reported in 2012, indicating a deteriorating governance

situation in dire need for reform.[16] In 2004, the Ministry of Manpower Training and Employment was established to reform the civil service[17] and was tasked with a general overhaul of the public service, focusing on establishing transparency in government, merit-based recruitment and training to enhance capability development.

The *2012 Failed State Index Report* by the Fund for Peace shows that the Arab Spring countries ranked the highest in the world in terms of the 'most deteriorated public apparatuses' in that year. Libya has the unenviable number one ranking for the worst performing state year-on-year from 2006-2012, with a 16.2% increase in deterioration.[18] The scale of this decline is noteworthy, as this is the largest single year decline on record in the Failed States Index.[19] The individual scores are marked out of ten, and are combined to create a final ranking. In terms of state legitimacy, there was a two-fold decrease in the years after 2011 and only a small (0.7) increase in terms of the decline of public services from a starting point of 8.3 in 2011. Elite factionalization exhibited a large increase as well from 4.4 to 9 and 8.8 respectively for 2012 and 2013.[20]

Recommendations for reform arising from these assessments tend to emphasize security sector and political reform to affect stabilization. They then move on to address governance concerns involving capacity development, and establishing accountability and transparency mechanisms in government, including monitoring and evaluation processes.

10.   Bindi, Federiga, B., Amici, M., and Amici, A. *Learning from Afghanistan and Somalia: How to Improve Capacity Building in Fragile Situations*. n.d.

11.   Mercy Corps & The Governance Network (2011), *Context, Beyond Gaddafi: Libya's Governance*. Executive Summary. Mercy Corps.

12.   Ibid.

13.   UNDP (2010), *Building Bridges Between The State and The People*.

14.   United Nations-Department of Economic and Social Affairs (DESA) (2004), *Great Socialist People's Libyan Arab Jamahiriya: Public Administration Country Profile*. Division for Public Administration and Development Management (DPADM).

15.   European Commission (2011),. *'Action Fiche For Libya - Public Administration Capacity Building'.*

16.   World Bank (2013), *The Worldwide Governance Indicators (WGI) Project*. World Bank.

17.   United Nations (2011), *Governance and Public Administration in Libya Pre-assessment paper*. UN sub-group on Public Administration (pre-assessment phase).

18.   The Fund For Peace (2012),'Most Worsened Country for 2012: Libya.' *The Fund For Peace*. Edited by J.J. Messner. June 20, 2012.

19.   Ibid.

20.   Ibid.

Tunisia

Tunisia is undergoing fundamental reform in the current transitional context. Article 15 of Tunisia's new constitution of 27th of January 2014 stipulates that:

The public administration is at the service of the citizen and of the common good. It is organized and operates in accordance with the principles of impartiality, equality and the continuity of public services, and in conformity with the rules of transparency, integrity, efficiency and accountability.

By implication, significant governance reforms should follow to avoid constitutional paralysis. The new constitution provides for a significant shift in administrative responsibilities from a head of state to a head of government who 'exercises general regulatory powers' and 'leads the public administration' (Article 92). Thus, according to Article 92, he/she is responsible for:

■ Creating, modifying and dissolving ministries and secretariats of state, as well as determining their mandates and prerogatives, after discussing the matter with the Council of Ministers.

■ Dismissing, and accepting the resignation(s), of one or more members of the government, after consultation with the President of the Republic in the case of the Ministers of Foreign Affairs and Defence.

■ Creating, amending, and dissolving public institutions, public enterprises and administrative departments as well as establishing their mandates and authorities, after deliberation in the Council of Ministers, except in the case of institutions, enterprises and departments under the competence of the President of the Republic, which are created, changed or dissolved by proposition of the President.

■ Nominating and dismissing individuals in senior civil servant positions. These positions are determined by law.

■ The President of the Republic preserves, however, some marginal administrative powers mainly:

- Appointing and dismissing the General Mufti of the Tunisian Republic.

- Appointing and dismissing individuals with respect to senior positions in the Presidency of the Republic, and dependent institutions.

- Appointing and dismissing individuals with respect to senior military and diplomatic positions, and positions related to national security (Article 78) but the President should act after consultation with the Head of Government.

More significant in terms of adjusting the distribution of executive powers, the President of the Republic will now appoint the governor of the Central Bank but upon advice by the Head of Government and after approval of the appointment by an absolute majority of members of the Assembly of the Representatives of the People (parliament). The governor shall be dismissed in the same manner, or upon the request of a third of members of the Assembly of the Representatives of the People and by approval of the majority of the members.

In terms of constitutional changes impacting on public administration, a focus has been placed on decentralized administration. Article 14 of the new constitution stipulates that "*The state commits to strengthen decentralization and to apply it throughout the country, within the framework of the unity of the state*". Moreover the new constitution dedicates Chapter Seven to the creation of creating a new multilevel decentralized system with three types of decentralized elected administrations: municipalities, regions and super regions (AKALIIM). These authorities will enjoy a legal personality as well as financial and administrative independence (Article 132). In theory then, future governance in Tunisia will embrace the principles of autonomy and subsidiarity (Articles 132 and 134) as a change governance strategy for achieving citizen-centred governance. Hence, Article 139 stipulates that 'Local authorities shall adopt the mechanisms of participatory democracy and the principles of open governance to ensure the broadest participation of citizens and of civil society in the preparation of development programs and land use planning, and follow up on their implementation, in conformity with the law'.

A range of independent integrity agencies have also been created to affect governance reform including *The National Commission for the Investigation of Bribery and Corruption* (2011), The *Higher Independent Electoral Commission (2011),* and *The Higher Independent Authority for Audiovisual Communication*. The latter was created after the dismantling of the former Ministry of Information to enhance public trust in official information. In addition, an open government initiative has been launched.

Tunisia's reform process promises much, but is operating in a very unstable socio-economic and security context.

Yemen

The key to understanding contemporary developments in public administration in Yemen lies in the conditions of the Yemen Transition Agreement of 2011 which was brokered through the Gulf Cooperation Council (GCC). This has become known as the 'GCC Initiative'. The 'GCC Initiative' designed a road map for the transitional period, starting with the forming of a national accord government organised through equal representation of members of the former regime and the former opposition. Following the formation of the government, a National Dialogue Conference (NDC) was convened for 10 months. 565 delegates were chosen to participate in the NDC, representing the political parties, but most significant representation was afforded to youth, women, and social groups that had major grievances with the state such as the Houthi movement, and the Southern Hirak Movement.

The outcomes from the NDC provided the guiding principles for a new social contract, and Yemen's new constitution, which is currently being drafted. The key administrative development arising from the document is a commitment to the creation of federal state. The transitional government has been tasked with devising the administrative and financial arrangements for the establishment of a federal state organised around six federal regions.

Since the establishment of the transition government, there have been several studies and assessments of civil service capability conducted by international organisations. The main findings are presented here. According to the 2011 UNDP assessment of Yemen's development

Yemen's 'GCC Initiative' designed a road map for the transitional period, starting with the forming of a national accord government organised through equal representation of members of the former regime and the former opposition.

strategies for achieving the Millennium Development Goals, the major challenges facing Yemen and its public service crystallise around:

■ **Environmental factors –** unstable security context and the inability of government to implement the rule of law, poor food security, high unemployment rate;

■ **Limited strategic alignment between national development goals, budget and implementation governance –** absence of harmonization between fiscal budgets and public investment programs and the absence of monitoring and evaluation;

■ **Sclerotic Institutions –** endemic corruption, poor leadership, limited civil service capacity, the absence of a code of conduct (ethics) in the Civil Service Law and effective accountabilities; and,

■ **Poor working conditions –** low wages and the absence of a merit based service.

These findings echoed those found in the World Bank funded Civil Service Modernization Project (2006). A later study conducted in 2013 by the UNDP entitled 'Options for Future Form of Government and

Decentralization in Yemen',[21] identified key obstacles facing public administration particularly at the local level. These included conflict between local and central government in terms of statutory instruments and functions. The report cited 82 national laws that are in conflict with local administrative law, overlapping roles in terms of financial management and planning resulting in weak accountabilities and development needs being left unmet. The study observed that the national audit agency COCA was deemed ineffective, and other audit mechanisms suffered from elite capture. Additionally, planning at the local level is not responsive to local districts' needs, as spending on capital investment is ultimately determined centrally, and locally generated and collected resources are not distributed systematically within the administrative unit and subunits.

The environmental factors are particularly acute. During 2012 and 2013, Yemen's public finances reached critical levels as a consequence of increasing numbers of public employees (1.4 million including ghost workers and

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21. Moriani, F., M. Al-Hammadi, and A. Al-Zawm (2013), 'Options for future form of Government and Decentralization in Yemen', United Nations Development Programme.

double dippers), mounting financing pressures to pay interests on the national debt ($6 billion as of 2013), and the continued subsidy of fuel products ($3 billion in 2013). A high unemployment rate has undermined social and political stability and has been concentrated among youth cohorts aged 15 to 24 years (52.9%), and the age group 25 to 59 years (44.4%). Unemployment is even widespread among educated people, with approximately 25% of unemployed people attaining secondary school qualifications and above. Now, 54.4% of the population live below the poverty line. Estimates indicate that the number of those affected by the deterioration of the humanitarian situation increased to about 8 million people during the year 2011. If food insecurity and malnutrition indicators are used, this number swells to over 10 million people.

At the same time, there has been much reduced coverage in the delivery of basic primary services since 2011: 42% of the population have access to electricity; 35.2% have access to security, judiciary and local government services; 26% have access to water supply services; and, only 16% of the population have access to sanitation services.

Nonetheless, there have been some important advances in this period. Firstly, the NDC may be viewed as a crucial step towards more inclusive governance post-Arab Spring.[22] Secondly, progress is being made in terms of the introduction of governance reforms and there is a will on behalf of government to use ICT more effectively in public service delivery. Thirdly, there is strong international support and commitment to Yemen's reform process.

2.5 COSTS OF PUBLIC ADMINISTRATION

Egypt

The cost of public administration in Egypt as reported in the 2013/2014 budget is almost EGP147bn (US$21 bn), excluding interest and subsidies. Salaries constitute 44% (EGP65 bn (US$9.3 bn) of the public administration budget whilst investment accounts for 21% (EGP31 bn (US$ 4.4 bn) and recurrent expenditures represent 35% (EGP51 bn (US$7.3 bn).[23] The local administration budget is EGP97 bn (US$14 bn), 87% of which goes on salaries.[24] 18% of the total national budget (EGP816 bn – US$117 bn) is spent on public administration and 12% on local administration.

The national budget is divided between public administration (which includes the central government) and local administration (which involves the governorates). Budgetary requirements are identified at the lowest levels of local administration and passed on to the higher levels up to the governorate before it is included within the budget of one of the 11 directorates. The Ministry of Finance has the upper hand in determining budget ceilings and requests for all governorate directorates and line ministries, as well as other central administration units. The budget is then approved by the Cabinet before being submitted to the Parliament for approval (Boex, 2011, p. 1-2).

22. "The National Dialogue Document", Republic of Yemen National Dialogue Conference, 2014.

23. Ministry of Finance. See: http://www.mof.gov.eg/MOFGalleryS-ource/Arabic/budget2013-2014/part1/M-P1-15.pdf
24. Ibid.

A major challenge arises because of the vertical budget allocation to individual ministries, rather than across the government in relation to themes or projects. On the one hand, allocating resources vertically might increase local ownership and strengthen budget decision making in ministries and agencies. This can help hold them accountable for attaining specified objectives within the allocated budget, and can help support use of ICT to improve policies within specific industries. However, vertical budget allocation may also reduce incentives for cross government coordination and collaboration and foster a silo approach, which could decrease end user orientation of public services design.

Libya

The three main expenditure categories used in Libya are: i) compensation and benefits; ii) general public expenditure; and iii) new projects and activities. Information on the cost of public administration in Libya is scarce. However, despite its lack of development, the public sector is deeply inflated as a result of patronage networks within the rentier state,[25] and data from 2007 indicates that there were 1.18 million employees in the public sector[26] out of a population of 6.4 million in that year.[27] This indicates that public administration was politicized and used as a coercive instrument by the former regime, at high cost due to its vast size. An IMF report from 2007 sheds some light on this, highlighting that the wage bill in Libya increased to about 50% of total GDP (about 43

billion Libyan dinars) as a consequence of civil service reform. The total expenditure budgeted in 2008 was divided amongst (in millions of Libyan dinars): administrative budgets (18,556), wages (7,426), and the wealth distribution programme (4,622). The capital expenditure went solely to development budget at 33,067.[28] The Libyan Constitution provides for the creation of an accounting department responsible for financial control of all revenues, expenses, and all movable and immovable property belonging to the State.[29]

UNDP trains women on campaigning strategies before the 2011 Constituent Assembly Elections. (Photo: UNDP/Noeman AlSayyad)

25. European Commission (2011), *'Action Fiche For Libya- Public Administration Capacity Building'*.

26. United Nations (2011), *Governance and Public Administration in Libya Pre-assessment paper,* UN sub-group on Public Administration (pre-assessment phase).

