

# **NO MAN'S LAND – journeys across disputed boundaries**

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September 2017  
Carpathian Mountains; Romania

## Preface

"We've spent half a century arguing over management methods. If there are solutions to our confusions over government, they lie in democratic not management processes"

JR Saul (1992)

Organisations - we love them and hate them....They have both their formal purposes and, thanks to their self-interests and complacency, their informal side and malfunctions. Most people spend their time quietly "serving" their organisation's interests - generally with some ambivalence.

I'm one of the small number of people who've had (or been allowed to take) a license to be open and critical about the malfunctions of the organisations I've served - first for 20 years as a strategic politician in the West of Scotland; then for more than 20 years as a consultant in institutional development in post-communist countries.

When I started to work - in local government - in the late 60s, there was no such subject as administrative reform. Now my bookshelves groan under the weight of books containing descriptions and assessments of the experience of what, in the 80s and 90s, was called "public administration reform" but is now called "good governance"

In the 1970s and early 1980s I lectured on public administration in the UK while at the same time being an active local and regional politician - and using that opportunity and experience to publish material in professional journals and books. An institutional base gives legitimacy and profile. Since 1991 I have lived and worked in central Europe and Asia as a free-lance consultant - thereby losing a bit of visibility but gaining so much more in experience....

And the mix of academia, politics and individual consultancy has given me the freedom for almost 50 years to ["do it my way"](#) - to write and publish in a fairly carefree manner, even if most of is self-published these days.

This book reflects a life (and perhaps attitude) shaped by the good fortune I've had -

- to work from an early age (26) with an unusually wide range of people (professionals, politicians, community activists - and a much smaller number of academics) who shared an aspiration to improve social conditions;
- To have had a job in a Polytechnic (and also a planning school) in the 1970s and first half of the 1980s which gave me the licence to talk and write about the issues relating to this work
- to have achieved a position of influence which helped develop a more inclusive style of government in the West of Scotland for 20 years
- to reengineer myself as a consultant, working and living for 25 years in central Europe and Central Asia - in the pursuit of what the turgid academic literature has come to call "good governance" or "capacity development"
- all the while trying - through wide reading and writing - to try to make sense of what the masthead on my blog calls our "social endeavours", ie efforts to make the world a better place...

In 1999 I had the time to write a book which attempted to summarise, for a central European and Asian audience, the huge organisational changes in the public sector which had been (and still were) taking place in the UK between 1968 and 1998. ....[In Transit - notes on good](#)

governance. Separated geographically by then for almost a decade from that world, I could perhaps aspire to a measure of objectivity....."Managing Change" may have been at the height of fashion back home but the projects funded by Europe (and America) in the countries emerging from communism were not in the business of "catalysing" change but rather "imposing" it...."This is the way it is to be"!!

I vividly remembering the ticking off I got from the German company which employed me when, as Director of an Energy Centre in Prague, I offered some ideas for how the centre's work might better fit the Czecho-Slovak context (it was 1992)

"We do not pay you to think - we pay you to obey" .....

And it became obvious to me that these centres (funded by the European Commission) which purported to be helping countries of the ex-soviet bloc adjust to new ways of energy conservation were in fact little more than fronts for the selling of western technology...I resigned - and, perhaps naively, took my analysis to friends in the European Parliament....

## 1. Border Crosser

I was born and raised in a West of Scotland shipbuilding town, the son of a Presbyterian Minister (or "son of the manse" as we were known) and received my education in a state school which still then possessed the positive features of Scotland's Democratic Tradition.....now, sadly, much traded  
( Harvie and Davie <https://www.opendemocracy.net/node/4517>)

It would have been easier to send me to the secondary school just a few blocks from our house. But our house (owned by the Church of Scotland) was in the exclusive "West End" and that school was fee-paying. My parents (although no radicals) knew that this would have created a barrier with my father's congregation - stalwarts of the town's lower middle classes with their more modest houses and apartments in the centre and east of the town.

Thus began my familiarization with the nuances of the class system - and with the experience of straddling boundaries which was to become such a feature of my life. Whether the boundaries are those of class, party, professional group intellectual discipline or nation, they are well protected if not fortified.....And trying to straddle them uncomfortable and lonely as I was to discover when I became an active member of the Labour party in my final years at school at the same time as I was becoming active in the highly conservative circles of the local rugby club.

Yet I was to learn that, if you can sustain the discomfort, being exposed to conflicting loyalties can reap great dividends in insight (the diagram of the politician).

In various countries I have used a diagram with a quadrant - to show the 4 very different pressures (audiences) which good politicians needed to have regard to - the local community; the party; the officials (and laws) of the particular government agency they had entered; and their conscience.

Politicians differed according to the extent of the notice they took of each of the pressures coming from each of these quadrants.

And I gave names to the 4 types which could be distinguished - eg populist; ideologue; statesman; maverick. I tried to suggest that the effective politician was the one who resisted the temptation to be drawn into any one of these roles.

- The "populist" (or Tribune of the people) simply purports to give the people what (s)he thinks they want - regardless of logic, coherence or consequences.
- The "ideologue" (or party spokesman) simply reflects what the party activist (or bosses) say - regardless of logic etc.
- The "statesman" (or manager) does what the professional experts in the appropriate bit of the bureaucracy tell him/her - regardless of its partiality etc
- the "maverick" (or conviction politician) does what they think right (in the quiet of their conscience or mind - no matter how perverted)

Each has its element of truth - and it is when someone blends the various partialities into a workable and acceptable proposition that we see real leadership

All this came back to me as I read a paper (from 1995) which, looking at [the relationship of the political party to both society and the state](#), nicely tracks the historical trajectory of the politician.

*First "grandees" (above it all); then later "delegates" (of particular social interests), then later again, in the heyday of the catch-all party, "entrepreneurs", parties, the authors argued, have now become "semi-state agencies". The article has some simple but useful diagrams showing how the three entities of political party, society and state have altered their interactions and roles in the last century.*

*We are told that proportional representation gives citizens a much stronger chance of their preferences being expressed in the final makeup of a Parliament.*

*But that fails to deal with the reality of the party boss.*

*Politicians elected for geographical constituencies (as distinct from party lists) have (some at least) voters breathing down their necks all year round.*

*Not so those from the party lists who only have to bother about the party bosses who, in the past few decades, have got their snouts increasingly stuck in the state (and corporate) coffers.*

*The classic mass party is a party of civil society, emanating from sectors of the electorate, with the intention of breaking into the state and modifying public policy in the long-term interests of the constituency to which it is accountable. The "catch-all" party, while not emerging as a party of civil society, but as one that stands between civil society and the state, also seeks to influence the state from outside, seeking temporary custody of public policy in order to satisfy the short-term demands of its pragmatic consumers.*

*In short, despite their obviously contrasting relations with civil society, both types of party lie outside the state, which remains, in principle, a neutral, party-free arena.....In the third model, parties are less the agents of civil society acting on, and penetrating, the state, and are rather more like brokers between civil society and the state, with the party in government (i.e. the political ministry) leading an essentially Janus-like existence. On one hand, parties aggregate and present demands from civil society to the state bureaucracy, while on the other they are the agents of that bureaucracy in defending policies to the public.....*

*Looking at the three models as a dynamic rather than as three isolated snapshots, suggests the possibility that the movement of parties from civil society towards the state could continue to such an extent that parties become part of the state apparatus itself. It is our contention that this is precisely the direction in which the political parties in modern democracies have been heading over the past three decades.*

When your loyalties are pulled different ways, the world begins to look a lot more complex than that of the immediate group to which you belong. Groupthink is exposed - you begin to become your own man.....And I had my father's example of a church reconciliation mission with a church in North Germany in the late 40s and 50s

### ***Public Administration/management literature is incestuous***

We're now enough into administration reform that some of the great names in the field are beginning to retire and write, if not exactly mea culpas, critical reflections  
Youtubes

But these are not written for the likes of us - they are written for their academic peers....

- [A Government which works better and costs less? Valuating 3 decades of reform and change in UK Central Government](#); Chris Hood and Ruth Dixon (2015)
- Chris Pollitt's stimulating 2004 paper on [Buying and Borrowing Public Management Refoms](#) is as close as I can get to such a paper.
- In 2006 he actually addressed the issue of consultancy - but from a rather shamefaced point of view" [Academic Consultancy What is its nature, place, value within academia?](#)" The paper is useful, however, in separating out eight possible roles which academics can usefully play - including "court jester" and "sparring partner". And Chris Pollitt is the guy who actually produced, in 2003, a book written for officials (and students) - The Essential Public Manager.
- Eg a couple of videos of academic addresses by 2 big UK names - Chris Pollitt on [40 years of Public Sector Reform](#) - and Rod Rhodes on [political anthropology and political science](#) whose text can be [scanned more quickly here](#) (the papers on which the two addresses are based can be read in [Rethinking policy and politics - reflections on contemporary debates in policy studies](#))

Allowing for the simplicities such deliveries require, the basic message they have about the British experience of reform is quite savage.....

Even a literature review could be useful but the PAR literature now is so vast that only a few brave souls have attempted it - eg [Evaluation of Public Sector Reform 2001-2011](#) by Oxford Policy Review. Unfortunately it managed to exclude from its list the work of the key writers C Pollitt and C Hood (the first getting a hurried footnote)

There are, however, useful literature reviews on more specialist areas such as anti-corruption work (many); performance management etc.

I did some googling to see what the literature on such topics as "performance" and "good governance" is like these days. Sure enough it no longer seems the "hot" topic it was a decade ago. But it seems that what has happened is that the snake oil which is no longer acceptable in the old member countries is now being peddled in the new markets of central and south-east Europe!

Both mainstream economics and psychology have been undergoing major challenge - it is [time that the scholastic discipline of public management had this sort of overhaul](#)

Minnowbrook

The only popular book on the subject I can think of was *Reinventing Government* (1991) by David Osborne and Ted Gaebler – which did not, however, attempt an overview of the topic but was rather proselytise for neo-liberalism. For a book which had such a profound effect, it's curiously absent from google scholar and those not familiar with it will have to make do with [this useful riposte to its approach](#).

Economics and psychology, of course, are subjects dear to the heart of everyone – and economists and psychologists figures of both power and ridicule. Poor old public administration and its experts are hardly in the same league!

Not only does noone listen to them – but the scholars are embarrassed to be caught even writing for a bureaucratic or political audience.

And yet the last two decades have seen ministries and governments everywhere embark on major upheavals of administrative and policy systems – the very stuff of public administration. But the role of the scholars has (unlike the 2 other disciplines) been simply to observe, calibrate and comment.

No theory has been developed by scholars equivalent to the power of the "market", "competitive equilibrium" or "the unconscious" – unless, that is, you count Weber's "rational-legal bureaucracy" or Robert Michels "iron law of oligarchy". Somehow Lindblom's "disjointed incrementalism" never caught on as a public phrase!

What we need is a paper (or **short** book) from some academics which tried to summarise the lessons from the last 40 years of frenetic administrative reforms in a way which made sense for political leaders in central europe (let alone Western) eg a presentation for junior Ministers. Even more helpful would be an advice note on how they should handle the latest recommendations from management consultants!

### ***"Best Practice"***

"Best practice" was the phrase which the British private sector consultants were bringing with them to projects and was one to which I was starting to take objection. It was in Tashkent in 2000 that I first drafted material to make a point about the relative novelty of the government procedures in Europe which passed for "best practice" (whether in matters of hiring or procurement) and the number of exceptions one could find not just in southern European countries but even in the heart of Europe.....Clearly there was, as writers such as Ha-Joon Chang have documented in the development field, a lot of kidology going on!

Despite such protestations, describing and pushing "best practice" was, however, precisely what such projects were doing those days..... And pushed me to drafting and presenting in 2007 a critique of the sort of development assistance I was seeing to one of NISPACE's Annual Conferences. It carried the title "Missionaries of Mercenaries?"

In recent years – with another decade of project work (and writing) in Central Asia and Bulgaria under my belt – I have been trying to gather my [disparate thoughts on public sector reform](#) which amount to some 200 pages in the form of papers, blogposts and hyperlinks. But they were obviously just random notes – with no "dominant narrative".

**Most writers on this subject are academics or consultants (with the latter being in a tiny minority) and I like to think that I have something distinctive to say by virtue of having**



**straddled – at various times – the diverse roles of academic, political leader and consultant (and in 10 different countries).**

I'm still a firm believer in the adage that if you want to know something about a subject, you write a book about it. It sounds paradoxical but the act of writing forces you to confront your ignorance and helps you to develop the questions to allow you to identify the most appropriate books for you to read.

### ***Discovery***

I decided to let my thoughts run free and to look at the sizeable collection of books I have about public administration reform in my library (and some of the thousands of references I have in my virtual library) .....

but I soon discovered a curious fact – that virtually all academic books on the subject are collections of short academic chapters edited by 2-3 of the group. By definition, with no narrative....I'm not a fan of sprints – give me the long-distance runner any day – although perhaps the 5 kilometre rather than the marathon .....

I discovered something else – that most of the material on administrative reform is very boring...Strange because organisations are decidedly not boring – whether they are in the public or private sector – tens of millions of officials spend their lives in them and hundreds of millions of citizens depend on their services. I wondered therefore about the idea of producing a clearly-written book which “popularized” such ideas as I could find in the academic and official texts. The last such book, after all, was probably [Reinventing Government](#) (1991) which caught the imagination of policy-makers throughout the world and energised a huge amount of restructuring of state agencies and indeed their transfer in many cases to the private sector. Coincidentally, the new word “governance” suddenly appeared on the scene.....and “change management” was on everyone's lips.....Verily these were stirring times.... But that idea would involve so much reading...I think it would eat my soul..

A third interesting thing I notice is how few people who have experience of straddling the worlds of theory and practice, of officialdom, politics and consultancy, of diverse countries...have actually written about that experience. Just too busy? Or confused?

So the thought began to grow that this is the path I should select. Not another pretentious academic paper; nor attempt at popularising other people's material – but a more unusual format – using raw material from various projects of the past 50 years to **reflect on the challenges of one change agent's life,**

### ***Inspiration***

The example and work of several people in particular has inspired me to produce this book – all, interestingly, working in very different fields

**Robert Chambers** is one of the best-known rural development activists – particularly famous for his emphasis on participative approaches and [Putting the last first](#). But what I really like about his book [Ideas for Development](#) (the link gives the last chapter) are the critical reflections he gives us on each of the papers he had written some years previous....It makes the point – which

all too little published stuff does - that we are in fact all a lot more tentative than seems the case from what we write.....

**Roger Harrison** is an organisational development (OD) consultant who, with Charles Handy, gave us the idea of "four gods of management". "The Collected papers of Roger Harrison" is one of the books which has pride of place on my bookshelves - for the same reason. That he puts each of the papers in the book in its context and reflects on it ....with the benefit of time

<https://bschool.pepperdine.edu/masters-degree/organization-development/content/partone-chapternine.pdf>

<https://bschool.pepperdine.edu/masters-degree/organization-development/content/parttwo-chapterten.pdf>

**Chris Pollitt** is a political scientist whose "Managerialism and the Public Services" was, in 1990, one of the first to critique what became known as the New Public Management and whose clarity of writing should shame others in his field. His "The Essential Public Manager" (2003) had an unusual structure - with a mixture of conversations, case-studies and drawing on European and American writing. [A Governance Practitioner's Notebook; alternative ideas and approaches](#) (DAC network of OECD 2015) also has this informal approach which I like.....

Those behind the marketising prescriptions of New Public Management (NPM) were not from the public admin stable - but rather from Public Choice Economics and from the OECD - and the role of PA scholars has been map its rise and apparent fall and (occasionally) to deflate its pretensions. At its best, this type of commentary and analysis is very useful - few have surpassed [Chris Hood's masterly dissection of NPM in 1991](#) which set out for the first time the basic features of (and arguments for) the disparate elements which had characterised the apparently ad-hoc series of measures seen in the previous 15 years in the UK, New Zealand and Australia - and then goes on to suggest that the underlying values of NPM (what he calls the sigma value of efficiency) are simply one of three clusters of administrative values - the other two being concerned with rectitude (theta value) and resilience (lamda value).

Table 2 of his paper set this out in more detail. The trick (as with life) is to get the appropriate balance between these three. Any attempt to favour one at the expense of the others (NPM) will lead inevitably to reaction and is therefore unstable.

### The State of the State

This emphasis on the importance of balance was the focus of a very good (but neglected) paper which management guru Henry Mintzberg published in 2000) about the Management of Government which starts with the assertion that it was not capitalism which won in 1989 but "the balanced model" ie a system in which there was some sort of balance between the power of commerce, the state and the citizen. Patently the balance has swung too far in the intervening 20 years!

Hood elaborates on these three sets of values in the book he published at the same time with Michael Jackson - Administrative Argument (sadly out of print) - when he set out 99 (conflicting) proverbs used in organisational change.

In 2007, Russell Ackoff, the US strategic management guru, published a more folksy variant of this proverbs approach - [The F Laws of management](#) a short version of which can be read [here](#) Guy Peters;



We desperately need this sort of satirical approach applied to the "reformitis" which has afflicted bureaucrats and politicians in the past 20 years.

Satire is hardly something you could accuse European officials of - but their recent [Quality of Government Toolbox](#) (EU 2015)

Plus other toolboxes.....

<https://nomadron.blogspot.ro/2012/01/taking-stock.html>

What is the purpose of this little book???? **More importantly, in what sense is it different from any other book on the subject you will read??**

Well, for a start, it challenges us to recognize the confused nature of what is available in the field! Is it public administration.....public management...consultancy....good govern"ance".....political science.....common sense????????

We have heard too much from the academics, the spin doctors and the peddlers of snake oil from the likes of the World Bank and the OECD (behind which are senior civil servants putting a gloss on their CVs). It is the time for the lower level practitioners to share their uncertainties .....after all "we have nothing to lose but our chains" .....the chains on our mind that is....

A book is needed which -

- is written in a clear and accessible way
- Sets out the history of public admin thought (already available in many academic texts)
- Sets out the thinking which has dominated practice of the past 40 years; where it has come from; and what results it has had (already well done in academia see the Pal paper on the role of the OECD I referred to a few posts back)
- Gives case studies -

***And why should you read it?***

My claim for the reader's attention is simply expressed -

- experience in a variety of sectors (and countries) - normally closely manned with "gatekeepers"
- the compulsion (now almost 50 years old), to record what I felt were the lessons of each experience in short papers
- Long and extensive reading
- A "voice" which has been honed by the necessity of speaking clearly to audiences of different nationalities and profession
- intensive trawling of the internet for wide range of writing
- notes kept of the most important of those readings
- shared in hyperlinks in papers and blog

# 1. Introduction

Do not let me hear  
of the wisdom of old men, but rather of their folly,  
their fear of fear and frenzy, their fear of possession,  
of belonging to another, or to others, or to God.  
The only wisdom we can hope to acquire  
is the wisdom of humility: humility is endless.

TS Eliot (*East Coker*)

## 1.1 Can experience teach?

This is one of these papers which we write in our more mature years – borne of a hope perhaps that our experience has not altogether been in vain or of an illusion that younger people will be interested in what we have to say. Although I am not one of these people who see the new generation as our salvation. We all seem doomed to repeat the mistakes of our forefathers. I used, indeed, to have a poster in my room in the Region. On it, a baby – with the following text in a bubble above its head “If I had my life again, I would make the same mistakes – but earlier”!

But I find it interesting to do a more definitive stock-taking at this stage of my life – for example, remembering individuals or writers who were important to me and using google to unearth their material. And if others enjoy this or find it useful, then that will be a bonus.

I consider myself a fortunate man – given opportunities to take part in the mysteries of governing at an early age and not succumbing to cynicism. Essentially – I suspect – because I’ve played several professional roles<sup>1</sup> since I left university – 17 years teaching (latterly in urban management) overlapping with 22 years of strategic leadership in first local and then regional government; and, finally, 20 odd years of consultancy to governments and state bodies of the transition countries of central Europe and central Asia.

And, in each of these roles, I’ve faced a great conundrum which kept me exploring – in both real and virtual places<sup>2</sup> – questions such as

- what government could do to deal with the large problem of social exclusion;
- whether a new type of public management can be created which is more sensitive to citizen needs
- the role of external adviser in countries trying to develop the capacity of their state bodies

Since 1970 I’ve tried to make sense of the challenges I’ve been involved with by writing about them – relating the various projects to the wider literature in the field – and generally being lucky enough to have the results published. This way I have certain “reality checks” on the way I was seeing and thinking about things along the way.

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<sup>1</sup> I initially wrote “career” but then realised that I had never seen my work in this way.

<sup>2</sup> Eg in European working groups in the 80s; a short Fellowship in the USA in 1987 to look at how they were handling large-scale unemployment at a local level; Mondragon in Spain to look at community bank experience; and then post-communist countries from 1990

We have a saying - "Those who can, do - those who can't, teach". And it's certainly true that leaders of organisations do not make good witnesses about the whys and wherefores of the business they're in. Most political and business autobiographies are shallow and self-serving.

Even with the best of intentions, it seems almost impossible for an active executive to distance himself from the events which (s)he's been involved in to be able to explain properly events - let alone draw out general lessons which can help others.

But, on the other side, can the teachers actually teach? Academic books and articles about the reform of government have churned from the press in ever larger numbers over the last 50 years<sup>3</sup>. Do they tell a convincing story? More to the point, do they actually help the aspiring reformer? Or do they, rather, confuse him and her - whether by style, length or complexity? Indeed, how many of them are actually written to help the reformer - as distinct from making an academic reputation?

And quite a few give the sort of directions an Irishman is famed for giving some tourists who stopped to find the way - "Sure and if were you, I widna start from here!"

### 1.2 what's the question?

In the first 20 years of my work (in Scotland), my questions related to structures of power in local government - between officials, politicians and community activists. *How could we structure better dialogue to produce results for marginalised groups?* Some of the answers I felt I had by the mid 1990s can be found at **section 6** below. I was, however, fighting against the tide in Thatcher Britain - whose agenda for change was rather more brutal.

Truth be told, I had some sympathies for her approach<sup>4</sup> - there was too much complacency in the various professions but she did throw the baby out with the bathwater....I sometime say that I am a political refugee - from Thatcher's Britain - since she was emasculating the local government system to which I was committed (if ever critical<sup>5</sup>) and I was happy to accept an invitation in 1990 from the Head of WHO (European Public Health)<sup>6</sup> to help WHO try to build constituencies for reform in public health in the newly-liberated countries of central and east Europe.

In the last 20 years, the questions for me have been even more fundamental - *how to create a language for reform?* I have, since 1991, been living and working in countries where English was a foreign language; and in which there were few shared professional concepts<sup>7</sup>. To those, however, who argued that I could not understand the local context I simply replied that I recognised so well the bureaucratic syndrome from what I had seen and worked through in the West of Scotland in the 1970s. In that sense, my life has been a fight against bureaucracy.

My first book was written to throw light on the workings of the new system of Scottish local government in 1976 - it was called "The Search of Democracy". It's sad that - 40 years on - people seem still to be looking for it!<sup>8</sup>

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<sup>3</sup> See my annotated bibliography on [www.freewebs.com/publicadminreform/](http://www.freewebs.com/publicadminreform/)

<sup>4</sup> Described and analysed by numerous academics eg

<sup>5</sup> Liverpool speech

<sup>6</sup> This on the basis of my involvement in the WHO Healthy Cities network - which gave me opportunities to present the work of the Region

<sup>7</sup> In Azerbaijan, I co-authored in 2004 the first 3 books in the Azeri language about public administration reform.

<sup>8</sup> This may seem to be less than generous - since Scotland, in 1999, eventually gained back its Parliament.....

### 1.3 are the post-modernists right?

Leaving one's country and becoming a nomad certainly helps give a useful sense of perspective. It makes one more aware of context and the extent to which you take things for granted. It also makes one more conscious of words and language. New words and phrases are invented - purportedly to mark new discoveries. But does it help, for example, that we replaced the language of "deprivation" with that, serially, of "disadvantage", "marginalisation", "poverty", "social exclusion", "social injustice", "discrimination"? The cynic would see the change of language as a device for politicians, civil servants and consultants to escape accountability. If a troubling phenomenon remains or gets larger, something is seriously wrong with the government system - better to pretend that the phenomenon is a new one!

And indeed one wonders from time to time whether the net result of decades of reform has not been simply to give those in power a more effective language to help hold on to that power while changing as little as possible! I have a theory that the more an organisation talks of such things as "transparency", "accountability" and "effectiveness", the more secretive, complacent and immoral it is!

Emerson put it very succinctly almost a century ago - "The louder he talked of his honour, the faster we counted our spoons!"

One of the presentations I sometimes make to civil servants in transition countries is Rosabeth Kantor's "Ten Rules for stifling innovation". She developed these in the early 80s when she looked at how large organisations such as General Motors and IBM were coping with the challenge from their new more flexible competitors<sup>9</sup>. After a period of denial, they had realised that their centralised structures were preventing important information from reaching the decision-makers and therefore introduced new participative structures. However the old cultures and mentalities still prevailed and were brilliantly reflected in her Ten Rules -

#### Ten Rules for Stifling Innovation

1. regard any new idea from below with suspicion - because it's new, and it's from below
2. insist that people who need your approval to act first go through several other layers of management to get their signatures
3. Ask departments or individuals to challenge and criticise each other's proposals (That saves you the job of deciding : you just pick the survivor)
4. Express your criticisms freely - and withhold your praise (that keeps people on their toes). Let them know they can be fired at any time
5. Treat identification of problems as signs of failure, to discourage people from letting you know when something in their area is not working
6. Control everything carefully. Make sure people count anything that can be counted, frequently.
7. Make decisions to reorganise or change policies in secret, and spring them on people unexpectedly (that also keeps them on their toes)
8. Make sure that requests for information are fully justified, and make sure that it is not given to managers freely
9. Assign to lower-level managers, in the name of delegation and participation, responsibility for figuring out how to cut back, lay off, move around, or otherwise implement threatening decisions you have made. And get them to do it quickly.
10. And above all, never forget that you, the higher-ups, already know everything important about this business.

R Kantor

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<sup>9</sup> The Change Masters - corporate entrepreneurs at work (1985)

The few evaluations which have been done of administrative reform efforts<sup>10</sup> don't offer much proof of change. Does that mean that post-modernists are correct and that there are no truths - only positions and perceptions<sup>11</sup>? Or that philosophers such as Oakeshott, Popper and others were right to condemn what they called "social engineering" - the tinkering by those who believe that society is like a car engine<sup>12</sup> and can be successfully manipulated by those with the correct policies, skills and structures?

Certainly social science has overreached itself<sup>13</sup> and the humility seen in this verse does express a useful philosophy -

..... And what there is to conquer  
By strength and submission, has already been discovered  
Once or twice, or several times, by men whom one cannot hope  
To emulate - but there is no competition -  
There is only the fight to recover what has been lost  
And found and lost again and again; and now under conditions  
that seem unpropitious. But perhaps neither gain nor loss  
For us, there is only the trying. The rest is not our business.

TS Eliot (Four Quartets)

William James seemed to express the same thought when he said "I will act as if what I do makes a difference".

The book starts with the context - not only the particular roles I was playing but the intellectual currents which affected me in the late 50s and 60s.  
I have identified three key stages in my life<sup>14</sup> - the initial encounter with bureaucracy and politics and the shaping of a reformist position (1968-74); the period of "strategic leadership" 1974-91); and "nomadic consultancy" (1991 - 2012).  
The focus for the first 2 stages was a combination of "social exclusion" and "managing change" - at a time when these were not the disciplines they have become.  
The focus of the third stage has been more generally that of "building administrative capacity" - of state bodies in "transition countries". And, again, I was in at the beginning of a venture for which there were not then the writings and tools apparently now available.  
For each stage, context and events are described and then some lessons drawn. Generally these are the lessons I felt at the time - as reflected in a piece of writing.

Hard copy for the period 1970-1995 has been more difficult to find. We were using word processors from the late 80s but in a form (floppy discs) which were difficult for a nomad to archive! I have a precious copy of my 1975 book but left my manual folders of my 1970 and 1980s articles behind in Slovak village!

The text is fairly personal initially but becomes less so from 1990 when my role changed from being an "insider" to an "outsider" - although I consider that I have always been a bit of an

<sup>10</sup> [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/reports/cards/951465\\_en.pdf](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/cards/951465_en.pdf)

<sup>11</sup> Post-modernist PA ref

<sup>12</sup> One of the most useful books for those in the intervention business is Gareth Morgan's *Images of Society* - useful since it reveals the different metaphors which underpin everyone's thinking about social problems

<sup>13</sup> Stanislaw Andreski had it right when, in 1976, he called social sciences "Sorcery". Significant that his book is out of print! Hubris is our current weakness!

<sup>14</sup> There are supposed to be seven stages to life! See also Bridges (Transitions) etc

outsider! I have always been inter-disciplinary - working in no-man's lands<sup>15</sup>, building bridges - but remember vividly the central European joke about bridges - "in peacetime, horses shit on them - and, in war-time, they get blown up!"

## . From Community Action.....

### 6. UNLEARNING AND LEARNING

Like most practitioners, I stumbled by accident into the reform business. I was lucky in the 1970s to be able to combine my work as an academic (supposedly in Economics and Management) with that of a reforming local politician. Modernisation was very much in the British air in the 1960s after too many years of Conservative rule and propelled me into local politics.

Shortly after first being elected in 1968 to represent 10,000 people in a poor neighbourhood on the local municipality for a shipbuilding town in the West of Scotland, I was chosen by my political colleagues to be their organising Secretary. I then became Chairman of a Social Work Committee in 1971 - at a time when this function was being invited to take on a more preventive role. The Scottish legislation introduced by the Labour government of 1964-70 invited us to "promote social welfare" on a "participative and co-ordinated basis". This in recognition of the fact that social disadvantage has economic causes which are reinforced by the breakdown of social bonds and the operation of bureaucracies.

This gave me a powerful base with which to challenge traditional ideas and practices in local government. From the start, some of us tried to ensure that the local people were proper partners in redevelopment efforts - trying to use community development principles and approaches - in the teeth of considerable political and officer hostility.

From 1970 my growing politico-managerial responsibilities in self-government developed my intellectual interest in the budgeting process (Wildavsky), and in public management and organisational studies (Handy) and, inevitably, I was strongly influenced by the American ideas about corporate rationality which were then flooding across the Atlantic (in that sense there is nothing all that new about New Public Management).

At the same time, however, the social conditions and aspirations of people in my town's East End were beginning to engage my time and energy - leading to sustained reading about urban deprivation and community development (see chapter Five).

Interdisciplinary studies were beginning to be popular - but I seemed more excited by such "trespassing" (Hirschmann) than my specialised colleagues.

Even before Schumacher popularised the thesis that "small is beautiful", I was having my doubts about the worship of the large scale which was then so prevalent. I little thought, as - in the early 1970s - I took my students through the basic arguments about "public choice" (Buchanan) generally and road pricing in particular, that such an approach was to transform British and European public policy and politics a decade or so later.

The title of first publication - "From Corporate Planning to Community Action" reflected the diverse strands of thinking then around!

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<sup>15</sup> reticulists



Then, in 1974, came a massive change: the reorganisation of British local government. All the old municipalities were swept away. I found myself a councillor on the massive new Strathclyde Regional Council - which was responsible for education, roads and transport, social services, water and sewage, police etc for half of Scotland's 5 million population. And it therefore had a massive budget - of 3,000 million dollars and a staff of 100,000 - on a par with many countries of Central Europe.

I was selected by my new colleagues to be the Secretary of the majority political group: a position to which they re-elected me every two years until I resigned in 1991.

In a sense we were on trial: although the logic of the City Region had created us, most people doubted that a local authority on this scale could possibly work. The small group of politicians and officials who shaped the Region in its early years were, however, excited by the challenge: in a sense, we knew that we could do no worse than the previous system.

And we relished the chance to take a radically different approach to the enormous economic and social problems faced by the Region from those used in the past.

Principally that we felt we had to engage the imagination and energies of the various groups in the area - staff, citizens and the private sector. For us, too many people - particularly staff and ordinary people - were disaffected and fatalistic.

In this new organisation, I was in a critical "nodal" position - at the intersection of political and professional networks of policy discussion - and tried to use it to establish an effective "constituency for change" both inside and outside the Council.

Very often I felt like someone working in a "No-Man's Land": and the "boundary crossing" made me angry about two things -

- the waste of resources from the apparent inability to work creatively across these boundaries
- the way that so much "leadership" of the various organisations disabled people. What is it, I wondered, about positions of power that turns so many potentially effective managers so quickly into forces of repression? (Alaister Mant's book is worth reading on this)

And confirmed the early commitment I had made early on in my political career to try to use my position to work with those who were excluded from power - on the basis that real change rarely comes from persuasion or internal reform; but rather from a "pincer movement" of pressures from below on those with power who always seem to need reminding of why they have been entrusted with it.

The last 9 years have moved me into Central Europe where I see such similar problems (environmental, organisational and civic) to those I first experienced in the late 1960s when I first got involved with local government (see chapter on Strathclyde Region).

### *.1 Makings of a maverick*

I had absorbed the tremendous critique of British society which the 1960s had presented - for example that our civil service and local government systems were not "fit for purpose"<sup>16</sup>. My university degree in political economy, sociology and politics had given me the arrogance of the iconoclast - although reading of people such as Tony Crosland<sup>17</sup> and Karl Popper<sup>18</sup> had made me an incrementalist rather than the hard leftism which was in fashion - although I was an avid reader of the New Left Review<sup>19</sup> and active in the Young Socialist movement.

After University, I worked briefly and unhappily in both the private, central and local government and consultancy sectors until I was appointed Lecturer in social studies at a polytechnic in 1968 - the same year I became a Labour councillor - on a town council which the Liberals had recently taken over. The rump Labour group was a somewhat demoralised and I immediately became its Secretary - thereby skipping the normal "apprenticeship" which new boys normally serve.

The community groups I worked with were very effective in their various projects concerned with adult education and youth, for example, but *one of the most powerful lessons I learned was how much many professionals in the system disliked such initiative*<sup>20</sup>. It was also quite a shock to realise how suspicious my own Labour colleagues were of the people they were supposed to support! Instead they echoed the reservations and criticisms of the officials.

One of the things I was learning was the subtle and often implicit ways those with power made sure they kept control - whether in the formality of language used or in the layout of meetings. One of the most interesting individuals in the UK trying to help community groups was Tony Gibson<sup>21</sup> - who developed simple planning kits to level the playing field. Suspicious even of the community development work we were doing as part of Social Work, I negotiated Rowntree Foundation support for an independent community action project in one of the areas I represented.

1970/71 was a seminal year for me. I took on my first serious public responsibilities - becoming chairman of the Social Work Committee for a poor shipbuilding conurbation of 100,000 people. Scottish legislation had just given social work authorities an invitation to "promote social welfare" - and to do so by engaging the public in more strategic work to deal with the conditions which marginalised low-status and stigmatised groups. And the area I had represented since 1968 on the town council certainly had more than its fair share of such people. An early step I took with my new authority was to institute an annual workshop of community groups to identify and help deal with key problems of the town.

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<sup>16</sup> Some of the critique was in book form (eg probably most famous was Michael Shanks' 1961 *The Stagnant Society*) but an important element were the Royal Commissions set up by the 1964 Labour Government to look at such problematic areas as Civil Service (known as Fulton after the Lord who chaired it - ditto for other Commissions); Local Government (Redcliffe-Maud in England and Wales; Wheatley in Scotland); Broadcasting (Annan); Industrial Relations (Donovan); Local Government Finance (Layfield); Devolution (Kilbrandon) etc

<sup>17</sup> *The Future of Socialism* (1956) and *The Conservative Enemy* (1962)

<sup>18</sup> Although first issues in 1941, it was not until the 1960s that it became well known in UK

<sup>19</sup> [www.newleftreview.org](http://www.newleftreview.org)

<sup>20</sup> Education, police and leisure were the worst offenders - as is clear from the small book about work in one of the communities - *View from the Hill* by Sheila McKay and Larry Herman (Local Government Research Unit 1970) See David Kortron's example...page 11 *The Great Reckoning* (Kumarian Press 2006)

<sup>21</sup> *People Power*

## .2 intellectual currents

The student riots of 1968 may have passed - but the literature which was coming from the anti-poverty programmes<sup>22</sup> on both sides of the Atlantic painted an ugly picture of how systems of public administration treated the poor and marginalised. Books such as Future Shock<sup>23</sup>, Beyond the Stable State<sup>24</sup>, Dilemmas of Social Reform<sup>25</sup> and Deschooling Society<sup>26</sup> were grist to my mill - sketching out, as they did, the massive shift which was underway in organisational structures. Robert Michels "iron law of oligarchy" and Saul Alinsky's work also made a lot of sense to me! Management theory was beginning to percolate through to us - but in a rather simplistic way. These were the days when Drucker had it all his own way in the bookshops<sup>27</sup>. Better management - in both the public and private sector - was seen as necessary although initially this was seen to come more from coordinating structures rather than new skills or perspectives.