27. Index Mundi. *Historical Data Graphs per Year- Libya.* Data Graph.

28. IMF . "Socialist People's Libyan Arab Jamahiriya: Staff Report for the 2008 Article IV Consultation." Vers. No. 08/302. 3 Jul 2008. IMF. Iinternational Monetary Fund Consultation, Staff Representatives for the 2008.

29. The Interim Transitional National Council. "Draft Constitutional Charter For the Transitional Stage: The Constitutional Declaration." 3 Aug 2011.

Tunisia

Information on the cost of public administration in Tunisia is limited and incomplete. The number of civil servants (excluding public enterprises) is 694, 000, representing 6.3% of the total population. This percentage is very high when compared with similar countries at the same state of development. In 2014, 8.2 billion dinars (33 % of the 2013 state budget) was disbursed through wages.[30] The annual finance law for 2014[31] provides further details on the costs of public administration. Its third article states that appropriations for the expenses of the State Budget for the year 2014 are set at 28.025 billion dinars. Among this total amount, the management expenditure of the state is:

- Public wages: 10 554 866 000 Dinars

- Means of services: 1 050 830 000 Dinars

- Public interventions: 5 660 818 000 Dinars

- Unexpected expenditure management:
  296 186 000 Dinars

- Total: 17 562 700 000 Dinars

The cost of public administration can thus be estimated at around 55% to 60% of the total budget of the State. In 2011, the expenditure of central administration represented 30.3 % of GDP.

Yemen

Information on the cost of public administration in Yemen is at best minimalist and is calculated on the basis of the total payroll for government servants in all public sectors. For the year 2014, this is budgeted at (in Billion Rials at 215 to 1 US$):

- Wages and Salaries of Central government 576.06 (51%)

- Wages and Salaries of Local Government 401.03 (36%)

- Wages and Salaries of I.U / Special Funds 17.67 (2%)

- Wages and Salaries of State owned Enterprises 133.11 (12%)

Thus amounting to 1127.87 Billion Rials estimated at approximately 14% of GDP.

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30. See Labbaoui A., *How can Mehdi Jomaa's government work with a non neutral administration?* In *Maghreb newspaper,* February 22, p. 10 -11 (In Arabic language).

31. Law 2013-54 dated 30th of December 2013, Official Gazette of the Republic of Tunisia, n° 105 issued 31st of December 2013.

2.6 SUMMARY

All of our transition states are struggling with four governance dilemmas: developing a clear understanding of what progress would look like and articulating a coherent vision for future governance; removing or managing barriers to progress – *confronting the reality*; developing the capacity to advance an alternative future; and, building trust between government and citizen. How can these dilemmas be broached? It is already evident that all four countries could learn from Grindle's 'good enough' governance approach and associated governance reforms identified in part one of this section.

Greater caution should be taken in Libya and Yemen in terms of adopting NPM tools. Any such attempts should involve significant capability development at the outset (see Verheijen, 2002). Indeed, the laws of rational policy learning should be rigorously applied; policy transfer from overseas can only be a progressive learning activity if the policy that is transferred is compatible with the value system of the recipient organisation or is culturally assimilated through comprehensive evaluation, and, the policy that is transferred builds on existing organisational strengths and is combined with locally sensitive solutions. Copying is not rational in administrative development (see Evans, 2004).

KEY QUESTIONS FOR DELIBERATION ON THE STATE OF PUBLIC ADMINISTRATION

What is "good enough governance" in a transition state? What's essential and what's not, what should come first and what should follow, what can be achieved in the short term and what can only be achieved over the longer term, what is feasible and what is not?

Do Western models of public management deliver progressive development outcomes? And if so, do transition states have the capacity to deliver Western models of public management? Are there alternative models? Is policy transfer necessary?

If reform is a behavioural challenge; how do we get governments to confront this reality?

Does public administration have a clear vision of what it is trying to achieve in transition states?

What would progress look like?

3 | Reform strategies

Bab El Bhar Gate on Independence Square,
Tunis. (Photo: Flick/Bill Anderson)

> There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.

Niccoló Machiavelli, The Prince. 1537

The narrative that follows proceeds from two grounded observations about the nature of contemporary development administration. The first is that reform strategies have tended to follow Western trends and have often been crafted without due reference to issues of organisational culture and states of development (Common ed., 2013). In short, there has been a tendency to engage in policy-based reform – *retrofitting the evidence to fit decisions that have already been taken* – rather than evidence-based policy-making. This has meant that many developing countries have chosen unrealistic paths to administrative development. The second observation is that a failure to attend to issues of institution-building, capacity and capability development at the outset of reform processes has undermined the ability of reforming administrations to affect change governance. Indeed countries that have experienced the most rapid and sustained development such as South Korea, Taiwan, Singapore, Thailand and Malaysia, all have highly effective public sector organisations, strong centres, entrepreneurial elites, relatively autonomous states, effective economic planning ministries, certain aspects of Good Governance, and have engaged in civil service reform. Furthermore, the most successful developmental states are those that have reflexive, 'learning' public organisations and embark on programmes of public sector reform geared towards efficient and effective planning and delivery of national development goals (see Leftwich, 2000).

This section is organised into three parts. Part one presents an analysis of the common problems experienced in administrative reform processes in developing areas. This will provide a benchmark for evaluating the reform processes in our four transition Arab states in part two. The section concludes by addressing the questions – what administrative reforms could make a difference and what could transition states usefully do together?

3.1 STRATEGIES FOR ADMINISTRATIVE REFORM

Administrative reform in the context of developing societies refers to the process by which new administrative instruments are developed to deliver on the state's state-building and development goals. This will normally involve an urgent process of planned organisational change geared towards improving efficiency and effectiveness. It is often targeted at particular institutions and particular administrative cadre. It is therefore a wholly political process. External intervention from the institutions of global governance often creates a pathology towards adopting a particular agenda of civil service reforms (see Jacobs 2004). Indeed the World Bank has identified the key components of reform as:

- installing in civil services personnel information and management systems, more tightly linked to payrolls, and including clear and appropriate career development schemes;

- staff audits to determine what personnel is on hand;

- improving training systems;

- revision, usually meaning simplification, of the legal framework governing the civil service; and,

- getting the right people into the administration, partly by stronger incentives to attract and retain them, partly by changing objectives and procedures in an effort to make the work situation more challenging and rewarding (World Bank, 2002).

However, this refers only to human resource issues. Administrative reform is also likely to involve a significant degree of restructuring normally involving downsizing, centralization in terms of policy-making, decentralization in terms of delivery systems, and improving organisational responsiveness through:

- constituting effective public administration frameworks (e.g. executive machinery, departments, planning and coordinating mechanisms);

- the development of codes of ethical practice (e.g. codes of conduct, transparency, accountability, effective audit, monitoring and evaluation);

- establishing operating procedures for Collaborative Governance; and,

- creating certain aspects of Good Governance.

The achievement of accountability and transparency in public administration is a key ambition for most developing states. This is largely, but not always, due to the terms governing World Bank programming and tends to focus on the adherence of public servants to formal rules and regulations, performance accountability and the issue of to whom the public servant is accountable. A variety of policy instruments have emerged in recent times in an attempt to make public servants accountable and responsive to the citizenry, such as the use of clear accountability routes in government through the application of constitutional rules, regular financial audit, codes of conduct for elected and non-elected public officials and the use of Open Government practices. In addition, a range of initiatives have been geared towards enhancing public participation such as participatory community action projects, citizen panels for key public services

(e.g. health, education), focus groups, user group forums/ participatory evaluations in service areas, and deliberative opinion polls. Where possible, however, indigenous institutions should be strengthened and the establishment of inappropriate structures and institutions should be avoided.

External pressure to conform to international standards of Good Governance, as predicated by international organisations, has created significant challenges for development administration. This pressure to conform has been compounded by the dramatic changes which have occurred in public administration on a global scale over the last two decades. As Box 2.1 observed earlier, the global trend towards the adoption of new tools of public management largely relates to two factors: the adoption of certain private sector organisational methods and the move towards governance and away from government or a shift from traditional public administration to NPM.

Of course, the implementation of these reforms differs hugely from state to state and even within states themselves where there are very different patterns of change in urban and rural areas. Where reform has been introduced this has normally been the product of the influence of international NGOs, foreign technical assistance and/ or conditions on aid.

According to Guy Peters (1997, 2001, 2003 & 2004), the most popular administrative reforms internationally have been participatory and quality related. There has been far less interest in market reforms. Most members of the OECD have introduced some form of deregulation in their personnel systems. Eighteen have adopted agency models of service delivery. Anglo-American countries remain the leaders in market reform (e.g. Australia, Canada, New Zealand, the UK, and, the US). Indeed it

is notable that cultural variables (language, geography, political similarities) play an extremely important role in the transfer of administrative innovations among countries and those associated with political parties and ideologies, appear to have much less of an influence on the spread of administrative reforms.

3.2 WHAT ARE THE KEY FEATURES OF THE REFORM PROCESS?

Box 3.1 presents an overview of the key features of the current reform processes in Arab Transition States. Four central observations can be made here. Firstly, in most countries (with the possible exception of Libya) no unified vision of future governance and the role of public administration has been articulated. There have been new constitutions and development plans but the role of administrative reform in supporting development aspirations has largely been downplayed. Secondly, although single ministries have been created to coordinate reform efforts, there appears to have been limited attention paid to implementation issues and outcomes. Tunisia is the possible exception in this regard. Thirdly, progress in competency reform in central government has been marginal in all four cases. Although, concerted efforts have been made in local governance in both Tunisia and Libya. Fourthly, no capability reviews have been conducted in any of the four countries and information is very patchy about who conducts learning and development activities. For example, Libya has a National Institute of Public Administration but its role and responsibilities are unclear. In Egypt, the Ministry of Insurances and Social Affairs conducts professional training for civil servants but it does not appear to be playing a key role in transition

BOX 3.1. KEY FEATURES OF THE REFORM PROCESS IN TRANSITION STATES

FEATURES OF THE REFORM PROCESS	EGYPT	LIBYA	TUNISIA	YEMEN
Core focus	Political and security focus rather than administrative focus. Reform has centred on improving service delivery at the state-citizen interface and local government reform.	Political and security focus rather than administrative focus. Reform has centred on depoliticization of the civil service and structural reform of ministries and local governance reform.	Tunisia's reforms do have an administrative focus. There is lots of reform activity but there is an absence of a clear unified vision for administrative development.	Political and security focus rather than administrative focus. No clear unified vision for administrative development.
Strategic Vision	New Constitutional Settlement	National Strategic Priority Plan	New Constitutional Settlement	National Dialogue Conference
Reforms	Constitutional reform led to the introduction of directly elected local government units.	Introduction of representative democracy. Creation of political parties. Elite renewal and removal of former regime loyalists. Security sector reform. Freedom of expression and organisation for religious groups. Civil society building. Local governance capacity building.	Constitutional reforms provide the groundwork for future integrity reforms (transparency, accountability) and multi-level decentralization. New independent integrity bodies have been created (anti-corruption and electoral commissions).	National Dialogue Conference provide the foundation to institutional reforms leading to the creation of a federal state.
Critical dilemmas	No capability review has been conducted. Conflicting and overlapping roles and responsibilities Local financial dependency on central government	Excessive political centralization and politicization. Fragile failing state apparatus. Overlapping roles and responsibilities. Limited administrative accountability, transparency and capacity. Corruption. Low levels of inclusion in policy development and delivery.	Excessive centralization. No unified vision and leadership for reform. Political instability due to changing governments. Bureaucratic and other forms of elite resistance. Irrational recruitment due to cronyism. Political subversion. Corruption.	Operation of the rule of law, unstable security context food insecurity, rising poverty and levels of domestic debt, inequitable growth and persistence of informal governance structures.
Success stories/ sources of innovation	The introduction of service delivery innovations (e.g. e-Government, One Stop Shops)	Local governance and participation interventions. National Plan.	Local governance and e-Government.	National Dialogue Conference Public Procurement Reform
Leadership	Ministry of State for Administrative Development (MSAD) is to formulate policies, objectives and implementation mechanisms for the administrative reform process but does not have authority to ensure implementation. No particular institutions are mandated to play a leadership/ or coordination role in reform efforts	Ministry of Labor and Capacity Building is responsible for civil sector reform and development	President through the State Secretary of Good Governance and Struggle Against Corruption. This includes: General Directorate for the Public Administration General Directorate for Administrative Reform Central Office for Citizen Relations Directorate for Public Service Quality General Direction of Civil Servants. In addition, Tunisia's National Constituent Assembly runs a Commission for Administrative Reform and Fighting Corruption.	Ministry of Planning and Cooperation (MoPIC) and Ministry of Civil Service (MoCSI) are mandated with the task of implementing the civil service reforms. But MoPIC has no direct legal mandate or authority over line ministries or local authority administrative units but focuses on externally funded projects and programs. The responsibilities of these two ministries are unclear.

BOX 3.2. TYPES OF REFORM

	EGYPT	TUNISIA	LIBYA	YEMEN
NEW PUBLIC MANAGEMENT – MARKET-INSPIRED REFORM				
Better service delivery			✓	✓
Business process re-engineering	✓	✓		
Competitive tendering				
One-stop-shops	✓	✓		✓
Performance budgeting – results oriented, target driven budgeting	✓	✓		
Program review	✓	✓		
Public finance reform	✓	✓		✓
Shared services				✓
Strategic management			✓	✓
GOVERNANCE REFORM				
Anti-corruption reforms	✓			
Better data	✓			
Collaborative governance with stakeholders				
Codes of ethical practice for civil servants		✓		
Decentralization	✓	✓	✓	✓
E-government	✓	✓		✓
Quality standards	✓			✓
Open government	✓	✓		✓
Public participation		✓		✓
Standards in public life for politicians				
NEW PUBLIC MANAGEMENT – DEREGULATORY/REGULATORY REFORM				
Personnel deregulation	✓			
Purchasing deregulation	✓	✓		✓
Reduction of regulatory burden	✓	✓		✓
Regulatory bodies(creation of)	✓		✓	✓
Regulatory Impact Analysis				
COMPETENCY REFORM				
Official capability review				
Schools of Government or centres for leadership and development	✓	✓	✓	✓
Integrated Leadership, Learning and Development Framework		✓		
Leadership coaching and mentoring				

preparedness.[32] In Yemen, a National Institute for Public Administration was established, with the support of UNDP in 1964, and was provided with additional technical assistance by the World Bank in 1989, but its current role in transition is difficult to gage.[33] Tunisia, once again appears to have the most considered approach to learning and development. The National School of Administration of Tunis was founded in 1949 and has subsequently played a key role in building the capability of Tunisian public servants at different levels of the Service. In 2007, an Institute of Competence was established to enhance the leadership skills of senior executives.[34]

Box 3.2 provides us with insights into the types of reform which are being introduced. It demonstrates significant uptake of NPM reforms aimed at enhancing the quality of service delivery and regulatory and deregulatory reform, and governance reform focusing on improving public transparency and accountability. Competency reform has had less of an impact. In keeping with Guy Peters' (1997, 2001, 2003 & 2004), analyses, the most popular administrative reforms are quality and governance related but there has been a genuine interest in market reforms particularly those aimed at improving performance.

3.3 WHAT ADMINISTRATIVE REFORMS COULD MAKE A DIFFERENCE AND WHAT COULD TRANSITION STATES USEFULLY DO TOGETHER?

We asked our Delphi Group to identify what administrative reforms they thought could make a big difference and what could transition states do together (see Box 3.3.). Unsurprisingly, an emphasis was placed on interventions that fostered trust between government and the citizen and built the problem-solving capability of government. When we asked them to identify what transition states could usefully do together, responses centred on issues of strategic learning and development such as leadership development including coaching and mentoring, general capacity building initiatives, lesson-drawing conferences and workshops on different transition tasks, and co-learning about effective monitoring and evaluation. Proposals were also advanced for the development of a Policy Hub website for sharing knowledge about transition experiences and a regional school of government for transition states focusing on leadership development and transition strategy.

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32. See Division for Public Administration and Development Management, Arab Republic of Egypt Public Administration Country Profile, February 2004, p. 12. Available on-line at: http://unpan1.un.org/intradoc/groups/public/documents/un/unpan023261.pdf (last accessed 19 June 2014).

33. See World Bank Documents and Reports at: http://documents.worldbank.org/curated/en/1989/04/738637/yemen-arab-republic-institutional-development-public-administration-project (last accessed 19 June 2014).

34. See National School of Administration of Tunis at: http://www.pm.gov.tn/pm/article/article.php?id=214&lang=en (last accessed 19 June 2014).

**BOX 3.3. WHAT ADMINISTRATIVE REFORMS COULD MAKE A BIG DIFFERENCE
AND WHAT COULD TRANSITION STATES DO TOGETHER?**

FEATURES OF THE REFORM PROCESS	EGYPT	LIBYA	TUNISIA	YEMEN
Most needed reforms*	Administrative simplification in service delivery. Decentralization of primary services (education and healthcare) and regulatory impact assessment.	Capacity-building (leadership, training and skills). Comprehensive legislative and regulatory reviews to eliminate duplication of roles, functions and waste. Decentralization to affect inclusive change governance through local governance and public participation.	Financial decentralization. Anti-corruption programming.	Institutionalization of informal governance structures. Civil service reform (to combat ghost workers). Public finance management reform (introduction of a Treasury system at the Ministry of Finance). Central government restructuring.
What could transition states usefully do together?	Leadership development (Regional School of Government). Capacity-building. Development of monitoring and evaluation tools.	Development of monitoring and evaluation tools. Lesson-drawing conferences and workshops on the transition experience.	Development of monitoring and evaluation tools. Leadership development. Policy Hub website for sharing knowledge about transition experiences.	Lesson-drawing conferences and workshops on the transition experience. Development of monitoring and evaluation tools. General capacity-building initiatives.

*Identified through Delphi analysis

KEY QUESTIONS FOR DELIBERATION ON STRATEGIES FOR REFORM

What are the common agendas for administrative reform in development administration?

What reform strategies have been adopted in our sample of transition states and how are they fairing?

Are there examples of better practice that we can share across transition states?

What reforms could make the biggest difference?

Are there initiatives that transition states are better pursuing together?

4 | Case studies in transition innovation

Non-commissioned officer Hafsa Hussein, 23, was one of eight women who graduated from a 2012 course intended to prepare members of the Libyan national police for assuming their responsibilities, and guaranteeing security in the national polls scheduled for June of that year. (Photo: UN Photo/Iason Foounten)

Like any human venture, government can be full of error, fallibility and hubris. But the bigger danger for governments today is not excessive hubris but rather that they might succumb to the myth—often propagated by a sceptical media—that they are powerless, condemned to mistrust and futility. If they do so succumb, they will fail to rise to the great challenges, from climate change to inequality, that they alone can tackle.

Geoff Mulgan, Director, Young Foundation

4.1 WHERE IS THE GLITTER?

By transition innovation, we refer to new ideas that make a difference to the transition process; in particular, the creation and implementation of new strategic interventions, processes, services and methods of delivery which result in positive social and/or economic outcomes for the citizenry. There are probably as many typologies of public service innovations as there are innovations themselves but we organise our thoughts in this report around four types: (1) strategic innovation; (2) process innovation; (3) service innovation; and (4), collaborative governance innovation.[35]

Strategic innovations introduce new missions, world-views, objectives, strategies and rationales which potentially impact directly on the nature of decision-making in a transition state. For example, this could include the introduction of NPM, 'Good Governance' or digital public service production or decentralization. Process innovation involves the development of new processes for solving implementation tasks such as one stop shops. Service innovation involves the production of new forms of service provision which often draw on the development, use and adaptation of relevant technologies. For example, the use of smart card technology in business processing. Collaborative governance innovations involve new or altered ways of solving public policy problems in collaboration with other sectors and knowledge bases for the purpose of supplying specific services. This can include external actors, such as international organisations.

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35. See Mulgan, G. and Albury, D. (2003), *Innovation in the Public Sector*, London, Strategy Unit/ Cabinet Office, for an alternative.

Our Delphi Group identified key reform initiatives in each country that appear to have made significant progress in each of these areas. The cases were selected on the basis of the following criteria:

- **Place** – the program has been evaluated as a successful innovation from the perspective of the institutions location and history.

- **Novelty** – the program demonstrates a leap of creativity from existing practice.

- **Significance** – the program successfully addresses an important problem of 'public' concern.

- **Utility** – the innovation made things easier for government.

- **Effectiveness** – the program achieved tangible results for the citizenry.

- **Longevity** – the innovation looks set to achieve results over time.

- **Catalytic** – innovations that work in the short-term and facilitate new ways of working.

- **Transferability** – the program, or aspects of it, shows promise of inspiring successful replication by other governmental entities.

It would be important to evaluate these interventions with more rigour before suggesting that they become the object for policy learning across the region, but nonetheless, it is worth presenting them here for further exploration.

4.2 STRATEGIC INNOVATION

Establishing strategic direction in Yemen – the National Dialogue Conference

The GCC initiative designed a path for the transitional period, starting with the forming of a national accord government split equally between the former regime and former opposition. Following the formation of the government, a National Dialogue Conference (NDC) was convened for 10 months. 565 delegates were chosen to participate in the NDC, representing the political parties, but more importantly, a significant representation by youth, women, and groups that had major grievances with the state such as the Houthi movement, and the Southern Hirak Movemet were also included.

The NDC outcomes represent the guiding principles for a new social contract, and will be used as the blueprint of Yemen's new constitution, currently being drafted. The key outcome of the document is the agreement of federalism as the future form of public administration. In the next few years, the transitional government will need to devise the detailed administrative and financial mechanisms of the federal state, and for each of the six federal regions. In sum, the NDC proved an enormously successful intervention for affecting inclusive deliberation of state-building issues in Yemen.

Decentralization interventions in Tunisia

Decentralization is one of the major reforms introduced in Tunisia through the establishment of the new constitution of 27th of January 2014. It is considered to be ground breaking in many ways and a possible source of learning

for other transition states. The call for decentralization and local equitable development was at the heart of Tunisian revolution which first began in poor and marginalized localities (e.g. Sidi Bouzid, Menzel Bouzaiene, Regueb, Kasserine, Thala). The new constitution developed a balanced, territorial administration based on an equilibrium between development of decentralization respectful of diversity and unity of the country. It affirms in its 14th article that "*the state commits to strengthen decentralization and to apply it throughout the country, within the framework of the unity of the state*".

The reforms of local governance are both structural and functional. Structurally, it reaffirms municipalities and creates two new levels of territorial decentralized administration that are regions and districts covering the entire territory of the Republic (Article 131). Local authorities are headed by elected councils and enjoy legal personality as well as financial and administrative independence (Article 132). They have their own resources which are provided to them by the central government, these resources being proportional to the responsibilities that are assigned to them by law. Indeed all transfer of powers by the central government to the local authorities will be accompanied with corresponding resources. The new constitution also creates a new High Council of Local Authorities which has jurisdiction to consider issues related to development and regional balance, and provide advice with respect to any draft law related to local planning, budget, and financial issues.

Functionally, decentralized local authorities possess their own powers, powers shared with the central authority, and powers delegated to them from the central administration. The joint and delegated powers are distributed in accordance with the principle of subsidiarity and

manage local matters in accordance with the principle of administrative autonomy. Local authorities therefore have the freedom to manage their own resources freely within the budget that is allocated to them, in accordance with the principles of good governance and under the supervision of the financial judiciary (Article 137). They are also required to adopt the mechanisms of participatory democracy and the principles of open governance to ensure the broadest participation of citizens and of civil society in the preparation of development programs and land use planning, and follow up on their implementation (Article 139).

This radical reform (at least in theory) seeks to address problems of excessive and authoritarian centralization of public administration, the exclusion of citizens from public decision-making and management and problems of unfair economic, social and cultural development. It is anticipated that the project of decentralization will contribute to many of the government's goals for administrative reform including:

- the establishment of a democratic, participative and accountable administration;

- reducing excessive centralization;

- strengthening administrative legitimacy;

- increasing the quality of public service provision;

- improved territorial and urban planning;

- increasing the performance of central administration released from many tasks and focused on fundamental functions related to national public affairs; and,

- more efficient development public policies.

However, the reform will clearly be extremely challenging to implement. Its success is not only dependent on securing resources for development but on building the capacity to act. The approach to the implementation of reform thus far appears to lack appropriate strategic insight but given that the first local elections are to be organised in 2015 there is still some thinking time to develop an effective change governance strategy.

E-government in Egypt

The OECD conducted an assessment of Egyptian e-Government policies and implementation, entitled "OECD E-Government Studies: Egypt" (OECD, 2013). The assessment was carried out from May 2011 to October 2012. Two strengths were identified in the assessment: the potential of ICT use was recognized in Egypt as a tool for public sector reform. It noted that Egypt has made some significant advances toward the establishment of an information society as signified by: liberalization of the telecom industry; development of ICT growth and sustaining double digit growth; increased use of ICT for public sector services (deployment of PCs, use of internet, development of skills and online services, etc.); and, the introduction of initiatives aimed at eliminating the digital divide (provision of basic ICT literacy workshops, improvement of citizen access to computers). E-Government in Egypt has benefited from considerable political attention, the recent re-organisation of e-Government efforts in 2004 emphasize the value of e-Government in supporting administrative reform, modernisation of public services and citizen engagement.

4.3 PROCESS INNOVATION

The establishment of a High Authority for Tender Control (HATC) in 2008 in Yemen is considered an important process innovation in the public procurement area from which many valuable lessons can be drawn. The World Bank was able to provide direct support to the government of Yemen to establish HATC. Several lessons can be derived from the reform process not just for procurement reform but for processes of policy learning more broadly. Firstly, process innovations cannot be pre-designed and *Yemenized* later. They have to be designed according to the Yemeni context with clear and applicable risk mitigation measures. Secondly, reforms must have strong political support in Yemen. Thirdly, the government must have the capability and the desire to make the reform happen. Thirdly, stakeholders should be engaged in the process of policy design. Fourthly, reform measures should have a blend of short and medium term measures with clear milestones geared around rational sequencing with distinct and defined outputs/outcomes. Fifthly, reforms must be subject to independent evaluation to ensure effective learning takes place.