I was in the system - but not part of it - more a fly on the wall. The title of an early paper I wrote - "From corporate planning to community action"<sup>28</sup> reflected the attempt I was making to ride the 2 horses of internal reform and pressure group politics (always uncomfortable!). *I was beginning to understand how we all play the roles we are given - how the roles are masks we put on (and can take off). A cartoon I had on my wall during university years from the left-wing New Statesman said it very well - it depicted various stern figures of power (judges, generals, headmasters, clergymen etc) and then revealed the very angry and anguished faces beneath.*<sup>29</sup>

## .3

In the early days people sometimes asked what, as a western consultant, I could bring to the task of crafting state bodies in such countries. **They didn't realise that, in many respects, Scotland was, until the 80s and 90s, culturally and institutionally, more socialist than countries such as Hungary.** The scale of municipal power was particularly comprehensive in Scotland where the local council still owned three quarters of the housing stock, 90% of education and most of the local services - including buses. Only health and social security escaped its control: these were handled by Central Government. Local government simply could not cope with such massive responsibilities (although such a view was rejected at the time).

This was particularly evident in the **larger housing estates** in the West of Scotland which had been built for low-income "slum" dwellers in the immediate post-war period -

- there were few services in these areas
- employment was insecure
- schools in such areas had poor educational achievement and were not attractive to teachers/headmasters
- local government officials were not trained in management : and treated their staff in a

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<sup>22</sup> In UK the more sedate language of "community development" was used.

<sup>23</sup> Alvin and Heideh Toffler (1970)

<sup>24</sup> Donald Schon (1973). This was the book which followed from the 1970 Reith lecture he delivered on BBC. Along with Gaitskell's defiant Labour Conference speech (of 1961), this was the most riveting piece of media broadcasting I have ever heard.

<sup>25</sup> Marris and Rein (1973)

<sup>26</sup> Ivan Illich

<sup>27</sup> Now, it's a real challenge to recommend best buys for (a) understanding organisations and/or (b) challenging and changing them. But I do attempt this - [at ???](#)

<sup>28</sup> In the series of ruminations from my local government work I published under the aegis of the Local Government Research Unit which I established at Paisley College of Technology. The most important of these was a small book in 1977 The Search for Democracy - a guide to Scottish local government. This was aimed at the general public and written around 43 questions I found people asking about local government.

<sup>29</sup> Georg Grosz gave these figures (in Weimar Germany) an even more savage treatment - see <http://www.austinkleon.com/2007/12/09/the-drawings-of-george-grosz/>

- dictatorial way
- who in turn treated the public with disdain

The contemptuous treatment given by local council services seemed to squash whatever initiative people from such areas had. They learned to accept second-class services. Behind this lay working and **other conditions so familiar to people in Central Europe**

- the culture was one of waiting for orders from above. There were few small businesses since the Scots middle class have tended to go into the professions rather than setting up one's own business
- work was in large industrial plants
- for whose products there was declining demand
- rising or insecure unemployment
- monopolistic provision of local public services
- and hence underfunding of services - queues and insensitive provision
- hostility to initiatives, particularly those from outside the official system.
- elements of a "one-party state" (the Labour party has controlled most of local government in Scotland for several decades).

As a young councillor in the late 60s, I made an immediate impact by the way I mobilised tenants about the patronizing way they were being treated by the local municipality, I was lucky because, Labour having lost local power to a group of "liberals", I had the freedom to flay "the system" with all my energies. In a sense I was giving the national liberals a taste of their own medicine since they were just beginning to invent a new form of "pavement politics".....The community groups I worked with were very effective in their various projects concerned with adult education and youth, for example and one of the most powerful lessons I learned was how much many professionals in the system disliked such initiative.

But it was still a bit of a shock to realise how suspicious my own Labour colleagues were of the people they were supposed to support! Instead they echoed the reservations and criticisms of the officials. One of the things I was learning was the subtle and often implicit ways those with power made sure they kept control - whether in the formality of language used or in the layout of meetings.

I drew on this experience when, in 1977 I wrote a major [article about community development](#) - which was reproduced in a book of Readings about the subject in the early 80s

## .... to Corporate Management 1975-90

### *.1 new challenge*

I supported the reorganisation of local government - which, in 1974, not only literally decimated the number of municipalities<sup>30</sup> but created the massive Strathclyde Region<sup>31</sup>. I had gained visibility from the workshops held by my Local Government Unit on the various management, community and structural challenges and changes facing local government. It was this profile helped me to be elected as Secretary of the ruling Labour Group<sup>32</sup> of 74 councillors - who were out of the networks which had previously operated in the 5 counties which made up the massive Region. In the same year, a Labour Government returned to power - and was to remain there until 1979.

In the brave new 12 months which followed we set up new-style policy groups to try to produce relevant solutions to the massive socio-economic problems faced by the West of Scotland<sup>33</sup>.

In 1974 I found myself in a lead role as new structures were set up for Europe's largest regional authority; -

At the end of Strathclyde Region's first year of existence in 1976, a major weekend seminar of all the councillors and the new Directors was held to review the experience of the new systems of decision-making. The exhilarating experience a few of us had had of working together across the boundaries of political and professional roles first to set up the new Departments and second on the deprivation strategy was something we wanted to keep. And other councillors wanted that involvement too.

Our answer was "**member-officer groups**". These were working groups of about 15 people (equal number of officials and councillors) given the responsibility to investigate a service or problem area - and to produce, within 12-18 months, an analysis and recommendations for action. Initially social service topics were selected - youth services, mental handicap, pre-school services and the elderly - since the inspiration, on the officer side, was very much from one of the senior Social Work officials. The council's organisational structure was also treated in this way in the late 1970s (the extent of external assistance sought was that every member of the group was given a copy of a Peter Drucker book as text!) - and a group on Community Development helped pave the way for the first local authority Committee for Community Development. And eventually, in the mid-1980s, even more traditional departments such as Education succumbed to this spirit of inquiry!

### **The member-officer groups broke from the conventions of municipal decision-making in various ways -**

- officials and members were treated as equals
- no one was assumed to have a monopoly of truth : by virtue of ideological or professional status
- the officers nominated to the groups were generally not from Headquarters - but from the field
- evidence was invited from staff and the outside world, in many cases from clients themselves
- it represented a political statement that certain issues had been neglected in the past
- the process invited external bodies (eg voluntary organisations) to give evidence
- the reports were written in frank terms : and concerned more with how existing resources were being used than with demands for more money.

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<sup>30</sup> Changing a 4 tier system of 650 local authorities to a 2 tier system of 65.

<sup>31</sup> Covering half of Scotland's population and employing staff of 100,000 (we were the Education, Police and Social Work authority)

<sup>32</sup> A position which allowed me to participate in the informal meetings which would decide key issues ahead of the weekly cabinet meetings. This position was voted in 2 yearly elections of Labour councillors - and I held the position successfully for 18 years by virtue of not belonging to any political clique. There were four of us in various key leadership roles and we were known as "the gang of four" - an allusion to the Chinese leadership of that time!

<sup>33</sup> Helped by the work of the West Central Scotland Planning group - but the publication in 1973 of the national study "Born to Fail?" was the catalyst to action.

- the reports were seen as the start of a process - rather than the end - with monitoring groups established once decisions had been made.

The achievements of the groups can be measured in such terms as -

- the acceptance, and implementation, of most of the reports : after all, the composition and the openness of the process generates its own momentum of understanding and commitment !
- the subsequent career development of many of their chairmen
- the value given to critical inquiry - instead of traditional party-bickering and over-simplification.
- the quality of relations between the councillors : and with the officials

With this new way of working, we had done two things. First discovered a mechanism for continuing the momentum of innovation which was the feature of the Council's first years. Now more people had the chance to apply their energies and skills in the search for improvement.

We had, however, done more - we had stumbled on far more fruitful ways of structuring local government than the traditional one (the Committee system) which focuses on one "Service" - eg Education which defines the world in terms of the client group: of one professional group and is producer-led. And whose deliberations are very sterile - as the various actors play their allotted roles (expert, leader, oppositionist, fool etc).

As politicians representing people who lived in families and communities, we knew that the agendas of the Committees we spent our time in were not really dealing with the concerns of the public: were too narrowly conceived; and frustrated creative exchange. For this, we needed structures which had an "area-focus" and "problem focus". We were in fact developing them -

- in the neighbourhood structures which allowed officers, residents and councillors to take a comprehensive view of the needs of their area and the operation of local services:
- and in the member-officer groups.

### **But they were running in parallel with the traditional system.**

The structures we developed gave those involved (not least the officials) a great deal of satisfaction. The challenge, however, was to make those with the conventional positions of power (the Chairmen and Directors) feel comfortable with the challenges raised by the new structures. We were aware that our basic messages to professional staff about -

- the need to work across the boundaries of departments
- the need for consultative structures in the designated priority areas
- the capacity of people in these areas

represented a fundamental challenge to everything professional staff stood for. This was expressed eloquently in an article in the early 1980s - "Insisting on a more co-ordinated approach from local government to the problems of these areas, trying to open up the processes of decision-making and to apply "positive discrimination" in favour of specific (poorer) areas challenge fundamental organising beliefs about urban government - viz the belief that services should be applied uniformly, be organised on a departmental basis; and hierarchically"

What we were doing was in fact running two separate systems - a traditional one and a more innovative one which defied traditional lines of authority. The latter was more challenging - but, paradoxically, left with the younger officials and politicians to handle. And, during the Eighties, more "alternative" systems were developed - such as 6 Divisional Deprivation Groups which to whom the Policy sub-Committee passed the responsibility for managing the urban programme budget in their area.



In 1975 I gained further prominence by my being one of the contributors to the Red Paper on Scotland edited by Gordon Brown even then being talked about as a future Prime Minister. In that paper<sup>34</sup>, I exposed the narrowness of vision of Labour groups controlling then so many Scottish municipalities - and in various lectures to professional associations I challenged the way they treated the public. Ironically, by then, I was part of the leadership which managed the largest collection of professionals in the British Isles!

Influenced by John Stewart of INLOGOV, I became a big critic of the committee basis of local government - accusing it of being a legitimiser of officer control. We developed a more independent tool for policy development - member-officer groups. Being of more analytical than political stock and without leadership ambitions, I saw (and learned from close quarters about) various styles of leadership<sup>35</sup> - both political and administrative. These were the years of "Yes Minister" which exposed the machinations of civil servants in the British political system and I could see the same processes at work in our large Region. I became an early fan of elected mayors which I saw as redressing the balance of power better toward the electorate. *My theory of change in those days was best summed up in the phrase - "pincer-strategy" ie a combination of reformers inside government and pressure from outside might produce change.* All this was before the vast literature on change management....

### 3.2 a strategy for reform

I was lucky (to put it mildly) in having a job as lecturer in liberal studies. The Polytechnic had aspirations to Degree work but this required many years of careful preparations and, for 10 years I was required only to arouse the interest of various diploma students in current affairs. I read widely - particularly in public management - but, particularly from 1975, my full-time job was effectively the political one. And the task into which I threw myself was that of dealing with the problems of "multiple deprivation"<sup>36</sup> which had been vividly exposed in a 1973 national report and which our Council accepted as its prime challenge in 1975 and developed in 1978 into a coherent strategy.

It was this strategy I reviewed - with the help of 6 major Community Conferences - and reformulated as the Council's key policy document - Social Strategy for the 80s.

We were trying to change both an organisational system and a social condition - and were very much feeling our way. Social inclusion has now developed a huge literature - but there was little to guide us in those days. I therefore drafted and published reflective pieces about our work, assumptions and learning in various national journals and books<sup>37</sup> - and was heartened with the invitations I received from other local authorities to speak to them. *The lessons I felt we had learned are set out in para 4 below and the experience summarised in more detail in Annex 1.*

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<sup>34</sup> "The Red paper" was seminal in raising radical political and economic issues about Scottish governance. It appeared in the middle of an active political debate about devolution of powers to a Scottish parliament and questions about how the new Regions would fit with a Scottish parliament. The title of my paper - "What sort of Overgovernment?" - was trying to suggest that a more profound issue was how those with power treated the powerless.

<sup>35</sup> Leadership was all the rage in management books - but the best book, for me, remains The Leaders we deserve Alaister Mant (Blackwell 1985).

<sup>36</sup> Now known as "social exclusion"

<sup>37</sup> The first 2 major articles (10,000 words apiece on multiple deprivation and how to tackle it; and second on the different strands of community development!) appeared in Social Work Today in November 1976 and February 1977 - thanks to the perspective of its new editor Des Wilson whose "Cathy come Home" documentary had exposed the scale of homelessness in UK. In both pieces, I showed the importance of "policy framing". The second paper was subsequently reproduced in the book Readings in Community Development ed D.Thomas

The Tavistock Institute also included the Region in a research project on inter-organisational relations and invited me to serve on the steering committee<sup>38</sup>. This encouraged my interest in organisational development. And the dissertation for the policy analysis MSc I took in 1983 was on "organisational learning". So, in a way, I was already preparing the ground for my subsequent move into consultancy.

## Some lessons after 20 years

### 1 Our work in perspective

In 1987, I was given a six-week German Marshall Foundation Fellowship to Pittsburgh and Chicago - to look at how they were handling the decline of their manufacturing base. In the conclusion of the report written for the Regional Council<sup>39</sup> I identified nine features of their local development process as "worthy of study and replication" -

- more pluralistic sources of Local Funding (the scale of corporate and tax-free grants to Foundations)
- networking of people from the private and public sectors (eg Community Leadership scheme)
- scanning for strategic work : the active, participative role played by the private sector in the process of setting the regional agenda in places like Chicago was impressive
- coaching : the way community economic development skills were encouraged
- marketing : of voluntary organisations
- affirming : affirmative action in Chicago Council was handled very systematically in areas such as hiring and sub-contracting
- negotiating : the flexibility of the planning system allowed local councils to strike deals with developers to the direct advantage of poorer areas.
- persevering : the realism about timescale of change
- parcelling into manageable units of action: the British mentality seemed to prefer administrative neatness to permit a "coordinated" approach. American "messiness" seemed to produce more dynamism.

### 4.2 Messages for OECD

Four years later, with the perspective often brought by a departure from the work on which one has focussed for so long, I summed up the 15-year experience for the OECD's urban committee in five rather more bitter exhortations -

#### "(a) RESOURCE the Priority Programmes with "MAINLINE" money

"Where programmes are aimed at the short-run, are characterised by uncertain funding, high staff turnover and poor planning and organisation, it will be difficult for people to accept or benefit from them."(Miller)

Urban Aid - although essential for the strategy - had its downsides. Although initiatives often came from Departmental officials they were middle level - and very much negotiated at the community level - ie with considerable input from residents, politicians and other professionals. Senior departmental management did not feel a strong sense of ownership - and the subsequent project management generally had its problems. Not least because of

<sup>38</sup> The results appeared as

<sup>39</sup> Taking the Initiative (1988). Richard Rose was at that stage beginning his work on "learning lessons across boundaries of space and time" and interviewed me on my experience.

- the relative lack of experience of those appointed
- the complex community management arrangements of the projects
- the uncertainty about funding once the 5 year point was reached.

Processing the bids for Urban Aid money also tended to absorb the time of senior policy-makers - to the exclusion of their serious consideration of the changes needed in the operation and policies at the heart of the various Departments.

**It was only** in the last few years of the Region that a new budgetary system was introduced - the Strategic Management of Resources - which allowed this work to be done.

#### **"(b) SUPPORT CHANGE AGENTS !**

No self-respecting private company would introduce new products/systems without massive training. The more progressive companies will pull in business schools and even set up, with their support, a teaching company.

The time was overdue for such an approach from the public sector; for a new type of civic "entrepreneur". And certainly the reaction of much of the public sector in the 1980s to the various threats they faced - not least privatisation - has been to put new life into the public sector. Not for nothing does America now talk about "reinventing government".

Strathclyde Regional Council recognised the need to help staff and community activists develop the skills appropriate to the new tasks and challenges they were being confronted with in community regeneration processes.

Very little however was done - although thousands of millions of pounds were being spent by central governments in this period on a variety of work-related training experiments. And subsequently in the preparation for privatisation flotations.

We do appear to be amateurs in many respects compared with the United States as far as **managing change** is concerned.

Many organisations exist there for training and supporting these, for example, in community economic development corporations. The Development Training Institute at Baltimore, for example, which - for major community investment projects - arranges a monthly three-way review session, of themselves, a local consultant and the local organisation when detailed planning for the forthcoming month or so is done. A quasi-contract is then agreed -after which the local consultant checks and assists on progress (Young 1988).

At least 3 levels of training need can be identified for urban development - political, managerial and community. And the most neglected are the first and last, particularly the last.

One of our reviews of Strathclyde Region's urban strategy decided there was a need to give more support to the development of local leaders - for example by giving them opportunities to travel to see successful projects elsewhere - not only in the UK but in Europe. This had multiple aims - t..o give the local leaders new ideas, to recharge their batteries, to make them realise their struggle was not a solitary one: to help develop links, as Marlyn Fergusson<sup>40</sup> has put it, with other "con-spirators" (literally - "those you breathe with").

Such a venture by an elected agency required some risk-taking - sending community activists not only to places like Belfast but to Barcelona ! - and one too many was apparently taken with the result that it was quickly killed off ! It might have been better to have established an arms-length fellowship but this would have taken interminable time and led quickly to a institutionalisation which would have killed the idea just as effectively.

#### **"(c) Set DETAILED TARGETS for Departments to ensure they understand the implications of the strategy for them**

Information is power. It is only the last few years that information has been collected systematically about how the local authority resources in areas of priority treatment relate to the **needs**. Without such sort of information - and a continual monitoring of the effectiveness of action taken in relation to clear targets - any strategy is just pious good intentions.

<sup>40</sup> In her Aquarian Conspiracy (1980)

**"(d) Establish FREESTANDING Community Development Agencies**

The combination of social, economic, environmental and housing objectives involved in regeneration requires local, free-standing agencies who operate from a position of equality and self-confidence: and can, as a result, challenge the narrowness and inertia which, sadly, tends to characterise normal public bureaucracies.

**"(e) Be realistic about the TIME-SPAN the change will need !**

The task we are engaged on is the transformation into a post-industrial world: the changes in skills and behaviour - and in organisational forms - cannot be achieved in less than 20-30 years. Hence the need for a learning strategy."

**.4.3 A more systemic view**

Organ change and political amnesia

a short Fellowship with the Urban Studies journal (at the University of Glasgow) gave me the opportunity to place the Strathclyde work in a wider context<sup>41</sup>. I started with -

**Six deadly sins in public administration**

- giving lofty (unspecified) objectives without clear targets which could be measured, appraised and judged
- doing several things at once without establishing, and sticking to, priorities
- believing that "fat is beautiful" ie that abundance not competence gets things done
- being dogmatic, not experimental
- failing to learn from experience
- assuming immortality and being unwilling to abandon pointless programmes.

P Drucker (1980)

"Government has generally been a graveyard for reformers: some of the reasons for this being that -

- the electoral cycle encourages short-term thinking : dealing with the crises of the moment
- the machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their own (and client) interests to protect or favour
- the permanent experts have advantages of status, security, professional networks and time which effectively give them more power than politicians.
- politicians need to build and maintain coalitions of support : and not give hostages to fortune. They therefore prefer to keep their options open and use the language of rhetoric rather than precision!
- a Government is a collection of individually ambitious politicians whose career path demands making friends and clients rather than the upsetting of established interests which any real reform demands
- it is still not easy to define the "products" or measures of performance for government against which progress (or lack of it) can be tested.
- governments can always blame other people for "failure" : and distract the public with new games and faces : hardly the best climate for strategy work
- the democratic rhetoric of accountability makes it difficult for the politician to resist interfering with decisions they have supposedly delegated.

"These forces were so powerful that, by the 1970s, writers on policy analysis had almost given up on the possibility of government systems being able to effect coherent change - in the absence of national emergencies. When the focus of government reform is social justice, the constraints are even greater: "blaming the victim" (Ryan) responses can become evident. My argument so far in this paper is that Strathclyde Region enjoyed in its first decade positive preconditions for effective change: and that it rose

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<sup>41</sup> The longer paper from which this is taken can be found in "key papers" (its the third) on my website [www.freewebs.com/publicadminreform/](http://www.freewebs.com/publicadminreform/)

to this challenge. In its second decade, conditions became increasingly difficult - although it sustained its commitment to the original principles and tried to build on the early work. At no stage did we find ourselves constrained by any attack on our redistributive mission! We were, however, constrained by the machinery of local government. And, from 1988, by the increasing encroachment of central government.

It was always clear that our pursuit of social justice required a balance between strategic work and local initiatives. And that the latter was easier than the former. Reference has already been made to the 1982 review which had clearly identified the operation of the departmental system of local government as a major constraint of the strategy.

"An internal Labour Group memo I drafted in 1988 indicated that the issue had not been grasped -

"Creative work has had to fight all the way against departmental rigidities. It is, after all, there that the perceived administrative and political power is seen to rest. The trappings of corporate power - the Policy Committees and Chief Executive's Department - have not fundamentally affected the agendas of these departments. The question must be posed: how well served are we by the departmental system which reflects one particular set of professional perceptions, is organised hierarchically, controls the committee agenda and makes joint work at a local level so difficult? "

- each professional discipline used by Government (Education : Social Work : Architect : Culture : Engineer etc) has been trained to a high level to see the world a particular way, with shared assumptions
- they are then put in segmented structures (Departments : Ministries) which confirm their superior understanding and set their perspective (and the resources they are given) in competition with other professions who have competing assumptions about what makes people tick
- they "capture" the politicians who serve on their "overseeing" Committees - by virtue of their technical expertise, information networks and job security
- they have strong representation on the local labour parties to whom local government leaders are responsible.
- when the world behaves in ways which seem to contradict the assumptions of their model, they have used a typology of arguments which defend them from the new reality : eg denial, blaming the victim, demanding more resources, new structures etc

"The conventional wisdom of the mid 1970s had told us we needed new corporate systems to help bring more sense to such empires (the more progressive versions of this understood that this was done on more of a consultancy basis - rather than by the new corporate departments actually producing new proposals).

Strathclyde Region had been well served in the first decade - the staff of the Chief Executive Department had been a crucial element in the continued dynamism of the strategy. But a traditional administrative style returned in the mid 1980s - which regarded officers not politicians as the source of legitimacy. This was partly the individual style of the new Chief Executive: but it was very much in tune with Thatcher's determination to kill local political initiatives. And flagship projects - rather than challenging Departmental practice - became the order of the day.

This meant that Social Strategy officers therefore did not enjoy support to allow them to operate as a powerhouse for radical ideas, helping policy innovators, whether political or managerial, identify ways, for example, of improving educational performance (Smart).

"The logic of our work - and critiques - pointed in the same direction as the Conservative approach to restructuring the machinery of government - viz

- ensure that Departments are structured on the basis of tasks and NOT professional skills.
- use professional skills as inputs only, whether to brainstorming, design or delivery.
- develop management skills and approaches (eg challenge through benchmarking)

"Margaret Thatcher had the same view as some of us in the Region about the ineffectiveness and inertia of much of public bureaucracy. We thought it could and should be reformed from within - by a combination of vision, rationality and opportunism. She thought otherwise - and chose to introduce new agencies and procedures calculated to subject it to competitive forces. And then to force it into radical decentralisation of its educational and social budgets.

Given the Conservative Government's unremitting hostility to local government - and the nature and scale of the changes forced on it without the normal consultation - it is hardly surprising that people in local government find it difficult to be positive about anything the Conservative Government did. However the inertia and indifference we met in our strategy - whether in housing departments, in education, from the health services or universities - were basically changed because of the Government's mixed strategy of starving these agencies of resources and establishing new Agencies (eg in the Training and Housing fields) which were given the resources for which the other agencies had to negotiate - requiring a more consumer-sympathetic approach in their work. The question is whether only such crude, negative mechanisms are available

"For some positive answers I would urge people to read the booklet "Holistic Government" by Perri 6. He looks at the various devices which have been used in the attempt to achieve "joined-up action" eg

- Interdepartmental working parties
- Multi-agency initiatives
- Merging departments
- Joint production of services
- Restricting agencies' ability to pass on costs
- Case managers
- Information management and "customer interface integration"
- Holistic budgeting and purchasing (eg the Single Regeneration Budget)

He finds a place for all of these - but suggests that "the key to real progress is the integration of budgets and information; and the organisation of budgets around outcomes and purposes not functions or activities" (p44)



### 3. How global Public Administration Reform got underway

In which .....

Should be read in conjunction with [administrative reform with Chinese and European characters](#)

#### CHAPTER ONE

##### THE JOURNEY OF REFORM

##### 1. PURPOSE OF THE BOOK

The book is about the search for effectiveness and equity in government in a new era of immense change and growing expectations.

It is aimed at -

- those both inside and outside the machinery of government - both local and national - who, however reluctantly, have realised that they need to get involved in the minutiae of administrative change
- people in both West and central Europe.

A lot has been written in the past decade about development endeavours at various levels - but there are several problems about such literature -

- it is written generally by academics who have not themselves had the responsibility of making things happen: who have rarely, for example, been involved in the early, messy stages of taking initiatives they believed in, or in working with people who feel threatened and confused.
- its very volume and diversity (let alone language and accessibility) makes it impossible for busy policy-makers and advisers to read : a guide is needed.
- such texts are (obviously) not sensitive to the Central European context - let alone the changing nature of politics in places like Belgium and Scotland.

The analysis and argument of this book very much build on my **practical experience as a "change-agent" in Scotland during 1970-1990**, trying to "reinvent" the machinery of local government and to construct effective development policies and structures to deal with economic collapse.

The actual text **reflects a dialogue with a particular Central European audience between 1994 and 1998**: the focus - and content - being shaped by the questions and issues which seemed to be at the forefront of the minds of the people I was working with in such programmes as

- the development of Local Government in Romania, the Czech and Slovak Republics
- the establishment of 2 Regional Development Agencies - and 2 Development Funds - in North East Hungary:
- Administrative Decentralisation in Slovakia:
- Public administration reform in Latvia
- TAIEX (!!)

and

- injection of policy coherence into coalition government in Romania

And the **Annotated Bibliographies** give some of the key points from books I have found useful in my own search for better policy-making. It's a salutary experience to write a book on reforming government in a far-away land - far away from the crises, confrontations and hype which seem to pass these days for government in developed countries. Without these, you have the time and space to read; to begin to make some connections between other experiences of reform and your own. And to rediscover the importance of having some "theoretical" frameworks to help make such links.

Living and conversing with those undergoing the "transitional" experiences here equally makes you look at things in a different way and be more sensitive to the meanings hidden in words. Slowly I realised that my emerging thoughts were equally relevant for those in West European now trying to make sense of the various nostrums to which the public sector has been subject in the past two decades.

The book asks whether our policy framework for "transition" (inasmuch as one exists) adequately reflects new thinking about the respective roles of government, the market and of social development processes which has been developing during the decade in our own countries. It also suggests that, both in West and Central Europe, these important debates are hampered by their compartmentalisation. And, further, that one of the (many) problems of the "technical assistance" given by Western Europeans during the 90s to the countries of Central Europe has been the fuzziness of the basic concepts of reform - such as "democracy", "market" and "civil society", let alone "transition" - used by us in our work.

This has had at least three causes -

- the experts have been practitioners in the practice of specialised aspects of their own national system - with little background in comparative European studies.
- Few of us had any understanding of the (Central European) context into which we were thrown. We have, after all, been professional specialists and project managers rather than experts in systems change. We have therefore too easily assumed that the meaning of the basic concepts behind our work were clear, relevant and shared.
- Few have, as practical people, been deeply involved in the debates which have been raging in the West about the role of government, of the market and of the "third" or "voluntary" sector - let alone to the specialised literatures (and sub-literatures) on development or "transitology"(Holmes)!

**Central European** readers will generally share three sentiments -

- frustration with the pace of change in your country and with your feeling of individual powerlessness
- an acceptance that things only improve when enough ordinary people get together and act
- a feeling, however, that the exhortations (and texts) you get from foreigners about "taking initiatives" are too simplistic for the incredible difficulties people face at a local level - often in basic survival issues.

A lot of that material on such things as communicating; planning and working together can, actually, with suitable adjustments, assist people here who want to speed up the process of social improvement. Some of these are mentioned in the reading list at the end - and you should take

encouragement from the fact that the West has produced this sort of material only very recently (particularly in the field of social action). We are not as advanced as you think!

This book does not replicate that material - but is rather written on the assumption that people are more inclined to take action if they feel that their understanding of what is happening and the realistic options for change is reasonably credible

## **2. MOTIVES for REFORM**

Motives for administrative reform vary immensely; the mechanisms selected need to be appropriate to the purpose. It is therefore important to clarify these different concerns - to discuss them and to design strategy on the basis of consciously-selected objectives.

### **2.1 to reduce public spending (or number of civil servants)**

This has been recognised to be simplistic (and the head-counting somewhat specious since, whether people were called civil servants or not, their salary came from the public budget). The issue is **rather reallocation of spending**.

This requires **political willingness** to take decisions about priorities and willingness to stick with them; and **administrative capacity** to implement them.

### **2.2 to give citizens better services and treatment;**

eg reduce red-tape, ie the number of forms or offices they have to deal with for an application ; increased information on rights and services.

### **2.3 to increase public confidence**

Trust is the lifeblood of a healthy society and economy. Its absence makes social and economic transactions difficult. Investment and the social fabric suffer as a result. Public servants who supply the continuity (or institutional memory) and need to be seen to have integrity and an ethic of service. This is particularly true for foreign investment.

### **2.4 to ensure effective implementation of international obligations and standards (through an effective administrative infrastructure)**

Access to the European Union, for example, requires that laws are properly prepared and implemented - this means such things as prior co-ordination between Ministries, social partners and Parliament; assessing the impact of these laws; and ensuring that those with new responsibilities for enforcing the law are ready for the task - in terms of institutions, skills and resources.

### **2.5 to ensure cost-effective use of limited resources**

We have become increasingly aware that there are real choices for governments about the role of the State in ensuring an acceptable level of public infrastructure and services. The disadvantages of government being both policy-maker and supplier have become increasingly recognised - as have the benefits of pluralistic provision.

Exactly how the delivery of services is organised will depend on such factors as - the degree of competition ; ease of output measurement ; administrative capacity to engage in contract management ; the scale of transaction costs ; and political attitudes.

### **2.6 to activate the energies and ideas of the officials**

Senior civil servants are highly educated; they have ideas and ideals are often themselves frustrated by the way the system works. The priority they have to give to the task of policy advice and legal drafting (particularly in Central Europe) means that they have little time to manage the

delivery of services for which they have nominal responsibility (particular the structures and staff). And in Central Europe they lack the experience and skills of man management.

These six motives may seem obvious - but they have rather different organisational implications. Some suggest a tightening of central control; others a loosening. For example while the last two motives - although very different - do appear to lead in the same policy direction - of breaking Ministries into Agencies - the mechanisms are rather different. One emphasises structural change; the other, managerial style

### 3. DIFFERENT APPROACHES

Most reform efforts start with a determination to "get the bureaucracy under control" - in terms of resources, staffing or influence.

There are, however, very different approaches and starting points to this question -

- Some people assume that it is a matter of **better laws and regulations** since that is what bureaucrats need to authorise and prioritise their activities
- others assume that **financial information and appraisal** is the key - that once the costs of activities are known, the information will speak for itself
- others again will argue that it is all a **question of management (and personnel) structures and skills** - to have, for example, a system which encourage bureaucrats to take more responsibility for decisions and their consequences, within, of course, clear policy guidelines
- the more courageous suggest that one needs to begin with the government agenda - and the **process by which policy priorities are set and implemented**. Once that is clear, other things follow.

The approach selected will be largely determined by two factors in particular-

organisational cultures

The administrative systems of countries have traditions which constrain policy-makers' freedom of action. Anglo-Saxon practices - whether that of the powerful Prime Minister or the US "checks and balances" model do not easily transplant to the formal legalistic Central Europe model.

the extent of support from key actors in the system.

No much has been written about this crucial aspect - one writer (Lovell) divides people into allies, bed-fellows, fence-sitters, opponents and adversaries. Who falls into what category will depend, to an extent, on the methods chosen.

### 4 THE FERMENT of CHANGE

The life-cycle, pragmatism and attention-span of Ministers and local government leaders cause them generally to adopt what might be called a "blunderbuss" approach to change : that is they assume that desirable change is achieved by a mixture of the following approaches -

- existing programmes being given more money
- policy change : issuing new policy guidelines - ending previous policies and programmes
- creating new agencies
- making new appointments

Once such resources, guidelines or agencies have been set running, politicians will move quickly on to the other issues that are queuing up for their attention.

Of course, they will wish some sort of guarantee that the actual policies and people selected will actually enable the resources and structures used to achieve the desired state. But that is seen as a simple implementation issue. Politicians tend to think in simple "command" terms: and therefore find it difficult to realise that the departments might be structured in a way that denies them the relevant information, support, understanding and/or authority to achieve desired outcomes.

Increasingly, however, people have realised that large "hierarchic" organisations - such as Ministries - have serious deficiencies which can undermine good policies eg

- their multiplicity of levels seriously interfere with, indeed pervert, information and communications flows - particularly from the consumer or client.
- they discourage co-operation and initiative - and therefore good staff. And inertia, apathy and cynicism are not the preconditions for effective, let alone creative, work!
- they are structured around historical missions (such as the provision of education, law and order etc) whose achievement now requires different skills and inter-agency work.

To move, however, to serious administrative reform is to challenge the powerful interests of bureaucracy itself - on which political leaders depend for advice and implementation.

This seemed to require an eccentric mixture of policy conviction, single-mindedness and political security which few leaders possess.

Whatever the appearance of unity and coherence at election time, a Government is a collection of individually ambitious politicians whose career path demands making friends and clients rather than the upsetting of established interests which any real organisational reform demands.

The machinery of government consists of a powerful set of "baronies" (Ministries/ Departments), each with their own (and client) interests to protect or favour. And Governments can - and do - always blame other people for "failure": and distract the public with new games - and faces.

What one might call the "constituency of reform" seemed, therefore, simply too small for major reforms even to be worth attempting. For politicians, the name of the game is reputation and survival.

Increasingly in the last two decades leaders have known that something was wrong - although the nature of the problem and solution eluded them.

To some it was poor quality advice - or management. To others it was lack of inter-Ministerial co-operation: or over-centralisation.

So a variety of reforms got underway from the late 1960s; and were accelerated when it was clear later in the 1970s that no new resources were available for government spending and, indeed, that there would have to be significant cutbacks.

Some leaders got their fingers burned in the 1960s during the first wave of over-optimistic attempts in America and Britain to apply management techniques from business to the affairs of government.

But the mood of caution has now changed. Encouraged by the examples set by countries such as Britain, New Zealand, Australia and Finland, government reform has become all the rage throughout the world in the past ten years.

Initially this involved governments selling off industries such as Steel, Gas and Telecommunications.

The reform of government has, however, now spread deep into the thinking about how the basic system of government and of social services should be managed - and what that means for the role of government.

For the last decade the talk has been of the "**ENABLING**" state - of government no longer trying itself to produce things and to run services but rather focussing on strategic purposes and trying to achieve them by giving independent public agencies - national and local - budgets and guidelines in contractual form. Then relying on a mixture of independent regulation, audit, quasi-market forces and arm-twisting to keep them on target.

Now no self-respecting politician - left or right - wants to be left behind from something that is variously seen as the "march of managerialism" or the "march of the market".

And the changed climate gives more courage to challenge staff interests and traditions of public service - although Germany and France are having their problems currently !

The inevitability of global change, the OECD or the European Union can, however, always be blamed!

The current ferment in and about the machinery of government reflects the enormous advances in the thinking about management and organisational structures over the past 15 years as we have moved away from mass production methods further into a "Post-industrial" era.

Technical change has killed off the slow-moving dinosaurs, given consumers new choices and powers: and small, lean structures a competitive advantage.

The very speed and scale of the change, however, pose issues for the political system which need to be confronted -

- do political leaders really understand the reasons for the changes in the machinery of government? Are they clear about the "limits of managerialism" - in other words about the defining features of public services "which seldom face market competition, rarely sell their services, cannot usually decide on their own to enter markets, are not dependent on making a profit and have multiple goals other than efficiency" (Goldsmith)
- do they have the determination and skills to manage a change programme in a coherent way : dealing with the resistance they will encounter ?
- as activities are delegated and decentralised (if not passed to the market), how will this affect the role of the politician ?

All of this requires new management skills in the public service: and strategic skills in our politicians.

Central Europe faces two particular challenges which has been well expressed by Balcerowitz - "The state has only limited resources of time, administrative capacity and money: and, secondly, the capacity of the state to deal with different problems varies, mainly because of varying informational requirements. State resources in transition economies are much more limited; while the fundamental tasks of systematic transformation and monetary stabilisation are far greater than in any developed market economy".