4.4 SERVICE INNOVATION

Administrative simplification and service delivery in Egypt

The government has been successful in improving access to public services through:

- the creation of an effective e-Government portal (www.egypt.gov.eg), and other channels such as mobile, call centres, public service outlets, and One Stop Shops (OSS);

- streamlining administrative processes to eliminate unnecessary bureaucracy and red tape;

- the introduction of business process engineering;

- the introduction of new payment methods (credit cards, payment through mobile, and payment service "fawry"); and,

- the adoption of an electronic signature system.

Examples of successful service reforms include: the development of a OSS for business licensing, in collaboration with GAFI; identification card (issue and renewal), and birth certificate processing; the development of smart card use for citizens; and, the automation of some services related to civil aviation such as licensing, issue of security permits, etc.

4.5 COLLABORATIVE GOVERNANCE INNOVATION

Local capacity building and citizen engagement in Libya

Thus far, the Libyan reform project appears to be having its most success in affecting advances in local capacity building and citizen engagement with the technical support of UNDP. The projects being undertaken by UNDP include: the Capacity Strengthening Initiative (CSI), Support to Civic Engagement in Libya's Transition, a regional project entitled 'Inclusive and Participative Political Institutions', and local governance projects.[36]

The aim of the CSI Programme is to improve public service delivery at all levels of government by strengthening the institutional development of government. This is done in partnership with the Ministry of Planning (MoP) and other line ministries, by providing support, and development programmes focusing specifically on improving efficiency, inter-ministerial coordination, strategic planning, process management and policy formulation among others.[37] The results recorded in 2013 include: the deployment of international advisors to aid the Ministry of Planning; support of the preparation of the 'National Development Plan; workshops on 'Monitoring & Evaluation' and 'Strategic Planning', a seminar on 'Deliverology' and support to the Technical Cooperation Department.[38]

Additionally, the 'Governmental Coordination Mechanisms' workshop trained staff from the GNC General Secretariat, Prime Minister's Office and Ministry of Planning. [39] A 'Capacity Building' Seminar supported state-building efforts and fostered good governance practices by training staff from the General National Congress (GNC), the Ministry of Labor, the MoP, the Prime Minister's Office, the National Institute of Administration, and the Ministry of Finance in 2013. [40]

The 'Support to Civic Engagement in Libya's Transition (SCELT)' project focuses on increasing participation in the democratic transition process by strengthening capacities, particularly focusing on women and

36. UNDP (2014), *About UNDP in Libya*.

37. UNDP (2014), *Capacity Strengthening Initiative in Libya Project*.
38. UNDP (2014), *Capacity Strengthening Initiative in Libya Project*.
39. UNDP (2012-2014), *Fact Sheet: Capacity Strengthening Initiative (CSI) in Libya*.
40. UNDP (2012-2014), *Fact Sheet: Capacity Strengthening Initiative (CSI) in Libya*.

youth.[41] Implementation began in 2012 in partnership with the Ministries of Planning, Culture & Civil Society, Al-Awqaf and Higher Education.[42] The project provides capacity-building, knowledge management and technical support to the government and key institutions (civic or religious) playing a role in civic awareness and engagement. They particularly focus on strengthening civil society capacities for civic education, engaging youth, increasing women's participation and providing tools/expertise and the supporting dialogue needed for political processes.[43] Their achievments in 2013 included training for civil society on Civil Society Organisation (CSO) law, social media training for civic educators, and dialogue facilitatiation and methodology for legislative and consitutional issues. Other achievements include increasing the capacity of activists and CSOs through workshops, and the establishment of a Libyan Community of Practice for Civic Education Facilitators and Practitioners.[44] The regional project "Inclusive and Participative Political Institutions" provided support through developing the capacities, knowledge and skill of staff and exposing them to best practices. During 2012-2014, the programme will support the GNC in parliamentary efforts.[45]

The local governance project supports governance, decentralization and south-south cooperation by mapping seven local authorities skills in "planning, budgeting, financial management, post-conflict recovery, and decentral-

ized area development, monitoring and reporting".[46] The overall aim was to enhance capacities for local governance and support decentralization in order to better provide public services and local area development.[47] The beneficiaries of this project include select local municipalities and the Ministry of Local Government (MoLG). The achievements reported in 2013 include: agreements with the MoLG on project implementation in 15 pilot municipalities that cover nearly 25% of the population, the provision of induction courses for MoLG staff, pilot municipalities and CSO's on the listed issues as well as expenditure management, accountability and transparency.[48]

4.6 LESSONS FOR BETTER PRACTICE

Nine key lessons for better innovation practice can be drawn from these case studies.

1. The capacity to spot gaps in service provision, or methods of delivery is essential for public service innovation to take place. By implication, including front line workers in the process of problem-solving provides a rich seam for developing progressive new ideas.

2. The ability to forge strong partnerships with organisations across traditional organisational boundaries (international, voluntary, private sector or knowledge institutions) that possess resources (knowledge, finance, political or social capital) that are integral to the production of good community outcomes is a key feature of our sample of innovations.

41. UNDP (2014), *Project Overview - Libya*.

42. UNDP (2014), *Fact Sheet: Support to Civic Engagement in Libya's Transition.*

43. UNDP. (2014). *Fact Sheet: Support to Civic Engagement in Libya's Transition.*

44. UNDP. (2014). *Fact Sheet: Support to Civic Engagement in Libya's Transition.*

45. UNDP. (2014). *Regional Project "Inclusive and Participative Political Institutions".*

46. UNDP. (2014). *Local Governance Project- Libya.*

47. UNDP. (2014). *Local Governance Project- Libya.*

48. UNDP. (2014). *Fact Sheet: Local Governance Project in Libya.*

3. This must be combined with an ability to act, that is, either through a clear legislative framework or a program design that empowers actors to be creative in implementing the policy. This also means making use of the right political circumstances when they present themselves.

4. This endeavour must also be combined with the capacity to absorb new knowledge which is often at odds 'with the way we do things around here'. NPM tends to privilege certain forms of data (e.g. quantitative economic data) at the expense of qualitative data that is more difficult to collect or measure. Unfortunately, 'soft governance' normally requires the collection of qualitative data because winning the war of ideas requires us to understand what citizens think.

5. A condition of successful innovation is often the existence of a needy political or administrative leader with a reform agenda to spearhead innovation. Support from political leaders, senior management and other community leaders (reform champions) are essential for the successful introduction of innovative policies, services or ideas.

6. Genuine cross-departmental or cross-service collaboration facilitates the introduction of innovative services, especially when combined with effective communication between all levels of delivery.

7. Engagement with citizens on the ground through place – be it at the local or sub-local level – in order to tailor service provision to their needs has been shown to be effective for the introduction of innovative services.

8. New technologies can both spark innovations and support their successful implementation.

9. Design issues (i.e. how things are done) are crucial to the achievement of progressive outcomes.

Items 1 to 9 can all be constraints on problem-solving with damaging consequences of action if executed poorly.

KEY QUESTIONS ON CASE STUDIES IN TRANSITION INNOVATION

What are the barriers to public sector innovation?

Is it possible to build a culture of public sector innovation in a transition state?

What would such an innovative culture look like?

5 | Barriers to reform

Egyptian youth activists participate in a UN-organized roundtable discussion. (Photo: UN Photo/Eskinder Debebe)

> Any talk of reform in Egypt, economic, social or political, without administrative reform, or perhaps a revolution, is a pipe dream.
>
> **Dr Samir Radwan, former Minister of Finance, 19 May 2014**

This section proceeds from the assumption that a broad understanding of the barriers to effective and responsive public administration is essential to ensure the successful implementation of administrative reform. We begin by identifying the barriers observed in the secondary literature on development administration. This will help us to identify a baseline for evaluating common and distinctive barriers in our sample of transition states.

5.1 WHAT WE KNOW ALREADY

A key task for governments in the developing world with developmental aspirations must be to identify the potential barriers to development that may impede or even undermine the development process. This task normally begins by focusing on institutional barriers which tend to emanate from weak state institutions such as ineffective organisational structures, limited human resources and poor working conditions (World Bank, 2002).

The most common concerns expressed by development administrators tend to focus on the size and hierarchical nature of the bureaucracy. There is a general recognition that there are often too many departments and civil servants in developing countries (UNDP, 2003; World Bank 2003). This often results in the replication of functions, waste and unnecessary bureaucracy. Moreover, the absence of implementation agencies due to the lack of effective regional or local administrative tiers leads to poor service delivery and the ineffective coordination of governmental tiers often leads to excessive secrecy, accountability and corruption problems. This becomes difficult to control due to excessive secrecy and (in certain instances) the absence of codes of administrative conduct or their poor implementation. The top-down nature of service delivery leads to poor programming that fails to meet the needs of local communities due to

the absence of consultative mechanisms and other forms of public participation. Restructuring public administration through administrative reform thus becomes a fundamental component of development administration.

The most common concerns in terms of human resource issues expressed by senior managers of public organisations in development administrations tend to focus on the lack of effective expertise in the following areas: leadership/management of change; general planning skills, particularly in relation to budgetary planning; auditing; project management; programming and implementation; and, human resource management. There is also often a distinct lack of appropriate hands-on professional training on development issues.

While many government departments have considerable experience in responding to emergencies, this is not necessarily complemented by equivalent expertise in development programming. For example, community participation – the key to sustainable development – is widely advocated, but not necessarily well implemented. In addition, the lack of reliable statistics about health, social, demographic, economic and commercial conditions, particularly outside the few major urban centres, presents significant barriers to planning medium and long-term development programmes. Perhaps unsurprisingly, senior managers of development organisations are most concerned with their poor working conditions. As one senior manager put it: 'It isn't surprising that corruption occurs when our working conditions are so poor and we have such an inhumane working environment' (cited in Evans, 2004, p. 202). Indeed, the absence of good working conditions often leads to corruption and maladministration which undermine development efforts (see Gratto et al., 2002).

Impediments to effective development administration can be organised around three broad sets of variables: 'cognitive' barriers, 'institutional' barriers, and,

'environmental' barriers (see: Evans, 2004). As Figure 5.1 illustrates, these variables do not exist in a vacuum; they interact in complex and often unexpected way and inform the development context. Hence, they must be clearly understood in order to develop the appropriate reform strategy.

'Cognitive' barriers tend to refer to behavioural challenges such as: overcoming the entrenched culture of relief that continues to underpin development planning and programming; the clash between traditional and modern organisational cultures in the system of collaborative governance which has been created to deliver development programmes; and, a narrow conception of programme ownership which alienates the public and beneficiaries from the development process.

The main institutional barriers are normally identified as: inconsistent policy objectives and performance indicators; poor policy and programme coordination and accountability; gaps in strategic thinking in relation to human resource development and programme management and enhancement; the limited capacity of staff; the use of inappropriate programme instruments which have impacted adversely on the ability of development programmes to meet targets; limited base-line socio-economic data which has undermined the development of effective monitoring systems; poor programme learning between development programmes and the profound lack of economic resources for development programming.

Finally, the environmental barriers confronting development administration often encompass: continued problems with implementing public laws; lack of political support due to petty jealousies between ministries; ineffectual donor coordination; the perceived illegitimacy of the international actors involved in development planning and programming; weak local state institutions;

FIGURE 5.1. MAPPING BARRIERS TO DEVELOPMENT SUCCESS

BARRIERS TO OPERATIONAL DELIVERY

1. Inconsistent programme objectives and performance indicators
2. Poor programme coordination and accountability
3. Gaps in strategic thinking in relation to human resource development and programme management and enhancement
4. Limited human capacity
5. Inappropriate programme instruments
6. Limited base-line socio-economic data
7. Limited programme learning
8. Limited economic resources

COUNTRY CONTEXT

1. Legitimacy of external actors
2. Relief mindset
3. Command and control culture
4. Narrow programme ownership

ENVIRONMENTAL BARRIERS

1. Rule of law
2. Political support
3. Ineffectual donor coordination
4. Weak local state institutions
5. Intra and inter community conflict
6. Inequitable growth
7. Unrealistic expectations of changes to cultural norms and values
8. Prevailing social and economic conditions
9. Domestic and international opinion
10. Informal governance structures

PROCESS OF ADMINISTRATIVE DEVELOPMENT

Outputs of departments and agencies → Assimilation of outputs with target groups → Actual impact of outputs → Perceived impact of outputs → Revisions to project, program or policy design

problems of sporadic intra and inter community conflict; inequitable growth between regions; unrealistic expectations of changes to cultural norms and values particularly in relation to externally imposed targets such as gender mainstreaming or pro-poor economic growth; managing prevailing social and economic conditions; and, managing international and domestic opinion.

The identification of these potential barriers to development should provide strong signals to development practitioners of the areas where development administration requires significant attention if the fundamental aim of developing societies emerging is to be achieved – to reduce poverty and improve the living conditions of people (World Bank, 2004).

BOX 5.2. EMERGING BARRIERS TO REFORM IN THE CASE STUDY SAMPLE

COGNITIVE BARRIERS	
EGYPT	**TUNISIA**
Transition to a neutral 'apolitical' civil service and from elite-centred to citizen centred governance; Professionalization around 'what works' in development; Whole of government, integrated reform; Closed government	Transition to a neutral 'apolitical' civil service; Shift from traditional command and control bureaucracy to decentralized state, from elite-centred to citizen centred governance; Closed government
LIBYA	**YEMEN**
Transition to a neutral 'apolitical' civil service; Shift from traditional command and control bureaucracy; Closed government	Whole of government, integrated reform; Shift from traditional command and control bureaucracy to federal state, from elite-centred to citizen centred governance; Closed government

ENVIRONMENTAL BARRIERS	
EGYPT	**TUNISIA**
Unstable security context, political support, managing public expectations, inequitable growth, rising poverty and levels of domestic debt	Political support, managing public expectations, rising poverty and levels of domestic debt, inequitable growth
LIBYA	**YEMEN**
Operation of the rule of law, unstable security context Limited political support, managing public expectations, inequitable growth	Operation of the rule of law, unstable security context food insecurity, rising poverty and levels of domestic debt, inequitable growth and persistence of informal governance structures

INSTITUTIONAL BARRIERS	
EGYPT	**TUNISIA**
Ethnically based ministries	Ethnically based ministries
	Low productivity
	Clientelism
	Institutional capture
The absence of: a coherent vision of change a causal theory for affecting change governance policy and operational leadership capacity effective coordination citizen-centric governance effective monitoring/evaluation/piloting/review transparency and accountabilities	**The absence of:** policy and operational leadership capacity equitable provision effective coordination citizen-centric governance effective monitoring/evaluation/piloting/review transparency and accountabilities
LIBYA	**YEMEN**
Highly centralized system Overly large public sector workforce	Overly large public sector workforce, low wages and vertical fiscal imbalances
The absence of: An effective state apparatus Policy and operational leadership capacity Transparency and accountabilities A merit-based system Overlapping mandates between ministries Endemic corruption	**The absence of:** Primary services An effective code of conduct Policy and operational leadership capacity Transparency and accountabilities Endemic corruption Effective monitoring/evaluation

5.2 BARRIERS TO REFORM IN TRANSITION STATES

It is evident that our sample of transition states share many of the same barriers to reform than those experienced in development administration. For example, cognitive barriers to reform tend to refer to behavioural challenges which challenge vested interests such as the transition to a neutral 'apolitical' civil service, from 'closed' to more 'open' government, from traditional command and control bureaucracy to a differentiated polity with devolved power-centres and from an elite-centred approach to governance to citizen-centric governance. This demonstrates that administrative reform requires significant culture shift if it is to be successful.

Environmental barriers refer to the problem of managing citizen expectations in an unstable security and socio-economic context and high poverty rates leading to poor social cohesion. In Libya and Yemen these barriers are combined with the inability of government to implement the rule of law. All of our sample transition states suffer from the social and political problems associated with inequitable growth.

Most of the institutional barriers to reform are also common to developing areas but are more acutely experienced in transition states. These include the absence of: strategic vision; policy and operational leadership capacity; equitable provision; effective coordination; citizen-centric governance; effective monitoring, evaluation, and review and transparency and accountabilities in government. Egypt and Tunisia are also still dealing with negative public perceptions that ministries are ethnically-based, while for Libya and Yemen it is not administrative reform that is necessary but the establishment of government itself, including in the Yemen context, the comprehensive delivery of primary services.

It is evident then that similar cognitive, environmental and institutional obstacles constrain the reform process in Arab transition states.

5.3 SUMMARY

This section has provided further evidence of the need for administrative reform processes to be informed by an effective change governance strategy that recognizes the potential destabilizing impacts of cognitive, environmental and institutional barriers to reform. Critically, transition governments and their partners must recognize that transition interventions tend to fail if they are characterized by: ambiguous and inconsistent objectives; an inadequate theory of change; compliance problems due to inappropriate resources or instruments or support from implementation actors and agencies; lack of support from affected groups of citizens; not to mention coping with unstable and uncertain security and socio-economic contexts which can undermine either political support and/or the causal theory of change.

KEY QUESTIONS FOR DELIBERATION ON BARRIERS TO REFORM

What are the common barriers to reform experienced in development administration?

What barriers have been experienced by our sample of transition states and how are they seeking to navigate them?

Are there examples of better practice that we can share across transition states?

6 | Decentralization, localism and development

A crowd gathers in 2011 to protest the ongoing use of weapons by rebel militias inside Tripoli, demanding their disarmament and the creation of a national Libyan army. (Photo: UN Photo/ Iason Foounten)

The strength of free peoples resides in the local community. Local institutions are to liberty what primary schools are to science; they put it within the people's reach; they teach people to appreciate its peaceful enjoyment and accustom them to make use of it.

Alexis De Tocqueville,
Democracy in America, **1835.**

6.1 WHY DECENTRALIZATION?

Advocates of centralization take issue with the concept of decentralization on the basis that it undermines the fulfilment of the state's main political and economic functions. Locally-made plans, so the argument runs, can be inconsistent with national policies; differences in local plans and provision will generate regional inequalities; a large number of local delivery systems means that more resources must be devoted to administrative coordination and auditing; shortage of trained manpower will lead to decentralized agencies being staffed by poorly qualified staff; while 'poor areas and poor people may even get relatively poorer' (Turner and Hulme, 1997, p. 158). However, centralization must be combined with a 'bottom-up' approach to national economic planning, programming and development if the state is to remain stable and legitimate. As Christopher Pollitt *et al* (1998, pp. 6-7) observe, it is possible to categorize the ways in which formal authority can be decentralized into three broad sets of distinctions: between political and administrative decentralization; competitive and non-competitive decentralization and internal decentralization or devolution (see Box 5.1).

The notion of decentralization lies at the centre of the dominant contemporary theories of territorial governance, mainly because of the presumption that there is a positive relationship between decentralization reforms, good local governance and local economic and social development. The arguments in support of decentralization can be organised into three categories: capacity development benefits; political benefits; and, operational delivery benefits. The potential benefits of decentralization for indigenous capacity development crystallize around issues of political education, and, training in

political leadership for local leaders. Political education teaches local populations about the role of political debate, the selection of representatives and the nature of policy-making, planning, and budgetary processes. While training in political leadership creates fertile ground for prospective political leaders to develop skills in policy-making, political party operations, and budgeting, with the result that the quality of national politicians is enhanced.

Several potential political developments can be derived from decentralization strategies. *Political stability* is secured by enhancing public participation in formal politics, through voting and other processes such as community development planning and local party activism. This strengthens trust in government and builds national solidarity. In addition, *a new institutional venue* is created to give expression to regional or local identities. The achievement of *political equality* via institutional processes that afford greater political participation reduces the likelihood of the concentration of power. Decentralization distributes political power more broadly, thus becoming a mechanism that can, in theory at least, meet the needs of the most disadvantaged. *Public accountability* can also be enhanced because local representatives are more accessible to the public and can thus be held more easily accountable for their actions than distant national leaders. Moreover, the existence of cyclical elections provides local electors with a mechanism for voicing grievances or satisfaction with the performance of local representatives.

BOX 6.1. TYPES OF DECENTRALIZATION

A

POLITICAL DECENTRALIZATION
where authority is decentralised to elected representatives

AND/OR

ADMINISTRATIVE DECENTRALIZATION
where authority is decentralised to managers
or appointed bodies

B

COMPETITIVE DECENTRALIZATION
e.g. competitive tendering for private sector or
third sector organisations to provide a service

OR

NON-COMPETITIVE DECENTRALIZATION
e.g. where a school is given greater authority
to manage its own budget

C

INTERNAL DECENTRALIZATION
within an organisation, e.g. 'empowering' front line staff

OR

DEVOLUTION
Decentralization of authority to a separate,
legally established organisation, e.g. when central
legislative powers are delegated to a sub national
legislature or a local hospital trust takes over powers
previously wielded by a District Health Authority

Source: Developed from Pollitt *et al.*, 1998, p. 7.

Recent analyses of decentralization (Crook, 2003) have highlighted that the main reason for central commitment to decentralization lies in the need to solve a political problem or a set of political problems rather than a principled belief in democratization. For example, in Nigeria, the military regime used local governments to undermine state-based ethnic challenges. In Uganda, local government reform was used to create geographical administrative areas around the country's main ethnic power bases. A similar political rationale lies at the heart

of the emerging decentralization strategies in Angola, the UK, Italy and Afghanistan. As Romeo (2003) notes, the 'result of politically motivated decentralization reforms is that they typically establish elected local councils, but stop short of really empowering them through adequate administrative and fiscal decentralization'. Indeed, the ad hoc and incomplete nature of these decentralization reforms is often reinforced by the lack of both a strategic plan for incremental implementation and the weakness of local state structures that are entrusted to manage it (Smoke, 2000).

With regard to issues of economy, efficiency and effectiveness in operational delivery, several further potential benefits exist. Firstly, governmental responsiveness is often improved because local representatives are best placed to know the exact nature of local needs and how they can be met in a cost-effective way (Smith, cited in Turner and Hulme 1997, p. 157). Secondly, improved decision making and inter-organisational coordination are better achieved when responsibilities and powers are clearly defined and distributed between central and local institutions to ensure economies of scale. Decentralization can promote competition when supply- and demand-side benefits are derived from institutional pluralism, which in turn leads to economic efficiency. In addition, significant gains can also be achieved in relation to skills development in relation to operational management and delivery issues for sub national officials.

As well as the benefits of pursuing decentralization for reasons of economy, efficiency and effectiveness in operational delivery, this is also an arena where developing countries are able to attract overseas development programme aid and technical support from the international community. The NIBR (1997) study observed that there are three broad areas in which donor assistance (both technical and financial) can strengthen local governments:

■ support for policy reform in terms of drafting legislation and regulations, institutional development and local government capacity building;

■ support to sectoral decentralization – i.e. the rolling-back of line ministry involvement and effecting greater local government involvement in the implementation of sectoral policies;

■ support to area development programmes (integrated rural and urban development programmes) combining sectoral assistance and local institution-building.

In summary then, the argument goes that decentralization frees managers to manage making it possible to respond more quickly to local or individual needs. It is also more economically efficient because it enables monolithic bureaucracies to shed unnecessary middle managers. Decentralization also potentially enhances efficiency by circumventing long bureaucratic processes and simplifying delivery processes. Decentralization can also improve job satisfaction through empowering staff at lower tiers through devolved responsibilities. While political decentralization can bring greater rewards in terms of making politicians and civil servants more directly accountable to the people who elect them. However, issues of democracy, organisational efficiency or even external pressures from the international community do not appear to be the main forces driving decentralization. Rather central level political motives have been predominant.

6.2 DECENTRALIZATION IN PRACTICE

In a review of the research on decentralization, Kulipossa (2004) draws four main observations. First, decentralization is a complex and multi-faceted phenomenon that can have both positive and negative effects (e.g. the development of special economic areas in China provides for a degree of regional empowerment but creates regional economic inequalities and exacerbates regional antagonisms). Secondly, decentralization has potential benefits, but they can be realized only when complementary policies and national or local conditions are put into place (e.g. the redistribution of wealth to redress economic inequalities – see the Chinese example). Thirdly, the contexts within which decentralization policies are implemented vary widely within and across countries and over time (e.g. the founding fathers of the US constitution deliberately contrived to ensure divided government and gridlock to make for limited government). Thus, the problems that usually occur in the implementation of decentralization policies are not flaws inherent in decentralization per se but the result of constitutional/political barriers and/or the poor design and implementation of decentralization policies. As the territorial organisation of most contemporary states consists of a mixture of centralization and decentralization, the challenge for all systems of government is to strike the right balance in a way that satisfies the needs of central and local governments and the communities they purport to serve.

Decentralization scholars argue that there are individual and/or collective prerequisites for effective decentralization such as:

- the political will to make it work;
- a strong enabling legal framework;
- strong political parties and competitive party systems; and,
- substantial resources allocated to local governments without which decentralization in practice is bound to fail (Bergh, 2004).

However, there are cases where decentralization has been undermined even when these favourable conditions have been in place such as Argentina, Brazil, Ethiopia, Greece, Mexico, the Philippines, South Africa, Uganda, and Zimbabwe (Kulipossa, 2004). Smoke (2002, p. 37) argues that the governments of all these countries had great political will to put in place effective decentralized systems but none has achieved the kind of decentralized system each thought it was creating when new constitutions and laws were enacted. This has primarily been due to the lack of governmental capacity at these levels of governance and/or bureaucratic resistance to change. As a result, Argentina, Brazil, Ethiopia, and the Philippines have opted to re-centralize some powers and resources (Manor 2001a, b).