. What does the Western experience of administrative reform tell central Europeans about the trajectories and possibilities of internal reform?

### .1 Cautionary remarks

Every country - like every individual - is different. Each country has its very specific history, social structure and cultural norms. Attempts simply to transplant foreign experience are generally doomed to failure<sup>42</sup>. This is emphasised in a good Chinese exposition of their traditions in a challengingly entitled paper - *Western System versus Chinese system*<sup>43</sup>.

Despite paying lip service to this (and the need for local ownership", western agencies and consultancies continue to use the fatuous language of "best practice".

Of course we can, should and do learn from the success and failure of others. When I was a regional politician in Scotland in the 1980s, I was keen to learn the lessons from the American "war on poverty" and made my first trip to the USA in 1987 with a Fellowship to see how the Allegheny area of Pennsylvania had coped with the massive decline of the steel industry which we were then experiencing - and some of the lessons were picked up in how we progressed from our work on community enterprise to explore the possibilities of community banking. At this time a whole literature about "learning policy lessons across boundaries of time and space" was developing - and later picked up by the New Labour Government<sup>44</sup>.

More than 30 years' experience is available about other countries' attempts to make their systems more effective. Is possible to identify clear patterns and practical lessons from such rich, varied and complex experience? This section has to compress 40 years of personal experience of (and of reading about) organisational reform into a short space - and this is perhaps why it adopts a politico-historical approach which is not often found in the literature.

### .2 Why did the nut suddenly crack? The ideology of Western administrative reform of the past 25 years

#### *A breakdown in confidence*

The role and power of the State increased very significantly in Western European countries after the Second World War. Three main factors contributed to this -

- a determination to avoid the serious economic depression of the 1930s
- the demonstrable effectiveness with which victorious Governments had wielded new economic and strategic powers for the conduct of the war
- Keynes' intellectual legitimisation for a more interventionist role for Government.

For more than 20 years - as the European and American economies, and their companies, expanded - it seemed that a magic formula for economic prosperity had been discovered in the concept of the "Mixed Economy".

The various revolutions of 1968 were the first signs that something was wrong - that people felt an important part of themselves excluded and alienated by the remote decision-making of Governments and large Corporations alike. And that they were increasingly unhappy with the

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<sup>42</sup> See "Institution-Building in central and east Europe" by S. Erikson in *Review of Central and East European Law* (2007) for an interesting discussion of policy influence and its constraints in this field  
[http://www.difi.no/filearchive/rceel\\_publicert\\_versjon\\_-2-\\_vra5a.pdf](http://www.difi.no/filearchive/rceel_publicert_versjon_-2-_vra5a.pdf)

<sup>43</sup> <http://www.nottingham.ac.uk/cpi/documents/briefings/briefing-61-chinese-western-system.pdf>

<sup>44</sup> [http://people.exeter.ac.uk/ojames/psr\\_3.pdf/](http://people.exeter.ac.uk/ojames/psr_3.pdf/) and also  
[http://wrap.warwick.ac.uk/2056/1/WRAP\\_Stone\\_wp6901.pdf](http://wrap.warwick.ac.uk/2056/1/WRAP_Stone_wp6901.pdf)

decisions being taken on their behalf. It was, however, the oil-crisis of 1973 which started the intense questioning of both the scale and results of government spending the turmoil in thinking and practice about the operation of the machinery of Government which OECD countries have experienced in the past 30 years.

### ***A time of experimentation and confusion***

Box 1 lists the various efforts which EU countries have made to improve the operation and machinery of government over the past 30 plus years -

#### **Box 1: Some examples of administrative reform**

- trying to strengthen the "policy analysis" capacity of government (making it more aware of options)
- developing the managerial skills of the civil service
- reforming and restructuring local government
- "regionalising" certain central government functions
- trying to strengthen the supervision ("watchdog") powers of Parliament over the Executive
- "zero budgeting" and other types of budgetary reform
- merging Ministries to get better coordination
- creating accountable units of activity : with clear tasks, responsibilities and performance indices (OECD 1995)
- developing systems of performance review of government programmes
- "contracting-out" public services after competitive bidding to private companies : for a limited period of time
- "hiving off" Ministry functions to agencies
- increasing the accountability of senior civil servants : limited term contracts.
- establishing Regional Development Agencies
- establishing "citizen contracts"
- establishing quasi-markets
- introducing performance management

Those undertaking the changes have been practical people: and practical people get impatient of anything that smacks of theory. With hindsight, however, it can be seen that these various solutions were attempted "solutions" to three differently defined problems -

- **managerial problems** : which identifies as the main problem the skills and behaviour of the paid, permanent staff of the Public Service and therefore puts the emphasis on new techniques and structures (eg budgetary information on an output basis : more open appointments procedures : coordination devices) and on the need for stronger managerial skills and delegated responsibilities.
- **political problems**: which targets weaknesses in the quality and influence of politicians and the public in policy-making: apparently unable to control an all-too powerful bureaucracy. The role of politicians is very much to make the system of government accountable. The British Select Committees and US Investigative Committees are examples of such efforts at greater accountability. Local government reorganisation also comes into this category. The power of politicians does of course vary in different systems. In the West, reformist politicians in central and local government felt relatively weak in the face of the power of civil servant and professional bureaucracies, business and trade unions. Increasing the influence of politicians at national, local and regional level has therefore been one approach to the problem of bureaucratic power. There is a view that British politicians had by 2010 been too successful in asserting their power. In some ex-Communist countries the situation has been very different - with the politician being the

pinnacle of a tightly-controlled hierarchy of power: in other words part of the bureaucracy which has to be challenged!

- **Lack of coordination between both management and political systems - and wider parts of the 'governance' system.** The world was becoming less deferential in the 1970s - that's when we first started to hear the language of "stakeholders" - people who insisted on their voices being heard. And "governance" was the term invented to indicate the search for new ways of these various groups (both within and external to the formal system of government) to communicate and consult with one another to achieve more consensual policy-making and robust policies.

Table 1 is one prepared by me in the 1970s to try to make sense of the various (and contradictory) fashions and "fix-its" to which local government in Britain was then being subjected. The first column lists these three different perception; the second how they displayed themselves (symptoms); the third how the sort of solutions technocrats came up with - and the final column indicates how those of a more political bent were disposed to deal with the problem.

**Table 1; Symptoms and responses to three different explanations of government problems**

Definition of Problem	Symptoms	Technocratic Solutions	Political Solutions
<b>1. MANAGEMENT Weakness</b> <ul style="list-style-type: none"> <li>• Over-hierarchical structures</li> <li>• Inadequate skills</li> </ul>	<ul style="list-style-type: none"> <li>• Delay</li> <li>• Lack of creativity</li> </ul>	<ul style="list-style-type: none"> <li>• Management information systems</li> <li>• Training</li> <li>• Delegation</li> <li>• MBO</li> </ul>	<ul style="list-style-type: none"> <li>• Limited-term contracts for senior officials</li> </ul>
<b>2. Problems in POLITICAL Process</b> <ul style="list-style-type: none"> <li>• Adversary process</li> <li>• Internal structures</li> <li>• Rewards/support</li> </ul>	<ul style="list-style-type: none"> <li>• Low polls</li> <li>• Crisis management</li> <li>• Petty arguments</li> <li>• Recruitment problems</li> </ul>	<ul style="list-style-type: none"> <li>• Training for politicians</li> <li>• Office support</li> <li>• Performance review committees</li> </ul>	<ul style="list-style-type: none"> <li>• Mixed policy task-forces</li> <li>• Investigative Parliamentary Committees</li> </ul>
<b>3. POOR COORDINATION</b> <ul style="list-style-type: none"> <li>• Political/official</li> <li>• Interdepartmental</li> <li>• Political/community</li> </ul>	<ul style="list-style-type: none"> <li>• Passing the buck</li> <li>• Inter-organisational disputes</li> <li>• Foul-ups</li> <li>• Public distrust</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate planning</li> <li>• Departmental mergers</li> <li>• Liaison structure and posts</li> <li>• Working parties</li> <li>• Public consultation</li> <li>• Public relations</li> </ul>	<ul style="list-style-type: none"> <li>• Political executives</li> <li>• All-purpose municipal councils</li> <li>• Neighbourhood committees</li> </ul>

### ***Political impotence***

The UK has been the trailblazer on administrative reform over the last 40 years<sup>45</sup>. But, despite the confident note struck by the hundreds of documents which have poured over the period (during the Blair years from its Cabinet Office), the task of making government "more business-like" or more effective has been a frustrating one for the reformer - particularly in the first decade or so<sup>46</sup> - for reasons set out in the next box.

<sup>45</sup> a useful short paper by a civil servant which takes the story to 2000 is at <http://www1.worldbank.org/publicsector/civilservice/rsUK.pdf>

<sup>46</sup> and in 2002 the New Labour Prime Minister Tony Blair famously talked "the scars on his back from dealing with the civil service"

### Box 2; why reform was so difficult in the 1970s

- the electoral cycle encourages short-term thinking
- there did not seem to be a definable "product" or measure of performance for government against which progress (or lack of it) can be tested.
- and even if there were, politicians need to build and maintain coalitions of support : and not give hostages to fortune. They therefore prefer to keep their options open and use the language of rhetoric rather than precision!
- The machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their own interests
- the permanent experts have advantages of status, security, professional networks and time which effectively give them more power than politicians who often simply "present" what they are given.
- a Government is a collection of individually ambitious politicians whose career path has rewarded skills of survival rather than those of achieving specific changes
- the democratic rhetoric of accountability makes it difficult for the politician to resist interference in administrative detail, even when they have nominally decentralised and delegated.
- politicians can blame other people : hardly the best climate for strategy work

*These forces were so powerful that, during the 1970s, writers on policy analysis seemed near to giving up on the possibility of government systems ever being able to effect coherent change - in the absence of national emergencies. This was reflected in such terms as state overload" and "disjointed incrementalism"<sup>47</sup>; and in the growth of a new literature on the problems of "Implementation" which recognised the power of the "street-level" bureaucrats - both negatively, to block change, and positively to help inform and smooth change by being more involved in the policy-making<sup>48</sup>.*

### **Neo-liberals and public choice theorists give a convincing theory**

In the meantime, however, what was felt to be the failure of the reforms of the 1970s supplied the opportunity for neo-liberalism in the UK. Ideas of market failure - which had provided a role for government intervention - were replaced by ideas about government failure. The Economist journal expressed the difference in its own inimitable way - *"The instinct of social democrats has been invariably to send for Government. You defined a problem. You called in the social scientists to propose a programme to solve it. You called on the Government to finance the programme; and the desired outcome would result. What the neo-liberals began to say was the exact opposite of this. There probably wasn't a problem: if there was, social scientists probably misunderstood it: it was probably insoluble: and, in any case, government efforts to solve it would probably make it worse"*

The very concept of rational government acting dispassionately in the public interest was attacked by neo-liberals on three grounds -

*"Vote-maximising politicians, as the public choice theorists demonstrated (Buchanan and Tullock 1962) will produce policies that do not necessarily serve the public interest, while utility-maximising bureaucrats (Niskanen 1971) have their own private agenda for the production of public policies. The growth of the welfare state had brought with it an army of professional groups, who supplied the services. These were*

<sup>47</sup> in the language of Charles Lindblom

<sup>48</sup> One of my Professors - Lewis Gunn - wrote a famous article in 1978 entitled "Why is Implementation so difficult" which identified conditions for "perfect implementation" - which I used in one of my recent EU projects which was charged to help assist "compliance" with EU legislation.

teachers, doctors, dentists, planners etc. They existed in bureaucratic organisations which were sheltered from the winds and gales of competitive forces. Provided free of charge at the point of consumption, there will always be an excess demand; at the same time it is in the interest of monopolised professional providers to over-supply welfare services. Public expenditure on welfare services, in the absence of market testing, exceeds its optimum".

"The problems don't end there. Professional groups decide upon the level, mix and quality of services according to their definition and assessment of need, without reference to users' perceptions or assessments of what is required. The result is that not only is public expenditure on welfare services too high; it is also of the wrong type". And finally the issue of efficiency; in the absence of the profit motive and the disciplinary powers of competitive markets, slack and wasteful practices can arise and usually do. Within bureaucracies, incentives seldom exist to ensure that budgets are spent efficiently and effectively. Often there is no clear sense of purpose or direction."<sup>49</sup>

### **And thus was born NPM**

New Public Management (NPM) was not a coherent theory - rather a tag put on a collection of measures brought in from the business world. Fundamental concepts of public administration - eg hierarchy, equity and uniformity - were unceremoniously dumped.

### **Box 3 How the new business thinking affected the UK**

- government structures were broken up - either by "hiving off" into independent units or by a sharp distinction being made between contractor and provider. Two thirds of Civil servants are now in free-standing agencies whose Chief Executives have been openly appointed.
- direct hierarchical supervision were replaced by contractual relationships
- recruitment, grading and pay rigidities were broken apart in the search for greater productivity.
- considerations of equity, impartiality and justice were replaced by those of consumer choice
- decisions uniform universal provision gives way to user charges and choice among competing providers
- accountability only through elected bodies was bypassed by Citizen charters, ombudsman and control through non-elected quangos"

It seemed, however, that in the worship of the private sector, the public sector had to start at the beginning of the learning curve - and succumb to all the simplistic assumptions of the early part of capitalism ie belief in scale. Ferlie et al<sup>50</sup> sketched out Four different marks of NPM -

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<sup>49</sup> Peter Jackson Privatisation and Deregulation : the Issues (1993)

<sup>50</sup> in The New Public Management in Action (Oxford 1996)

#### **NPM 1      FORDIST MODEL**

- increased attention to financial control : strong concern with value-for-money and efficiency gains : getting more for less : growth of more elaborate cost and information systems
  - a stronger general management spine : management by hierarchy : a "command and control" model of working : clear target-setting and monitoring of performance : a shift of power to senior management
  - an extension of audit, both financial and professional : an insistence on more transparent methods for the review of performance : more standard setting and bench-marking.
  - greater stress on provider responsiveness to consumers : a greater role for non-public sector providers : more market-mindedness
  - deregulation of the labour market and increasing the pace of work : erosion of nationally-agreed pay and conditions : move to highly paid and individually agreed rewards packages at senior level combined with more short-term contracts. Higher turnover
  - a reduction of the self-regulatory power of the professions : a shift in power from professionals to managers : drawing in of some professional to management
  - new forms of corporate governance: marginalisation of elected local politicians and trade unionists : moves to a board of directors model : shift of power to apex of organisation.
- This is a reasonable description of British trends in the 1980s.

#### **NPM 2      DOWNSIZING AND DECENTRALISATION**

- move from management by hierarchy to management by contract : creation of more fragmented public sector organisations at local level
- split between small strategic core and large operational periphery : market testing and contracting out of non-strategic functions
- moves to flatter structures : staff reductions at higher and lower levels
- split between public funding and independent sector provision: emergence of separate purchaser and provider organisations
- attempt to move away from standardised forms of service to one characterised by more flexibility and variety.

This is the phase Britain moved into in the 1990s

#### **NPM 3      IN SEARCH OF EXCELLENCE**

(a) Bottom-up Form: radical decentralisation : emphasis on OD and learning organisation. The French reforms fall more into this category - as do the operations of the more progressive German, Dutch and British local authorities of the 1990s.

(b) Top-Down Form: managed culture change programmes: stress on charismatic forms of top-down leadership. Corporate training, logos etc.

#### **NPM 4      PUBLIC SERVICE ORIENTATION**

- concern with service quality
- reliance on user voice rather than customer exit as feedback. Concept of citizenship
- desire to shift power back from appointed to elected local bodies : scepticism about role of markets in local public services
- community development
- belief in continuing set of distinctive public service values and tasks : stress on participation and accountability as legitimate concerns of management in the public sector

The Scandinavian reforms fall into this category - and the counter-attack in Britain in the early 1990s<sup>51</sup> and the 2000s concept of public value<sup>52</sup>

<sup>51</sup> eg Stewart and Ranson - Management for the Public Domain : enabling the learning society (Macmillan 1994)

<sup>52</sup> first developed by Mark Moore in his 1995 book of that name, taken up briefly by the UK Cabinet Office in the late 2000s and usefully summarised by Colin Talbot at [http://www.workfoundation.co.uk/Assets/Docs/measuring\\_PV\\_final2.pdf](http://www.workfoundation.co.uk/Assets/Docs/measuring_PV_final2.pdf).

### ***But with different impacts***

In 1995 Sylvia Trosa<sup>53</sup> looked at the very different approaches taken by Britain, France and Australia: the British and Australian changes being very much imposed on a resistant system by strong political leaders - the British "revolution" in particular being based on a quite explicit critique of the possibilities of the system reforming itself by normal methods of persuasion. This contrasts very much with the French - and German - approaches: where there has been more apparent confidence in the public service system - and where modernisation was seen as a matter for incremental and internally driven change.

French thinking is still affected by the Rousseauist sense of the "General Will" - and is to be seen in their formalised system of national planning, in the operation of their highly professional ENA elite who occupy most of the key positions in both the public and private sector - and in their structure of territorial administration of the State. And their attempt over the past 15 years to decentralise that system has demonstrated that same centrally-driven and consensual approach.

Hood has given us an interesting classification of the scale of the move to New Public Management (NPM) on the basis of the political incumbency - although globalisation has made these political terms largely meaningless these days eg the New Labour government is widely seen as even more right-wing (save in the public spending of its latter years) than the Thatcher governments.

**Table 2; Varied NPM take-up across the political spectrum**

<b>NPM emphasis</b>	<b>Political Left</b>	<b>Centre</b>	<b>Right</b>
<b>High NPM</b>	Sweden	Australia Canada New Zealand	United Kingdom
<b>Medium NPM</b>	France	Austria Denmark Finland Italy Netherlands Portugal United States	France
<b>Low NPM</b>	Greece Spain	Germany Switzerland	Japan Turkey

From what is set out in section 4, China would probably find itself in the same box as New Zealand or the UK

### **.3 Making sense of it all**

So far, I have tried to -

- emphasise how varied were the „explanations“ we had in the 1970s about the sort of problems which created the need for „reform“
- show how differently therefore (despite the talk of New Public Management - NPM) reform programmes developed in different countries.
- explain how, in the 1970s, the new breed of policy analysts had almost given up on the hope of getting the bureaucracy to operate in the interests of the public - „disjointed incrementalism“ was the best that could be hoped for.

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<sup>53</sup> Moderniser L'Administration (1995)



- how public choice theory came along to give an ideological explanation for reform failure - and also justification for what came to be called NPM but which was simply the (simplistic) treatment of government as a business.
- Although the extreme version of NPM is discredited, the love affair with (generally outdated and discarded) management practices continues with the current emphasis on performance management and measurement.

I personally was fighting bureaucracy in the 1970s and 1980s with a different (and simpler) theory - what I called the „pincer approach“ - a combination of community action from below and strategic management led by politicians and explained in paper 50 of my website - *Organisational Learning and Political Amnesia*<sup>54</sup>. I was intrigued in 2006 to see that, almost a decade after the strenuous efforts of New Labour to modernise government, the Cabinet Office produced an expanded version of such a theory as their “model of public service reform”<sup>55</sup>. It had four (rather than two) forces - top-down performance management, user pressure from below and market incentives and staff capacity from the sides.

### ***The role of OECD and World Bank***

The power of neo-liberal thinking within The World Bank has been well known. What is not so well known is the role of the OECD in pushing the New Public Management agenda<sup>56</sup>. Unlike the World Bank, the OECD performs a very useful networking role in bringing senior civil servants and other together to share their experience and learn from one another. The briefing papers and Final Reports it produces are very clearly presented and probably the most accessible (if not only) material national civil servants read on this topic. An OECD Conference in 1999 produced a whole range of fascinating papers on the process of change (which generally academics can't follow) - and they returned to this subject with a rather more abstract paper on *Managing Change in OECD governments - an introductory framework*<sup>57</sup> in 2008.

### ***What the academics have made of it all***

Not a great deal of NPM is the short answer - at least not those (including such well-known names as Christopher Hood<sup>58</sup>, Guy Peters<sup>59</sup>, Chris Pollitt<sup>60</sup> and Herbert Wolman<sup>61</sup>) who have elected to keep away from The World Bank's “filthy lucre”. A huge academic industry has duly grown around administrative reform in the past few decades - a lot of it very theoretical. University developments have encouraged academics to do consultancy work and, provided this does not get out of hand, this has given the academic a better understanding of practical realities. The academic role generally we might say is that of observer, classifier, pedant, tester of hypotheses and, in some cases, evaluator. In this field, what the best of them (mentioned above) have done is to -

<sup>54</sup> <http://www.freewebs.com/publicadminreform/key%20papers/Lessons%20from%20SRC%20experience.pdf>

<sup>55</sup>

[http://webarchive.nationalarchives.gov.uk/20100125070726/http://cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/sj\\_report.pdf](http://webarchive.nationalarchives.gov.uk/20100125070726/http://cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/sj_report.pdf)

<sup>56</sup> <http://www.carleton.ca/cgpm/Projects/reform/Inversions%20without%20End.pdf>

<sup>57</sup> <http://www.oecd.org/dataoecd/53/18/42142231.pdf>

<sup>58</sup> whose *The Art of the State - culture, rhetoric and public management* (Oxford 2000) reduced the writing to four schools of thinking - hierarchist, individualist, egalitarian and fatalist.

<sup>59</sup> whose *The Future of Governing : four emerging models* (Kansas Univ Press 1996) was a breath of fresh air at the time

<sup>60</sup> *Public Management reform - a Comparative Analysis* (first edition Oxford 2000) by Pollitt and Boueckert is still the basic text on the subject

<sup>61</sup> who has edited about the only study made of *Evaluation in public sector reform - concepts and practice in international perspective* (2003)

[http://books.google.com/books?id=e8bsrrWlaCwC&printsec=frontcover&source=gbs\\_slider\\_thumb#v=onepage&q&f=false](http://books.google.com/books?id=e8bsrrWlaCwC&printsec=frontcover&source=gbs_slider_thumb#v=onepage&q&f=false)



- map the developments,
- note some of the rhetorical aspects
- develop (as we have seen above) different typologies
- set up some test and explore results of reform programmes

NPM is, of course, not the only game in town - and there has been a strong reaction against a lot of it in the past decade<sup>62</sup>. Peters suggests that administrative reform can be reduced to four schools of thinking - often confused in practice. They are - "market models" (A); "the Participatory State" (B); "Flexible Government" (C); and "Deregulated Government" (D).

**Table 3; Peters' Four models of government**

	A	B	C	D
<b>Principal diagnosis</b>	Monopoly	Hierarchy	Permanence	Internal Regulation
<b>Structure</b>	Decentralisation	Flatter Organisations	"Virtual Organisations"	No particular recommendation
<b>Management</b>	Pay for performance	TQM; teams	Managing temporary personnel	Greater managerial freedom
<b>Policymaking</b>	Internal markets Market incentives	Consultation Negotiation	Experimentation	Entrepreneurial government
<b>Public interest</b>	Low cost	Involvement	Low cost Coordination	Creativity Activism

After reviewing the nature and policies of each model, he identifies **four basic questions** and looks at how each model tries to deal with them -

**Table 4; How each model tackles the four basic questions**

<b>Basic Question</b>	A	B	C	D
<b>Co-ordination</b>	Invisible hand	Bottom up	Changing organisations	Managers' self interest
<b>Error detection</b>	Market signals	Political signals	Errors not institutionalised	Accept more error
<b>Civil Service</b>	Replaced with market	Reduce hierarchy	Temp employment	Eliminate regulations
<b>Accountability</b>	Thro' market	Thro' consumer complaints	Not clear	Through ex-post controls

### ***Some consultant perspectives***

The previous section mentioned a few of the best-known academic writers in this field. There is, finally, a small group of individuals who work or have worked in or with government as Consultants and who have published extensively about administrative reform drawing on that experience. Four in particular are worth mentioning - Christopher Foster<sup>63</sup> and Geoff Mulgan<sup>64</sup> covering the British experience - the former in a more distanced and theoretical way although

<sup>62</sup> the strongest attacks have probably been from Dreschler whose article The Rise and Demise of NPM can be found at [www.freewebs.com/publicadminreform/key%20papers/Dreschler%20on%20Rise%20and%20Demise%20of%20NPM.doc](http://www.freewebs.com/publicadminreform/key%20papers/Dreschler%20on%20Rise%20and%20Demise%20of%20NPM.doc). Gerry Stoker is also a clear and critical commentator on the British scene.

<sup>63</sup> *The State under Stress - can the hollow state be good government?* Co-authored with F Plowden (1996) and *British Government in Crisis* (2005)

<sup>64</sup> He was Head of the Strategy Unit in Blair's Cabinet Office - and a prolific writer. See his *Good and Bad Power - the ideals and betrayals of Government* (2006) and a wider piece on policy-making <http://www.opendemocracy.net/content/articles/PDF/1280.pdf>

he has the longer experience of the role of adviser; Nick Manning<sup>65</sup> and Tony Verheijen<sup>66</sup> as international advisers.

#### .4 Case-study of UK – permanent revolution!

The last thirty years has seen a large variety of mechanisms introduced to improve the system of public administration. There is, therefore, a very large "toolbox" now available for reformers. The "reforms" which have been attempted by OECD countries over the past 30 years have come in waves or fashions and are listed in box 8 – in chronological order. Basically there has been a process of learning – with "vanguard" countries such as Britain starting an activity, not getting much progress or impact with it and then either modifying it or moving to a different initiative. Slowly some success is generated – and others begin to follow, but with their own modifications in the light of lessons and their distinctive needs.

#### Box 5; the waves of reform in the UK

##### 1960s – management systems

- strengthening the "**policy analysis**" capacity of government (to get more relevant and better policies)
- opening up the civil service to new talent
- developing the **managerial skills** of the civil service –
- merging Ministries in an attempt to get better **co-ordination**
- trying to strengthen the **supervision** ("watchdog") powers of Parliament or independent audit over the Executive

##### 1970s – Budgetary reform and decentralisation

- **budgetary reform** – concerned to ensure a focus less on inputs than on what results specific bits of public spending were supposed to be achieving ("outputs")
- creating **accountable units of activity** : with clear tasks, responsibilities and performance indices
- developing systems of **performance review** of government programmes
- creating larger units of local government (mergers) to allow **transfer of functions to local government**
- "regionalising" certain central government functions ("deconcentration")

##### 1980s – privatizing; increasing accountability

- transferring state assets (such as electricity) to the private sector
- "contracting-out" public services after **competitive bidding** to private companies : for a limited period of time
- "hiving off" Ministry functions to **Agencies** – which focused on a narrow range of activities (eg issuing of passports) and operated with more financial and personnel freedom than state bodies
- More open recruitment
- deregulation

##### 1990s – focus on consumer; and drive for quality

- establishing "**citizen contracts**" and service standards
- new forms of **audit and grant allocation** – to encourage good practice
- purchaser-provider split

##### 2000s – Modernising Government

- targets (Performance Service Indicators)
- "best value" control of local government
- performance management

<sup>65</sup> Particularly the comparative papers he edited for the World bank's work on PAR commissioned by the Russian Federation in the early 2000s – <http://www.gsdrc.org/docs/open/SD24.pdf>

<sup>66</sup> who has focussed mainly on civil service systems – and has not been heard of recently – <http://www.google.com/books?hl=ro&lr=&id=ZiHCCR1JxogC&oi=fnd&pg=PR3&dq=Tony+Verheijen&ots=cAgEVyX1n2&sig=ydY3b9m9DUlsTHV7dEgJUoQMbuc#v=onepage&q&f=false>

**Initially** the drive for change came from newly-elected politicians and their advisers - impatient with civil servants they saw living too much in the past. So the emphasis was on opening up the system to new people - and developing new skills. It was then realized that the new civil servants with their new approaches were still working in old centralized systems which crushed their initiatives - so the attention turned in the 1970s to budget reform, new management systems and decentralisation.

The strengthening of local government was a path most European countries followed in the **decade from 1975** - driven by a growing public dissatisfaction with bureaucracy. This produced real results. It has released new energy - and removed both a financial and administrative burden from many central systems<sup>67</sup>.

**The 1980s**, however, saw political impatience with the pace of change. Four new approaches were introduced in many countries -

- An important range of state activities were seen as better handled by the private sector - and duly privatized. These included housing, electricity, gas and water; and parts of transport and postal systems<sup>68</sup>. And commercial systems such as transport were de-regulated.

And where the nature of the services made it impossible to privatize, they -

- Were managed on fixed-term contracts by private companies who won these contracts on competitive procurement; or
- Were managed by Agencies - which were state bodies given a large degree of commercial freedom
- had "quasi-market" regimes introduced which required clear statements of service outputs

It's important to emphasise that the source of change here was external - from newly-elected politicians like Margaret Thatcher who thought in a radical "out-of-the box" way. She forced through changes which were deeply unpopular within the "establishment". But she won - she broke the forces of inertia.

And the various initiatives required the development of detailed indices of performance and customer satisfaction - which have been used by public administration bodies in the latest wave of reforms.

A later wave puts the **emphasis on the citizen - as consumer**. By the 1990s, citizen expectations of services had risen enormously. They were beginning to make invidious comparisons between the ease of obtaining services in the private sector - shops and bank for example - and the difficulties and indignities with which they were met when they encountered public services.

One of the first - and very simple - ways of dealing with this was the British Citizen Charter scheme which got underway in the early 1990s

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<sup>67</sup> Although the UK has gone in the opposite direction and increased its control over local government - even if the more recent types of control are more benign eg league tables and competitions for best practice awards.

<sup>68</sup> One of the unforeseen consequences of privatisation was a complex new regulatory system which had to be created to protect the consumer from the abuse of monopoly power.

1999 *Modernising Government*

implementation

Then performance!!!

## 4. Nomadic Consultancy in Central Europe

*For 20 years - long before "cultural change" became fashionable - I was therefore in the middle of efforts to change organisational cultures. That helped me not only to see the world from other people's standpoints but also to learn new skills of networking.*

Despite winning the post of Group Secretary (for the ninth time running) in May 1990, time was running out for me. For a Labour politician, Scotland was, in the late 1980s, beginning to feel like an occupied state. The people were increasingly rejecting the Conservative agenda (their electoral support was down to 20%, - compared with Labour's 50%) - and yet that agenda, and Conservative quislings (such as Robin Duthie of the SDA), were being increasingly imposed on the country.

There was, for people like me, less and less challenge in public life. The powers and resources were being stripped from us. We were being made to feel guilty indeed for public service. And certainly I was spending more and more time on the continent. The visits to projects and colleagues in France and elsewhere, who were working in a more enabling environment, very much kept me alive. And I was also deeply involved in the Healthy Cities network - given a paper at its Zagreb/Pecs Conference - and written and produced an important booklet on the subject for Scotland.

And it was at this point - in summer 1990 - that the European Director of the World Health Organisation's Public Health division invited me to join her European office in Copenhagen for a few months - to help her create the networks and constituency in the newly-liberated countries of Central and Eastern Europe for health promotion strategies.

Basically she needed someone with political antennae, networking and writing skills who knew about health promotion.

The same aims and approaches we had been using in the repressed culture of the West of Scotland were clearly relevant to the social, economic and environmental decay of Central Europe and the culture of dependence which had been bred there. My task was to organise and lead missions to all of these countries.

It's not easy to give up a powerful position in such a large organisation which was doing such interesting work - let alone to leave one's country of birth. But that is what I effectively did one bright autumn day in 1990 - when I set sail from Kingston on Hull en route for Copenhagen and what was supposed to be a short spell with the Director of Public Health for the European division of the **World Health Organisation**.

Six weeks turned into 6 months - sadly my notes from the period are missing. An early event I vividly remember is a car drive from Copenhagen to Bonn in December snow to meet the various Health Ministers of the area.

Being warned about Yugoslavia

An amazing visit to St Petersburg in January - same time as Putin was deputy mayor!

Car drive to Gdansk - via Rostok car ferry....Servas

Election campaign - Solidarity HQ

Still a Regional councilor Ouverture

Warsaw; Lodz

I arrived in Bucharest in January 1991 to heavy snow and dim lights and, for a week, was ferried to places such as Brasov and Alba Iulia in an ambulance (I was on assignment for the WHO) to meet various dignitaries; subsequently travelling to Iasi in the East of the country by train.  
SEX

I came to **Sofia** first a few months later on what turned out to be May Day and my first experience was therefore walking up Vitosha! My other memories are of browsing in the lace stalls which were (and still are) placed at the edge of Alexander Nevsky Cathedral with Vitosha towering over the scene - and, a rare honour, dining en famille in the flat of an academic who was part of the Quaker-based network I used for some of my visits those days.....

Very impressed with WHO - had no great expectations - but big bang for bucks - social marketing

and basically set me on a new career as consultant. So, when the EC started its programme of Technical Assistance (PHARE), I was one of its earliest and most experienced consultants - indeed, for the paranoid Poles, too experienced (all candidates were faulted for one of 2 reasons - knowing too little about Poland or knowing too much - or rather too many of the wrong people - after my work for WHO I was seen as falling into the second category!).

The EU was putting together its programme of technical assistance and - thanks to Bruce Milan - I was one of the first consultants to the CzechoSlovak Republic - working with their new local government system.

When that work finished in late 1991, I returned to the Region - but only as an interim measure because, by then, I was clear that my time in Scotland was over. Margaret Thatcher was killing local government<sup>69</sup>.

A German colleague on one of the European expert groups duly recommended me to a key German Eurocrat as the Director - of all things - of the EC Energy Centre in Prague where I passed a very happy year in 1992.

Driving up to Copenhagen

The hypocrisy and exploitation I saw in that position was, however, to lead me to write a very critical paper; send it to the European Parliament and resign from the position. But, on the basis of my CV, other assignments in Romania, Hungary and Slovakia quickly followed.

*political refugee*

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<sup>69</sup> By three strategies - legal limits on spending; transfer of functions to other sectors; and abolition of municipal bodies. She killed the Greater London Council in 1986; the English counties a bit later - and her successor John Major abolished the Scottish Regions in 1996.

It's not easy to give up a powerful position in such a large organisation which was doing such interesting work - let alone to leave one's country of birth. But that is what I effectively did one bright autumn day in 1990 - when I set sail from Kingston on Hull en route for Copenhagen and what was supposed to be a short spell with the Director of Public Health for the European division of the World Health Organisation. She had invited me to help her identify the opportunities for preventive health work in the newly-liberated countries of East and Central Europe; and so began a series of visits to each of these countries. The 6 weeks turned into 6 months - and basically set me on a new career as consultant. The EU was putting together its programme of technical assistance and I was one of the first consultants to the Czechoslovak Republic - working with their new local government system. When that work finished in late 1991, I returned to the Region - but only as an interim measure because, by then, I was clear that my time in Scotland was over.

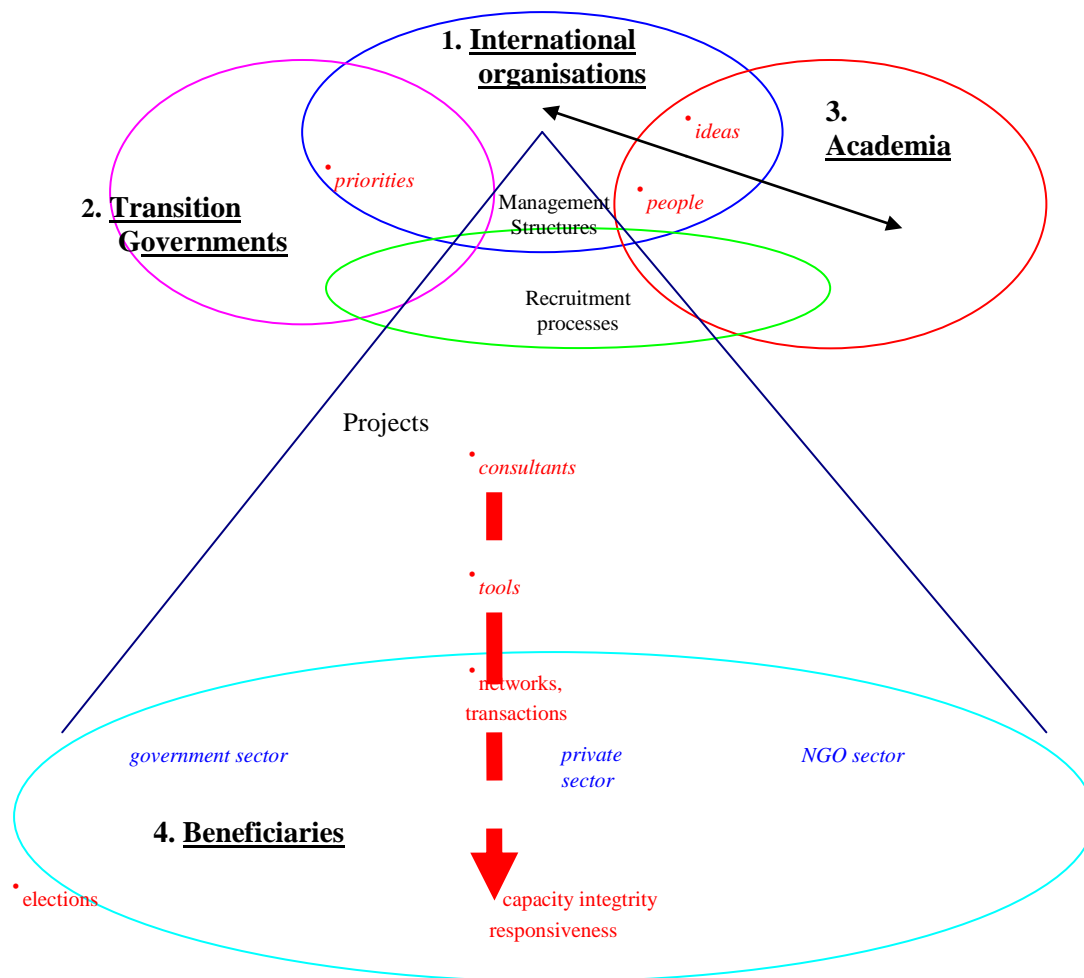
Margaret Thatcher was killing local government<sup>70</sup>. I had left my academic base in 1985 under pressure from students understandably hostile to my absences and had therefore been a full-time regional politician for 5 years. At my age (almost 50), I could not start a new career in Scotland - particularly holding such a high profile public position. Anxiety about my future had, in fact, led me to periods of depression and the breakdown of my marriage.