As these examples illustrate, decentralization can be unsuccessful even when it is implemented in the most favourable of contexts. But what about the counterfactual? As Kulipossa (2004) notes, in Mozambique, decentralization policies have worked relatively well in some municipalities, despite the rather non-enabling legal, political, and financial framework set out by the central government. The country enjoys little, if any, previous experience of democracy at the local or national level of government; it has severe problems of poverty and illiteracy; and its

party system is rather fragile (Kulipossa 2004). Despite these weaknesses decentralization appears to be working well in some local settings and it is a strategy that has garnered popular support, especially when compared to the old system of district administration.

Thus, although the prerequisites emphasized by some decentralization scholars are clearly very important, they are not on their own sufficient to explain success or failure as the local context within which decentralization occurs clearly matters. In fact, as Smoke (2002) points out, if all these favourable national conditions were truly prerequisites for successful decentralization, most developing countries would never be able to decentralize in the first place. *He proposes that it is more productive to think of the so-called 'decentralization prerequisites' as 'basic elements' for implementing decentralization policies*.

6.3 NEW FORMS OF LOCAL GOVERNANCE – UNDERSTANDING LOCALISM

Although a contested term, for the purposes of this project we would define localism as "an umbrella concept which refers to the devolution of power and/or functions and/or resources away from central control and towards front-line managers, local democratic structures, local institutions and local communities, within an agreed framework of minimum standards". This definition encompasses and develops various strategies of localism described by Hildreth (2011) and further developed by Evans, Marsh and Stoker (2013) in Table 6.1. Simply put, different central governments in different nation states deploy different strategies of localism to deliver different tasks.

Ahmed Mohamed, Speaker, Arab Parliament, addressess the audience at the Inter-Parliamentary Union's Fourth World Conference of Speakers of Parliament. (Photo: IPU)

TABLE 6.1. THREE STRATEGIES OF LOCALISM

	MANAGERIAL	REPRESENTATIVE	COMMUNITY
Defining mechanism	Conditional devolution of decision-making based on achieving agreed objectives	Provision of powers and responsibility to local government elected on universal suffrage	Rights and support given to citizens in communities to engage in decisions and action
Delivery mechanism	Intergovernmental networks	Hierarchical delivery networks	Community network governance
Metrics for judging success	Targets and evidence	Electoral triumph or failure	Cohesiveness and capacity of network arrangements. Attainment of network goals and fairness of process
Strengths	Makes sense in the context of multi-level governance and complexity	Delivers clear identification of responsibility and accountability and capacity to meet localised needs	Delivers ownership, local knowledge and engagement by citizens in defining problems and supporting solutions
Weaknesses	Can be too 'top-down', lack of downward accountability, associated with a 'government knows-best narrative for change', ignores locally derived sources of knowledge. Focus in the end is on externally imposed objectives rather than local choices	Resource issues (both financial and technical) may undermine delivery; accountability in practice may be weak	Potential for network capture by local elite interests persists. Uneven distribution of capacity among communities to respond leads to engagement of some but not all. Accountability structures can be opaque with weak democratic control. Minority voices can be silent

We can normally identify three strategies of localism at work – managerial, representative and community localism – reflecting different degrees of community involvement in decision-making. These will co-exist.

Many observers would argue that this is yet another example of old wine in new bottles and there is nothing new about the concept of localism. However, there is a subtle but important difference between the concept of localism and its antecedents which is of particular importance in transition states. While all three forms of localism have always existed, representative localism was always first amongst equals at least in terms of its political dominance. This is no longer the case; in an era of governance it is the mix that matters and the balance between the three will differ from jurisdiction

to jurisdiction. Moreover, in developing areas, the use of community localism or community-driven development models has become more common.

Managerial localism involves the conditional devolution of delegated decision-making or delivery functions from the centre to the locality based on achieving agreed objectives. Policy is decided at the centre but policy settings and delivery functions are devolved to the locality under a strict regulatory framework. Success is evaluated on the basis of their ability to meet centrally derived performance targets. In representative localism, powers and responsibility for specific governance tasks are devolved directly to elected local government (e.g. rates, roads and rubbish). Success is evaluated on the basis of re-election. In the context of collaborative governance (initiatives

augmented by either central, or regional government), the role of local government would focus around its community leadership role and its ability to harness the resources of the community (including private and civil society organisations) more than a traditional direct service provider role. In practice, however, a top-down managerial tradition has tended to dominate in most developing countries in which devolution of functions occurs but not devolution of power or resources.

In contrast, community localism involves the devolution of rights and support directly to citizens in communities to allow them to engage in decisions and action. This is underpinned by a participatory view of governance, which is based on the notion that legitimate governance requires ongoing engagement with the citizenry and their inclusion within certain realms of decision-making. In times of instability, community localism becomes more important. Crucially, however, there is increasing evidence to suggest that the top-down managerial approach to localism does not work. The reason for this

is not new or surprising. In an era of governance, citizens' engagement in policy and delivery has become crucial to the achievement of social progress. Not least because all that public organisations do requires co-production and adaptive behaviours from citizens and often stakeholders. Moreover, the critical challenges confronting policy-makers in a complex, fragmented world require the most adaptive form of power to enable local interests to blend their capacities to achieve common purpose. This is called soft power or *the power to persuade*. Localism is a key policy instrument for achieving soft power. In consequence, there has been a tendency in post conflict states for the adoption of community localism models (for example, Community Development Councils in Afghanistan, Angola, Colombia and Indonesia) often supported by international and local non-governmental organisations. For example, the National Solidarity Program in Afghanistan consists of 30,000 directly elected Community Development Councils that develop their own community plans, prioritize, make bids for

Representative localism was always first amongst equals at least in terms of its political dominance. This is no longer the case; in an era of governance it is the mix that matters and the balance between the three will differ from jurisdiction to jurisdiction. Moreover, in developing areas, the use of community localism or community-driven development models has become more common.

Thousands gather at the Tunisian border to flee the insecurity of Libya in March 2011. (Photo: UN Photo/UNHCR/A Duclos)

development funding and manage and deliver their own development projects (see Barakat ed., 2005; Barakat and Evans, 2012).[49]

These trends suggest that a shift is occurring from local government to local governance reflected in the emergence of new form of local democracy together with an increased demand for managerial and leadership reform.

49. Independent Evaluation Group (2005), 'The Effectiveness of World Bank Support for Community-based and –Driven Development', Washington, World Bank, available on-line at: http://www.worldbank.org/ieg/cbdcdd/ (accessed 20 June 2014).

6.4 IN CONCLUSION – TERRITORIAL GOVERNANCE AND STATES OF DEVELOPMENT

At least seven key conclusions arise from this review of the role of territoriality in contemporary development governance. The first is that identifying the most effective form of territorial governance is inextricably linked with the broader state of development underpinning the country. For certain developing countries, a centralizing strategy may be appropriate to its state of development, while for other developed countries, the excessive concentration of decision-making and authority within central government can be a major obstacle to development.

The second conclusion is that nation states throughout the globe are responding to similar trends and challenges: urbanisation and the need to coordinate the activities of various sub-national governments; globalization and the development of new divisions of labour in the territorial state to meet the socio-economic imperatives of globalization; new substantive demands on the local state brought about by social and political change increasing the need for regional and local problem-solving; and, new participatory demands on the local state precipitated by the belief in public engagement, networking and partnership.

Thirdly, although these challenges and trends appear to point to uniform state responses which emphasize the changing character of governance, the national context remains important, particularly variations between federal and unitary states as they produce different patterns of intergovernmental relations. However, there is substantial evidence of a shift is occurring from

local government to local governance reflected in the emergence of new forms of localism – managerial, representative and community.

Fourthly, decentralization strategies are meaningless without planning for implementation, backed by political will (not easy, given the often prevalent paranoia of central power) and accompanied by consideration of local capacity or its' strengthening (see Collins, 2003).

Fifthly, whilst donors have a role to play in encouraging central authorities in the developing world to decentralize in meaningful ways, there can be no substitute for national leadership in exercising judgement and taking tough political decisions.

Sixthly, the notion of decentralization lies at the heart of dominant contemporary theories of development but many of the decentralization policies that Third World countries have pursued have proved unequal to the development challenge, partly because of the absence of effective capacity development in governmental organisations at provincial, regional, and local levels and the over reliance on INGOs and partly because attempts at devolution have rarely been accompanied by the genuine devolution of executive decision-making to the periphery. Humanitarian agencies can also be reluctant at the institutional level to transfer real responsibility and control over resources to local governmental organisations, and communities. Indeed, in certain developing countries they may not even exist.

Finally, in most instances, power devolved to local government has meant power retained by the centre because without the resources necessary to assume a community leadership role, citizens will look to informal power structures for leadership.

KEY QUESTIONS FOR DELIBERATION ON DECENTRALIZATION, LOCALISM AND DEVELOPMENT

How important is the case for decentralization?

What works?

Are there certain critical dilemmas that determine the success or otherwise of decentralization initiatives?

What is the value added of using a localism approach?

7 | Towards change governance

Yemeni youth march for peace and governmental reform.
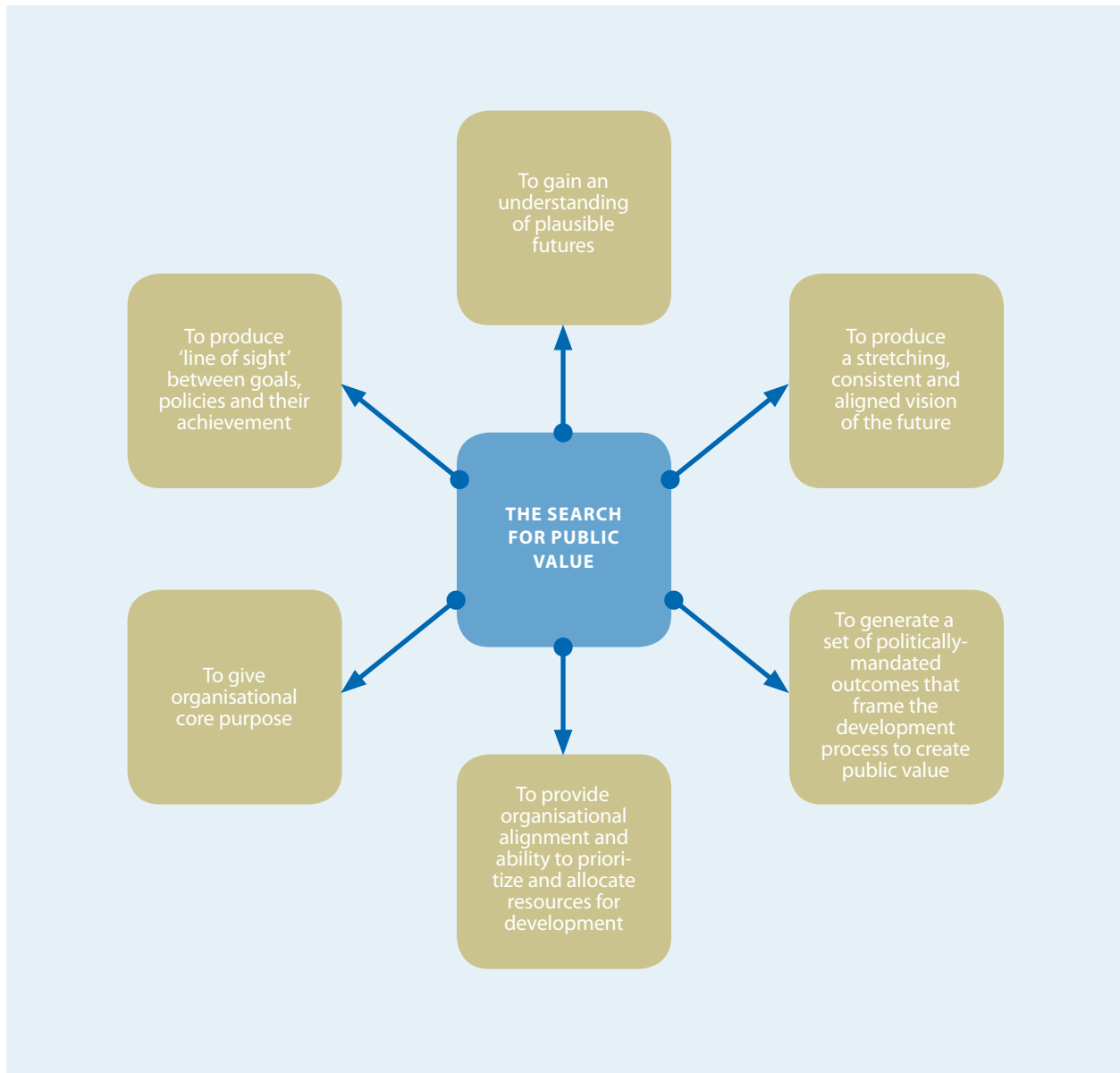*(Photo: Al Jazeera English)*

To begin at the beginning; the critical role of public administration in either facilitating or resisting change governance in transition states has been largely ignored by the international community. All four transition states continue to struggle with profound governance dilemmas (although they are clearly more acute in Libya and Yemen): developing a clear understanding of what progress would look like and articulating a coherent vision for future governance; removing or managing barriers to progress; building trust between government and citizen; developing the capacity to advance an alternative future; and, learning how to learn. What appears to be missing from all of these transition contexts is a change governance strategy for affecting meaningful and sustainable development and navigating barriers to action.

The purpose of this final section of the report is to identify the core questions and components that would need to inform a successful change governance strategy in transition states. We begin by sharpening our understanding of the critical dilemmas confronting our four transition states and translating them into some key strategic directions for consideration.

7.1 DEVELOPING A CLEAR UNDERSTANDING OF WHAT PROGRESS WOULD LOOK LIKE AND ARTICULATING A COHERENT VISION FOR FUTURE GOVERNANCE

Prior to identifying the core component of a change governance strategy, it is first necessary to create a coherent strategic vision for public administration in transition states. This involves developing an understanding of plausible futures, a set of development outcomes that create public value, organisational alignment and allocation of resources to support achievement of those outcomes, together with accountability and feedback mechanisms to measure attainment, plus clear core purpose. These together can give us 'line of sight': a way for leaders – both political and permanent – to see the links between strategic aims and intent, policy processes and delivery and achievement at the front line – and a way for the front line and citizens to see exactly the same things. Once a development administration has a strategic vision for future governance and a set of policies working to achieve that vision, it then needs to take a hard look at itself. The implementation of a strategic vision almost always requires change: change in the activities and behaviours of civil servants and of the organisation as a whole, including of budget allocations. If a strategy is constructed properly then it will be possible to construct objectives, indicators and feedback mechanisms that will enable government to measure and report on whether development outcomes are being achieved. This is important so that pubic organisation can be seen to use public money efficiently and effectively. Accountability to the public, when handled honestly and accurately, can in turn build public value by increasing trust.

FIGURE 7.1. WHY BE STRATEGIC IN GOVERNMENT?

To gain an understanding of plausible futures

To produce 'line of sight' between goals, policies and their achievement

To produce a stretching, consistent and aligned vision of the future

THE SEARCH FOR PUBLIC VALUE

To give organisational core purpose

To generate a set of politically-mandated outcomes that frame the development process to create public value

To provide organisational alignment and ability to prioritize and allocate resources for development

7.2 ACHIEVING THE VISION – THE CONSTITUENT ELEMENTS OF CHANGE GOVERNANCE

By change governance we refer to the introduction of new governance interventions that "enable" (i.e. *remove barriers to participation*), "encourage" (i.e. *provide incentives and disincentives to achieve the right behaviours*), and "engage" citizens (see Figure 7.2). But, crucially in the aftermath of the Arab Spring it involves developing public organisations that "exemplify" a culture of "seeing like a citizen". As Figure 7.2 reveals, this begins with the focus on systems change and building institutional capacity.

Systems change – integrity and the search for public value

Integrity is the corner stone of good enough governance. Fostering integrity and preventing corruption in the public sector support a level playing field for businesses and is essential to maintaining trust in government. 'Integrity' refers to the application of values, principles and norms in the daily operations of public sector organisations. Governments are under growing pressure from the public to use information, resources and authority for intended purposes. Achieving a culture of integrity requires coherent efforts to update standards, provide guidance, and monitor and enforce them in daily practice. It also requires transition states to anticipate risks and apply tailored countermeasures.

The OECD's integrity survey identifies eight important ethical measures to inform governance or what it terms the 'ethics infrastructure': (1) political commitment to integrit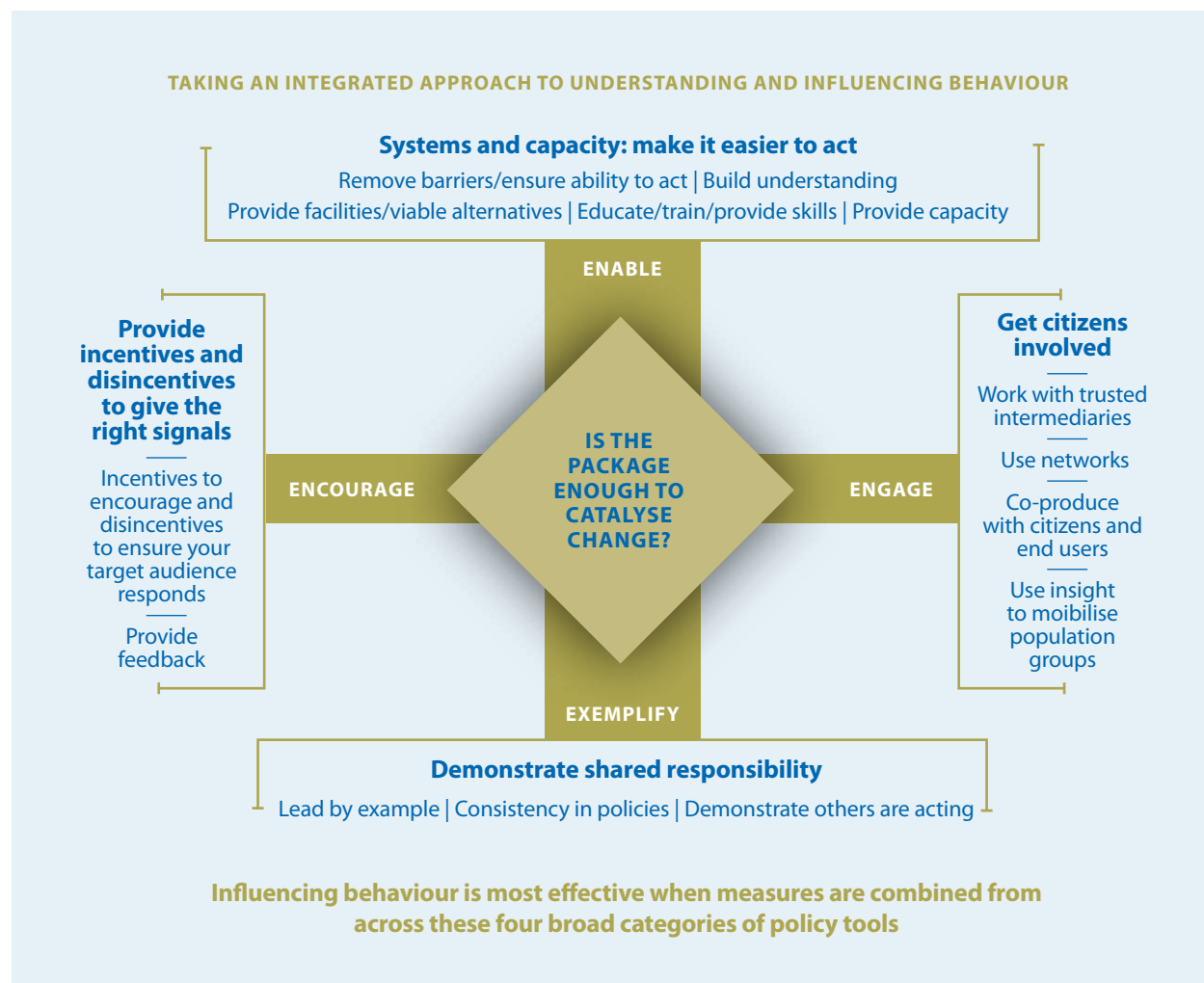y; (2) effective legal framework; (3) efficient accountability mechanisms; (4) workable codes of conduct; (5) professional socialisation of staff; (6) supportive public service conditions; (7) an ethics co-ordinating body; and (8), an active society performing a watchdog role.[50]

As noted in section two, Grindle's (2004, pp. 525-548) notion of 'good enough governance' has had a significant influence on the development thinking of the institutions of global governance (Stone and Wright 2007). It refers to accepting 'a more nuanced understanding of the evolution of institutions and government capabilities' and 'being explicit about trade-offs and priorities in a world in which all good things cannot be pursued at once'. More recently, TIRI's (2008) appeal for integrity in public administration has taken this argument one step further. TIRI is an off-shoot of TI, largely funded by George Soros, with a focus on finding practical solutions for achieving workplace integrity in developing areas. TIRI has established a working definition of administrative modernisation rooted in ensuring accountability, competence and anti-corruption in public administration through safeguarding the public interest. TIRI views this approach to be an essential component of sustainable development, of the safeguarding of human rights, of strengthening democracy and of poverty reduction.[51] Intuitively, such an approach is in keeping with public value thinking. Mark Moore (1995), who coined the phrase, basically argues that public services add value to society in the same way that private for-profit organisations create value for their shareholders and other stakeholders. By implication, public intervention should be circumscribed by the need

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50. OECD Integrity Framework at http://www.oecd.org/gov/44462729.pdf, accessed 20 June 2014.

51. Integrity Action at http://www.integrityaction.org, accessed 20 June 2014.

FIGURE 7.2. CHANGE GOVERNANCE IN ACTION

TAKING AN INTEGRATED APPROACH TO UNDERSTANDING AND INFLUENCING BEHAVIOUR

Systems and capacity: make it easier to act
Remove barriers/ensure ability to act | Build understanding
Provide facilities/viable alternatives | Educate/train/provide skills | Provide capacity

ENABLE

Provide incentives and disincentives to give the right signals

Incentives to encourage and disincentives to ensure your target audience responds

Provide feedback

ENCOURAGE

IS THE PACKAGE ENOUGH TO CATALYSE CHANGE?

ENGAGE

Get citizens involved

Work with trusted intermediaries

Use networks

Co-produce with citizens and end users

Use insight to moibilise population groups

EXEMPLIFY

Demonstrate shared responsibility
Lead by example | Consistency in policies | Demonstrate others are acting

Influencing behaviour is most effective when measures are combined from across these four broad categories of policy tools

to achieve positive social and economic outcomes for the citizenry. What is and what is not public value should be determined collectively through inclusive deliberation involving elected and appointed government officials, key stakeholders and the public. Good governance therefore provides a potential instrument for the pursuit of public value which is particularly important for ensuring the legitimacy of the state. For TIRI, A + C1 - C2[52] = integrity in public administration but this ignores the

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52. Where A = accountability, C1= competence and C2= corruption

observation that public organisations (and indeed external international actors) require a social purpose which can be fulfilled by the pursuit of public value. Hence, A + C1 - C2 underpinned by public value can lead to integrity in public administration:

$$\frac{A + C1 \text{ - } C2}{\text{Public value}} = \text{ Integrity in public administration}$$

It is thus claimed that these are the crucial conditions for institution-building and institutionalisation. So what would integrity and the search for public value look like in a transition context? It would involve an administrative system in which the following practices are established and embedded:

1. the establishment of stable governing parameters (defined as clear institutional rules, the rule of law and security);

2. accountability routes to ensure that politicians, the judiciary and civil servants are legally and politically 'publicly' accountable with regard to their conferred responsibilities;

3. transparency with regard to public scrutiny of governmental decision-making and operational delivery;

4. competence insofar as civil servants should be proficient, expert and knowledgeable and have the capacity to discharge their responsibilities effectively, efficiently and economically;

5. pro-active anti-corruption initiatives; and,

6. where the responsibility of all public organisations is to deliver public value, i.e. that public intervention needs to be justified in terms of the social and economic benefits it delivers to the citizenry.

Building trust between government and citizen – the search for public value

But what are the implications of a public value approach for administrative reform? As Gerry Stoker (2006, p.16) observes, the public value paradigm demands a commitment to broader goals than those envisaged under traditional and NPM management regimes as managers are tasked with steering networks of deliberation and delivery as well as maintaining the overall coherence of the system (see Box 7.1). It offers in Stoker's terms 'a different narrative of reform' in the sense that it centres:

> *...on a fuller and rounder vision of humanity than either traditional or NPM. People are, it suggests, motivated by their involvement in networks and partnerships, by their relationships with others formed in the context of equal status and mutual learning. Some will find its vision attractive but the realists or cynics may prefer to stick with traditional public management or NPM.*

This is because it necessarily involves sharing and often delegating power to citizens. Hence, public value management reform would require new values and practices and in certain instances the rediscovery of old ones; for example, Barry Quirk (2011), in the seminal *Reimagining Government* emphasizes the centrality of notions of public service, public interest and public reason to the creation of public value (see Figure 7.3).