I had, however, used these 5 years to network in Europe<sup>71</sup> - and it was now beginning to pay off. In particular a German colleague recommended me as Director - of all things - of the EC Energy Centre in Prague where I passed a very happy year in 1992. The hypocrisy and exploitation I saw in that position was, however, to lead me to write a very critical paper; send it to the European Parliament and resign from the position. But, on the basis of my CV, other assignments in Romania (municipal development 1 year), Hungary (regional development 2 years) and Slovakia (1 year) quickly followed. I became more and more critical.

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<sup>70</sup> By three strategies - legal limits on spending; transfer of functions to other sectors; and abolition of municipal bodies. She killed the Greater London Council in 1986; the English counties a bit later - and her successor John Major abolished the Scottish Regions in 1996.

<sup>71</sup> I was one of the British group on the Council of Europe - the Standing Conference for local and regional authorities; member of a IULA research group which produced a book on public participation in 1988; member of the Ricardo Petrella group on ROME???



## After the Wall Fell

Ralf Dahrendorf was a famous German sociologist/statesman who wrote in 1990 an extended public letter first published under the title "Reflections on the Revolution in Europe" and then expanded as [Reflections on the Revolution of our Time](#). In it he made the comment that it would take one or two years to create new institutions of political democracy in the recently liberated countries of central Europe; maybe five to 10 years to reform the economy and make a market economy; and 15 to 20 years to create the rule of law. But it would take maybe two generations to create a functioning civil society there. A former adviser to Vaslev Havel, [Jiri Pehe, referred a few years ago to that prediction](#) and suggested that

*"what we see now is that we have completed the first two stages, the transformation of the institutions, of the framework of political democracy on the institutional level, there is a functioning market economy, which of course has certain problems, **but when you take a look at the third area, the rule of the law, there is still a long way to go, and civil society is still weak and in many ways not very efficient.**"*

He then went on to make the useful distinction between "democracy understood as institutions and democracy understood as culture"

*"It's been much easier to create a democratic regime, a democratic system as a set of institutions and procedures and mechanism, than to create democracy as a kind of culture - that is, an environment in which people are actually democrats".*



These are salutary comments for those with too mechanistic an approach to institution-building. Notwithstanding the tons of books on organisational cultures and cultural change, political cultures cannot be engineered. Above all, they will not be reformed from a project approach based on using bodyshops, cowboy companies, short-term funding from the EC Structural Funds and [the logframe](#).

In the mid 90s, the Head of the European Delegation to Romania ([Karen Fogg 1993-98](#)) used to [give every visiting consultant](#) a summary of Robert Putnam's [Making Democracy Work - civic traditions in modern Italy](#) (1993). This suggested that the "[amoral familism](#)" of southern Italian Regions (well caught in a [1958 book of Edward Banfield's](#)) effectively placed them 300 years behind the northern regions. So it was fairly obvious that she thought that developing trustworthy and effective state bodies was going to take some time.....

But then, in 1997, the European Commission made a decision which shocked me to the core - that EC technical assistance to central European and Balkan countries would no longer be governed by "developmental" objectives but rather by their ability to meet the formal legal requirement of the *Acquis Commaunitaire* (AC).....ie of EU membership

Romania, for its part, had some 200 years under the Ottoman and the Phanariot thumbs - but then had 50 years of autonomy during which it developed all the indications of modernity (if plunging latterly into Fascism). The subsequent experience of Romanian communism, however, created a society in which, paradoxically, deep distrust became the norm - with villagers forcibly moved to urban areas to drive industrialisation; the medical profession enrolled to check that women were not using contraceptives or abortion; and Securitate spies numbering one in every three citizens.

The institutions of the Romanian state collapsed at Xmas 1989 and were subsequently held together simply by the informal pre-existing networks - not least those of the old Communist party and of the Securitate. Tom Gallagher's "[Theft of a Nation](#)" superbly documented the process in 2005.

These were the days when a body of literature called "[path dependency](#)" was raising important questions about how free we are to shake off cultural values.... Authors such as de Hofstede; Ronald [Inglehart](#); Frans [Trompenaars](#); and Richard Lewis (in his [When Cultures Collide](#)) were telling us how such values affect our everyday behaviour.

Curiously that debate stopped - when central European countries became EU member states in 2004 and 2007, it became politically incorrect to suggest that they might be anything other than fully operational.....

More recently I've tried to incorporate such texts with relevant blogposts in a draft book about "Crafting Effective Public Management" - but have had to accept that the text was too scrappy. But someone with my experience of straddling all these worlds must (and does) have something distinctive to say about all this organisational effort!

Only recently did I realize that I had chosen the wrong "tone"... too abstract - "writing about writing"!! So I started to experiment with a different approach - of

*....."telling a story".....of the times when a few of us came together and, through a combination of imagination, discussion, networking and sheer inspiration, were able to craft something (a project) which gave the system a bit of a jolt.....*

**I suddenly remembered papers I had written at the end of projects which had tried to make sense of the experience - challenges we had together identified and tried to deal with; the lessons learned....**

About 6 such positive experiences Strathclyde, Slovakia, Uzbekistan, Azerbaijan, Kyrgyzstan and Bulgaria

**- process of transition to consultancy**

- 4 tail between leg experiences, TAIEX, Romania, Serbia and China with rest "learning"..... (Hu, Cz/S, Latvia,

One of the best such papers was actually called "[Learning from Experience - the Bulgarian case](#) (2008). This identified the various challenges a few of us had faced in Sofia in late summer 2007 as we tried to get a new project underway which had been designed to help develop the capacity of the Bulgarian Institute for Public Admin. The account is a frank, "warts and all" account - not the sort of thing you normally read in an official Final Report to the EC. There were quite a few political challenges around the project - but these were not the issues the paper deals with. It was rather, in the dreadful language of the logframe, the tenuous connection between the project's activities and the expected outputs.

How, to put it in very concrete terms, could we have any confidence that the training of 500 regional officials would have any impact on better compliance of Bulgarian state bodies with the their requirements as members of the European Union (which they had become just a few months before the start of our 12 month project)?

This project had some clear outputs - 6 new regional centres; a Management Information system; Training materials; trainers; 500 trained officials.

But none of these is an end in itself - they are all means to a wider purpose which was clearly expressed in the project ToR - "To build a networked system for in-service training of Inspectors and other stakeholders to satisfy clearly identified training needs and priorities in the field of *acquis communautaire* implementation"

An important part of the project has, therefore, been to -

- pose the basic question of "how can training actually contribute to implementation and compliance"? **How can training managers find out who needs what sort of improved knowledge and skills** in order to achieve new policy requirements and procedures?
- help **develop training modules** which seemed to **meet those defined needs** - which would serve as examples of "good practice" for other sectors
- run workshops for 500 local officials - at 6 regional centres - which would **test the relevance of the course structure and training material**

- identify lessons from this experience which could **help the Institute of Public Admin manage its new network** in a way which ensures that training actually leads to improved performance.

## 1.2 Identifying the gaps - how to work out who needs what sort of help?

The process which should be undertaken when a state body faces the task of undertaking a new set of responsibilities is clear -

- The first step is for **senior management** of the relevant state body or bodies to identify what difference the new policy will make to ways of working. Who is most affected by the change - and what exactly will they have to do that is different?
- This would then be the subject of discussion with at least a **representative sample of those directly concerned** - to allow a note to be drafted giving detailed guidance on the requirements of the new procedures
- Depending on the scale of the change, some people might, at this stage, raise the question of **piloting the change** somewhere in order to identify and deal with problems before full-scale implementation.
- Alternatively some questions might be raised about **whether all of the staff concerned had the necessary skills** (eg communications) to manage the new procedures successfully.

Note the stage at which training comes into the picture. It is not - or should not be - the immediate reaction. The question we had was whether senior management was in fact operating like this in Bulgaria. The approach this suggested was laid out in para 4.4.3 of our Inception Report

"Before a training model and materials can be developed, we need to -

- understand how the new acquis are communicated down the line; with what changes in job specifications and training
- meet experts working on compliance and enforcement in the various levels of implementing bodies so that we can properly identify the target group and develop a profile of the typical individual the network will be serving - and their present and future job requirements
- identify the **weaknesses** of present communications and/or training systems
- understand the role of "off-the-job" and "on-the-job training" in solving these problems - and the link between them
- identify who exactly the **target groups for the 500 trainees should be**
- identify **other supporting actors** in the field (eg professional networks; Ministry training centres; EU projects (past and present); Chamber activity;)
- review the training material they have used
- check the role of the training in professional development and performance appraisal

That was a very ambitious methodology - but a necessary process if appropriate tools are to be developed for the achievement of better implementation.

The process can be boiled down to three simple requirements -

- First identify **what** it is that a particular group need to know to perform a new task.
- Then find out **who** lacks this knowledge or skills
- Then explore **how** the group can best be assisted reach that new state.

## 1.3 Using difficulties as an opportunity to learn

In the event, the project had neither the time nor the authority to carry out the sort of detailed analysis suggested in the Inception Report. In this respect, it was perhaps in a very similar position to that of IPA's training managers

Training managers throughout the world encounter certain common problems such as -

- inadequate TNA and, therefore, inappropriate course structure and material
- workshops being organised at short notice
- people being sent to courses who don't want to be there
- participants with different levels of needs
- courses which rely too much on passive learning - and don't use case-studies or exercises
- lack of systems to check that training material properly related to needs

- persuading trainers to use more informative assessment forms
- reluctance to confront the problem of poor trainers
- lack of follow-up to workshops

The project approach has been to encourage its Training Coordinators and instructors to treat each workshop as an opportunity for them (as organisers) to learn more about the needs of the people they were dealing with and about what changes were needed in the way they responded to those needs.

Key elements in this narrative are -

- Context
- Individuals
- Networks
- Tools
- exploration
- Opportunity

In many senses, the approach was anthropological...

And I remembered two previous such experiences - when the start of the project had presented me as Team Leader with an apparently impossible situation viz

- Azerbaijan 2003
- Kyrgyzstan 2005

In Azerbaijan I was Team Leader from 2003-2005 on a Civil Service project designed "to develop a strategy to help implement the Law on the Civil Service".

This Tacis project was one of the products of high-level discussions on PAR which took place in Azerbaijan in late 1998 and early 1999. Like many TA projects, by the time it was on the ground in 2002, conditions had changed - and didn't seem to allow the planned dialogue on PAR.

The early days were difficult - the Law may have been passed by Parliament but no one had much interest in doing anything with it.....The first Team Leader had resigned in frustration. Instead of an office in the prestigious Presidential Office Building, we were offered rooms in the nearby Presidential Academy of Public Administration.

The only activity which looked promising was the idea of setting up a **network of personnel managers** in the various Ministries. They had never met before and, with the help of an outside expert in the field, were duly invited to meet under the chairmanship of a young lawyer from the Presidential Office who had been charged with the task of liaising with the project by the beneficiary in the PO.

The first meeting was quite fruitful - the chair gave the session authority and the project clearly had resources (eg study visits). As I visited the various individuals, I began to get a sense of their hopes, frustrations, strengths and weaknesses - and the wider political context in which they operated...It was in one of these meetings that I heard a rumour about a document which proved to be the missing peg on which I could hang a convincing narrative -

In early 1999 an important strategy document on administrative reform was apparently produced by the Presidential Office - which the project office was able to lay its hands on only in 2003. This project paper explores the progress since then in implementing the strategy and dealing with the concerns which that document (and later policy papers) laid out.

Although the legislative initiatives since then are reasonable, this does not seem to have so far led to visible changes in administrative behaviour. Part of the reason for this is the strength of the informal system to which the 1999 report referred; another reason is probably the absence of the structures which are needed to drive forward reform of this nature.

I had, initially, one other foreign colleague - a German lawyer who had been State Secretary of a Ministry of Labour - and we went through the Civil Service Law with a fine tooth comb to identify the contentious and cloudy issues (quite a few!!) This allowed a first very rough draft of a strategy for the implementation of the Law - one of our expected outputs which I could start discussing with people not only in the Ministries but the Parliament.

In the meantime the Presidential Academy turned out not to be such a bad choice. One of its recent graduates proved to be an indispensable assistant and helped me befriend some academic staff in the place. The Rector was part of the old guard and not altogether happy about our presence but seems to have been assuaged by my offers of help - in delivering lectures to the middle-ranking officials who attended the Academy; in doing a SWOT analysis of the Academy; and in working with a couple of his staff to provide and publish the first 3 books in the Azeri language about civil service and administrative reform!

All totally outside my Terms of Reference. I like to think that my method of working won friends and influenced people.... The European Commission monitors - although friendly - watched with bemusement...

And I began to acquire friends in the President's Office and Parliament who actually encouraged me to campaign publicly - with lots of press interviews and even a television hook-up with the public!

But the European Delegation Office supported me - they understood that my sorts of political skills were needed...

Pat Kearney (Astana)

As a result, and very much against the odds, a Civil Service Agency was duly set up just a month after the conclusion of the project - to introduce new-fangled merit-based appointments. It's apparently still going strong.....

## KR LG

I had no sooner finished that work than I was flying to Bishkek to take up a two-year project as Team Leader in Kyrgyzstan (2005-7) which helped establish a Local Government Board; did a lot of training of municipal people....and also left three books behind - one of which tells a good story about learning and strategic change - [Developing Municipal Capacity](#) and strongly challenged the prevailing assumptions in the capital about whose capacities needed developing!

Only one of these had been in my terms of reference - [Road Map for Kyrgyz Local Government](#) (2007) which I regard as one of the best things I ever produced...

The more I worked on it, the more I appreciated the potential of this device. The opening page warns that -

*A road map does not give a route - YOU choose the route. A roadmap simply locates the key features (mountains, rivers and swamps) you need to be aware of when trying to travel from the A to the B of your choice. So this is not an attempt to force foreign models on the local situation*  
*Another point about a road map is that it cannot cover every changing detail nor tell you how you should approach certain situations - sometimes a large bump in the road or impatience can have fatal consequences!*  
*So a road map is only a guide - local knowledge, judgment and skills are needed to get you to your destination! And, like a map, you don't have to read it all - only the sections which are relevant for your journey!*  
*So don't be discouraged by the size of the booklet - simply dip into the sections which seem most useful to you*

Such projects always have an "inception period" (generally a month) to allow the team and beneficiary to take stock of the situation and make adjustments...which even paymasters realise are needed when a President flees the country - as happened in March 2015 as I was completing my round of visits not only to "beneficiaries" but other "stakeholders" such as UNDP, The World Bank and US Aid. I took full advantage of that period (which involved my own flight - back to Baku for a week of safety) to ensure the "maximum feasible flexibility" in the project.

#### Revolution on March 24

The first stage of Parliamentary elections were held on 27 February (with the second stage on 13 March) - which meant some initial difficulties in establishing a dialogue with the Minister of Local Government. Protests against the conduct of these elections culminated on March 24 in the flight of the President and the transfer of national power - leading to a temporary hiatus in the work of the project (apart from translation of this report). In the meantime Governors were replaced; and the pilot Decentralisation status of Issyl Kul was rescinded.

Work resumed on 12 April - with the proposed project activities being discussed with the Minister and other partners. A very successful workshop with some parliamentarians and the two municipal Associations was held on April 15 (Annex 3) to discuss draft amendments to the Local Government Law to allow local councils to take on some of the functions of the abolished Oblast and rayon councils.

Intensive discussions were held with the Minister and the project team as a whole during the week of 18 April - leading to this final draft of the Inception Report. It has not been easy to finalise the detail of even the next four months - since the situation is changing every day.

#### Steering Committee

The ToR envisaged the majority of the committee being drawn from the 2 pilot Oblasts (Governor; town and Oblast council representatives). There are in fact no longer Oblast keneshes. After discussion with the Minister, it is suggested that the sustainability of the project and its ideas are better served by the following composition - LG Minister; Ministry of Finance; Mayor of Karakol and of Naryn; 1 representative from the new Keneshes of the 2 pilot Oblasts when they are reconstituted; the 2 municipal Associations; the Institute; the EC; the contractors; Team Leader.

#### Extension of the project

The beneficiary considers that, particularly under the circumstances, 15 months is too short a period for the actual workings of a project such as this and requests an extension.

#### Project Approach

Key factors relevant as we try to shape our action strategy are -

- The international donor community has been and remains very active<sup>72</sup> in this field
- Coordination seems poor<sup>73</sup>
- The relevant laws seem inadequate - and implementation slow<sup>74</sup> and patchy
- Turnover of staff in the LGs is very high
- Project resources are very limited<sup>75</sup>

The project can therefore be successful only under two conditions

- if we can clearly identify a distinctive role or purpose
- if we collaborate closely with bodies relevant to that purpose

If an 18 month project is to make an impact, it can do so only by working creatively with existing local bodies and other donor projects. These we have already identified in this report.

How exactly we can help build the capacity of relevant bodies depends on three things -

- Identification of - and agreement about - the key mechanisms for such collaboration eg the draft action plans of the Coordinating Council for Decentralisation and of the Ministry for LG
- The profiles and distinctive strengths of our experts (EU and local)
- The resources available in the Incidental Expenditure budget for special activities such as study-tour or publications; and for equipment for our beneficiaries

### **Assisting the development of a new Action Plan on Decentralisation for the Coordinating Council**

Up until March 24, we had felt that the timing of the project start was most felicitous. Not only were preparations being made for the implementation of the new local budget system, but both the Coordinating Council (CC) for Decentralisation and the LG Ministry were finalising their new action plans - that of the CC replacing the one published more than 2 years ago. The draft CC Action Plan is attached as Annex 10 of this report.

The March 24 revolution changes things - and one of challenges for the project will be to assist the Coordinating Council on the development of a new action plan for decentralisation and the Ministry. This however will probably be after the summer.

### **Filling the gaps - Production of Policy Briefs**

The second factor which will govern the project contribution to the development of capacities needed for an effective local governance system are the specific competences of the project team. Between them, the experts have strong experience in Local government finance; Municipal property management; Practical experience of giving strategic direction to municipal services; Development of training strategies for municipalities - and of centres and courses; Knowledge of decentralisation process in transition countries; Production of texts and manuals

There seems to be an absence of clear conceptual papers in the country about the basics of local self-government; the process of decentralisation in other countries; and what lessons that

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<sup>72</sup> Particularly UNDP, Urban Institute; Hans Seidel Foundation

<sup>73</sup> the project took part on 15 February in the first meeting to try to achieve coordination in the field of municipal training. About 50 people were present; it was chaired by a rep of the PM Office.

<sup>74</sup> The Ministry of Finance has not been cooperative. And a draft Law on Delineation of Functions - aiming to clarify the present duplications and uncertainties - has been delayed a year.

<sup>75</sup> 149,000 equipment; 10,000 for training; and resources for one very small study-visit. In addition, we can buy a minimum of 100 local expert man-days additional to our 3 long-term experts.

might hold for Kyrgyzstan. The project team is well placed to help in this respect - and is exploring with the Institute of Public and Municipal Training the launching of a new series of policy papers on these topics.

One of the high points of the project for me was when, at a Conference of the municipalities, I invited the participants to play a game similar to "Pin the Tail on the Donkey".

As you will see from the annexes of the Road Map, I simply reminded people of

- the main elements involved in making a successful car trip (features of the car; geography; roads; petrol stations);
- listed the key players in the local government system (politicians; laws; citizens; lobbies)
- invited them to pin the appropriate label on the map

## What Conclusions can be drawn??

Skills needed

Strathclyde

More than a decade to embed!

[Organisational Development and Political Amnesia](#)

Most of the writing about reform cuts out that human factor - so what you get is a profound sense of inanimate concepts and forces.....And to be fair, a lot of changes are like that - a few people at the top think something is a good idea; announce it; and expect to see it implemented and working. Effective change, however, requires not hierarchy and obedience - but open dialogue and negotiation. There was a time when we thought we had learned that ....eg from the Japanese.... But that memory faded and, in these autocratic days, too many people in organisations still act like the couriers in Hans Christian Andersen's story about the Emperor's New Clothes .....developing the groupthink and suspension of disbelief to be able to ignore the Emperor's actual sartorial condition!

But, at my level, all effective changes I have seen have come from a few individuals coming together to explore deeply how they can improve a problematic situation - and then developing a constituency of change around a vision which emerges as consensual. **Never by one person at the top imposing a fad or idea!**



But equally

- Romania 2009
- Serbia 2009
- China 2010

but quick exits were my ignominious fate in the last three (also TAIEX) . I have written extensively about the Chinese experience - and drawn some lessons for others in my situation.....

Most of the 90s was a "learning experience" as I adjusted to a new role in a new continent.

## 5. Uzbekistan

One of the great joys of living and working in a foreign culture is that it makes one so much more aware of the ambiguity of language and the need to avoid jargon.....

In a sense the eight or so years before my first big project (Tashkent 1999-2002) were largely an apprenticeship as I learned both a new role; new subjects (transition; a national rather than local focus); and a more effective way of presenting ideas

I was the Leader of what was a fairly large team in Uzbekistan for three years - but there was little or no pressure for any real change - which gave me the luxury of being able to write material for the small number of officials who did seem to be interested.

I took to doing regular - and highly interactive - sessions with middle-level officials at the Presidential Academy of Public Administration - in a training centre set up by the project. I learned quite a lot as a result - about European systems of local government; privatisation; even "communal services"; and that dreadful thing called "human resource management".

"Best practice" was the phrase which the British private sector consultants were bringing with them to projects and was one which I was starting to take objection to. It was in Tashkent that I first drafted material to make a point about the relative novelty of the government procedures in Europe which passed for "best practice" (whether in matters of hiring or procurement) and the number of exceptions one could find not just in southern European countries but even in the heart of Europe.....Clearly there was, as writers such as Ha-Joon Chang have documented in the development field, a lot of kidology going on!

Despite such protestations, describing and pushing "best practice" was, however, precisely what such projects were doing those days....."

<http://www.desertofforbiddenart.com/design/flash/trailer.mp4>

<https://nomadron.blogspot.ro/2016/09/my-three-years-in-uzbekistan.html>

<http://www.savitskycollection.org/gallery.html#UzbekArt>

<https://www.youtube.com/watch?v=menv3yNygVM>

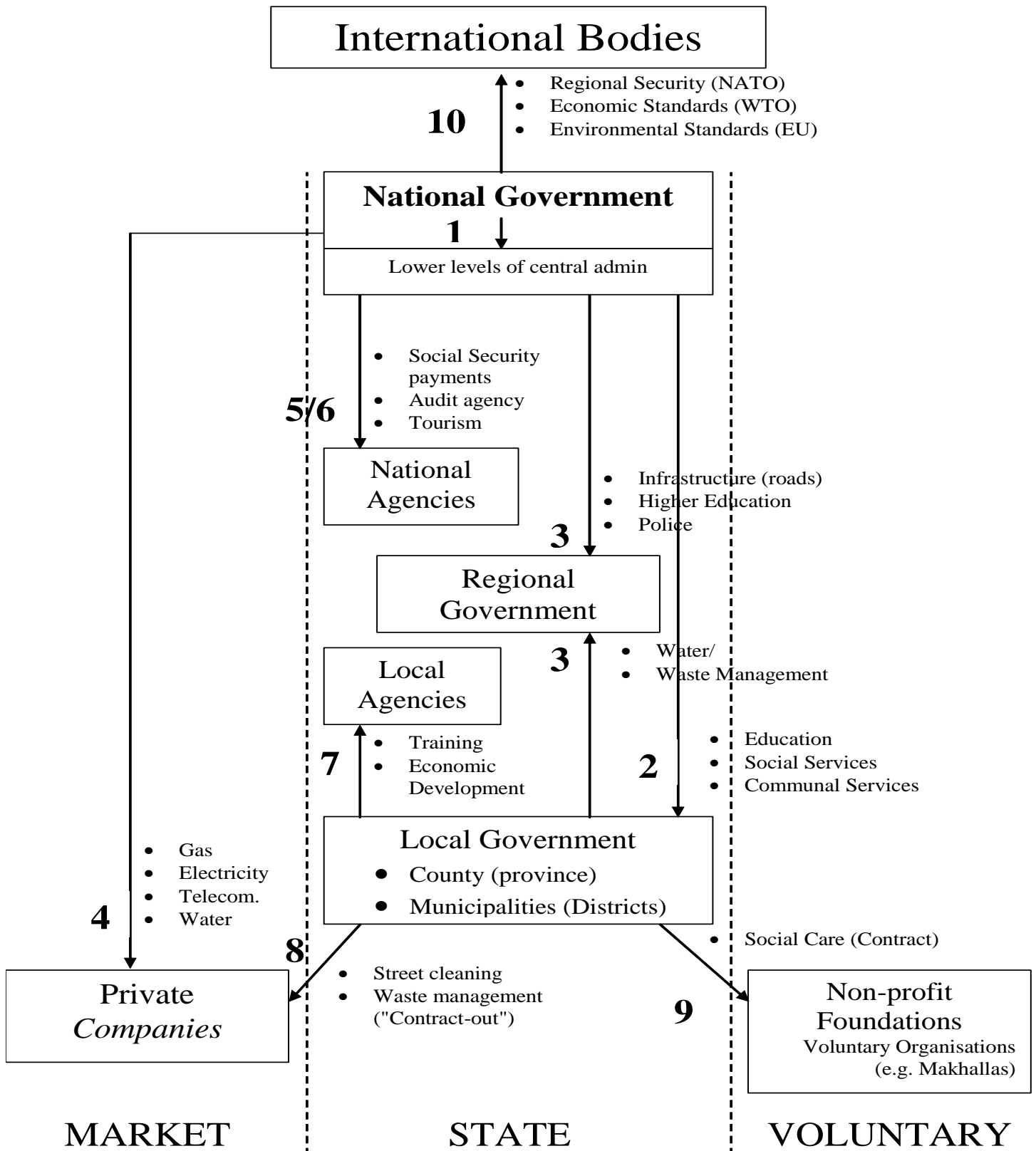
I was particularly proud of the little series of publications I left behind eg the 60 page [Transfer of Functions - European Experience 1970-2000](#).

### **Ten Directions for Transfer**

functions can in fact be transferred in ten different directions - eg

1. to lower levels within central government administration
2. to Local Government (whether by transfer of central functions or allowing local government to develop new functions)
3. to Regions
4. to the Private Sector (by central government selling assets)
5. to National Agencies
6. new strong independent audit and regulatory functions being developed
7. from municipalities to newly-created local agencies
8. Municipalities transferring the management (only) of services - by "contracting" out services to local companies
9. municipalities transferring/sharing functions with other municipalities, neighbourhood organisations and the voluntary sector
10. to International Bodies

## TRANSFER OF FUNCTIONS



## Eighteen Lessons from Thirty Years of European Experience

Although transition countries face unique problems, the West has recently faced - and responded to - the same problem of over-centralisation

The last 20 years have seen a great variety of different ways of dealing with this

Experience shows that reforming a centralised system follows a fairly typical pattern everywhere. The process begins with exhortations for changed mentality and behaviour; then emphasises the need for training; then gets involved in a lot of organisational change. At the end of it all very little has really changed. Basic to effective change is altering "structures of accountability" - altering the system of rewards, penalties and information flow.

When a function is transferred it means that the responsibility for performing a self-contained area of activities passes from a superior to a subsidiary body

"Function" is an ambiguous term

Entire services do not often transfer - more usually it is a the management function

Giving local councils general powers of initiative helps ensure creative responses to new problems - with best practice being enshrined later in legislation

When the responsibility for running public services is transferred it tends to go to a specific group of people - and countries vary immensely in the confidence they have in different groups to run services effectively.

These different groups have different roles - and accountabilities

These different patterns reflect national cultures and conditions - and reform needs to be sensitive to this

There are different reasons for transferring functions

It is unusual to find functions being transferred to small self-government bodies (like Makhallas) The trend, indeed, has been in the opposite direction.

step-by-step transfer of political responsibility has been quite common

Measurement of organisational performance has increased everywhere

Open information and accountability is crucial to the improvement of public services

The establishment of Agencies with managerial and financial autonomy - and public targets - has been one of the most common developments of the past decade

The role of government changes dramatically as it divests itself of direct provision

This requires a very different skill profile in your civil servants - and a new type of skill development and learning

**a. Although transition countries face unique problems, the West has recently faced - and responded to - the same problem of over-centralisation**

This is caught in the book written by one of America's management gurus, Rosabeth Kanter - a book<sup>76</sup> which should give encouragement to all those struggling with bureaucracy. It describes the efforts made in the early 1980s in some large companies to make them more relevant and effective and contains the ironic "Ten Rules for Stifling Innovation" -

1. regard any new idea from below with suspicion - because it's new, and it's from below
2. insist that people who need your approval to act first go through several other layers of management to get their signatures
3. Ask departments or individuals to challenge and criticise each other's proposals (That saves you the job of deciding : you just pick the survivor)
4. Express your criticisms freely - and withhold your praise (that keeps people on their toes). Let them know they can be fired at any time
5. Treat identification of problems as signs of failure, to discourage people from letting you know when something in their area is not working
6. Control everything carefully. Make sure people count anything that can be counted, frequently.
7. Make decisions to reorganise or change policies in secret, and spring them on people unexpectedly (that also keeps them on their toes)
8. Make sure that requests for information are fully justified, and make sure that it is not given to managers freely
9. Assign to lower-level managers, in the name of delegation and participation, responsibility for figuring out how to cut back, lay off, move around, or otherwise implement threatening decisions you have made. And get them to do it quickly.
10. And above all, never forget that you, the higher-ups, already know everything important about this business.

It was behaviour like this in such companies as General Motors and IBM which brought such household name companies to their knees only twenty years ago - and, since then, there has been an intensive search in both the public and private sector for the most effective way to decentralise. There is a tendency to say that the organisational experience of only transition countries is of relevance to Uzbekistan. This is simply not true.

**b. Experience shows that reforming a centralised system follows a fairly typical pattern everywhere.**

- The process begins with exhortations for changed mentality and behaviour
- then emphasises the need for training
- then gets involved in a lot of organisational change.

At the end of it all very little has really changed.

Basic to effective change is altering "structures of accountability" - altering the system of rewards, penalties and information flow<sup>77</sup>.

**c. When a function is transferred it means that the responsibility for performing a self-contained area of activities passes from a superior to a subsidiary body;**

A "function" is not a "task" - the Cabinet of Ministers is constantly sending to the Khokhimyats lists of detailed tasks which have to be carried out. This is an indication of centralisation - not

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<sup>76</sup> *The Change Masters – corporate entrepreneurs at work* (Unwin 1983)

<sup>77</sup> In his book *Banishing Bureaucracy* ( ), Osborne calls this the "basic genetic code of the public sector system – its purposes, incentives, accountability systems, its power structure and its culture".

decentralisation. "Function" implies responsibility. When a function is transferred it means that the **responsibility** for performing a self-contained area of activities passes from a superior to a subsidiary body; and that, within that area, the subsidiary body is free to act without undue interference of the superior body in the implementation of that function.

d. **"Function" is an ambiguous term**

A second point is that "function" can refer to an entire service - or one of the stages involved in running that service. There are normally at least 5 stages

- Law-making
- Setting standards
- Allocating resources - not only financial but personnel
- Implementing/managing
- Monitoring/evaluating

e. **Entire services do not often transfer - more usually it is a the management function**

The last thirty years have seen major changes in how west European countries organise functions which were previously run by central government Ministries. In a few cases (only) has an entire service been transferred to another organisation. Denmark transferred the **political responsibility** for hospitals to the top tier of its local government system - and several countries have **transferred (sold) the ownership of the assets** of industries such as gas and electricity to private companies. In **most cases**, however, it is the **management function which has been transferred** - to local government, private companies or NGOs (on contract). Above all this has meant the transfer of responsibility for **financial and personnel** matters - to Ministries; within Ministries; to local authorities; to Agencies<sup>78</sup>.

Central government retains the responsibility for **standards** but sometimes transfers the responsibility for **evaluation** (audit) to quasi-independent public bodies.

f. **Giving local councils general powers of initiative helps ensure creative responses to new problems - with best practice being enshrined later in legislation**

g. **Different groups have different roles - and accountabilities**

Behind these abstract terms lie people - and it has been increasingly realised that public services cannot be effectively delivered in a hierarchical system. Effectiveness requires a pluralist system - meaning that **certain key groups of people perform clear but different roles with ultimate accountability to different groups of people.**

Group	Role	Accountability
National politicians	<ul style="list-style-type: none"> <li>• law-making</li> <li>• Budget allocation</li> </ul>	National Voters
National expert advisers	<ul style="list-style-type: none"> <li>• technical standards</li> <li>• auditing</li> </ul>	<ul style="list-style-type: none"> <li>• Executive</li> <li>• Parliament</li> </ul>
Local professionals	legal and technical advice	Senior management of local state bodies
Local politicians	<ul style="list-style-type: none"> <li>• consulting</li> <li>• setting priorities</li> <li>• Allocating resources</li> </ul>	Local voters
Local public managers	delivering services	The Local Executive (normally politicians)

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<sup>78</sup> *In Search of Results (PUMA) and Budgeting for Results (1995 PUMA)*

Private managers (of contracted services)	delivering certain services on contract	Senior managers of the contracting agency
Citizens	<ul style="list-style-type: none"> <li>• receive services</li> <li>• pay taxes</li> <li>• complain and lobby</li> <li>• suggest ideas</li> <li>• volunteer their time</li> </ul>	

#### **h. Different countries show confidence in different groups in the transfer of responsibility for running public services**

The groups which have benefited from transfer of functions have been different in the different countries of Europe. In some cases (Scandinavia) it has been the **local professionals** and **local politicians** whose responsibilities have been increased. In others it has been **local public managers**. In others it has been **managers in the private sector** - generally gas and electricity although in England also water, transport, health and social policy (see section 2). In a few countries (Germany and Netherlands) active **citizen groups** have seen their role and influence increase (see section 9). In some countries (eg Britain) the attempt to strengthen the role of local managers and consumers (in areas such as education) has paradoxically led to a **new centralisation** - through an expansion of central standards, regulation and audit (section 6 above). Generally it is a (changing) mixture of such groups who are considered best able to run public services effectively - and time and energy is needed to work out the precise nature of the relationships between them.

#### **i. These different patterns reflect national cultures and conditions.**

Each society has different social values - and awards trust and respect to different groups<sup>79</sup>. The **English** culture, for example, is a centralised, individualist and conflictual one which places value on performance through legal contracts. Most European societies are more pluralist and consensual - although the extended family has been a central mechanism in **Italy**; and **Japan** prefers to manage its business by the development of trusting relationships rather than contracts.<sup>80</sup>

Clearly "one-man management" and the *Makhallas* are two important aspects of the **Uzbek** culture. It is important, however, that the strengths and weaknesses of both are realistically assessed when the next steps in liberalisation are taken. The sense of responsibility implicit in the one-man management principle is a very valuable feature - but the principle does make it very difficult to develop the delegation and team management which is a key part of modern management.

**Conditions** can also limit the choices available for transferring functional responsibility. Section Four of this paper, for example, indicates the preconditions necessary to ensure that private companies will actually provide more effective services. These include forces such as competition or regulation and the existence of managers experienced in working in competitive conditions to satisfy the customer - rather than a bureaucratic superior. In the absence of this privatisation could simply replace a public monopoly with a private one - which is potentially worse for the consumer.

#### **j. There are different reasons for transferring functions**

- One motive is to save money - to reduce the bureaucracy involved in running things from the centre.

<sup>79</sup> The Centre for Policy Studies conducts regular surveys of such attitudes in all CIS countries. See website

<sup>80</sup> this is best spelled out by Ronald Dore's book on *Understanding Japan* and set out comparatively in Trompenaars and Hampden-Turner's *The Seven Cultures of Capitalism* (1997)

- A linked motive is more political – when it is clear a service is too expensive or unnecessary, to pass the responsibility for making difficult decisions to someone else.
- A more positive motive is one which recognises that it is important to develop feelings of responsibility at a local level – and that local politicians and public servants usually have a better sense of needs and priorities than those at the centre. In many cases they can be more creative in producing solutions to new problems.

**k. It is unusual to find functions being transferred to small self-government bodies (like Makhallas)**

The trend, indeed, has been in the opposite direction.

**l. Step-by-step transfer of political responsibility has been quite common**

Municipal power is generally based on history (eg the freedom of mediæval burghs and Hanseatic towns). Where such traditions are lacking, local democracy is often developed in a phased way – with centrally-appointed officials in local administration (eg Khokimyats) creating first a working organisational base, the responsibility for which is eventually transferred to locally-elected politicians. This was the case in Spain (towns); France (Departments and Regions); and Scotland (Assembly)

**m. Measurement of organisational performance has increased everywhere**

There is also a common trend toward increased performance measurement – although some countries have perhaps gone too far in that direction. Germany and Netherlands have had a certain backlash to their recent attempts to run local government like a business – and there is a growing feeling in Britain that detailed measurement of the performance of professionals by government has undermined both morale of local professionals and local democracy itself. More simpler measures are now being developed in Britain for schools and hospitals which focus on basic citizen – rather than bureaucratic – concerns. Schools and hospitals are now under considerable public pressure to improve their performance in Britain and this has come less from complex government intervention than from the simple decision to publish detailed comparisons of the performance of schools and hospitals and to allow people to choose their schools and hospitals<sup>81</sup>. This puts the professionals and managers under great pressure to improve performance.

**n. Open information and accountability is crucial to the improvement of public services**

Complacency is probably the biggest danger confronting centralised governments – the leaders know the efforts they are making; and officials lower down will tend to report the information they assume their superiors want to hear. So, in the absence of good performance measures, failure comes as a surprise. Centralised systems don't like making information public – and hence miss out on one of the keys to improving public services – pressure from the general public!

**o. The establishment of Agencies with managerial and financial autonomy – and public targets – has been one of the most common developments of the past decade**

The organisation to which many functions have been transferred in the past decade or so is that of the “agency” – national or local. One of the reasons for this (and privatisation) has been to escape from the power of the trade unions who made major restructuring very difficult (witness the British coal strike of the mid 1980s and the behaviour of the French public service unions). Clearly that is not an issue in Uzbekistan – but agencies have been an important means

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<sup>81</sup> see the “Good Hospital Guide” produced by the Dr Foster foundation (on [www.drfooster.co.uk](http://www.drfooster.co.uk))



of escaping from unnecessary bureaucratic restrictions<sup>82</sup> and allowing the development of performance management and of citizen charters which make public the quality of service the public can expect from their services. The experience of the three Agencies so far established in Uzbekistan should now be assessed against experience elsewhere - and a framework for future development drawn up.

**p. The role of government changes dramatically as it divests itself of direct provision<sup>83</sup>**

and pursues such alternatives as -

- Decentralising to local administration
- franchising or "contracting out"
- joint-stock companies with public shares
- full privatisation

The state then becomes responsible for such things as -

- overseeing an effective process of valuation and sell-off for privatisation
- **drawing up rules for developing and managing** "contracting-out" arrangements
- ensuring that contract law is understood and is applied
- ensuring that the new agencies and companies **are properly regulated**.
- Developing **standards of performance** - and ensuring these are **enforced**
- Ensuring that the necessary **financial mechanisms** are in place and operational
- Developing the legislation to ensure that the relevant institutions do in fact behave in the intended manner
- Developing strategies to **help lower income people**

**q This requires a very different skill profile in your civil servants - and a new type of skill development and learning<sup>84</sup>**

These tasks require high managerial skills - which are not easily imparted in traditional courses. Skills can be developed in real-life situations - or in role-playing. Both require strong feedback on one's performance.

## **Ten recommendations for Uzbekistan**

1. The Conceptsia on "transfer of functions" is so fundamental to the future development of Uzbekistan and so complex that those responsible for its production should be established as a Standing Committee with at least a three-year term. It should be given a full-time research staff - with the project available to play this role until May 2002 (when an Interim Report might be issued).

The organisations which are given the responsibility for Conceptsias delegate the work to existing staff - who have little time for the task and come together for joint discussions only when the deadline is very close. This contrasts with the usual approach of having dedicated research staff who work under a Steering Committee of senior people (see also recommendation 9).

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<sup>82</sup> Banishing Bureaucracy - the five strategies for reinventing government by David Osborne and Peter Plastrik (Addison Wesley 1997)

<sup>83</sup> The State in a Changing World (World Development report 1997 OUP)

<sup>84</sup> See the PUMA paper on this aspect - The Shape of the Senior Civil Service After Reform

## 2. Two things can and should be done within the April 2001 timetable required by the June 2000 Action programme

2.1 develop **some pilot projects which could test new approaches** (eg measures of performance measurement and accountability - see recommendation eight below)

2.2 map out the chapter headings and **key questions which the Standing Committee** should produce in (say) March 2002 (as a quasi-Green Paper) eg

- what the experience of such transfer has so far been here in Uzbekistan-
- the contribution which Agencies might make (They can in some cases be treated as a staging post to privatisation)
- the sequencing needed for privatisation
- the implications of the Council of Europe's Charter of Local Self-Government
- principles and good practice in local government finance systems

3. **The amendments required by October 2001 to the 1993 Law on Local State Administration should be recognised as the first stage of a more definitive revision which will take several years** as the Standing Commission develops its work. The key dates for that revision are

- the Oblast elections of late 2004
- the Constitutional amendments (necessary to alter the role of the Khokim) slated also for 2004

4. **The present system of Local state administration in Uzbekistan could and should gradually be transformed into the upper tier of a local self-government system.**

Discussions about local self-government in Uzbekistan seem to confine the term to Makhallas - but should also cover the structures at Oblast and rayon level which have important functions which are normally those of the top tier of local government in Western Europe (covering roads, education; infrastructure and environmental issues). **Present discussions envisage these functions being transferred to Makhallas. This would be most unusual in global terms.** It is rather the **political responsibility** for such Oblast functions as health, public education, communal Services and major infrastructure which needs at some stage in the future to be transferred - to the locally elected Deputies of the Oblast and rayon councils.

The step-by-step transformation of the Oblast (and rayon) to the upper tier of a local self-government system would involve such developments as

- The development by the People's deputies of systems of accountability
- The development of a system of local government finance which would allow the Oblasts to operate with more autonomy.

5. **The role of the Khokim should be redefined to that of Chief Executive - and Presidential Representative**

The project has recommended elsewhere<sup>85</sup> that his role is redefined as that of Chief Executive. At the moment the Khokim has immense power over these functions and the government is clearly committed to ensuring that they are exercised in a more transparent and accountable way - and that there is a proper separation of the multiple roles he presently plays. This should not be seen as undermining the Khokim's role - but rather of increasing his effectiveness. No

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<sup>85</sup> Discussion Paper One

individual person can effectively carry out the range of executive, administrative and political functions and tasks expected of a Khokim.

#### **6. Management practices in the Oblasts should be analysed**

The principle of "one-man management" makes difficult the practice of delegation which is a fundamental principle of good management

- A proper management team should be created - composed of the Heads of the key Oblast services to manage the important services which are currently their responsibility
- managerial initiative should be encouraged<sup>86</sup>. The project has been asked to look at the way staff in the Khokimyats and regional Offices in Jizzak and Samarkand of those services which are part of a normal local government system might be managed in a more unified way. This is a good example of a pilot activity which should be the focus of the next reform package.

#### **7. A clear statement should be made about the precise role of the Makhalla - the lowest level of self-government (like the French communes) or an umbrella community organisation?**

The role of Makhallas needs to be more clearly defined. In European terms they could be defined in three different ways -

- as the lower level of a two-tier system of local self-government clearly performing control tasks on behalf of the central state (eg local planning control; policing)
- as a community organisation promoting the social and economic welfare of the local population - with no administrative functions
- as a mixed organisation with aspects of both (eg helping negotiate repayment schedules for those in debt for communal services)

The traditional aspect of the Makhallas - which gives them their present status and public respect - is the second (with the addition of the social welfare function for which they receive some resources from the state). Current suggestions for increased functions would push the Makhallas into the first category - to become very similar to French communes. We have suggested that it is not realistic for Makhallas to take on those functions currently the responsibility of the Oblast Khokimyat which require larger organisations than one covering 5,000 population - but it is certainly feasible for Makhallas to take on many of the functions currently performed by French communes eg responsibility for fairs and markets, aspects of local planning.

Whether this is desirable is a different matter - it could be at the cost of the crucial social function performed by the Makhallas; and in future there would almost certainly need to be the sort of amalgamations which have taken place in the 1990s in the French communes.

One of the principles being suggested for the transfer of functions is that change occurs only when organisations are clearly ready for it - eg are performing effectively their existing functions. It is clear that Makhallas currently have neither the resources nor the freedom (from Khokim control) to play a self-government role. We feel that these issues should first be dealt with - and that an open debate then takes place about the most appropriate model for the Makhalla - before any further (administrative) functions are transferred to the Makhallas.

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<sup>86</sup> see, for example, the French experience of "centres de responsabilités"

#### **8. Pilot measures to increase accountability – and develop and publish simple indices of organisational performance**

Any changes in Uzbekistan clearly need to be sensitive to the prevailing values here. It is clear that Uzbekistan values the principle of one-man management – Khokims and Ministers, for example, are held personally responsible for the implementation of many Decrees. And there is a system of performance measurement – but becomes public only when, for example, a senior official is publicly sacked<sup>87</sup>. Present discussions in Uzbekistan are emphasising the need for more accountability – and it is therefore suggested that one element in the new package of reform should be to pilot new and open measures of organisational performance in some Oblasts. The project is already involved with an exercise to explore the scope for more autonomy in matters of staffing and structure in the Oblasts

#### **9. Develop an academic discipline of decentralisation**

Transition countries are strong in legal disciplines – but have inherited a very weak base in the study of political science and management which have supplied some of the key concepts and mechanisms for the decentralisation which has taken place in the last thirty years. Central European countries have moved quickly to restore the powers many of their local governments had in the pre-war period – and academics have played an important part in that process (eg Poland). The development of a Conceptsia on Transfer of Functions has suffered from the absence of shared concepts and understanding of the rich experience elsewhere of decentralisation. The new Public Management Training Centre in the Uzbek Academy of State Construction has now successfully run five two-week courses for senior management in the Ministries and Khokimyats and a natural development would be for the Centre to develop a research focus on decentralisation and on financial and managerial aspects of local self-government.

#### **10. Start to identify the structural and data requirements for a system of local government finance**

One of the most important lessons from other transition countries is that, before functions are transferred, proper calculations should be made of the State resources which should reasonably accompany the transfer. Complete privatisation involves the sale of the state asset – and therefore normally generates revenue to the State. Local self-governments should, of course, generate some local incomes (from taxation and charges) but cannot run the key public services without significant State support – and those areas with weak resources and heavy need will require special financial support. How exactly all of this is calculated to ensure both budgetary efficiency and equity is the focus of the complex subject of local government finance<sup>88</sup>. It is urgent that work should now be started to introduce Uzbek specialists to this field of experience – and an opportunity presents itself in the Fiscal Decentralisation Initiative of UNDP and the World Bank which is now being extended to Central Asia. We would recommend that Uzbekistan accepts the invitation to join this network.

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<sup>87</sup> see press cuttings

<sup>88</sup> see *Local Government Grant Distribution – an international comparative study* (PWC 2000)

In Azerbaijan I was Team Leader from 2003-2005 on a Civil Service project which worked with a network of personnel managers and, very much against the odds, managed eventually to have a Civil Service Agency set up to introduce new-fangled merit-based appointments. It's apparently still going strong.....

The early days were difficult - a civil service Law had been passed by Parliament but no one knew

what to do with it.....A previous Team Leader had resigned in frustration. Instead of an office in the prestigious Presidential Office Building, I was offered rooms in the nearby Presidential Academy of Public Administration. There I befriended some staff with whom I started to work on lectures and 3 books..... totally outside my Terms of Reference. I like to think that my method of working won friends and influenced people.... Although it did cause some problems with the European Commission monitors who watched with bemusement...

But the European Office supported me and I began to acquire friends in the President's Office and Parliament who actually encouraged me to campaign publicly - with lots of press interviews and even a television hook-up with the public!

The three books I co-authored were published with European funds and the first on public management and the civil service to be available in the Azeri language. So I was proud of that too....

At that point, I decided that it was time to see how the newest members of the European Union were coping.....and I had acquired in a remote village in the Carpathian mountain what (thanks to her labours) became, after 2000, a lovely old house with superb vistas from front balcony and back terrace of two spectacular mountain ranges.....

I got the chance to spend summer 2007 there before being tempted by one of the last Phare-funded projects which bore the highly poetic title - *"Technical Assistance to the Institute of Public Administration and European Integration - for the development of an in-service training centre network linked to the implementation and enforcement of the Acquis"*. The project's aim was to -

" build a system for in-service training of Inspectors and other stakeholders to satisfy clearly identified training needs and priorities in the field of *acquis communautaire* implementation". Five fields were selected by the Institute for the initial development of training and training material - Food safety; Environment; E-government; Consumer protection; and Equal opportunities

The project appointed Bulgarian specialists in these fields to manage this process of designing and delivering training. In six months the project was able to -

- Produce 18 training
- Draft Guidelines for assessing training; how to carry out assessment which helps improved training.
- Produce a Training of Trainers' Manual; and a Coaching Manual
- Run 30 workshops in the 6 regions for 500 local officials
- Draft a Discussion Paper to identify the various elements needed to help improve the capacity of Bulgarian state administration. This offered examples of good practice in both training and implementation.

"Procurement issues" (for which read a combination of Bulgarian and Italian corruption) delayed the start of the project by some 4 months.....and continued to plague us for the remainder of the year. But it was, for me again. A marvelous learning opportunity during which I learned so

much about both the fundamental issue of "compliance with European norms" - as well as [how effective training could and should be organized](#).....  
OK - enough of the confessional.....

## 6. Azerbaijan

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### 2. AZERBAIJAN'S 1999 PUBLIC ADMINISTRATION REFORM - PUTTING IT BACK ON TRACK?

#### 2.1 Introduction

This Tacis project is one of the products of high-level discussions on PAR which took place in Azerbaijan in late 1998 and early 1999. Like many TA projects, by the time it was on the ground in 2002, conditions had changed - and have not so far allowed the planned dialogue on PAR. Conditions, however, now seem to be changing once more - and make it possible to revisit the concerns of 1999. This paper is written to encourage people to come together to

- Help identify some realistic steps which might be taken to establish an effective momentum for the improvement of the machinery of government;
- Form a network for change
- Prepare relevant papers against the day when they are requested

It starts by summarizing the important document produced in early 1999 by the Presidential Office - but which the project office was able to lay its hands on only in 2003. The paper explores the progress since then in implementing the programme and dealing with the concerns which that document (and later policy papers) laid out.

Although the legislative initiatives since then are reasonable, this does not seem to have so far led to visible changes in administrative behaviour.

Part of the reason for this is the strength of the informal system to which the 1999 report referred; another reason is probably the absence of the structures which are needed to drive forward reform of this nature.

Before bringing forward detailed suggestions, section 4 gives a brief indication of what has been done in this field in other transition countries, particularly in Central Europe. Having then looked at some priority areas for change (WHAT should change?), section 9 looks at HOW can this best be done?

## **2.2 The official agenda**

There are two, perhaps three, official references to PAR in Azerbaijan -

- 1999 Report from the Pres Office working group on PAR
- Poverty Reduction Strategy (2003)
- November 2003 Decree on socio-economic Development

### **The 1999 report identified very clearly the following problems**

- Ministries not focusing on their main functions
- Informal decision-making
- Poor implementation
- Lack of accountability
- Fragmentation of management - duplication of functions
- Lack of coordination in social and economic policy
- State doing too much
- Fragmented basis of administration - average body had 100 employees, with many departments
- No state personnel policy; no system of recruitment and training; unqualified people too often occupying senior positions

### **Key Needs recognized in 1999 Pres paper**

#### **Reform of Executive Power Bodies**

- Clarifying roles to ensure coherence in policy development - particularly the function of the Cabinet of Ministers Apparatus
- functional review in socio-economic areas (urgent rationalization of system of economic management needed)
- reduction in number of state bodies
- modernization of internal structures
- legal basis of various bodies to be properly defined
- regulations and accountability of EP bodies

#### **Civil Service Reform** - where the following were envisaged -

- Civil Service Law
- Civil Service Agency - to drive the reform of human resource management
- Pay reform

#### **Rule of Law**

- administrative code - protection of citizens against Exec Power
- freedom of property
- entrepreneurial freedom

### ***Rethinking the role of the State***

As privatisation of large-scale enterprises - in, for example, Fuel and Telecommunications - got underway; and state budgetary support for social and economic programmes was put on a more transparent basis, the report anticipated that the role of the central core of the State would profoundly change. Appropriate structures and systems needed to be developed for -

- Policy development and coordination
- Implementation
- Regulation
- Management of remaining state services

### ***Conclusion***

The report's conclusion recognized that

- there would be significant reductions in employment from this strategy
- a job-creation programme was therefore needed
- success needed political support at all levels.

An urgent action plan should therefore be drawn up - with

- Concrete measures
- Responsible organisations designated
- Deadlines
- Reporting periods
- Supporting expert staff

### ***3.3. What has happened?***

#### ***Actions subsequently taken (1999-2003)***

Although there does not appear to have been a public action plan, strong legal and economic reform did follow<sup>89</sup> -

- Privatisation of property and larger public enterprises
- Legal and Judicial reform
- State Committees and Ministries have been merged<sup>90</sup> - some new Ministries, such as Fuel and Energy; and Transport being part of the process of trying to change the role of the State from direct provision to regulation.
- Several Ministries have carried out critical assessments and adjusted their labour force - eg Ministry of Taxation by 40%<sup>91</sup>. This allowed a more competitive salary structure to be introduced.
- a new municipal self-government system was brought into being in 1999.
- A Civil Service Law was passed in 2001, signaling the intention to introduce more open systems of recruitment.

But, in most of these cases, the action has just been a first step - in each case, a lot remains to be done before, for example, the **commercial and judicial processes** are working as they should. These two - very fundamental sectors - **are receiving considerable attention** from both the

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<sup>89</sup> which is most usefully summarized in the 2003 EBRD Report

<sup>90</sup> P 137 of the Poverty Reduction Strategy (2003) indicates 30 bodies have been reformed.

<sup>91</sup> The Ministry of Labour has recently undertaken a major exercise involving the transfer of 1,500 staff to the Social Fund and making 150 staff redundant



government and the international community; programmes are in place; and being closely monitored.

**This is not so in the other sectors** - although closer attention is now being paid to the implementation of the section of the 2001 Civil Service Law<sup>92</sup> relating to open, competitive recruitment; and the Management Council for the Civil Service (MCCS) met for the first time in April 2004

### ***Not so far implemented***

Discussions have, we understand, taken place on most of the outstanding issues - but rarely surface in public. These issues are -

- Modernization of policy development roles
- legal basis of state bodies
- regulations and accountability of Executive Power bodies
- administrative code - protection of citizens against Exec Power
- improving the training system
- Civil Service Agency
- CabMin restructuring

The last 3 items in the list of outstanding items have been the focus of Tacis project activities - but, so far, there is no indication of the shape or timing of action on these or other items.

### ***3.4. Some more recent policy commitments***

***In February 2003, the Government approved the Poverty Reduction Strategy*** - which is the only public Azeri document which mentions public administration reform, devoting 2 pages to this subject and specifically mentioning government commitments to -

- "close review of the mandates and expertise of separate government agencies - since there is still significant duplication of functions in most of the government agencies dealing with economic issues" (see 3.2 below)
- budgetary reform
- competition in hiring of civil servants; and "a periodic performance review will be carried out to assess the professional level of the staff"
- "capacity building measures to improve management skills are also envisaged"
- pay reform

Curiously, however, amongst all the detailed sectoral action plans which follow in the document, Public administration reform as such is not taken forward as a theme in its own right. Budgetary reform is - in considerable detail. And the need for capacity building in some crucial Ministries such as Economic Development and Education is recognized. Technical assistance programmes are active in these areas and Ministries. But there is no apparent recognition of the overarching nature of administrative reform. The Secretariat of the Poverty Reduction Strategy (SPRRED) is supported by various international bodies; is now about 27 in number; and has counterparts in all Ministries whose task is the implementation of the relevant sectoral strategy<sup>93</sup>.

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<sup>92</sup> a more open system of competitive recruitment is being piloted in the winter in the Ministry of Foreign Affairs

<sup>93</sup> The Secretariat has now started training of these officials in such key topics as feasibility analysis; report-writing etc.

**The November 2003 Decree on Socio-Economic Development** contained several references to PAR items when it repeated the call for -

- the duplication of functions of the economic and agricultural systems to be dealt with
- proposals for restructuring of CabMin Apparat to be brought forward (within one month)
- better reception of citizens by Exec power bodies

This last is, actually, a very useful starting point for a public administration reform programme. It is a statement that all is not well in the system - and that behaviour should change<sup>94</sup>. What is actually said is that "*Heads of central and local executive agencies shall be required to ensure that citizens are received according to defined schedule, their requests, appeals and complaints are considered and settled on timely manner and take actions to improve discipline in offices of executive agencies*". But this is the old centralised approach - assuming that those in power will be obeyed; and that it only requires an instruction for improvements to take place. A strategic approach would ask

- What exactly is an acceptable way for the public to be treated (and in as precise terms as possible - how many minutes of waiting is acceptable)?
- Why is this not currently happening?
- what should be done?
- Does this require spending money on office layout; on staff; on training? If so how much?
- How will this be phased in?

It appears there is a growing concern about the performance of Executive power bodies - and a desire to make them more effective - although deadlines given in the Decree for proposals have long since run out.

### ***Anti-corruption policy***

After intensive discussions, a law on this matter was passed recently - and takes effect in January 2005. The Management Council on the Civil Service has set up a sub-committee on the matter.

### ***The role of the Tacis project***

The 1999 report from the Presidential Office called for an urgent action plan to be drawn up - with

- Concrete measures
- Responsible organisations designated
- Deadlines
- Reporting periods
- Supporting expert staff

The Tacis project which started at the end of 2002 was designed to do precisely that - but was told to focus on the implementation of the Civil Service Law. Although a reference to a draft PAR strategy was retained, the project Terms of Reference were duly reduced in the Inception Report to the requirement to hold roundtables on administrative reform.

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<sup>94</sup> the World Bank does surveys in various countries about the experience of accessing public services - which give an immediate agenda for administrative reform. See Kazakhstan Governance and Service Delivery; a diagnostic Report (World Bank).

In December 2003 the project did, however, publish a briefing paper on PAR<sup>95</sup>. This focused initially on the experience in the last 30 years of developed capitalist societies trying to make their systems of government more responsive to changing public needs and demands<sup>96</sup>. These initiatives were simplified in the paper to a set of injunctions which became the new public management ideology of the 1990s -

- Set departments targets - so that everyone knows what they are supposed to achieve
- Challenge conventional wisdom; make Ministries listen to new voices - ensure inter-Ministerial consultation and consultation with the wider public
- Open up recruitment of civil servants to new groups - and advertising of senior positions
- Make them manage - establish agencies with more commercial freedom to operate
- Restructure to bring in more competition - commercialise; contract out
- Remove functions to lower levels - decentralise to local government
- establish minimum levels of service - and ensure by publicity and penalties they are adhered to
- Ensure public organisations publish readable Annual Reports

The paper argued that behind such specific changes lay two dimensions of power -

- The monolith at the heart of government - which in many societies in the 1970s was represented by a civil service system which had become too engrained, powerful and complacent. Policy-making needed to be more open and creative.
- The role of the capital city - which absorbed too much of the political, administrative and commercial talent. Many of the administrative changes of the latter part of the 20th century in Europe were concerned to encourage a healthy society through the development of local and regional identity and pride.

The December paper also gave some examples from Azerbaijan to suggest that present administrative and political mechanisms do not yet take sufficient account of public opinion (the *raison d'être* of public administration). That is only to be expected at this point of Azerbaijan's appearance on the global stage.

It was clear from the discussions held around this paper with civil servants on training courses in the Presidential Academy for PA that **civil service reform** was the perceived priority. It was this (and the discussions in the project working group on recruitment) which inspired the project's<sup>97</sup> draft strategy for the implementation of the Civil Service Law - which will hopefully be used by the MCCS as a basis to develop their own strategy.

But civil service reform is only one (small) part of the necessary changes to the system of government. More than 6 years have passed since the PO Report gave its very frank and strong critique of state structures and roles. It is time, perhaps, to assess what has been achieved - and to do so in a way which will allow blockages to be identified and acted upon.

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<sup>95</sup> What is PAR - and does Azerbaijan need it?

<sup>96</sup> A useful, brief overview of current European country strategies can be obtained in the European Institute of Public Administration's special issue (2001/2003) of its journal "Scope" on its website [www.eipa.nl](http://www.eipa.nl) For a very succinct and coherent summary see also Government Innovation around the world by Elaine Kamarck (JF Kennedy School of Government, Harvard University 2004) For a very thoughtful overview of developments up to the mid 1990s see the paper "Public Sector Reform in Western Europe" by T Toonen and J Raadschelders

<sup>97</sup> "Toward a strategy for the implementation of the Civil Service Law" (May 2004)

## 4. Taking Stock - the operations of Public Administration in 2005

Public Administration consists of three systems - and their interaction -

- **The development of policies** (how governments craft responses to problems - and plan and carry out their implementation);
- **The management of institutions** (macro and micro) and
- **resource management** (creating, allocating and managing pools and flows of finance and personnel).

Put into a matrix, this gives a useful map or checklist<sup>98</sup> for assessing any PAR system -

	<b>Systems for -</b>	<b>Institutions -</b>	<b>People for -</b>
4.1 Policy-making and implementation	<ul style="list-style-type: none"> <li>- Policy analysis</li> <li>- Legal drafting</li> <li>- Project management; and implementation</li> <li>- Monitoring and reporting</li> </ul> <p>Box 1</p>	<p>Eg -</p> <ul style="list-style-type: none"> <li>Cabinet units?</li> <li>Task forces?</li> <li>Parliamentary committees?</li> <li>Inter-ministerial structures?</li> </ul> <p>Box 2</p>	<p>Budget line to ensure trained</p> <ul style="list-style-type: none"> <li>• trainers</li> <li>• policy experts</li> <li>• legal drafting experts</li> <li>• project managers</li> <li>• evaluators</li> </ul> <p>Box 3</p>
4.2 Institutional Development - making structures work	<ul style="list-style-type: none"> <li>- Judicial and electoral systems</li> <li>- Functional Review; Organizational analysis</li> </ul> <p>Box 4</p>	<ul style="list-style-type: none"> <li>- Parliament</li> <li>- Courts</li> <li>- Municipalities</li> <li>- Body for admin reform</li> </ul> <p>Box 5</p>	<p>Budget line to ensure-trained -</p> <ul style="list-style-type: none"> <li>• judges</li> <li>• MPs and councillors</li> <li>• Auditors</li> <li>• trainers</li> </ul> <p>Box 6</p>
4.3 Resource Use - C1 Civil Service Reform C2 Budgetary reform	<ul style="list-style-type: none"> <li>- recruitment; attestation; training</li> <li>- Budgetary and audit systems</li> <li>- local government finance</li> </ul> <p>Box 7</p>	<ul style="list-style-type: none"> <li>- Civil Service Agency</li> <li>- Training institutes</li> <li>- Treasury</li> <li>- Audit bodies</li> </ul> <p>Box 8</p>	<p>Budget line to ensure trained</p> <ul style="list-style-type: none"> <li>- HRM experts</li> <li>• trainers</li> <li>• Budget experts</li> </ul> <p>Box 9</p>

The next 3 sections should be seen as an initial and very tentative attempt to assess the present situation against this matrix.

### 4.1 Policy-making and implementation in Azerbaijan (boxes 1-3)

<sup>98</sup> this is an updated version of the table which I first developed for the book PAR in Azerbaijan – perspectives and problems by E. Asanov and R Young (EU Tacis 2004)

Policy-making is a notoriously difficult process for the CIS countries - whose role, under the soviet system, was passively to accept and implement Moscow's instructions. The countries have had to build the skills of "statecraft" from scratch after independence.

And systematic and critical appraisal of structures and policies cannot be learned overnight<sup>99</sup>.

It is difficult to change mind-sets schooled in "scientific socialism"; it takes time for any more independent-minded younger generation<sup>100</sup> to reach positions of influence.

## **A. Systems for -**

### **a. Policy analysis and Development;**

Whether the locus of power is with the cabinet or president, there should be clear procedures governing the preparation of new policies<sup>101</sup> - and it is important that the skills of policy development are built up both in the Ministries and at the heart of power.

Policy-making in Azerbaijan is characterised by the following features-

- the first document to appear tends to be a legal draft - rather than a statement about the problem and the key features which need to be changed.
- Initial discussion therefore focuses on technical detail (which is more liable to produce dispute)- rather than the broad picture (which can bring consensus)
- tasks are often general and unclear ("wish-lists") - in some cases because such fudge is necessary in a coalition situation.
- they are rarely sequenced
- they are not agreed in advance with the body which is expected to carry them out
- resources (inputs) are rarely specified
- the expected results (outputs) are rarely expressed in measurable terms
- responsibilities are often shared and therefore confused. If everyone is responsible, no-one is!
- Monitoring is not continuous - but one-off and generally too late

Key questions here are -

- How are existing policies assessed - by whom; using what data?
- How are new priorities articulated and defined?
- How systematically and transparently are options identified and assessed?
- What sort of impact assessment is carried out?
- Who are the key players

These questions can be answered in a **formalistic** or **realistic** way. The former approach would describe the role which various groups and institutions play in the development of new policies.

The latter focuses more on the quality of the results. At a training session, an Azeri parliamentarian described very positively the consultative process followed in the drafting of legislation - with the involvement of various scientific and interest groups in the process. "We have the most perfect of laws", he said but added plaintively "but they don't work! Why not?"

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<sup>99</sup> Very useful recent guides written for those in transition countries are How to be a policy adviser M Grochowska and M. Ben-Gera (NISPAcee 2002) which can be downloaded in Russian and English from [www.nispa.sk](http://www.nispa.sk); and Writing Effective Public Policy papers - a guide to policy advisers in Central and East Europe (Local Government and Public Service Initiative, Budapest 2002) - which can be downloaded from [www.lgi.osi.hu](http://www.lgi.osi.hu) note the useful primer on policy analysis published in both English and Russian by LGI

<sup>100</sup> not evident in central Asia and Caucasus

<sup>101</sup> see Strategic Decisionmaking in Cabinet Government - institutional underpinnings and obstacles N Manning, J Blondel (World Bank 1999)

The answers to these questions would include -

- Wrong policy
- Inadequate resources
- Benign (or otherwise) neglect
- Lack of proper preparation (project management)
- Poor management
- Changed priorities

In all CIS countries, the issuing of Laws or Regulations is seen to be a higher priority than such things as assessing the technical feasibility of the various mechanisms embedded in the legal documents. This normally requires a cabinet or PA apparatus which subjects new policy proposals to tough procedural requirements to ensure such things as impact analysis and coordination.

The Azeri policy system is unreformed - power of initiative rests in the hands of the President, his advisers and officials in the Presidential Office. And the key advisers have held the positions of power for decades and have amassed not only power but wealth. Few of them are friends of what little reform is currently being undertaken. A functional review was carried out during 2003-04 of the Cabinet of Ministers - but its remit was limited to the CabMin (and did not include the role of the Pres Office); and it focused more on efficiency than system issues

Despite this absence of a systematic approach to policy issues, Azerbaijan seems to have a positive approach to the development of national strategies. There are strategies for -

- Poverty reduction
- Regional development
- Employment
- Information technology

However, these are developed in the manner of the corporate plans of American business of the 1970s<sup>102</sup> - by units of highly educated (younger) staff isolated from the power structures - and do not therefore seem to have much influence. They therefore have a rather symbolic role. And, sadly, the chapter on "Institutional Reforms and Capacity Building" in the 2005 Report<sup>103</sup> consists only of descriptions of foreign TA projects in this field - and does not, for example, make any effort to identify constraints. There is a strong view amongst senior reformers that the educational system is not producing graduates able to think logically and creatively - and capable of drafting clear and concise analytical appraisals. We have already touched on this issue and will explore it further in section 4.3.2.

#### **b. systems for Legal drafting - and scrutiny**

The most active players in legislative reform in Azerbaijan are the relevant departments in the Presidential apparatus and the administration of the Milli Majlis and to some extent the Milli Majlis committees. The Cabinet of Ministers has also a legislative department, but which plays a minor role. On the other side ministries, which hold most of the relevant expertise, are also more and more involved in drafting laws and regulations concerning their respective field of responsibility. However, it is obvious that the Presidential apparatus has a strong say in all draft legislation and that discussions in the Milli Majlis have a minor impact on the outcome of the laws. Legislators have received advice from international organisations and technical assistance over the last years, in particular from the CoE in redrafting laws relevant to honour

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<sup>102</sup> For the classic critique, see The Rise and Fall of Strategic Planning by H Mintzberg; also R Kanter's ?

<sup>103</sup> chapter 6 - published April 2005

Azerbaijan's commitment towards this organisation and from GTZ in the elaboration of the Civil Code, procedural codes and other laws affecting private sector development.

Of major concern is that draft legislation is usually not publicly discussed. A culture of public discussion with stakeholders and involvement of outside expertise (NGO's, professional associations, think tanks and business community) has not yet been established and therefore there is very little interaction between concerned circles of society and the government during the legal drafting of laws. Consequently the public remains largely uninformed about legislative changes. It is therefore not surprising that laws are widely ignored and not complied with and that confidence in the law-making process and the legal system in general is very low

Certainly, one of the problems in the current Azeri system seems to be the way in which legislation is drafted. On the basis of the author's experience, questions can be raised about -

- the coherence of the briefing given to the legal drafters
- the consistency with which tasks are allocated
- the coordination throughout the process
- the borrowing of text from foreign countries
- the adequacy of legal training - and training in legal-drafting

Different countries, of course, have different approaches to these questions. It is very much a British tradition that the legal drafters come into operation only when the structure of the problem has been reasonably well articulated. Here a "problem" seems often to be passed without any real explanation of intentions to the drafter - who is left to his own devices about how to "frame" the problems and text. This partly reflects the lack of a "team brainstorming" culture in ex-soviet countries - where the tradition has been officially to delegate the task of developing a conceptsia to a group - which then rarely meets. It is generally a lone individual who takes the burden of the writing.

With knowledge about many of the areas being legislated upon being weak, the appropriate dialogue between the drafter and a technical expert is often also absent or inadequate. And, the temptation is strong to use available text (in Russian) from other countries - without appreciating the different and sometimes contradictory assumptions they contain.

Drafting is often also a "serial" process - with different hands involved at different stages and little sustained dialogue between them to deal with the underlying issues<sup>104</sup>.

Another frequent problem with new laws is that often they do not abolish the former existing laws and thus cause confusion on the applicable legal text. In addition, ministries sometimes issue their own regulations and provisions, which might contradict the regulations or provisions of other ministries or agencies. The rule of article 33 of the Law on Normative-Legal Acts according to which existing legal acts concerning the same subject matter are implicitly abrogated on the adoption of a new law is bluntly ignored by many public officials and even judges.

### **c. Implementation and project management process**

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<sup>104</sup> During his work on the implementation of the Civil Service Law, the author was told that - although it was clear that a new Decree on Recruitment procedure should be drafted - this would be very difficult as the 3 existing Decrees had been drafted by 3 different people who would have difficulty agreeing the new text.

Effective implementation requires that policies are designed on project management principles - not only that problems are coherently defined and options critically assessed but that this process is done with the issues of implementation being properly confronted. This requires -

- ensuring **understanding and acceptance** of new policies<sup>105</sup> - through, for example, sufficient public and parliamentary debate. In the absence of such debate, opposition will continue (or only start) at implementation stage
- ensuring the **budgets** necessary for the mechanisms are properly calculated and voted through
- **phasing in** the actions and new programmes in a realistic timetable
- designing and delivering **training** in a relevant way
- **phasing out** conflicting or redundant programmes or structures.

State bodies in Azerbaijan, as is discussed later, are not yet designed for achieving results for the public - but have other purposes.