The public value paradigm demands a commitment to goals that are more stretching for public managers than those envisaged under previous management regimes. Managers are tasked with steering networks of deliberation and delivery as well as maintaining the overall health of the system. The questions they have to ask

BOX 7.1. PARADIGMS OF MANAGEMENT

	TRADITIONAL PUBLIC ADMINISTRATION	NEW PUBLIC MANAGEMENT	PUBLIC VALUE MANAGEMENT
Key objectives	Politically provided inputs, services monitored through bureaucratic oversight	Managing inputs and outputs in a way that ensures economy and responsiveness to consumers	The overarching goal is achieving public value and this in turn involves greater effectiveness in tackling the problems that the public most care about: stretches from service delivery to system maintenance
Role of managers	To ensure that rules and appropriate procedures are followed	To help define and meet agreed performance targets	To play an active role in steering networks of deliberation and delivery and maintain the overall capacity of the system
Definition of public interest	By politicians / experts. Little in the way of public input	Aggregation of individual preferences, in practice captured by senior politicians or managers supported by evidence about customer choice	Individual and public preferences produced through a complex process of interaction which involves deliberative reflection over inputs and opportunity costs
Approach to public service ethos	Public sector has monopoly on service ethos, and all public bodies have it.	Sceptical of public sector ethos (leads to inefficiency and empire building) – favours customer service	No one sector has a monopoly on public service ethos. Maintaining relationships through shared values is seen essential
Preferred system for service delivery	Hierarchical department or self-regulating profession	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically and a reflexive approach to intervention mechanisms to achieve outputs.
Contribution of the democratic process	Delivers Accountability: competition between elected leaders provides an overarching accountability	Delivers Objectives: Limited to setting objectives and checking performance, leaving managers to determine the means	Delivers Dialogue: Integral to all that is undertaken, a rolling and continuous process of democratic exchange is essential

of themselves in searching for public value are more challenging and demanding. They are asking more than whether procedures have been followed. They are asking more than whether their target has been met. They are asking if their actions are bringing a net benefit to society. PVM emphasises the role of reflection, lesson-drawing and continuous adaptation in order to meet the challenges of efficiency, accountability and equity (see Box 7.2).

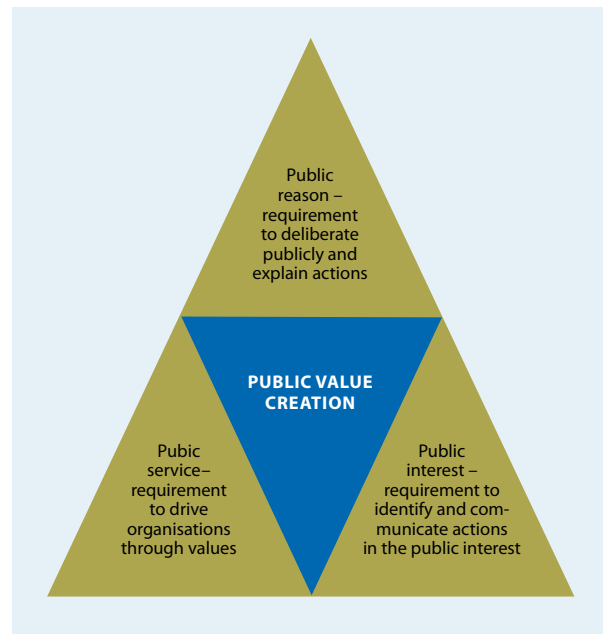## What are the benefits of a public value approach for transition governments?

There are both instrumental and democratic benefits from adopting a public value approach in transition administration. The search for public value – *all that we do should be aimed at enhancing the quality of life for our citizens and future generations* – helps to focus governance partners on solving the problems that citizens care

most about and this stretches from service delivery to system maintenance. It allows for efficient targeting of resources to community needs, the identification of new patterns of need and changing social and demographic patterns, providing for longer term thinking and more creative management of rising citizen's expectations. For politicians, it is simply good politics because it keeps them in direct touch with the citizenry.

In an era when the integrity of transition states is constantly questioned by an assertive citizenry, the emphasis on the development of public values-driven services should capture the political as well as the administrative imagination. Integrity in public administration requires a values-driven approach. The democratic benefits of a public value approach are particularly significant in communities experiencing profound uncertainty and crisis. These communities are more likely to survive and adapt if they are able to build a strong sense of social solidarity and cohesion. Local government has a fundamental role to play here in harnessing the energies and resources of the community to develop adaptive capacities. This requires common ownership of community problems and inclusive forms of governance in policy and delivery. Once again, this should not undermine the role of elected representatives; quite the contrary, it should enhance their capacity to make the fundamental changes necessary to make a difference to people's lives. Nor should it undermine the expert role of public servants as the search for public value enhances the need for provision of objective, evidence-based advice to inform better decision-making.

In sum then, public value management meets the challenges that transition states are facing in an era of governance – the need for community ownership of governance problems and solutions to provide the conditions for accountability, legitimacy and sustainable futures

FIGURE 7.3. THE PUBLIC TRIANGLE (QUIRK, 2011)

Public reason – requirement to deliberate publicly and explain actions

PUBLIC VALUE CREATION

Pubic service – requirement to drive organisations through values

Public interest – requirement to identify and communicate actions in the public interest

as well as the NPM appeal for 'value for money'. This is the 'Big Idea' to lend principles, form and clarity to the administrative reform process and to confront integrity challenges.

Localism as a key policy instrument for achieving soft power

Localism also provides important venues for the creation of public value. The application of this understanding of localism in Arab States would require new ways of being local governance with a particular emphasis on: 'joining-up' government administration through the provision of local knowledge to the planning processes of multi-level governance; acting as a conduit for citizens engagement

on a raft of central government initiatives; an enhanced role as a delivery partner for central government and NGO initiatives; and, assuming greater responsibility for facilitating local entrepreneurship and pursuing the development agenda.

Developing the capacity to advance an alternative future – learning how to learn

The administrative system of a country is closely tied to its economic and political system, hence administrative reform is normally guided by a country's historical and cultural development. In the process of transition, however, transition states have not always had an institutional memory to draw upon. They have therefore had to combine lesson-drawing from positive and negative international experiences with the best of its own administrative traditions in the formulation and delivery of the reform process.

Administrative reform is political reform because it involves decisions about the determination and allocation of public goods which, by implication, advantage certain groups and disadvantage others. Nonetheless, it is in the area of administrative reform where transition governments have been most permissive in engaging in international policy transfer. This is largely because it attracts limited public attention and is considered the preserve of technocrats. Analysis of the processes of policy-oriented learning underpinning these initiatives reveal a propensity for administrators to engage in wholesale copying of Western initiatives. This approach is completely at odds with the findings of the research on rational policy transfer which emphasizes the importance of finding local solutions to local problems (Evans, 2004).

While dominant ideas about the management of public sector organisations in development tend to be influenced by external developments in global financial institutions and international development agencies, institutional choices for development tend to be more varied. For example, compare the bloated central bureaucracies of neo-patrimonial African governments, Bangladesh and Sri Lanka with decentralized systems in Brazil, Mexico, the Philippines, Papua New Guinea, and other South Pacific states. Nor does this mean that decentralization is a condition of strong public service performance. For example, compare the strong public service performance in Singapore and Taiwan with poor performance in Mexico. The empirical evidence also demonstrates that several states have introduced decentralization policies which have introduced policies that concentrate power and decision-making and genuine devolutions have been rare. Moreover, despite the influence of new right ideas in the 1980s and the early 1990s, the impact of decentralizing market-oriented development policies have also differed markedly from state to state. For example, compare Singapore, Malaysia and Thailand with the South Pacific nations, Brazil and Mexico.

What do these trends tell us about institutional choices for territorial development? National characteristics matter – history (particularly colonial legacies), administrative culture, politics, place – they all matter. This is why 'one size fits all' approaches to development do not work as development in terms of the transformation of society will mean different things in different places and requires different strategic responses. These trends also tell us that while institutions of development and the institutions of democracy may be structurally compatible in some developing countries, they may not be in others.

Hooria Mashhoyr Ahmed, Minister for Human Rights of Yemen, speaks at the High Level Segment of the 25th Session of the Human Rights Council on 3 March 2014. (Photo: UN Photo/Jean-Marc Ferré)

The case study evidence derived from both incomplete cases of policy transfer and problems confronted in completed processes of policy transfer (see Evans, 2004), suggests that the following factors can act as constraints on successful policy-oriented learning:

- limited search activity;

- the receptivity of existing environmental structures and institutional cultures;

- lack of political, human, technological and/or economic resources;

- complexity;

- lack of regard for indigenous practices and existing policy systems.

Hence, effective organisational learning involves: comprehensive search activity; the cultural assimilation of programme ideas; adequate political, human, technological and/or economic resources; an emphasis on simplicity over complexity; the sharing of practice; and, the importance of regard for indigenous practices and existing policy systems. A further criterion for the development of effective organisational learning is to ensure that policy transfer networks remain inclusive, representative and accountable.

7.3 PARTING SHOTS – HYPOTHESIZING THE CONDITIONS FOR EFFECTIVE DEVELOPMENT ADMINISTRATION IN TRANSITION STATES

At least 11 conditions for the establishment of effective development administration in transition states can be derived from the preceding analysis.

1. The establishment of a constitution, that is representative of the people safeguards the rights of the individual, minority groups and private associations and provides an anatomy of legitimate public power, is essential in order for the state to be viewed as legitimate.

2. Perhaps the greatest challenge confronting governments in transition states is the need to establish a legitimate and functioning state. The establishment of strong, but legitimate, central state authority is a key instrument for successful state-building and ultimately development.

3. Identifying the most effective form of territorial governance is inextricably linked with the broader state of development underpinning the country. For certain developing countries, a centralizing strategy may be appropriate at particular states of development, but for most developed countries the excessive concentration of decision-making and authority within central government will be a major obstacle to development. Localism thus provides an important instrument of change governance.

4. Administrative reform processes require a clear understanding of what progress will look like and a coherent vision for future governance.

5. Given the implausibility and ahistorical nature of 'good governance' as a development project, a 'good enough governance' approach based on the importance of integrity, place, culture and national development priorities should be advanced.

6. Effective administrative development requires the creation of an effective, legitimate system of collaborative multi-level governance involving the participation of central, regional and local governmental organisations, donors, international non-governmental organisations, and, local non-governmental organisations. Collaborative governance provides the institutional framework in which a national development plan can flourish. It should be based on clear operating rules, mutual respect and trust.

7. The establishment of a 'national' development plan is a crucial mechanism for ensuring the legitimacy of the state but should be as inclusive as possible. Successful development requires effective 'bottom-up' participation by civil society organisations in processes of programme planning, management and delivery. Where possible community-driven development should be used. All citizens should be involved in the development process through meaningful decision-making and management.

8. National development plans should not only focus on the reconstruction of public infrastructure and economic management but also on developing the human resources, appropriate institutions of governance and forms of public management to deliver on development goals. This will require a comprehensive review and needs assessment for reform of the

Change governance which recognizes the need
to share power can lead to radical improvements in
social cohesion. It can contribute to creating more
active citizens, help in the management of complex
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skills, confidence, and ambition in the citizenry

civil service. By implication, the development of effective public administration is a prerequisite for successful development.

9. The indigenous civil service and elected state personnel (where appropriate) should, in most instances, be the prime mover in development with the exception of community-level governance. Consequently, successful development requires the establishment of a strong, efficient and effective central administrative system. This will normally involve restructuring through administrative reform aimed at improving efficiency, effectiveness and responsiveness. A national civil service college should be established to ensure the long-term sustainability of this aim.

10. Public value management is more suited to transitions states than NPM because it accentuates the concepts of responsiveness to the needs of the public through effective collaboration and thus allows for the pursuit of pro-poor growth aspirations.

11. Successful administrative development often requires engaging in progressive lesson-Slearning from international experience. However, local solutions must be found to local problems. Public administrators must only engage in 'rational' policy transfer and draw on only the best overseas expertise.

In sum, change governance which recognizes the need to share power can lead to radical improvements in social cohesion. It can contribute to creating more active citizens, help in the management of complex problems in public service design and delivery, foster new collaborative relationships required for development governance, and develop political literacy, skills, confidence, and ambition in the citizenry. Change governance is thus not only the essential ingredient of effective decision-making and operational delivery in development administration but a key measure of the quality of democratic life.

8 | Debating future governance: guiding questions for the conference

Tunisia's Presidential Elections 2014.
(Photo: Flickr/ Aya Chebbi)

It remains for us to present a list of questions for consideration by delegates at the forthcoming conference:

The state of public administration

1. What is "good enough governance" in a transition state? What's essential and what's not, what should come first and what should follow, what can be achieved in the short term and what can only be achieved over the longer term, what is feasible and what is not?

2. Do Western models of public management deliver progressive development outcomes? And, if so do transition states have the capacity to deliver Western models of public management? Are there alternative models? Is policy transfer necessary?

3. If reform is a behavioural challenge; how do we get governments to confront this reality?

4. Does public administration have a clear vision of what it is trying to achieve in transition states?

5. What would progress look like?

Strategies for reform

1. What are the common agendas for administrative reform in development administration?

2. What reform strategies have been adopted in our sample of transition states and how are they fairing?

3. Are there examples of better practice that we can share across transition states?

4. What reforms could make the biggest difference?

5. Is it possible to build a culture of public sector innovation in a transition state? What would it look like?

6. Are there initiatives that transition states are better pursuing together?

Barriers to reform

1. What are the common barriers to reform experienced in development administration?

2. What barriers have been experienced by our sample of transition states and how are they seeking to navigate them?

3. Are there examples of better practice that we can share across transition states?

What does an effective change governance strategy look like?

1. What principles should inform such a strategy? (e.g. equity, participation)

2. Are there critical dilemmas that need to be confronted?

3. Can certain strategic interventions help us mitigate these dilemmas?

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