The basic principle is that the boss is to be obeyed - so there can be little planning. It is simply to be done - even it means trying to repair a road at peak period in a most superficial way<sup>106</sup>.

Why bother to do a critical path analysis - when the boss will just see your patient attempts to explain why things will take longer than he imagines or wants as obstructive and disloyal? Better to suggest unrealistic timetables.

And certainly no-one (in the system) will thank you for setting out in clear steps and Azeri - for the public benefit - the procedures<sup>107</sup> necessary to obtain the various licences, for example, for getting a building permit. Far better to keep this confused - that way there is more scope for bribery<sup>108</sup> and maintenance of expected institutional earnings!

#### **d. Data and Monitoring**

A good policy-making system depends on up-to-date and reliable data - and its proper use

The Azeri approach to data seems still locked into the soviet philosophy of collecting extensive data (of dubious quality) - which is then expected to speak for itself, rather than being subjected, for example, to the testing of hypotheses.

The State Land and Cartography Committee started the land reform programme based on out-dated information and land parcel maps of 50s-60s. It was this which finally destroyed the whole land reform process (number of conflicts between landowners and authorities arose).

However the World Bank's project: Establishment of unified cadastre system of Nakhchivan AR started from scratch and was successfully implemented). Unfortunately, due to lack of proper cadastre system, there is procedural chaos in land ownership in Baku and other towns and rayons of Azerbaijan now (except Nakhchivan). Even the establishment of the new State Register Service Department of Real Estate under the Cabinet of Ministers (that was formerly under State Land Committee and then under Ministry of Economic Development) would hardly solve this difficult problem.

### **B. Institutions and personnel for policy-making**

Azerbaijan has no dedicated structures for policy-making such as special units; or task forces - although the recent employment strategy was developed in a fairly productive inter-ministerial

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<sup>105</sup> not least by those who will have to carry out the new requirements!

<sup>106</sup> an example witnessed by one of the authors

<sup>107</sup> one useful starting point for an admin reform project could be the simplification and visibility of such procedures!

<sup>108</sup> one reason for the high prices of flats in Baku is suggested to be the number of licensing and control agencies and personnel who need to be paid



setting. Section Aa above indicates the general approach that is taken to the development of new policies.

e. The **role of parliament** has also two unusual features -

- It cannot amend laws sent by the President, Supreme Court, Prosecutor's Office - or the Assembly of the Autonomous Republic of Nakchivan<sup>109</sup>
- It has legal-drafting powers of its own - which arguably distracts it from the prime task of scrutinising draft legislation from the Executive - particularly when the vast majority of legislation comes from that source.

f. A lot of groups are generally involved in the development of new policies. Indeed one of the challenges for the machinery of government in every country is to develop structures of constructive dialogue which recognise the legitimacy not only of

- The decision-taker (central or local politicians)
- gatekeepers (the senior administrator who screens the information and perspectives for the Minister)
- specialist advisers in the Department (often the senior administrator)
- policy analysts

but also of a whole range of other people who have important perspectives on policy issues which are denied those at the top of Ministries. These include professional practitioners (for example doctors and teachers); middle-managers; pressure group members; journalists; academics - let alone customers; and citizens<sup>110</sup>.

The need for such consultation is not yet accepted in Azerbaijan - partly because the skills of policy analysis are not yet understood or developed. The rest of this section is concerned to sketch out the sort of capacity which needs to be developed in the Azeri public admin systems.

**The crucial question, of course, is how will the incentive system change to make this an attractive course of action here?**

**g. What precise activities are involved in Policy Development?**

This is a difficult field - where a lot of inexperienced young technocrats tread unwarily - and, as Deborah Stone has brilliantly analysed<sup>111</sup> - with utter insensitivity to the value judgments which only the political system can resolve.

Developing policies is a multi-layered process - involving a complex interaction of processes and people - as illustrated by this table -

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<sup>109</sup> Article 96 (ii) of the Constitution says these "are submitted for discussion and voted upon in the form in which they are submitted"!

<sup>110</sup> Curiously it is only in the past decade that it has been appreciated that the individual citizen is effectively the most important commentary on the workings of the state system.

<sup>111</sup> In Policy Paradox - the art of political decision making (Norton 2002)

Activity	Who should be involved?	Issues (Sections B and C give more detail)
1. Deciding a structure for the work  Drafting its terms of reference	Key policy-maker	These two decisions have a profound effect on the outcome. The exclusion of <b>issues</b> and <b>individuals</b> can be deliberate - or a dangerous oversight. If a task-force is set up, it needs to work as a team
2. Defining the problem - Understanding it	analysts	Systems thinking and modelling use of diagrams Consultation processes
3. identifying potential support and resistance	Task force leadership	Stakeholder analysis Identifying and dealing with resistance
4. Developing criteria and principles	The analyst	Needs to be done explicitly and in advance - otherwise unconscious biases creep in
5. Searching for options	Many people	Avoiding GroupThink Consultation techniques Brainstorming Using search technique (websites)s
6. Testing them	The analyst	
7. Developing a draft action plan. "Imagining"	The analyst	Opportunity to identify (a) practical issues for decision-makers and (b) people who need to be lobbied.
8. Presenting the Recommendations	The analyst	<ul style="list-style-type: none"> <li>Lobbying</li> <li>Report-writing</li> </ul>
9. Deciding	Cabinet	
10. Action Plan		Project management techniques
11. Implementing	Change agents Managers	Major change does not implement itself - key appointments should be made and Leaders need to "walk the talk". Communications needed to ensure staff understand
12. Monitoring	Managers	Ongoing - and corrective action taken
13. Evaluation	independents	
14. Reviewing	Key policy-makers	

The work of the policy analyst should be distinguished from that of policy and political advisor -

- **Policy advice** comes from inside the civil service system - and is limited to choosing between given options.
- **Political advice** is more tactical - and concerned with political impact
- **Policy analysis** is (or should be) strategic - that is to say rigorous in its search for causation and relevant options; firmly tested for relevance, feasibility and impact.

	<b>Policy Advisor</b>	<b>Political advisor</b>	<b>Policy analyst</b>
<b>Relationship with policy maker</b>	Formal - part of the Civil Service	Close and trusted - personal appointment of Minister	More distant and neutral - (in)formally appointed by Government to carry out clearly defined, time-limited work
<b>Scope of the work</b>	Focussed on routine professional issues	Broad -with focus on immediate political impact	Focussed on outputs
<b>Timescale of work</b>	Routine	Urgent	Medium-term
<b>Structure of work</b>	Meetings with departments and interest groups	generally done on a one-to-one basis	In a group structure
<b>Search for options</b>	Very limited - to existing options	Wider	widest
<b>Transparency</b>	confidential	Informal and confidential	Open - involves extensive consultation and publication of final report
<b>Rigour and impact testing</b>	weak	Weak - often built on hidden assumptions and narrow options ("back of envelope") - with political considerations very high	Strong - agnostic - holistic
<b>Skills</b>	Specialist and managerial	Political - although the individual is often from a specialist background	Analytical
<b>Professional Concern</b>	Standards of Civil Service conduct	Ministerial survival	Standards of academic probity

In fact, it is probably more helpful to see the three terms as points in a spectrum.

At one end of the spectrum is the political advisor - with an emphasis on political skills

At the other end, the policy analyst - with an emphasis on analytical skills

In between is the policy advisor - who combines the two with a particular emphasis on the task of implementation (managerial skills)

Whether such roles are formally distinguished will depend on the institutional conventions of each country. And countries such as Azerbaijan which have a very recent tradition of Statehood and skills of Statecraft will naturally find themselves at a distinctive point in the spectrum - which will combine elements of the three roles. This makes it all the more important to appreciate the choices of emphasis - and to watch out for the deficiencies which each role is prone to!

**i. The necessary skills of the policy analyst include -**

- Intellectual curiosity
- Inter-personal skills
- Systems thinking
- good analysis skills,
- good project management skills,
- good relationship-building skills (team skills)

- tolerance for ambiguity,
- creative approach to tasks.

The analyst should feel comfortable in the following roles:

- a team coordinator
- an information gatherer
- an information analyser
- a report writer
- a report presenter

#### j. How can such developments be encouraged - and the results used?

There is little point in such skills being taught - if there is no demand for them. The Presidential Academy for Public Administration has, since 1999, been in a central position for generic training for civil servants. Every month or so, 1 short course is organized on subjects approved by the Presidential Office. And about 170 civil servants are attending part-time Degree courses.

The PO approves the Academy suggestions - and occasionally makes its own suggestions. This is a rather passive role. There should be a clear training strategy - identifying priority subjects and groups for skill and knowledge development. But this actually requires first a strategy for civil service or public administration reform - to identify the shape of the changes which would need training support.

The main product of the Academy, however, is its undergraduate courses - although few students are in fact recruited subsequently to state bodies. Post-experience short-courses are relatively new. The Presidential Apparatus approves the selected senior officials to go on short courses currently on offer at the Presidential Academy.

It seems that at the moment, the main objective is individual career development, rather than organizational change. Under present leadership, the Academy does not play - and is not capable of playing - any significant role in improving the public administration system in Azerbaijan.

More than half of the Ministries have their own training Centres (Justice - three Centres; one for legal, one for municipal and one for penitentiary matters; Foreign Affairs; Finance; Taxation; Labour and Social Welfare; Tele-Communications, Health; Education.

Training courses focus mainly on specialist professional knowledge and skill needs - and rarely cover any management topics. HRM Heads and Division Heads have responsibilities and are consulted about needs only in those Ministries with Training Centres.

This issue is explored later in more detail.

## **4.2 Institutional Dynamics in Azerbaijan (boxes 4-6)**

Institutions, like people, may have their own internal DNA<sup>112</sup>, metabolism and driving forces but they do what they do to a large extent because of external forces - pressures, incentives and threats. Without external checks and strong, accountabilities, public institutions usually degenerate into complacency - or worse.

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<sup>112</sup> powerful metaphor used by David Osborne in his book; Banishing Bureaucracy; the five strategies for reinventing government (Addison 1997)

One way, therefore, to understand the operation of state bodies in Azerbaijan is by posing questions about the strength of electoral and judicial accountability systems; and the extent of strategic assessment and reporting in state bodies.

Paragraphs Five and Six deal with the crucial issue of the role of the local dual subordination system, decentralization and the new municipalities in more detail. This paragraph focuses on the state systems.

### **Rule of Law**

As in practically all CIS countries, the evolving legal framework and the poor functioning and reliability of the judicial system remains a significant challenge to transition in Azerbaijan. The country has undertaken considerable efforts and achieved tangible results in establishing a modern corpus of legislation incorporating the basic principles for the development of a market economy and civil democratic society. Recent surveys, assessments and even statements of high ranking official in the local press indicate that the implementation of these new laws and principles is still a major problem<sup>113</sup>.

For a series of reasons, including to a large extent people's distrust in the independence and impartiality as well as the lack of proficiency of judges, people cannot effectively enforce their rights and do not resolve their disputes by referring them to courts.

During the extensive judicial reform in 2000 almost 60% of judges in Azerbaijan were removed from their positions. Given that Azerbaijan's legal system was nearly entirely rebuilt after the new Constitution became effective September 1995, with most major laws including the Civil Code, Criminal Code and the Procedural Codes adopted as late as 2000, and that more than half of the judges being appointed without any prior working experience or even training as judge, it is not surprising that many judges face difficulties in dealing with new sophisticated commercial laws, international standards and principles of rule of law and democracy, unfamiliar to those having studied law during the previous Soviet regime. Consequently, consistency in law application in general is an area of serious concern.

The poor performance of the judiciary has been confirmed by a Legal Indicator Survey carried out by EBRD in 2003 measuring the effectiveness of pledge enforcement that demonstrates the negative impact of aspects such as

- poor reliability of the courts and other institutions necessary to support the enforcement process ("Institutions"),
- low level of practical experience with the enforcement process in the country in question ("Practical Experience") and
- strong impact of corruption within the court system on the enforcement process ("Corruption").

Azerbaijan scored 3 ("major problems or limitations") in these three dimensions.

From the start of 2005 the government has been reappointing judges of the 1<sup>st</sup> instance tier. Examination of performance of current judges' work to sort out the less qualified and a written and oral exam for new candidates shall ensure the selection of a better corpus of judges and an improved functioning of the judiciary. In addition a preparatory training for newly appointed

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<sup>113</sup> Transparency 2004; FIAS 2002; IFES 2004; EBRD Legal Indicator Survey; CPT Report 2002, published in 2004; CoE Functioning of democratic institutions Resolution 1358 (2004) and Doc. 10030, dated 12 January 2004; Article by Ilham Aliyev in 2003 and Ramiz Mekhtiyev in 2004; interview of Sudaba Gassanova, Chairwoman of the Supreme Court of Azerbaijan, 5 March 2004, published by HR in Azerbaijan ([www.humanrights-az.org](http://www.humanrights-az.org))

judges and continued training for all judges shall enhance their proficiency and improve coherency in application of the new law.

Azerbaijan elaborated and adopted with assistance of the CoE and the donor community a large range of new laws, intended to incorporate the most basic common standards of the CoE member states.

The Parliamentary Assembly of the Council of Europe reminded the government in 2004 that honouring of commitments not only resides in the formal reform of the legal framework but also in the respect and the proper implementation of the existing legislation in the daily life of the people of Azerbaijan.

All new normative acts have improved the transparency of the legislation and have the potential to reduce uncertainty and unpredictability of business operations in Azerbaijan. In a recent survey nearly all interviewees evaluated the legislative efforts of the government positively and indicated that there have been improvements during the last couple of years. However, the overall legal framework still has shortcomings and large parts of the legislation still include overlaps, inconsistencies and contradictions and should be upgraded to international standards and best practice. The often vague provisions leave much discretion for interpretation and implementation to the person who applies the law. This causes uncertainties and confusion, gives much discretionary power to officials and is an open way to corruption and undermines the rule of law.

### **Systems for accountability**

Public Accountability is non-existent in Azerbaijan at the moment. Elections and media are tightly controlled – although the first half of 2005 has seen significant change of public mood<sup>114</sup> as the November parliamentary elections approach.

#### **a. Rule of Law**

Fair and consistent enforcement of the country's laws and regulations is crucial for citizens' trust in the system and the development of rule of law and democratic institutions. A number of transition economies have made extensive changes to their legal and regulatory framework, but have failed to follow through consistently at the level of implementation and enforcement. Implementation and enforcement of laws, is one of the weaknesses in the Azeri legal system. Results of recent surveys<sup>115</sup> confirm that there is a significant gap between the law in the books and its implementation on the ground. The main issues raised are lack of confidence in the impartiality and independence of the court system and poor quality of judicial personnel<sup>116</sup>. In particular foreign investors complain that it is often "unpredictable whether a procedure is followed according to the laws and regulations, how long it takes until a certificate/license/permission/decision is issued and what documents will be requested on the way."<sup>117</sup>

There is a law on "Procedure of consideration of the applications of the citizens" dated 10th June 1997. This law provides for the rights of the citizens to address the state bodies with

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<sup>114</sup> at least 20,000 protestors were on the streets in mid-June in one of the first permitted demonstrations allowed by the Baku authorities.

<sup>115</sup> FIAS

<sup>116</sup> European Bank for Reconstruction and Development, Strategy for Azerbaijan, 2001, Annex 2: Legal Transition, p. 31.

<sup>117</sup> FIAS

suggestions and proposals, applications and complaints. Each such application must be considered and written answer should be given to the citizens. The "Law on addressing the courts concerning decisions and actions/ inactivity violating rights and freedoms of the citizens" does not explain any precise procedure. The law only determines that applications of the citizens have to be considered by the respective higher state body within the month from the date they have been submitted. Citizens can appeal such administrative decisions in the competent law court.

There is very little evidence on the degree to which the rights enshrined in these laws are invoked by citizens and the measures taken by the authorities to remedy violations. But anecdotic evidence suggests that these laws are not implemented with sufficient seriousness either<sup>118</sup>.

## **b. Ministerial Accountability**

Ministers are not elected and their power is very strong<sup>119</sup> in Azerbaijan -

- Ministers hold their positions for long terms - the current average is 7 years
- They are accountable to a Head of State who can reasonably anticipate holding power for an indefinite period
- The senior civil servant is appointed by the Minister; has no protection against dismissal - and is generally expected to leave<sup>120</sup> when there is a change of Minister

In this situation, it is the Minister - not the civil servant<sup>121</sup> - who is the permanent element. The civil servant is the vulnerable person - and is in a hierarchical position underneath the Minister.

Although some people may see advantages of stability in this, it has three major problems

- The Minister tries to be both a political **and** a Chief Executive figure - and generally lands up **trying to micro-manage**. But the Minister's role is more of a strategic one - for which they need at the highest level not only advisors but managers skilled in managing staff and making change happen
- There is not the same inbuilt challenge to the prevailing view which most government systems have<sup>122</sup>. Such a system becomes **complacent and insensitive to changing needs**.
- It makes **coordination very difficult**. Effectively the system is one of separate fiefdoms which are allowed to do much as they want - with the occasional warning shot from the Presidential Office.

There are several **ways** of dealing with such a situation - **one response is** to move to the more normal practice of having a professional civil service system which is independent of the Minister and the political system.

A **second response** would be to create a strategic management system within State bodies which encourages diverse perspectives - ensuring that a variety of voices are involved in developing strategies and action plans.

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<sup>118</sup> although an article in Zerkala of 2 June 2005 gave details on those charged in police and other departments with theft and falsification of evidence.

<sup>119</sup> although this has to be qualified by their frequent powerlessness on 2 dimensions - first over certain parts of their own system eg forest rangers in the Ministry of Ecology who pursue their own interests; and Ministry of Transport whose construction section is effectively a separate entity with its own political protectorate and interests.

<sup>120</sup> The CS Law may already be having a restraining effect here

<sup>121</sup> as in EU countries

<sup>122</sup> The problem is compounded here by the impotence of parliament

### c. Annual Reporting of State Bodies

In principle, reporting system of Parliament and state structures should be built in transparent way. Following to specific internal procedures, Parliament, Ministry of Justice (monthly), Ministry of Taxes (monthly), National Bank of Azerbaijan (annually), State Oil Fund (quarterly, annually), State Customs Committee (monthly, quarterly, and annually), State Statistical Committee (monthly, quarterly, half a yearly, annually) and other structures are publishing their annual and field specific reports. Moreover, the President Administration, Parliament, almost every Ministry and committee has its own field specific Internet site, newspapers and/or magazines which are using as a tool for public information about sector specific legislation, statistics, HRM, etc.

Unfortunately, the most reports (except, the reports of State Oil Fund) are designing directly by state structures without any involvement of independent experts from civil society and private sector. Thus, the most part of private sector and civil society organizations, international donors and others do not trust to figures and indicators given in official reports. Transparency becomes very serious issue in this matter.

Generally, reporting system is also based on clear and transparent statistical system that is very weak in Azerbaijan. This was happened mainly following to procedural weakness, lack of legal base (lack of professional lawyers that could develop clear and structural legal documents and procedures that would not run into conflict with existing legal acts), lack of interest in the filed of implementation of IT systems for statistical data collect, lack of stimulation of young professionals, lack of project management skills, etc. As a matter of fact, all state structures have got the real shortage of clear and truthful statistical data.

#### A vignette

A Decree on accelerating socio-economic development in Azerbaijan published on November 24 2003 contained an interesting injunction for local government offices to improve their treatment of the public - and to be more efficient.

This is, actually, the starting point for a public administration reform programme. It is a statement that all is not well in the system - and that behaviour should change<sup>123</sup>. But it is, in itself, not a very effective approach. It is the old centralised approach - assuming that those in power will be obeyed; and that it only requires an instruction for improvements to take place. A strategic approach would ask

- What exactly is an acceptable way for the public to be treated (and in as precise terms as possible - how many minutes of waiting is acceptable?)
- Why is this not currently happening?
- what should be done?
- Does this require spending money on office layout; on staff; on training? If so how much?
- How will this be phased in?

This is the strategic approach. Let's apply it to another everyday issue. One of the most visible ways of measuring good public administration is to look at street behaviour and layout. Can pedestrians cross streets safely, with minimum disturbance to other users? Does traffic flow reasonably freely? If the answers are negative, is anything being done to remedy the situation- how - and with what results?

On such criteria, central Baku presents a poor picture. Zebra crossings exist - but are not respected by drivers. Drivers often station their cars on the zebra crossings - or edge forward while the lights are still red. The fact that people seem to accept the situation as a fact of life says a lot about the democratic

<sup>123</sup> the UNDP and World Bank do surveys in various countries about the experience of accessing public services - which give an immediate agenda for administrative reform. See Kazakhstan Governance and Service Delivery: a diagnostic Report (World Bank).



process. They probably don't know who is responsible for such things but do know they have no way to exert influence over whoever is responsible. In EU countries, such matters are ultimately the responsibility of locally elected councillors who would probably lose office unless they took some action. Of course it has taken time for Azerbaijan to build up the new legal framework for traffic and transport for an independent country - but action to protect the safety of pedestrians should surely be a higher priority. And would be if this function were allocated to the elected local municipalities.

Let's look also briefly at the issue of congestion in central Baku - which is particularly extreme at peak periods. Of course the town has narrow streets and many junctions - but the congestion tends to occur at a few points and has an obvious explanation - and solution.

The most extreme occurs at a few junctions where drivers are so impatient to get through on the green just before it turns to red that they find themselves trapped on the intersection, blocking those cars to whom the green light been given. The solution is simple -

- Paint the intersection with yellow hatch lines
- Pass a local by-law which allows traffic police to fine anyone caught stationary in that yellow area
- Ensure that traffic police are at these junctions at peak time
- And take action

Why is this not done?

- Three different bodies are responsible for this issue - the Ministry of Interior, Ministry of Transport and Baku City (a coordinating committee is chaired by a Deputy Prime Minister!)
- traffic police report to the Ministry of Interior - which is the most powerful of the three bodies
- the Head of none of these bodies is elected - and therefore don't feel accountable to the Baku citizens
- There is not yet a department for traffic planning in Baku
- Drivers choose which rules to obey - and are rarely penalised for going though zebra crossings or red lights
- Assumption that bribery would minimise the penalty proposed as part of the yellow box scheme

The same is true of pedestrian example - compounded because those in power are rarely pedestrians in central Baku! The basic issue in such powerful and centralised systems is lack of accountability to the customer - or general public. The fact that the administrative system is slow to bring forward solutions says a lot about the lack of accountability of the administrative system.

### **c. Continuum of Ministries**

Clearly Ministries differ considerably in their approach to change. At this stage, it is not possible to do a systematic comparison, but expert comment and experience suggests that at one extreme we have the Ministry of Youth; and of Foreign Affairs - at the other (negative) end of the spectrum the Ministries of Education, Health and Justice (in alphabetical order only!). In between we have some interesting Ministries such as that for Economic Development; and Labour which are more open to change- but are still run on autocratic and paternalistic lines.

#### **d. Capacity building**

Different international projects and programmes are also trying to assist some structural changes within different state bodies. For example, starting from 1999 until 2003 the World Bank's international and local experts have designed several structural models for the Ministry of Education in order to keep Ministry activities in an efficient way. Unfortunately, in spite of the fact that all these models were optimistically and formally accepted by the Ministry's high level officials the process was finally blocked by the Minister in 2003. However, the Ministry (as it was mentioned above) established three new divisions in 2004 that created some conflict of interest among different structures within the Ministry.

Officially the internal structure is forming after the Presidential order. Approval of charter and structural model of state structure is also under the responsibility of the President. Facilities and staffing issues are tackling by Cabinet of Ministers.

It is noticeable that certain Ministries have recently been created – eg Transport and Fuel Ministries – in response apparently to EU pressures for more rational systems of management.

Although the need for Functional Review was recognized in both the 1998 paper and the November 2003 Presidential Decree (see above), and considerable rationalization has taken place, as we noticed at 2.1, of central state bodies, it has been carried out in an ad-hoc way. Functional Review has been elevated by the UNDP to the status of a new technique – and is portrayed in their publications<sup>124</sup> as an effective system. However my own assessment of the actual achievements in Kyrgyzstan<sup>125</sup> would raise major questions about this.

Certainly such work cannot be done without trained and experienced local consultants willing and able (by virtue of acceptability) to carry out such work. And this puts us in a classic vicious circle – without such work being successfully done, there will be no such demand. How, then, are the conditions created to allow both demand and supply factors to proceed in parallel? This issue is picked up in the final section of the paper.

State bodies exist for a purpose – but that purpose is not yet defined in Azerbaijan for the staff in a way which allows them to identify their own contribution to its achievement. A legalistic view is taken of the work of state bodies – they have an impossibly large number of (equally important) tasks to perform – with an inadequate budget. As a result they operate in crisis management mode – with demoralising effects on their staff.

State bodies need to be encouraged to develop a limited number of strategic priorities – properly developed in cooperation with staff who understand how their daily work contributes to that.

#### **4.2.4 Ant-corruption strategies**

The government of Azerbaijan has recognized on several occasions that corruption is an issue in the country and has pronounced its will to fight corruption by enacting a number of legal acts and joining relevant international instruments and developing an anti-corruption strategy taking into account best domestic and international practices.

Transparency International's October 20, 2004 Corruption Perception Index placed Azerbaijan at the 140<sup>th</sup> place in the world, outranking only Paraguay, Chad, Myanmar, Nigeria, Bangladesh

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<sup>124</sup> Rebuilding State Structures: methods and approaches (UNDP 2001); Methodology for Functional Reviews (World Bank 2001) available in Russian from [www1.worldbank.org/publicsector/civilservice](http://www1.worldbank.org/publicsector/civilservice)

<sup>125</sup> Functional Review of Executive Bodies in the Kyrgyz Republic(2000) details the huge amount of work done – by UNDP and Tacis – on this issue in the late 1990s. That paper focussed on the Pres Apparat, CabMin and the social block of Ministries. Also a 2002 UNDP paper (Russian only); Functional Reviews carried out by the Tacis Civil Service Reform project; and a 350 page study of the Ministries of Health and Education (UNDP and DFid 2004)

and Haiti. The IMF and World Bank Joint Staff Assessment of the Interim Poverty Reduction Strategy Paper of May 2001 expressed the view that corruption, particularly administrative corruption, had been a major constraint to Azerbaijan Republic's economic growth and poverty alleviation.

In its draft status report dated June 2004<sup>126</sup>, which Azerbaijan submitted to OECD Anti-Corruption Network for Transition Economies (OECD Directorate for Financial and Enterprise Affairs) the government declared that it is aware that corruption and weak public administration have a corrosive impact on socio-economic development, building of market economy and promotion of investment, and are detrimental to political and public institutions in a democratic state. The latest confirmation of political will on fighting corruption is seen in the State Program on Fighting Corruption (Year 2004-2006), which was approved by presidential decree dated 3 September 2004, and that endorses an action plan aiming at the implementation of the government's anti-corruption strategy.

The government has just recently established two bodies charged with the implementation of the State Program.

- The Commission for Fight against Corruption at the Management Council for Civil Service, which has twelve members representing the executive, legislative and judicial powers, is responsible for preventive measures. The Law on Corruption became effective on 1 January 2005.
- The Department for combating corruption under the Prosecutor-General (repressive measures), which is currently under establishment shall carry out prosecution of all corruption and corruption related offences. An important feature of this department is that it shall be an autonomous Department with a special status integrated in the Prosecutor's Office with officers seconded from the main law enforcement agencies. However, this requires allocation of adequate resources for its proper functioning and sufficient qualified high level staff that has the necessary guarantees to operate independently without intrusion from outside.

Despite the high level of Corruption Perception Index in Azerbaijan not a single person has been convicted for corruption related criminal offences in the last years<sup>127</sup>. More detail is contained in Annex 1 of this paper.

#### **4.2.6 Bodies for Public Administration Review**

The European Union did propose in 2001 that a body be established to allow the international community and the Azeri authorities to assess together the priorities for administrative modernization. This was an integral part of the Terms of reference of the EU Tacis civil service reform project which ran from 2002-04. However that particular idea did not get off the drawing board - although the project was able to use a 1998 report it discovered drafted by the Presidential Office as an opportunity to review progress in dealing with the concerns set out in that document.

#### **4.2.7 Resources for training**

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<sup>126</sup> Istanbul Anti-Corruption Action Plan for ARMENIA, AZERBAIJAN, GEORGIA, THE KYRGYZ REPUBLIC, THE RUSSIAN FEDERATION, TAJIKISTAN AND UKRAINE, Review of Legal and Institutional Framework for Fighting Corruption, AZERBAIJAN, Summary Assessment and Recommendations

<sup>127</sup> According to the official statistics of the 2004 Statistic year book of Azerbaijan, official publication of the State Statistical Committee of Azerbaijan there were nobody convicted for bribery in 2001, 2002, 2003.

Significant resources have been made available for the training of judges and others associated with the judicial system. There is a need, however, for support for the training of policy-makers at both central and local level.

#### **TYPOLOGY OF ACADEMIC ACTIVITIES for the promotion of public administration**

	<b>Minimal impact</b>	<b>Normal</b>	<b>Maximum impact</b>
1. Provision of undergraduate education	Few graduates join civil service	Significant number join civil service - but not given tasks to allow them to practice their distinctive skills	Significant number join - and are given posts which draw on their knowledge and skills.
2. Research	Undertaken - but not in subjects of interest to public admin system;	Undertaken - but not disseminated in form which will attract interest of policy makers	Undertaken in subjects of high interest to policy makers; are read; and applied
3. post-experience, part-time Degree	Curriculum not specially designed for civil servants	Special curriculum - but traditionally taught	Focussed on problems of trainees - eg action-learning
4. Short-courses	Provided in subjects of in which suppliers have expertise	Provided - but not designed or run in way which makes impact on world of state bodies	Designed in cooperation with p-makers - structured in inter-active way
5. publications	academic	Ad-hoc	Series of incisive, practical and carefully marketed papers which are read by policy-makers
6. Consultancy	Not undertaken	Individual initiative	Core strategy - linked to research

At the moment, practice in Azerbaijan is firmly in the first column.

Topics are taught by tradition classroom method - but should be as interactive as possible eg discussion and case-studies. Other subjects - interviewing; strategic management; managing conflict etc - require role playing and a more practical approach. It cannot be stressed too much that the use of traditional "talk and chalk" methods reinforces the hierarchical culture which training is concerned to end. It is not just the content of courses which can help change the "mentality" we hear so much about. The way trainers interact with the trainees can often be a more powerful lever of change than the course content! As academy staff strengthen their links with State bodies - as urged in 4.2 above - Case studies can be developed.

The absence of social science in previous decades explains the absence so far of any real research in the field of public administration and administrative reform. The **discipline of public management** is needed to ensure that rigorous work in this field is developed and published. Azerbaijan - as a small and new nation - has not had the opportunity to develop it. This needs to be rectified as a matter of urgency. This requires a centre focusing in particular on the experience of other transition countries with PAR reform. Top class graduates should be funded to attend relevant centres of excellence in the field in Europe and Russia.

See 4.3.3 for more detail

#### **4.3. HRM in the Azeri Civil Service (boxes 7-9)**

The present system is a decentralised one - with all hiring and firing within the hands of the Minister.

- Although there are (small) personnel units, they handle a limited range of HRM functions. Other staff in the Ministry are also involved in personnel issues. This is an obstacle for the development of a professional HRM.
- There is no concept of career development; whereby young graduate recruits are groomed for a career in the Civil Service
- Vacancies are very rarely advertised - and there are no real job descriptions<sup>128</sup>
- This is the practice of even the most progressive Ministries - which assume that only they have the networks to identify relevant (specialist) experts
- Appointments are sometimes made on the basis of informal contacts - which include extended family and friends
- They are rarely done on a competitive basis
- Appointments are sometimes the subject of informal financial transactions
- Certain officials are trusted and given excessive work; others have a much lighter workload.
- Attestation is carried out at a fairly formal level<sup>129</sup> - and does not seem to be a factor in promotion
- Promotion does not seem to be the subject of a formal procedure - and is not governed by any competitive procedure
- There is no systematic training in management

As far as the future is concerned - a recent UN project has identified various global challenges for HRM in the public sector - of which two are immediately relevant here -

#### **Loss of prestige in working for the state?**

**"Many developed and developing countries are facing critical "brain drain" in the public sector. More attractive remuneration and job satisfaction in the private sector; loss of pride in the concept of public service; increased politicisation and decay in some countries of governance systems have all contributed to the lowering of prestige of employment in the public sector" - at precisely the time the public is becoming more demanding.**

How big a problem is this in Azerbaijan? If not now, in the future? How can this be overcome? Official salary is, obviously, only one factor in an individual's decision to enter or leave the civil service. Other factors are -

- Family and educational background
- Prospects for promotion
- Job satisfaction
- Job conditions
- Bonuses - and side payments
- Pension arrangements
- Access to influence
- status

Job Security would also be entered as a factor in OECD countries - but is not a factor in most transition countries.

#### **Salaries**

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<sup>128</sup> there is a document called "Sample Job Specifications" which gives only generic descriptions. The Ministry of Economic Development has - with EU support - recently pioneered the design and use of job classifications (see early 2005 Newsletter)

<sup>129</sup> The author did observe an attestation process

It should be noted that many salaries of Ministry staff are paid for by Ministers themselves (eg Economic Development) or other sources. The official salary of the Heads of Departments in the Presidential Office in summer 2004 was about \$1,000 - but we understand they were actually paid double that.

Salaries certainly act as a deterrent to bring talented people into the reform effort. This is well illustrated by the challenge facing the newly appointed Chair of the Civil Service Commission - who could offer Azerbaijan's only trained and experienced HRM specialist a monthly salary of only one \$300, one third of what she had been receiving in a senior post in a prestigious bank.

### **Recruiting and retaining fair share of the best talent**

**"To retain and develop its fair share of the best talent, public administration needs to adopt policies aimed at planning, recruitment, education, development and motivation of employees. Competitive pressures from other sectors have also increased the role of other non-monetary rewards - such as career opportunities and job satisfaction".**

In the absence of any surveys of civil servants in Azerbaijan, it is not possible to make definitive statements - but project discussions would suggest that the best students are not attracted to civil service posts- partly salary; partly conditions; partly the lack of delegation (indeed management) and of chances of rapid promotion for young people.

State bodies are wasting the human resources they have here. There is too much waiting for orders! Systems can and should be developed which ensure that staff are working effectively on priority issues.

Of course, we have to recognise that the system at the moment is deliberately designed to avoid this! In this culture, something seems to happen to people when they get to the top of state organisations. The system is ruthless - and loyalty is therefore the prime feature demanded. Woe betide anyone who appears to outshine the master! The giving of favours is the construction of an elaborate system of obligations to ensure this loyalty. The spirit of independence and critical questioning expected of personnel in performing organisations in Europe is a dangerous sign here!

There are, in Azerbaijan, not only no incentives to define problems in a systematic or systemic way - but rather powerful disincentives from such an approach.

If things go wrong in such a system, the first inclination of those in power is to blame those charged with implementation. After all, the policy itself cannot be questioned - nor whether it was funded or prepared for properly. Such critical questions are seen to threaten the power structure.

And such critical thinking, in any event, is not encouraged in the educational system<sup>130</sup>!

Indeed, there is a strong - and well grounded - view that the Azeri educational system is a powerful force in entrenching the belief that money and connections are all that matters - not disciplined work, creativity or attention to the needs of customers and staff. Students learn that the way to pass examinations is simply to pay teachers and professors; study is for the naive or poor. A distinctive, egocentric "peer pressure" develops. Such practical experience has a far more powerful impact than any words with contrary messages.

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<sup>130</sup> I am assured that neither the school nor the university system prepares student with critical analytical thinking. The state of the educational system was the focus of a very public spat when the Minister of Labour delivered an historical criticism of the educational system in Parliament in autumn 2004. See the short article "Education in Azerbaijan in a critical decline" in CBN Extra June 1 2005

What can change such a culture? A reform Minister would face too many financial interests - unless salaries were raised very significantly. And IMF and the taxpayers would hardly stand for that! Of course, there is always oil - but experience, again, has demonstrated how much of a curse that is on a country's progress. In styming the development of exports, it removes the incentives for a lot of entrepreneurial activity. Jobs grow around the servicing of the oil industry - and the life-style of those who grow rich on it.

The fall-back argument in such a situation tends to be "our future generation" - particularly those who receive a different sort of education, in the universities of the West. But if these are only the sons of the rich, they are unlikely to supply the seeds of change.

There can be no real change here as long as the centre does not allow or encourage the creation of critical thinking about the services being delivered by State bodies - and how these might be improved. All monolithic bodies become complacent - and, ultimately, self-serving. If it is not realistic to expect a more assertive civil service here to supply that critical edge, the question is what are the other possible ways of making the system less servile? Here we need to broaden our perspective - and move into areas which might seem academic to some.

Managers need to understand how staff can be more creative<sup>131</sup> - and develop a sense of their own areas of responsibilities. Singapore is a good example of a developing country which took this approach<sup>132</sup>. Marketing campaigns appealing to idealism of young graduates are a good idea - but not much use if the jobs are boring!

It would be very useful for some surveys to be conducted amongst both officials and potential candidates to assess perceptions here.

### Civil Service Reform Priorities in 2005

In an autocratic system, there may be one person behind a Law - whose intentions may or may not be clear and public. But there are generally several hands - and intentions - behind a Law and we are therefore left to interpolate and guess about the logic lying behind the legal intervention. .

And there are different levels of intention - we could say that the ultimate purpose of a Civil Service Law is to develop public confidence in government service.

But there are various ways in which this might be done - and a particular law will emphasise one of these approaches more than others.

Poorly-drafted laws will embody contradictory theories about how to achieve the ultimate goal. The various theoretical arguments are summarised in the following table -

Injunction	Reasoning	Role in Azeri Law?
<b>Make recruitment open and competitive</b>	A more representative system will be trusted more	For levels 6-9 only
<b>Pay well</b>	Minimise temptation	Dealt with outside the Law. Very significant increases recently made
<b>Give good training</b>	It is performance which inspires trust	None. Training not currently a priority
<b>Check the performance - and promote the</b>	Ditto	Strong section on attestation in the Law

<sup>131</sup> this has been one of the key elements in the reform of the French system of public admin in the last 20 years.

<sup>132</sup> For Singapore see [Ten Best practices in the Singapore Civil service](#)

<b>performers</b>		
<b>Have a code of ethics - and enforce it</b>	Moral persuasion Public standards which will shame officials into changing behaviour	Presently being discussed in parliament
<b>Have strong leader cadre</b>	Behaviour of senior executives services as an example - "walk the talk"	None. Need for senior executive cadre not recognised

**Testing and recruitment** is the main concern of the Legal section of the Pres Apparat at the moment - with an open competitive recruitment process having been piloted in the Ministry of Foreign Affairs.

The need to **develop the capacity of HRM personnel is now seen as a priority**. The Tacis project prepared a draft concept of a new HRM function<sup>133</sup> for the Azeri civil service - and also an indication of the detailed steps which will need to be taken to ensure trained personnel are actually able to operate the new system.

On 1 February 2005, a Presidential Decree was published, indicating that a State Commission on Civil Service Issues would be set up. This will be an executive power body; with staff - reporting to the President.

Its precise responsibilities, structure and staffing were approved at the beginning of June 2005 - and will have to take account of the existing activities of State bodies in the various fields -as well as the responsibilities given to the Management Council for Civil Service (but not yet activated).

The table below offers a framework for such discussions; by outlining -

- the various HRM functions
- what various bodies currently do - or are supposed to do - in relation to these functions
- a possible role for the new State Commission

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<sup>133</sup> Unlocking the Human Potential – a new approach for the Azeri Civil Service in the 21<sup>st</sup> Century by Gulzar Guliyeva, A Gilmour and R Young (Baku 2004)



<b>A. Function</b>	<b>B. Present role of state bodies</b>	<b>C. Possible role of new State Commission</b>	<b>D. Present legal functions of MCCS</b>
<b>1. Recruitment (to levels 6-9)</b>	each state body recruits without advertising or test. (although the Ministry of Taxation has used tests)	Develops policy sets framework for initial testing carries out or commissions tests develops guidelines for interviews; selection; induction and probation; and monitors develops training for this	2.1.4 Develops drafts and coordinates state bodies activities in implementation
<b>2. Promotion</b>	each Ministry promotes - now within framework of extensive section of Civil Service Law	<ul style="list-style-type: none"> <li>• Sets policy (see attestation below)</li> <li>• Develops relevant training</li> <li>• Monitors</li> </ul>	
<b>3. Job Classification system</b>	Ministry of Labour has developed general system	Develop framework to allow each State Body to draft specifications which can be basis both of advertising - and attestation	
<b>4. Training</b>	Each Ministry conducts professional training. No training in man't skills	Ensures training of HRM officials to implement new systems Drafts strategy for management training of civil servants as a whole; negotiates for new training system	2.1.7 Analyses work of training and prof development - and makes recommendations
<b>5. Attestation</b>	Each Ministry performs attestation	Oversees policy - monitors - drafts proposals	
<b>6. Staffing plans</b>	?	Develop in association with state bodies and Min Finance	2.1.3. work on forecasting and planning of staffing;
<b>7. Anti-corruption</b>		?	Sub-committee now started work
<b>8. Pay policy</b>	Ministry of Finance	?	
<b>9. Pensions</b>	Ministry of Finance	?	
<b>10. Grievance procedure (eg appeals)</b>	Each state body observes CS Law procedure	Ensures observation of sacking procedures	2.1.6 Considers complaints of civil servants
<b>11. Effectiveness of civil service operations</b>	Instructions from CabMin	Assesses effectiveness of state body structures and competences (??)	2.1.2 analyze condition and efficiency of civil service in state bodies - also 2.1.7
<b>12. General HRM</b>	Low-level function within state bodies	To establish uniform HR policy	2.1.1 Participates in est uniform HR policy
<b>13. Recruitment to Levels 1-5</b>	For Head of appropriate state body		

### Recruitment

The recently enacted civil service legislation requires competitive recruitment. The key element of competition - comprising a test and interview - is required for level 6-9 administrative

positions. The Azeri Law puts the priority on making the middle and junior levels of recruitment more competitive – and also on the attestation of staff.

However, five features of the Azerbaijani system have created considerable problems:

- **There is a lack of uniformity and integrity of final examination results for Azeri Degrees and diplomas.** Therefore, no guarantees exist that the holder of a qualification has a minimum level of specialist knowledge, general intelligence or personal discipline and application. Decree 566 therefore requires that all applicants for levels 6-9 jobs be tested. The allocation of the responsibility for conducting the test to the State Student Entrance Commission has raised questions about their ability to produce sample tests for anything other than knowledge fields. Experienced and trained staff simply do not exist for designing and conducting tests of competences or personal qualities.<sup>134</sup>
- **Lack of interview guidelines;** although required at all levels by law, there is a feeling that they would, in the absence of clear guidelines, training and leadership, simply legitimise the practice of recruiting through personal networks. It is true that the guidelines and experience of professional interviewing are currently lacking here, but there is a danger that too much is expected from the initial test. Its role is simply to identify those who are worth taking to the interview stage. Although EU practice in both the private and public sector accepts the limitations of interviews as a technique, they are a very important part of the process.
- **Lack of job specifications.** Although useful work has been done (but not approved at the time of writing) to outline the activities expected of the general ranks found in the classification system, this falls short of being the sort of job specifications which can be used in recruiting; interviewing; and performance assessment.
- **The scale of specialist jobs in the Azeri system.** The job designations in the classification system are basically specialist (requiring knowledge). This contrasts with other civil service systems which place much more emphasis on management (requiring people skills).
- Although there are (small) **personnel units** in all Ministries, they only handle a limited range of HRM functions and other staffs in the Ministries are also involved in personnel issues. This is an obstacle for the development of a professional HRM.

At the moment, the thinking assumes that there should be one uniform system of recruitment – when there is a strong case for different systems for –

- graduate recruits
- general managers
- technical specialists
- auxiliary staff

Recruitment is to a position in an individual Ministry – rather than to the civil service. There is no understanding of career development, whereby young graduate recruits are groomed for a career in the Civil Service

With the present emphasis on developing competitive recruitment systems for levels 6-9, the **need for leadership from the senior civil service** also needs to be recognized. In several transition countries, this has been the real priority – with strong attention being paid to the development (through systematic recruitment, performance assessment and joint training) of this level. Clearly changes at this level have a more immediate effect on the system than that of lower level recruitment. The purpose of a Senior Civil Servant Class is to assist the coherent

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<sup>134</sup> This has been confirmed by the MFA pilot experience

transformation to a new system, to build a sense of mission, and to promote policy coordination between departments.<sup>135</sup>

New systems of recruitment and performance assessment can only be properly implemented by trained and experienced HRM professionals. Currently, they do not exist in the Azerbaijan civil service - and, even in the commercial sector here, there are only a handful of such people. Most countries have special training programs that provide a professionally accredited diploma or Degree.

### **HRM Association**

An effort is currently being made to set up an Association for the development of the HRM profession in Azerbaijan. This would bring practitioners in both the public and private sector together with others (such as trainers) to create a lobby for the recognition of the importance of people - and their development - in state bodies. Like all NGOs it is experiencing bureaucratic hindrance (from the Ministry of Justice) in this - despite its leaders having very good connections!

### **Training Systems**

Several hundred civil servants come to the Academy each year - some for self-contained short courses; others, enrolled on a part-time Degree course, more frequently.

Training courses are of various types - some are primarily knowledge based; others concerned to develop people's skills. Most are primarily of benefit to the individual - although courses run by the many Ministry Training Centres are designed to expand the professional knowledge of officials to ensure that they are able to operate effectively within that Ministry (eg as taxation officers). The matrix below uses these 2 dimensions (Focus of course; main beneficiary) to indicate 4 possible types of course. The divisions are, of course, suggestive rather than rigid - there is overlap.

What, however, the matrix does help identify are the current gaps in the Azeri system - courses aimed at developing managerial skills - whether of the routine sort listed in box 2 of the matrix; or of the more complex sort associated with organizational change (box 4)

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<sup>135</sup> Hungary has established a cadre of 500 senior civil servants.

## TPOLOGY OF COURSES

	Knowledge expansion	Skill development
<b>For career development of individual</b>	Full-time undergraduate degree Full-time post-experience degree Part-time post-experience Degree course Present Academy short-courses  Box 1	Eg Report-writing Logical thinking Analyzing policy options Managing time; conflict; people etc  Box 2
<b>To assist effectiveness of organization</b>	In service professional Courses offered in Ministry Training Centres (eg for taxation officials)  Box 3	Eg Functional Review Project management Strategic management Managing change for civil service reform Policy analysis Box4

Following the normal change trajectory of transition countries, we can anticipate that there will be a demand in the very near future for management skills of types 2 and 4.

### Undergraduate

The Presidential Academy has - without much serious consideration - modelled itself on the French ENA system - at precisely the time that system has come under fire in the country itself! Basically that assumes that those occupying the senior positions in the civil service will come from the Academy - rather from diverse other sources.

I do not propose to enter here the discussion about the merits of such an elite model. All that needs to be said is that, at the moment, a small percentage of Academy graduates in fact seem to take up a job in the public admin system - at least in their first 2 years<sup>136</sup>. And state bodies make no attempt to recruit them! The management style of State bodies does not, in any event, encourage delegation or allocation of significant tasks to younger people. It seems therefore difficult to suggest that the present focus on undergraduate teaching makes any contribution to the public administration system in Azerbaijan.

Public administration is not a discipline in itself - but rather an amalgamation of separate disciplines giving only a general (and bookish) understanding of a range of subjects. The traditional pedagogic methods used (and the age-group involved) means that no particular skills can be developed (except, perhaps, for writing reports). What therefore does the possessor of a PA Degree offer a State body - probably only an indication that he or she was interested at an early age in joining the civil service! This may not actually be a good sign - since it may signal someone with low ambition?!

University graduates compete with Academy graduates for entry to the Civil Service. They do so, arguably, from a stronger position - since their students specialize in particular subjects (such as economics, law etc) whereas the Academy graduates are generalists. The Universities

<sup>136</sup> Although some may regret this and wish the sort of privileged access to civil service positions obtained, for example, by the Warsaw Institute, the logic behind such an argument is weak. Public administration is not a discipline in itself - but a combination of various other disciplines, each of which has its own equivalent claim to entry

also enjoy the advantage of TEMPUS support. Generalists could have an advantage if such features as placement in Ministries and other state bodies were effectively organised. It is in the post-experience work (the part-time Degree) that the Academy seems to have an advantage - although the point already made about its content implies that this advantage is potential rather than actual.

### **Post-experience Degree course**

In principle, a much larger impact could be made on the public administration system by the post-experience courses. At the moment, about 150 civil servants are undertaking such a four-year bachelor Degree. However, as the course structure and teaching appears to be exactly the same as that for the undergraduate course it appears that an important opportunity is being missed. The Academy should give a high priority to redesigning such courses to make them more relevant to the increased demands which can be anticipated from the civil service workplace.

### **Short Courses**

The PO approves the Academy suggestions - and occasionally makes its own suggestions. This is a rather passive role. There should be a clear training strategy - identifying priority subjects and groups for skill and knowledge development. But this actually requires first a strategy for civil service or public administration reform<sup>137</sup> - to identify the shape of the changes which would need training support.

Although the link with the PO is generally seen as an advantage for the Academy, it could, in the long run, work against the Academy's best interests! It could make it complacent - waiting for orders, rather than seeking creatively to define needs; or marketing itself to state bodies.

Since 1999, the Academy has run annually 1-2 week courses (each with 30 participants) on the following subjects

- Legal Basis of state system - and administration reforms
- State regulation of investment; finance credit
- Local government and municipal management
- Social policy
- Foreign policy
- Natural resource management - and environmental protection

In March 2004 a new subject - Human resource Management - was the focus of a one-week course. It is surprising that subjects specific to a particular Ministry - such as social policy; foreign policy or environmental policy - are offered by the Academy since each Ministry has its own specialist training centre. It may be useful for civil servants to be given an opportunity to update their general knowledge - but this is surely better done by a course which covered several topics in one week - rather than focusing on one. This raises two fundamental questions about -

- What precisely the participants - and their organisations - are supposed to gain from such training?
- What is the distinctive contribution which the Academy and its staff can make to such objectives?

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<sup>137</sup> See chapter 4 of Unlocking the Human Potential – a new approach for the Azeri Civil Service in the 21<sup>st</sup> Century by Gulzar Guliyeva, A Gilmour and R Young (Baku 2004)

**Ministry Training Centres** (box 3); some Centres are beginning to contemplate management training<sup>138</sup> – but there could be serious diseconomies of scale (with both budgetary and quality effects) if this happened across the board. This is where a wider national strategy for civil service training becomes important – to ensure good use of public money!

**Private training providers** (box 2); in principle, private trainers are normally in a better position to offer modern training approaches to such basic management skills. State bodies, however, could only use them if they had a budget line for training.

Nobody is currently occupying box 4 – which is the area one would expect to find a Presidential Academy for Public Administration. A professional civil service requires a sense of common national purpose and identity – which a central Training Institute can help develop by common courses, particularly at a senior level.

The development of a senior group of civil servants with relevant management skills is a top priority in transition countries and poses a particular challenge since the occupants of such positions generally consider they have little to learn. In fact, it is changes in their style of management which are at the heart of public administration reform – their understanding and support is needed if the key concept of “life-long learning” is to take hold here in Azerbaijan. Of course it is not possible for the Academy to change its position overnight! Courses have to be designed; existing staff trained and new staff attracted. And it is critical to get supply and demand in step with one another. There is little point in developing an interest in subjects for which there are no trainers or courses. And vice versa – Romania is an example where there is a lot of course provision (mainly from NGOs) but no demand from Ministries. But strategic change involves identifying potential demand – and creating all the conditions for both allowing it to find market expression – and then providing for it.

The Academy has the prestige to be able to shape both demand for and supply of relevant training – but lacks the vision.

## **5. Changing Behaviour**

It is one thing to enumerate legal acts, introduce new structures and training – it is quite another to assess the difference these actually make to the **behaviour** of public officials. That was the strength of the 1999 report – that it clearly focused on the behaviour which had to change.

The analysis of the previous section suggests that the system has not changed in the past 6 years since the Presidential Office Report – although substantiating this<sup>139</sup> is not an easy task. In the absence of objective measures<sup>140</sup>, it is with some temerity that I fall back on observations of outsiders who, like myself, have been privileged to work alongside Azeri colleagues in Ministries.

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<sup>138</sup> see, for example, the June 2004 Discussion paper from the Ministry of Education – Training strategy for Educational management, aimed at 20,000 the Ministry reckon are in management positions of one sort or another. It has 5 elements – 3 of which seem rather academic.

<sup>139</sup> The crucial question – for a useful review of possible indices see N Manning – and Understanding Public Sector Reform in Transition Countries (World Bank) ); this used a survey of officials in Slovakia, Romania and Kyrgyz republic to make interesting generalisations about leverage. Also “Tracking progress in democracy and governance around the world – methods and lessons” P Molutsi (IDEA)

<sup>140</sup> some measures are contained in Freedom House series “Nations in Transit” which makes annual assessments of 6 factors, 3 of which are “governance”, legislative and judicial framework” and “corruption”. The 2004 report for Azerbaijan showed an improvement in only one of these factors (governance) since 1997. The same report also referred to a 2003 IFES survey of public opinion.

What we see is -

- passivity - officials waiting for orders. There is virtually no delegation - and hence no encouragement to take initiatives
- fear - of taking risks and, ultimately, of being sacked
- non-rule observance - or formalistic
- insensitivity to the citizen
- absence of critical policy appraisal or analysis - one of possible reasons being sensitivity of those in senior positions to "losing face"
- production of shopping lists - rather than feasibility studies

There are at least four very different ways in which those in authority might respond to such comments -

- **Denial** - "where is the evidence?"
- **Patience** - "these things take time - let the new systems, with their new rewards and penalties, work their way through to change behaviour!"
- **Add new structures and laws**; "we are just about to introduce new measures which will deal with this!"
- **Strategic change** - "OK, we have to show people we're serious about making the administration work more effectively for the citizen. This requires a **new vision about public service** - and a **new structure to supply the leadership** needed to modernise the processes of government and administration".

### ***Dynamic conservatism - and how to deal with it***

It is important to emphasise that reform efforts experience similar initial problems throughout the world. Formal and informal systems are a well-recognised fact of organizational life<sup>141</sup>. Whatever new formal systems say, powerful informal systems tend to ensure the maintenance of unreformed systems - until, that is, and unless there is a determined move to change.

What do we mean by "determined move"? Let's look at the implementation of the Civil Service Law - which is the main focus of our project. The Tacis project suggested in autumn 2003 a strategy for implementation based on 4 injunctions -

- Ensure, by communications, leadership and training, that **people understand** what the Law is trying to do - and why it is needed
- Develop and enforce detailed **instruments** (eg detailed guidelines for recruitment)
- Network in order to **mobilise support** for a fundamental change to the personnel system
- build and empower relevant **institutions** to be responsible for the reform - and help drive it forward

The basic point is that you cannot wait for laws to implement themselves - particularly when so many are being passed. And everyone knows the nature and power of the informal systems which tend to undermine formal structural change efforts - the 1999 report spoke quite openly about them. And there is little reason to believe they have changed since then.

Change requires at least three things -

- leadership from the top;
- a coherent strategy of change; and
- skilled change agents.

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<sup>141</sup> In 1970, Donald Schon coined the phrase "dynamic conservatism" to describe the strength of these forces in an organisation.

We will explore this formula in later chapters. But first we need to look at how other countries have tackled the centralized inheritance of communist administrative practices.

## LESSONS FROM THE TRANSITION PROCESS ELSEWHERE

### 4.1 *Azerbaijan is not alone*

So far, we've spoken only of Azerbaijan – but it is not the only country to have faced in the last decade the challenge of creating the government and administrative systems needed for a democratic society and a market economy. Twenty nine countries emerged post-1989 from Soviet control – and about half of them, like Azerbaijan, had initially the additional problem of setting up the administrative structures of an independent state.

Of course, each country chooses its own distinctive administrative path –for example, a cabinet or presidential model of government. Attempts to transplant foreign models generally fail. But countries can and do learn from one another<sup>142</sup> – particularly about the process of preparing for particular reforms.

More material is available on the reform process in **accession countries** of central Europe than on CIS countries<sup>143</sup> – for two reasons.

First, countries would not be admitted to the European Union unless their administrative systems were reliable – meaning mainly that they had the capacity to produce relevant laws which were capable of being implemented and enforced. And the accession process required annual monitoring<sup>144</sup> of their administrative systems.

Secondly because of the strength in these countries of independent academic research<sup>145</sup>.

This section draws on that work – and on the personal experience of the author of living and working on PAR issues in most of these countries in the last 15 years.

### 4.2 *PAR Strategies*

A recent World Bank Report for the government of the Russian Federation, summarised the experience and lessons of global public administration reform<sup>146</sup> and stressed that the public admin reform agenda of OECD countries in the past 2 decades<sup>147</sup> – focussing on issues of efficiency, effectiveness and accountability – was possible only because basic issues such as rule of law and professional and managerial competence could be taken for granted. **In transition countries**, therefore **public administration reform** has a limited but fundamental agenda – of

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<sup>142</sup> The UK Cabinet office has a workbook on this – [Beyond the Horizon: a framework for policy comparisons](#) available from [www.cmps.gov.uk](http://www.cmps.gov.uk)

<sup>143</sup> Papers on CIS countries tend to be case-studies of one particular change – written by those involved in that change – rather than an independent assessment of administrative reform as a whole.

<sup>144</sup> in the annual SIGMA assessment of public services – available at [www.sigmaweb.org/news/news](http://www.sigmaweb.org/news/news)

<sup>145</sup> see, for example, the Local Government and Public Service Initiative, Budapest 2002 whose papers can be downloaded from [www.lgi.osi.hu](http://www.lgi.osi.hu)

<sup>146</sup> International Public Administration Reform – implications for the Russian Federation (N Manning et al World Bank Feb 2003) – available in English from [www.inweb18.worldbank.org](http://www.inweb18.worldbank.org)

<sup>147</sup> summarised, for example, in chapter 20 of the very comprehensive ADB Manual on Public Admin Reform (To Serve and Preserve – improving public administration in a competitive world) which has been recently made available on its website – [www.adb.org](http://www.adb.org) Also paper – “Synthesis of Reform experience in 9 OECD countries” in Proceedings of Conference on Government of the Future – Getting from here to there (OECD 1999)



- **rule of law** (including judicial reform, administrative codes and Ombudsman; 4.1 of the matrix in the previous chapter)
- **budgetary reform** (sections 7.2 and 9.3 of the matrix)
- **transfer of functions**<sup>148</sup> (sections 4.2 and 5.3)
- **civil service reform** (7.1 and 8.1)

Central European experience would suggest that such an agenda takes at least 15 years to embed – before issues of effectiveness can properly be addressed.

And the Presidential systems in most CIS states represent a deeply engrained culture of one-man rule which percolates throughout the administrative system – and makes managerial initiatives of the sort we are used to in EU countries very difficult. One writer produced in the 1980s a typology of organisational cultures<sup>149</sup> – arguing that there was a natural tendency for organisations (and societies) to move from one in which one person gave the rules and tasks; to one in which the rules and tasks were more formally set by agreed procedures (bureaucratic); to one in which tasks were assigned for teams to produce answers to. Zeus cultures are excellent for a new organisation dealing with a simple product – but as tasks multiply in complexity and the educational level of those in organisations rises, such a culture becomes impossible to sustain.

It is generally difficult to move straight into a task culture – since this requires trust<sup>150</sup> which is absent. Experience is first needed of a rule-based system<sup>151</sup>

**Hungary** did develop a strategy for public administration reform which focused more on the rationale and effectiveness of the civil service system. **Ukraine** in the late 1990s did intensive work<sup>152</sup> on structural issues but this too ran into problems. More recently Bulgaria<sup>153</sup>, Slovenia<sup>154</sup> and Russia<sup>155</sup> have all laid out important strategies – the latter identifying services to the public and effectiveness of state structures as key objectives.

#### **4.3 Civil Service Reform**<sup>156</sup>

As we saw in the table in the previous chapter, civil service reform is one element only of wider PAR – boxes 7-9. Research over the past decade<sup>157</sup> suggests that the **single most effective strategy for a transition country** such as Azerbaijan is the creation of a **meritocratic civil service**<sup>158</sup>.

<sup>148</sup> including privatisation and decentralisation. Such complex operations have high risks of failures without significant reform of the other sectors

<sup>149</sup> Charles Handy – *Gods of Management*

<sup>150</sup> the concept of trust has generated a lot of literature in recent years!

<sup>151</sup> See Alan Schick's paper – "Why developing countries should not try the New Zealand Reform" World Bank Research Observer Feb 1998

<sup>152</sup> see *Public Sector Reform in Ukraine*; A Sundakov (LGI Discussion paper 18 2001)

<sup>153</sup> *Strategy for Establishment of a modern Administrative System* (2002) – from [www.strategma.bg/index.htm](http://www.strategma.bg/index.htm)

<sup>154</sup> Further Development Strategy of the Slovenian Public Sector 2003-2005

<sup>155</sup> considerable material in Russian is available in the project office on this experience. See also "Hard cases and improving governance; Putin and civil service reform" by Pat Grey (2004) – from [www.essex.ac.uk/ECPR/events/jointsessions/](http://www.essex.ac.uk/ECPR/events/jointsessions/)

<sup>156</sup> Arcadis has a very useful Resource Manual on *Best Practices in Civil Service Reform* by T Novogrodosky, ed by Martin de Graaf (August 2003) – as does the UNDP

<sup>157</sup> see, for example, the paper written for the Russian Federation – *International Public Administration Reform; implications for the Russian Federation*; by N Manning and N Parison (World Bank 2003). For material in the Russian language see [www.worldbank.org/publicsector/civilservice](http://www.worldbank.org/publicsector/civilservice) and [www.pareform.ru](http://www.pareform.ru)

<sup>158</sup> see reference 8 – also the practical examples of the Polish, Slovak and Kazakh Civil Service Agencies.

The experience of **civil service reform** in transition countries is mixed<sup>159</sup>. There is here an interesting issue of sequencing. Management theory says that "form (structure) follows function" - and that personnel systems can be determined only when structures are clear. One of the many dilemmas, however, for transition countries, is that the administrative culture (ie the motivation and performance of civil servants) is a major issue requiring change at the same time as functional and organisational change. And a **Civil Service Law**<sup>160</sup> is seen as a crucial instrument for introducing professionalism into what is generally a spoils system. In practice this has proved very difficult to change<sup>161</sup>.

Some countries<sup>162</sup> have decided that they could not really operate with old apparatchniki - and have introduced tough tests for existing civil servants.

Most transition countries have established special Civil Service Agencies<sup>163</sup> or Ministry units<sup>164</sup> to lead the reform.

**Pay reform** is a high priority in World Bank reports<sup>165</sup> - a much more difficult issue to deal with in practice<sup>166</sup>! Words such as "decompression" are codes for the need for the salary increases arguably needed at higher levels to stop experienced staff transferring to the higher paid private sector - but don't take account of present informal systems of payment nor of public reactions. In countries such as Latvia "management contracts" between the Minister and senior staff were used as a way of dealing with this problem - but were heavily criticized for lack of objectivity and transparency. Clearly it is those at lower levels who cannot survive on present salaries - and need increases to minimize the temptation of corruption. Pay reform needs to be targeted to deal with the problems of specific groups - rather than general across the board pay increases.

What has been learned about the experience of **civil service training**? One of the apparent dilemmas in reform is whether you try to change people first - or the institutions. The first seems the easier option - and training programmes do therefore generally figure highly on PAR strategies. But experience has shown that, if "retrained" people return to unreformed institutions and roles, nothing fundamental changes<sup>167</sup>. It is important that demand and supply move together - a training strategy is needed but the best approach is perhaps initially to design an experimental short course on strategic change in the admin system (developed with the support of innovative Ministers)

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<sup>159</sup> see Civil Services in the Accession States - new trends and the impact of the integration process D Bossaert and C Demmke (EIPA 2003)

<sup>160</sup> See SIGMA paper on Checklist for Civil Service Law

<sup>161</sup> In "Public Administration in post-communist states" in Handbook of Public Administration ed by BG. Peters and J Pierre (Sage 2003)

<sup>162</sup> Czech Republic was most extreme - with its "lustrace" laws. But notice also the tough tests the Polish system has for civil service employees to pass to the status of civil servant. As a result there are currently only 1,500 civil servants.

<sup>163</sup> Eg Poland, Kazakhstan, Slovakia. See, for wider discussion, paper Key issues for consideration when assisting civil service reforms in developing countries by P. Keuleers (March 2004 draft of UNDP paper)

<sup>164</sup> eg Slovenia

<sup>165</sup> Eg World Bank paper on Moldova paper (2002)

<sup>166</sup> see report in Russian - and "Pay and perks for government executives" by J Christensen in Handbook of Public Administration (ed by BG. Peters and J Pierre (Sage 2003)

<sup>167</sup> several useful assessments of the role of training in PAR are now available -eg Civil Service Training in the context of PAR - lessons from best practice (UNDP 2003). Much more critical is Civil Service Assistance projects in former communist countries: an assessment by G Gajdushek and G Hajnal

#### 4.4 Decentralisation

In many central European countries, strategies for public administration reform have, in the initial stages, been focused on **decentralization**<sup>168</sup> - this because of the importance of separating from the old power structures. That was the case particularly in Poland<sup>169</sup> - but also in the Czech and Slovak<sup>170</sup> republics; and Bulgaria. Building up strong systems of municipal government with functions clearly separate from local state administration has been a most difficult task - with continuing problems<sup>171</sup>. And it succeeds only when there is a strong social pressure for it. With the right conditions, a system can be created in which local populations have strong confidence.

The significance of the transfer of power to municipalities in central Europe cannot be exaggerated. It has been the single most important reform of the public administration system - and generally a successful one, with the public expressing more confidence in their locally-accountable local system than in that of central government. A local government system - if conducted participatively - helps educate the public in the realities of expenditure choices. It helps develop local initiatives and local skills of negotiation and leadership. People want to see their municipal system make a difference<sup>172</sup> - systems of directly electing mayors put the pressures on local leaders to listen to - and act on - the voters' priorities. Building such a system where there is no tradition of local power is difficult - but the Central European experience needs to be closely looked at<sup>173</sup>.

#### 4.5 Functional Review

In a useful overview of the past decade of administrative reform in both central Europe and CIS countries Verheijen<sup>174</sup> considers that one of the more promising tools of reform is **Functional Review**<sup>175</sup> - which has been carried out in 10 transition countries. It consists of an assessment of the activities and functions of government bodies as part of an effort to remove the vestiges of a centralised system and help them operate more effectively. The main function of FR is to create a public administration structure whose bodies perform only the necessary tasks in the most efficient and effective way.

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<sup>168</sup> in Russia's case, recentralisation!!

<sup>169</sup> The best overview is *Mastering Decentralisation and PAR in Central and Eastern Europe* ed by G Puteri and V Zentai (LGI 2002) - most interesting is Regulski's long semi-autobiographical paper on the Polish experience - available from [www.lgi.osi.hu](http://www.lgi.osi.hu)

<sup>170</sup> at least after the fall of Meciar in 1997 - who used the rhetoric of decentralisation to conceal a consolidation of central power

<sup>171</sup> see the useful Decentralisation Briefing Note by Litvack and Seddon available from the World Bank website

<sup>172</sup> See *Gauging Success; performance measurement in South-East Europe* by Z Sevic (LGI 2003) for an interesting description of how local municipalities in the Balkans have tried to produce public indices to measure the performance of local services

<sup>173</sup> the best collection and analysis is *Decentralisation; experiments and reforms* ed by T Horvath (LGI 2000)

<sup>174</sup> In "Public Administration in post-communist states" in *Handbook of Public Administration* ed by BG. Peters and J Pierre (Sage 2003)

<sup>175</sup> see project summary paper on this subject (Azeri) - and *Rebuilding State Structures; methods and approaches* (UNDP 2001); *Methodology for Functional Reviews* (World Bank 2001) available in Russian from [www1.worldbank.org/publicsector/civilservice](http://www1.worldbank.org/publicsector/civilservice)

A review of functions can be carried out in many ways - **horizontally** (of the entire system<sup>176</sup>); **vertically** (in more depth of single organisations) or a **mixture** of both. The three levels at which Functional Review can be carried out are -

- **Sectoral** - which involves identifying the precise role which has been given to the organisation and using international practice to identify whether that role is appropriate. This can lead to transfer of functions to local government or to the private sector
- **Policy** - which looks at the policy for managing not only mainline functions but also common functions which are often replicated in Ministries (eg property management)
- **managerial** - which looks at the extent to which structures, managerial systems and staffing allow the agreed functions to be performed effectively. This is perhaps the most important - but depends on Ministers realizing that it is one of their key tasks to challenge staff for improved ways to meet priority goals.

One of the mistakes made has been for the exercise to be conducted by outsiders - with the government having no commitment to the outcome.

#### **4.6 On the role of legislation**

One hard lesson has been the **role and effectiveness of legislation and the legislative process**. The international community exerts its pressures for a variety of laws - which are sometimes, as a result, drafted with insufficient regard for local conditions. The time needed properly to prepare for implementation of laws is generally underestimated - staff need to be appointed and trained; new structures and offices set up; budgets allocated. This means that the policy process needs to be more open and inclusive - and should focus as much on these logistical issues as the legal ones. Indeed, it is now understood that there is a discipline of policy analysis<sup>177</sup> and preparation - in which legal drafting is only a stage.

#### **4.7 Policy-making roles**

Whether the locus of power is with the cabinet or president, there should be clear procedures governing the preparation of new policies<sup>178</sup> - and it is important that the skills of policy development are built up both in the Ministries and at the heart of power. The role and structure of Ministries in Azerbaijan needs critical assessment<sup>179</sup>.

#### **4.8 Role of foreign aid**

Too many technical assistance projects can be labelled either "imperialist" or "marginal" - the former effectively taking over the decision-making of the county concerned<sup>180</sup>, the latter making hardly any contact with the decision-makers. EU projects suffer from the length of time it takes to get them on stream and the inception stage is therefore critical for the beneficiary

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<sup>176</sup> see the Slovakia exercise in 1999 - which is summarized in a project paper

<sup>177</sup> Very useful recent guides written for those in transition countries are How to be a policy adviser M Grochowska and M. Ben-Gera (NISPAcee 2002) which can be downloaded in Russian and English from [www.nispa.sk](http://www.nispa.sk); and Writing Effective Public Policy papers - a guide to policy advisers in Central and East Europe (Local Government and Public Service Initiative, Budapest 2002) - which can be downloaded from [www.lgi.osi.hu](http://www.lgi.osi.hu)

<sup>178</sup> see Strategic Decisionmaking in Cabinet Government - institutional underpinnings and obstacles N Manning, J Blondel (World Bank 1999)

<sup>179</sup> a useful detailed paper is Ministry Structures in Netherlands, UK, Sweden, Finland and Denmark written in 2002 for the Serbian Government by the Norwegian Dir of Public Management and available on the website of the Serbian Civil Service Council -[www.dsavet.sr.gov.yu/english](http://www.dsavet.sr.gov.yu/english)

<sup>180</sup> As in the Yugoslav protectorates

to ensure that the foreign expertise actually inputs to an ongoing priority. Foreigners have to earn their credibility before they can expect to be used in the most effective way - and all too often the advice consists simply of descriptions of "best international practice" or the practice in the home country of the expert. Working structures also need to be set up which help the assistance focus on key priorities. All too often, aid is used simply to gain information or equipment - and the advisers are not allowed close enough to have a creative problem-solving dialogue.

### **"SPEAKING TRUTH TO POWER"<sup>181</sup> - A DRAFT MESSAGE TO THE POWERS THAT BE**

In this section we shall try to suggest some activities for which there may be a "window of opportunity". The first seven points are practical - the final four raise deeper issues.

It is always an indulgence for an outsider (let alone a foreigner!) to try to give advice to those in power. We have the luxury of "objectivity" and of time. Those we aspire to advise operate under immense pressure and constraints. So any advice has to be framed to be relevant to those constraints - and to grab the attention of those impatient to get to the bottom line. Being seen to be "relevant", however, is particularly difficult when the organisation or country is facing systemic rather than incremental change. Those in power are realists - and prefer marginal changes. Bearing this in mind, if I had thirty minutes with the President, this is the ground I would want to cover -

1. With the MCCS now operational; and a new competitive system of recruitment to be piloted in the autumn in a Ministry with a committed reform Minister, A small window of opportunity has now opened up - but there seems to be a reluctance to appoint dedicated staff to an agency for civil service reform.

At the very least the **Secretariat for the Management Council should now be appointed** - and they need to have a track record of achievement and clear Presidential support. They could be the core of what might eventually become a **structure for wider PAR**. Laws do not enact themselves - they require structures, leadership and new skills - eg of human resource management<sup>182</sup>.

2. With the present emphasis on developing competitive recruitment systems for levels 6-9, the need for leadership from the **senior civil service** should be recognized. In several transition countries, more attention is given to the development (through systematic recruitment and joint training) of this level. The purpose of the SCS is to prevent the management of individual departments from becoming 'in-grown' and to promote policy coordination between departments. Hungary has established a cadre of 500 senior civil servants.

3. One of the outstanding concerns here has been the **performance of Executive power bodies - national and District**. The 1999 report recognised that the problem was structural - and rationalisations have taken place. But now a further step has to be taken - the introduction and operation of management systems.

This means giving new attention to some basic questions -

- What exactly are each of the Exec Bodies expected to achieve each year?

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<sup>181</sup> This was title of the collection of essays of the earliest craftsman of policy analysis, Aaron Wildavsky

<sup>182</sup> for example, the new recruitment system will require new skills of writing job specifications and of interviewing. A proper HRM discipline needs to be developed here

- And how can they structure and staff themselves to achieve that?

When people here are asked about objectives, they refer to the relevant Ministry Regulations which describe the Ministry's responsibilities - often running to more than 100. It is clearly impossible for an organisation of 60 people to give equal priority to such tasks. "Gouverner, c'est choisir". Government is about exercising priorities - and a new nation in particular needs to concentrate on the points of *maximum leverage*. This would require a new **cadre of organisational consultants** - who might be best located in a separate organisation. This points to the need for new skills and people. Where is this to be developed? And how? <sup>183</sup>.

4. Effective organisations require not only relevant management systems but trained managers and facilitators<sup>184</sup>. A training strategy needs urgently to be developed<sup>185</sup> - starting not only with the skills individuals currently say they need but rather with the new skills required from the sort of systems changes likely to come in the next few years. We have already referred to the need for a proper HRM profession, able to deal with the need for proper job descriptions and interviewing systems.

5. The November 2003 Decree repeated the call for a restructuring of the Cabinet of Ministers. However, the issue is wider than this - it is, as the 1999 report recognized, about making the entire process of policy development more coherent and transparent. This will involve strengthening the roles and capacities of Ministries<sup>186</sup>.

6. The **discipline of public management** and public administration theory is needed to ensure that rigorous work in this field is developed and published<sup>187</sup>. Azerbaijan - as a small and new nation - has not had the opportunity to develop it. This needs to be rectified as a matter of urgency. Top class graduates should be funded to attend relevant centres of excellence in the field in Europe and Russia. A centre should be established here - which would combine research, training and (perhaps) consultancy - and network with relevant regional centres in Budapest and Nicosia for example. It should have the status which allows intellectual freedom. The Presidential Academy of Public Administration might seem an obvious location for such a centre - but it may have to reconsider its present undergraduate focus. Independence!!

7. An important part of the focus of such a centre would be **sharing lessons of change with other transition countries**. By now there is a rich literature on these experiences<sup>188</sup> - which gives reformists interested in identifying issues of leverage and sequencing important perspectives. Countries like Portugal which emerged in the 1970s from autocratic rule also have interesting lessons in opening up administrative systems.<sup>189</sup>

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<sup>183</sup> bodies like the UK Audit Commission offer a possible model. The Poverty Reduction Strategy approved in 2003 is in effect a national plan - a statement of intentions and actions for virtually all state bodies. And its Secretariat is in a unique position to identify the organisational and managerial bottlenecks. It should do so - and help the Ministries draft realistic proposals for restructuring and restaffing.

<sup>184</sup> one of the critical gaps at the moment in Azerbaijan seems to be in this area - individuals who can be used by Ministries to help the process of change. It can rarely be done entirely by insiders

<sup>185</sup> see project report - Developing the Training System for Civil Servants in Azerbaijan - an initial assessment and issues paper (March 2004).

<sup>186</sup> I don't know whether there is an overview of current and pending capacity building in Ministries - and how much of it touches on their role

<sup>187</sup> see Hungarian, Bulgarian and Polish examples

<sup>188</sup> The annual SIGMA assessment of the civil service systems of accession countries contain a wealth of information about problems of developing a more professional civil service. From - <http://www.sigmaweb.org/news/news.htm>

<sup>189</sup> see the chapter in Administrations in Transition - modernisation in public administration in Portugal, Netherlands, Ireland and France (EIPA 2000)

8. Compared with many other countries **Azerbaijan has some advantages for the reform effort**. Elsewhere there have been many hurdles to overcome in the attempt to make the machinery of government and administration more responsive to public needs -

- constitutional requirements;
- strength of unions and professional associations;
- need to negotiate with coalition partners;
- loss of momentum due to government electoral defeats.

The hurdles are fewer here - it is rather a question of the leadership giving priority to administrative reform and recognizing that this requires new structures with real authority.

9. There is **no need to be defensive** about the process of administrative reform in Azerbaijan. A lot has been achieved. And no one has the formulae for how most smoothly to create an effective system of public administration operating in the interests of its people in a country which is only 15 years old - and which has absorbed centuries of repressive administrative cultures.

Most EU countries have been under pressure to create a more responsive, accountable and effective system of public administration over the past thirty years - and all are still looking<sup>190</sup>. But **further progress** in Azerbaijan **depends on** openness and **dialogue** - both within and outside government. Debate is needed amongst policy-makers to ensure a proper diagnosis about the **present state of affairs**. What precisely, for example, has been achieved by recent measures such as

- the 2001 Civil Service Law?
- budgetary reform?
- the 1999 municipal self-government system?

A reasoned and open debate is needed to explore the nature of blockages; and how precisely they can be dealt with<sup>191</sup>.

Debate and dialogue is also needed to **clarify new directions and priorities** - since that is the only way to ensure that people develop an understanding of - and commitment - to the reform.

And it needs to be **open** - since public understanding and pressure is an important component of reform. The 1999 Report from the PO was unflinching in its diagnosis - but was not public enough. The 2 pages in the 2003 Poverty Reduction Strategy were more public - but less explicit and powerful. And, as there is no action plan for PAR, the 2004 Progress Report did not mention PAR as such.

10. In the present climate and culture, however, it is not realistic to expect officials to demonstrate the **spirit of critical analysis** which such dialogue needs. This would require encouragement from the highest level - and, almost certainly, some structural initiatives (let alone greater press freedom<sup>192</sup>). We have referred to the need for a centre for PAR. Another possibility relates to attestation. At the moment, the focus of attestation is the individual

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<sup>190</sup> for a very succinct and coherent summary see *Government Innovation around the world* by Elaine Kamarck (JF Kennedy School of Government, Harvard University 2004) from <http://ssrn.com/abstract=517666>

<sup>191</sup> see project paper "Toward a strategy for the implementation of the Civil Service Law" (May 2004)

<sup>192</sup> arguably it also needs a constitutional change!!



official. Strictly, however, the performance of an official can only be measured against the key objectives of both the unit and the wider organisation. This Tacis project was supposed to carry out such a functional review but found it impossible<sup>193</sup>. As a part of attestation, however, it would be very useful to carry out an analysis of how the system being assessed could be improved<sup>194</sup>. With a couple of trained consultants, attestation presents a useful opportunity to explore how the system could more effectively achieve its goals. We mention this only as a possible example of where an existing process could be adjusted to allow wider reform activities.

11. Exploring this simple idea, however, reveals the blockages -

- there are few consultants of this sort in Azerbaijan
- there is no government structure or budget to make them available in this way
- if there were, they would soon be stolen by the private sector
- no central overview on attestations being carried out by state bodies is available. The matter is decided by each state body.

## 9. THE PROCESS OF CHANGE

The previous sections have dealt with the WHAT of change. In this paragraph we look at the equally important - but generally neglected - question of **HOW** reform objectives can best be achieved.

A recent paper with the thought-provoking title "Why do Civil Service Reforms fail?"<sup>195</sup> argued that "what matters most in improving the record of implementation are the strategic and tactical decisions taken in the course of putting the reforms into effect".

There are five considerations which need to be carefully looked at in crafting a strategy -

- Preconditions
- Objectives
- process
- Matching tools to context
- Sequencing
- Implementation
- results

### 9.1. *Preconditions*

Administrative reform is an intervention in a social system - or rather set of interlocking systems. Like an organism, it will quickly be rejected or absorbed unless it can relate to elements in these larger systems. We are these days advised always to carry out "stakeholder analyses" - to track who will be affected by the changes and how the indifferent or potentially

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<sup>193</sup> although we were able to do some work in the Ministry of Ecology. Various detailed papers on Functional Review in both English and Russian are available in the project library

<sup>194</sup> the attestation we observed was the inspectorate system of a Ministry, with 250 staff. This is an excellent focus for a review which would explore the extent to which management practices permit the effective achievement of the goals of the inspectorate system. One approach is *Performance Improvement Planning* summarised in the project's Inception Report

<sup>195</sup> IDPM Public Policy and Management Working Paper no.16 by Charles Polidano - available at [http://www.man.ac.uk/idpm/idpm\\_dp.htm](http://www.man.ac.uk/idpm/idpm_dp.htm)



hostile can be brought on side or neutralised<sup>196</sup>. This is sound advice - and such an exercise may sometimes suggest that certain aspects of reform should be delayed<sup>197</sup>. One paper we have already quoted<sup>198</sup> on the Russian experience of civil service reform is one of the few to try to offer an explanation of how the combination of specific internal and external factors has influenced the reform process in that particular country eg

- variable political leadership and support
- variable administrative leadership and capacity
- political and social instability
- minimal civil society
- the preponderance of old apparatchniks
- cultural factors
- 'windows of opportunity'

"Cultural factors" is a general term which includes the role of the extended family<sup>199</sup> which undercuts competitive hiring practices. And it is well known that in such societies, certain public positions which give access to lucrative revenue flows are bought at huge sums of money<sup>200</sup>. Such practices hardly give promising preconditions<sup>201</sup> for introducing a competitive system of meritocratic recruitment to the civil service!

## 9.2. Objectives

Strategies for PAR can - and do - have very different concerns -

- some to save money;
- others to attract foreign investment - and demonstrate that rules are fair and enforced
- some to improve services to the public<sup>202</sup>;
- others again to ensure that the best people are recruited to the civil service - and allowed to develop their skills
- some from a strong belief that power should be decentralised.

Each set of concerns will lead to a different set of policies (strategy). And each hits different constraints. First choose the objective - then craft the set of tools which, in the light of the local circumstances, gives the best chance of success. That's the practical usefulness of a strategy!

Let's look in a bit more detail at these different motives -

### a. to reduce public spending (or number of civil servants)

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<sup>196</sup> see the useful discussion in "Gaining Support" by Lovell in *Managing Change in the new public sector* (Longmans 1994) which uses the dimensions of "agreement to change" and "trust" to distinguish allies, adversaries, bedfellows, opponents and fence sitters

<sup>197</sup> the World Bank uses a checklist with cross references to websites - *Administration and Civil Service Assessment Tool* available from [www.worldbank.org/publicsector/test/civilservice/](http://www.worldbank.org/publicsector/test/civilservice/)

<sup>198</sup> "Hard cases and improving governance; Putin and civil service reform" by Pat Grey (2004)

<sup>199</sup> see the paper "The role of Clans in post-independence state-building in Central Asia" by Janna Khagai (2004 ECPR conference paper available at [www.essex.ac.uk/ECPR/events/jointsessions/](http://www.essex.ac.uk/ECPR/events/jointsessions/))

<sup>200</sup> an extended article on the Uzbek system by Dmitry Pashkun of the National University of Uzbekistan quotes prices of \$2 million for the position of regional governor is published in the spring 2004 issue of NISPAcee News - at [www.nispa.sk](http://www.nispa.sk)

<sup>201</sup> The "strategies and sequencing" section of the very useful World Bank website on Administrative and Civil Service reform contains a fuller discussion of this, developing a typology with the twin axes of capability and motivation. This can be found in - [www.worldbank.org/publicsector/civilservice](http://www.worldbank.org/publicsector/civilservice)

<sup>202</sup> see the Dolphin guide on how to assess your Ministry or organisation - which uses the framework of the European Foundation for Quality Management - available from [www.cmps.gov.uk](http://www.cmps.gov.uk)

This has been recognised to be simplistic (and the head-counting somewhat specious since, whether people were called civil servants or not, their salary came from the public budget). The issue is **rather reallocation of spending**.

This requires **political willingness** to take decisions about priorities and willingness to stick with them; and **administrative capacity** to implement them.

**b. to give citizens better services and treatment;**

eg reduce red-tape, ie the number of forms or offices they have to deal with for an application ;  
increased information on rights and services.

**c. to increase public confidence**

Trust is the lifeblood of a healthy society and economy. Its absence makes social and economic transactions difficult. Investment and the social fabric suffer as a result. Public servants who supply the continuity (or institutional memory) and need to be seen to have integrity and an ethic of service. This is particularly true for foreign investment.

**d. to ensure effective implementation of international obligations and standards (through an effective administrative infrastructure)**

Access to the European Union, for example, requires that laws are properly prepared and implemented - this means such things as prior co-ordination between Ministries, social partners and Parliament; assessing the impact of these laws; and ensuring that those with new responsibilities for enforcing the law are ready for the task - in terms of institutions, skills and resources.

**e. to ensure cost-effective use of limited resources**

We have become increasingly aware that there are real choices for governments about the role of the State in ensuring an acceptable level of public infrastructure and services. The disadvantages of government being both policy-maker and supplier have become increasingly recognised - as have the benefits of pluralistic provision.

Exactly how the delivery of services is organised will depend on such factors as - the degree of competition ; ease of output measurement ; administrative capacity to engage in contract management ; the scale of transaction costs ; and political attitudes.

**f. to activate the energies and ideas of the officials**

Senior civil servants are highly educated; they have ideas and ideals are often themselves frustrated by the way the system works. The priority they have to give to the task of policy advice and legal drafting (particularly in Central Europe) means that they have little time to manage the delivery of services for which they have nominal responsibility (particular the structures and staff). And in Central Europe they lack the experience and skills of man management.

These six motives may seem obvious - but they have rather different organisational implications. Some suggest a tightening of central control; others a loosening. For example while the last two motives - although very different - do appear to lead in the same policy direction - of breaking Ministries into Agencies - the mechanisms are rather different. One emphasises structural change; the other, managerial style.

Most reform efforts start with a determination to "get the bureaucracy under control" - in terms of resources, staffing or influence.

There are, however, very different approaches and starting points to this question -

- Some people assume that it is a matter of **better laws and regulations** since that is what bureaucrats need to authorise and prioritise their activities
- others assume that **financial information and appraisal** is the key - that once the costs of activities are known, the information will speak for itself
- others again will argue that it is all a **question of management (and personnel) structures and skills** - to have, for example, a system which encourage bureaucrats to take more responsibility for decisions and their consequences, within, of course, clear policy guidelines
- the more courageous suggest that one needs to begin with the government agenda - and the **process by which policy priorities are set and implemented**. Once that is clear, other things follow.

### 9.3. The Process

We have already (in para 7.1) mentioned stakeholder analysis. But relevant and robust policy-making requires more than good analysts and analysis. It needs to be carried out in a way which ensures that all perspectives can be considered - and a wide range of actors and interests to be involved. If this is not done, two problems arise - important information and options will be missed; and, even more significantly, those subsequently charged with implementation will fail to understand or feel any commitment to the new policy. New policies generally emerge from working groups - and there are several useful documents available on how these are best structured and organised<sup>203</sup>

This gets us into a huge field<sup>204</sup>! At its simplest, a strategy requires the following -

- A statement of a problem
- a clear analysis (or narrative) of the forces causing that problem - and how these might change
- a listing of all possible ways of dealing with the problem
- an assessment of the costs and benefits of each of the options
- a favoured recommendation - and an argument of why it will best deal with the contextual issues
- with its implementation requirements

Developing strategies for government is obviously a very different matter from doing it for business - and until recently, there were few guides<sup>205</sup> on the process of developing government policy strategies - now a lot of policy manuals can be downloaded from the internet<sup>206</sup>.

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<sup>203</sup> Establishing and supporting a working group process (Sustainable Cities Programme undp)

<sup>204</sup> The literature on strategy development has sometimes seemed a bit metaphysical - and has been overtaken by the more practical literature on managing change. Now the emphasis is more on strategic thinking - see Managing Public Services - implementing change - a thoughtful approach by Tony Doherty and T Horne (Routledge 2002), particularly chapter 3 (Managing Strategy and Change)

<sup>205</sup> see Leadership for the Common Good - tackling public problems in a shared-power world by Bryson J and Crosby (Jossey Bass 1992)

<sup>206</sup> the best is the UK Cabinet's Strategy Survival Guide (2004) - from [www.strategy.gov.uk](http://www.strategy.gov.uk) - which covers not only process but tools. A simpler process is Arcadis' Performance Improvement Planning. See also Organisational Assessment - a Framework for Improving Performance from [www.idrc.ca](http://www.idrc.ca)

#### 9.4 Tools

We have already indicated that post-communist countries tend to assume that the law is the only real tool of reform. In fact it is a necessary part of change - but not sufficient in itself. Other tools include -

- Structures and budgets
- project management
- Action plans
- Functional review
- Communications
- training
- Effective monitoring - eg indices of achievement

And this involves looking at motives. Why do people (the average official say) behave the way they do? And what could persuade them to change?

**Some Tools of Change**

<b>Motivating Factor</b>	<b>Example of tool</b>	<b>Particular mechanism</b>
<b>Understanding</b>	Training Campaigns Functional review	Rational persuasion
<b>commitment</b>	Leadership communications Training	vision
<b>Benefit</b>	Winning an award  Bonus	Psychological Status  Monetary calculation
<b>Cost</b>	Named as poor performer  Demotion	Psychological (Shame)  Monetary
<b>Obligation</b>	Law  institution Action plan  Family ties	courts  Managerial authority  Social pressure
<b>Peer influence</b>	Bribery  Discussion circles	Pressure  Support
<b>Social influence</b>	Opinion surveys	Feedback from public about service quality

The key point is that reform needs to be packaged and structured. It needs leadership - which often requires institutional support - in a new unit or other sort of structure. But it also requires a project management approach<sup>207</sup>.

Any change requires a project champion - someone who has

- been given the authority to make a change work
- the necessary resources for it
- a commitment to make it work
- communicates to others an understanding of what they need to do

What any particular tool can actually achieve depends on many factors which are unique to each country. The trajectory of administrative change is different in every country - the trick of effective reform is to select tools which -

- Resonate with the local culture<sup>208</sup>
- Achieve maximum leverage - ie exploit opportunities (go with the grain)
- Are sequenced to support one another - create a critical mass

### 9.5 Sequencing

In 5.4 we raised the question of the phasing of Civil Service Laws. In an important book reviewing the experience of decentralisation strategies in Central Europe, Beblavy and Verheijen raise other critical questions about the sequence of reforms<sup>209</sup> Slovakia is an example which dealt with decentralization and civil service reform in tandem - creating a mess. And why should one try to deal with the organisational issues of central government before functions have been properly decentralized? Can one deal with personnel issues at a national level - without dealing with them a local level? If one ignores the latter, there is a risk of undermining the new municipal system

One good example of sequencing is caught in this quotation. "Professionalisation of the civil service is a much wider task than implementing civil service laws and introducing personnel management improvements. If the administrative context within which officials are working is not also improved, they might still have to make arbitrary decisions, with insufficient communication with the public and insufficient coordination with other institutions - even in a situation where they have been selected on merit and are subject to systematic training."<sup>210</sup>

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<sup>207</sup> one of the conclusions from a recent UK assessment by its National Audit Office. See also the Audit Commission's manual *Change Here - managing change to improve local services* (HMSO 2001)

<sup>208</sup> see the Portuguese reform effort - which focused on making public services more friendly to the citizen. The Polish system is also trying to do this now

<sup>209</sup> see articles by Beblavy and Verheijen in *Mastering Decentralisation and PAR in Central and Eastern Europe* ed by G Puteri and V Zentai (LGI 2002) available from [www.lgi.osi.hu](http://www.lgi.osi.hu)

<sup>210</sup> from a most useful paper "Professionalism in public service management; the making of highly qualified, efficient and effective public managers" by Staffan Syrenstrum (SIGMA 2000)

## CODA

I write this on the last day of 2004 as the Indian Ocean Tsunami death toll climbs toward 150,000; and demonstrates yet again the life-and-death nature of public infrastructure and services - from clean water and medical systems to roads, regulation of construction standards and early warning systems. Earthquakes in Iran and Turkey in previous years had also demonstrated how a mixture of poor administrative systems and ruthless profit-seeking in the construction industry is, literally, a fatal combination.

The individualistic ethic which has gripped the world for the past 2 decades has maligned public services and those who work in them<sup>211</sup>. September 2001 gave the world an opportunity to develop a more "inclusive" ethic - but that has been wasted by an aggressive mind-set which divides the world into "those who are with us - or against us". Fortunately there are individuals everywhere whose voices<sup>212</sup> and efforts are showing a different way<sup>213</sup>.

Azerbaijan is at a critical stage of its development - with much nation-building still to do and the prospect of wealth in the future to enable this to happen. But for this, it needs well-trained and well-managed public officials - driven by an ethic of professionalism and public service. How can this be achieved when so many of the old norms are still in place? There are, basically, three ingredients for that -

- leadership
- committed people
- relevant mechanisms

Effective change requires leadership which demonstrates

- A compelling story about why change is needed and how it will be carried out;
- Continuing high-profile interest in the reform

I have met most of the Ministers and many high-level officials. Those who talk with me, by definition, understand the need for change. But my feeling is that the lack so far of visible progress on civil service reform has been largely due to the perception at a high level that workable proposals for detailed mechanisms (eg on testing; or management systems) were not yet on offer. And, by "workable", I mean both detailed and contextually relevant.

As a result of its dialogues and understanding of the local context, the project has been able to draft documents which begin to offer a step-by-step approach to change - but only in the final phase of a project whose life was all too short. The first part of this book contains these papers - particularly chapters 2 and 4.

The audience for such proposals -the Legal Drafting Department of the Presidential Apparatus - has, however, no locus for such matters as Human Resource Management; management systems or training strategies. Indeed no-one seems yet to have responsibility for such matters. Here an

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<sup>211</sup> A superb analysis of the curious value system which now underpins the American system is Will Hutton's The World We're In (Abacus 2003) which is also an excellent manifesto for the new Europe. See also Stephen Haseler's Super-State - the new Europe and its challenge to America (Tauris 2004).

<sup>212</sup> Voices such as Nobel-winning Stiglitz - author of Globalisation and its Discontents (Penguin 2002) - are of course more powerful than others by virtue of the position he held in the World Bank until his criticisms became too much for the organisation and the American Treasury to accept.

<sup>213</sup> and exposing, for example, the way that the WTO drive to privatise would make illegal the efforts of countries to keep such services as water and health in public hands

act of faith is needed - to establish a body with the authority and resources to take responsibility for these crucial matters.

We understand the reluctance to set up a new body - when, correctly, so much rationalisation of state bodies has taken place here. We do not lightly make this suggestion. But we would emphasise that this has been the pattern in most transition countries - as indicated in the table on page 313. And, of course, countries such as UK, Ireland, Canada, New Zealand, Australia, America, Philippines all have had such bodies for many decades<sup>214</sup>.

When, in, late 2003, the project made its first attempt to draft terms of reference for an Agency, the result was somewhat formalistic - we did not yet understand the local context. The objectives, tasks and priorities now suggested in chapter two do much better fit the immediate Azeri situation - and I commend that chapter to the authorities.

*I am confident that a decision will soon be taken; and the immediate need, at that point, will be to bring key people (stakeholders) together to (to obtain **support** both for the changes and the **legitimacy** of the body); and develop workable mechanisms which can deal with these (to ensure **feasibility**). It will be very important that this body that it sets a new style for its work - transparent and participative. Its task, after all, is not only to build a professional civil service system able to deal with the challenges of the new Century - it is to build public trust in the efficacy and integrity of government service. It should resist the temptation to issue regulations from on-high.*

Some of the things it will, in my view, need are -

- A Head who commands respect from Ministers - but is able and keen to set an open and consultative style of operation
- A Deputy Head who is well qualified technically
- certain clear and feasible objectives
- Relevant functions to be transferred from other parts of system (eg training)
- to have power to draft regulations
- to be given clear and realistic priorities for its first 2 (say) years
- to be phased in - to ensure it is properly prepared and that officials and the public clearly understand what is happening; why; and when
- this phasing to take account of availability of technical assistance (particularly the training of Agency staff)
- appointments to be made as competitively as currently possible
- to develop an Action Plan (see Polish example<sup>215</sup>)
- to submit transparent Annual Reports

The project has made some attempts to develop a strategy to help that process; and our discussions with members of the Management Council helped us produce, in December 2004, a new paper<sup>216</sup>.

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<sup>214</sup> UK and US for more than a hundred years - in various organisational forms; for further information about these countries, see the relevant websites - [www.ocsc.civilservicecommissioners.gov.uk](http://www.ocsc.civilservicecommissioners.gov.uk); [www.publicjobs.gov.ie](http://www.publicjobs.gov.ie); [www.psc-cfp.gc.ca](http://www.psc-cfp.gc.ca); [www.ssc.govt.nz](http://www.ssc.govt.nz); [www.apsc.gov.au](http://www.apsc.gov.au); [www.opm.gov](http://www.opm.gov); [www.csc.gov.ph](http://www.csc.gov.ph). The Canadian; New Zealand; and American sites are particularly to be commended - for the wealth of

helpful material they contain. One of the Canadian papers gives a good overview - "Merit Systems in Western Democracies: current problems and selected best practices" (1999)

<sup>215</sup> Annex to chapter 4

<sup>216</sup> "Toward a Strategy for implementing Civil Service Reform" (Takis December 2004)

People talk a lot in post-Soviet countries about the need for a "change of mentality" and it is certainly true that individuals in these countries do not yet feel they can do much to change things.

The project was often asked by journalists how long it would take to bring government service processes more in line with European practice.

The answer depends on how serious people are. In my training sessions, I have often contrasted the strategic management which current textbooks now emphasise with what I call "opportunistic" management which goes one stage further and encourages individuals to prepare for "windows of opportunity".

Most of the time our systems seem impervious to change - but always (and suddenly) an opportunity arises.

Those who care, prepare for these windows.

And the preparation is analytical, emotional and reputational.

- It is about us **caring** enough about our organisation and society to speak out about the need for change.
- It is about taking the trouble to **think and read** about ways to improve things - and helping create and run **networks** of such change.
- And it is about establishing a **personal reputation for probity and good judgement** that people will follow your lead when that window of opportunity arises.

For more on this, I would recommend a book<sup>217</sup> which explores, in a very readable way, the curious ways in which social phenomena (such as crime; fashion; smoking; disease) can suddenly and dramatically change - for no apparent reason.

The author suggests that ordinary individuals<sup>218</sup> combine with chance events to make that difference. Although much of the book which triggered these thoughts is about spontaneous events, the author is concerned to identify lessons for those in the commercial or governmental sector who are trying to change people's behaviour<sup>219</sup>.

And Civil Service Reform is very much about changing people's behaviour. There are reasons why people at various levels behave the way they do - partly tradition; partly the calculus of cost and benefit; sometimes conscience<sup>220</sup>.

If patterns of behaviour need to change, it is not enough that new laws are passed which seem to fit global good practice.

If those laws are subsequently ignored, that undermines the whole rule of law - and the situation becomes even more intractable.

The starting point has to be existing practices - why they continue and a demonstration of the danger they pose to the state. Then appropriate methods for change should be sought.

This requires a patient, pragmatic and participative approach to change<sup>221</sup>.

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<sup>217</sup> The Tipping Point by Malcolm Gladwell (Abacus 2003)

<sup>218</sup> and specifically 3 types - the networker, the specialist; and the communicator

<sup>219</sup> see also Roger Lovell's Managing Change in the New Public Sector (Longman 1994) which the project has placed in the library of the Presidential Academy for Public Administration.

<sup>220</sup> Table 312 could be used to explore this question.



Azerbaijan is not alone - central European countries<sup>222</sup> have been making the same journey in the past decade and are ready to share their experience - and the European Union is ready to assist that process of mutual learning.

The ball is now in the Azeri court!

**Ronald G Young Baku 31 December 2004**

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<sup>221</sup> I like the "Human Resource Innovator Tool Kit" which I found on the US Office of Public Management website. The project left a lot of material on managing change with the Academy library - see for example [Change here - managing change to improve services](#) from the UK Audit Commission website

<sup>222</sup> The project took key Azeris to the Civil Service Agencies of Poland, Kazakhstan and Slovakia.

## 7. KYRGYZSTAN

8 Feb 2005

I had no sooner finished that work than I was flying to Bishkek to take up a two-year project as Team Leader in Kyrgyzstan (2005-7) which helped establish a Local Government Board; did a lot of training of municipal people....and also left three books behind - one of which tells a good story about learning and strategic change - [Developing Municipal Capacity](#) and strongly challenged the prevailing assumptions in the capital about whose capacities needed developing!

Only one of these had been in my terms of reference - [Road Map for Kyrgyz Local Government](#) (2007) which I regard as one of the best things I ever produced...

The more I worked on it, the more I appreciated the potential of this device. The opening page warns that -

A road map does not give a route - YOU choose the route. A roadmap simply locates the key features (mountains, rivers and swamps) you need to be aware of when trying to travel from the A to the B of your choice. So this is not an attempt to force foreign models on the local situation

Another point about a road map is that it cannot cover every changing detail nor tell you how you should approach certain situations - sometimes a large bump in the road or impatience can have fatal consequences!

So a road map is only a guide - local knowledge, judgment and skills are needed to get you to your destination! And, like a map, you don't have to read it all - only the sections which are relevant for your journey!

So don't be discouraged by the size of the booklet - simply dip into the sections which seem most useful to you

Such projects always have an "inception period" (generally a month) to allow the team and beneficiary to take stock of the situation and make adjustments...which even paymasters realise are needed when a President flees the country - as happened in March 2015 as I was completing my round of visits not only to "beneficiaries" but other "stakeholders" such as UNDP, The World Bank and US Aid. I took full advantage of that period (which involved my own flight - back to Baku for a week of safety) to ensure the "maximum feasible flexibility" in the project.

One of the high points of the project for me was when, at a Conference of the municipalities, I invited the participants to play a game similar to "Pin the Tail on the Donkey".

As you will see from the annexes of the Road Map, I simply reminded people of

- the main elements involved in making a successful car trip (features of the car; geography; roads; petrol stations);
- listed the key players in the local government system (politicians; laws; citizens; lobbies)
- invited them to pin the appropriate label on the map

## Revolution on March 24

The first stage of Parliamentary elections were held on 27 February (with the second stage on 13 March) – which meant some initial difficulties in establishing a dialogue with the Minister of Local Government. Protests against the conduct of these elections culminated on March 24 in the flight of the President and the transfer of national power – leading to a temporary hiatus in the work of the project (apart from translation of this report). In the meantime Governors were replaced; and the pilot Decentralisation status of Issyl Kul was rescinded.

Work resumed on 12 April – with the proposed project activities being discussed with the Minister and other partners. A very successful workshop with some parliamentarians and the two municipal Associations was held on April 15 (Annex 3) to discuss draft amendments to the Local Government Law to allow local councils to take on some of the functions of the abolished Oblast and rayon councils.

Intensive discussions were held with the Minister and the project team as a whole during the week of 18 April – leading to this final draft of the Inception Report. It has not been easy to finalise the detail of even the next four months – since the situation is changing every day.

## Steering Committee

The ToR envisaged the majority of the committee being drawn from the 2 pilot Oblasts (Governor; town and Oblast council representatives). There are in fact no longer Oblast keneshes. After discussion with the Minister, it is suggested that the sustainability of the project and its ideas are better served by the following composition – LG Minister; Ministry of Finance; Mayor of Karakol and of Naryn; 1 representative from the new Keneshes of the 2 pilot Oblasts when they are reconstituted; the 2 municipal Associations; the Institute; the EC; the contractors; Team Leader.

## Extension of the project

The beneficiary considers that, particularly under the circumstances, 15 months is too short a period for the actual workings of a project such as this and requests an extension.

## Project Approach

Key factors relevant as we try to shape our action strategy are –

- The international donor community has been and remains very active<sup>223</sup> in this field
- Coordination seems poor<sup>224</sup>
- The relevant laws seem inadequate – and implementation slow<sup>225</sup> and patchy
- Turnover of staff in the LGs is very high
- Project resources are very limited<sup>226</sup>
- The March 24 revolution

The project can therefore be successful only under **two conditions**

- if we can clearly identify a **distinctive** role or purpose
- if we **collaborate** closely with bodies relevant to that purpose

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<sup>223</sup> Particularly UNDP, Urban Institute; Hans Seidel Foundation

<sup>224</sup> the project took part on 15 February in the first meeting to try to achieve coordination in the field of municipal training. About 50 people were present; it was chaired by a rep of the PM Office.

<sup>225</sup> The Ministry of Finance has not been cooperative. And a draft Law on Delineation of Functions – aiming to clarify the present duplications and uncertainties – has been delayed a year.

<sup>226</sup> 149,000 equipment; 10,000 for training; and resources for one very small study-visit. In addition, we can buy a minimum of 100 local expert man-days additional to our 3 long-term experts.

If an 18 month project is to make an impact, it can do so only by working creatively with existing local bodies and other donor projects. These we have already identified in this report.

How exactly we can help build the capacity of relevant bodies depends on three things -

- Identification of - and agreement about - the key mechanisms for such collaboration eg the **draft action plans** of the Coordinating Council for Decentralisation and of the Ministry for LG
- The profiles and **distinctive strengths of our experts** (EU and local)
- The resources available in the **Incidental Expenditure budget** for special activities such as study-tour or publications; and for **equipment** for our beneficiaries

### **Assisting the development of a new Action Plan on Decentralisation for the Coordinating Council**

Up until March 24, we had felt that the timing of the project start was most felicitous. Not only were preparations being made for the implementation of the new local budget system, but both the Coordinating Council (CC) for Decentralisation and the LG Ministry were finalising their new action plans - that of the CC replacing the one published more than 2 years ago. The draft CC Action Plan is attached as Annex 10 of this report.

The March 24 revolution changes things - and one of challenges for the project will be to assist the Coordinating Council on the development of a new action plan for decentralisation and the Ministry. This however will probably be after the summer.

### **Filling the gaps - Production of Policy Briefs**

The second factor which will govern the project contribution to the development of capacities needed for an effective local governance system are the specific competences of the project team. Between them, the experts have strong experience in Local government finance; Municipal property management; Practical experience of giving strategic direction to municipal services; Development of training strategies for municipalities - and of centres and courses; Knowledge of decentralisation process in transition countries; Production of texts and manuals

There seems to be an absence of clear conceptual papers in the country about the basics of local self-government; the process of decentralisation in other countries; and what lessons that might hold for Kyrgyzstan. The project team is well placed to help in this respect - and is exploring with the Institute of Public and Municipal Training the launching of a new series of policy papers on these topics.

### **strategic use of resources and Equipment budget**

The European Delegation has made available a maximum of 200,000 of equipment<sup>227</sup> for the beneficiaries of this project - who cover

- The Minister of Local Government
- The LGs in the 2 pilots
- (possibly) the Institute of Public and Local Administration and Training Centre
- (possible) the Association(s) and the Ministry of Finance - who are also named as targets of the project's technical assistance.

The Naryn mayor's office has no IT equipment - and this can be assumed to be the situation in the other towns and village self-governments in the 2 pilot Oblasts (125 in total). But the provision of equipment is pointless in itself unless some preconditions are met - eg Electricity

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<sup>227</sup> as indicated in para 3.1.2 (h), this is now reduced to 149,000

(regular flow); Trained staff; Systems requiring regular reporting and use of PCs; Paper; Internet connections; Local network connections

It will be an urgent task of each EU expert to identify how the equipment budget can make maximum impact. The project will attempt to create or link to an integrated network which will eventually connect the various LGs to networks<sup>228</sup>. The Association of Towns - with its website - also has an interest here - as does the Association of Villages. More ambitiously, so does the Institute for Public and Municipal Administration - in its training capacity. *The project will establish a small working group to explore possibilities.*

### **Use of Study Visit**

The ToR require one study visit (4 or five officials from the Ministry) to a transition country with positive experience of the decentralisation process. Poland or Hungary were mentioned - and Hungary may well be the most appropriate country - in terms of scale and success. Such a visit would have to be very carefully planned - and take place probably in autumn 2005. The project will prepare a paper on the options, procedures and timing.

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<sup>228</sup> in Issyl Kul, a local resource centre has just opened as part of the CDF work. See annex for more detail

# SOME THOUGHTS ON BUILDING LOCAL GOVERNMENT IN A HOSTILE CLIMATE

## ***a. Purpose of paper***

Although a lot has been written about decentralization I do not know of many articles which try to describe the process of building stronger systems of local government in the sort of hostile or indifferent environment one finds in Central Asia and parts of the Caucasus. An earlier draft of this paper was posted on the notice board of an E-group consultation organized for all European Delegations during 2006 on Decentralisation to which I was privileged (as an outsider) to belong.

## **b. Background**

Traditions and cultures vary enormously and our perceptions are therefore all governed by our contexts and the meanings and experiences they have given us. My background is that of an academic in urban management and a leading Scottish local government politician from 1970-1990 as that system was dramatically restructured in 1975 to give it the scale to be a serious player; only to be downsized in the 1980s. During that time my Region of Strathclyde pioneered community structures and more open forms of policy-making which are still being rediscovered 25 years later in centralist Britain.

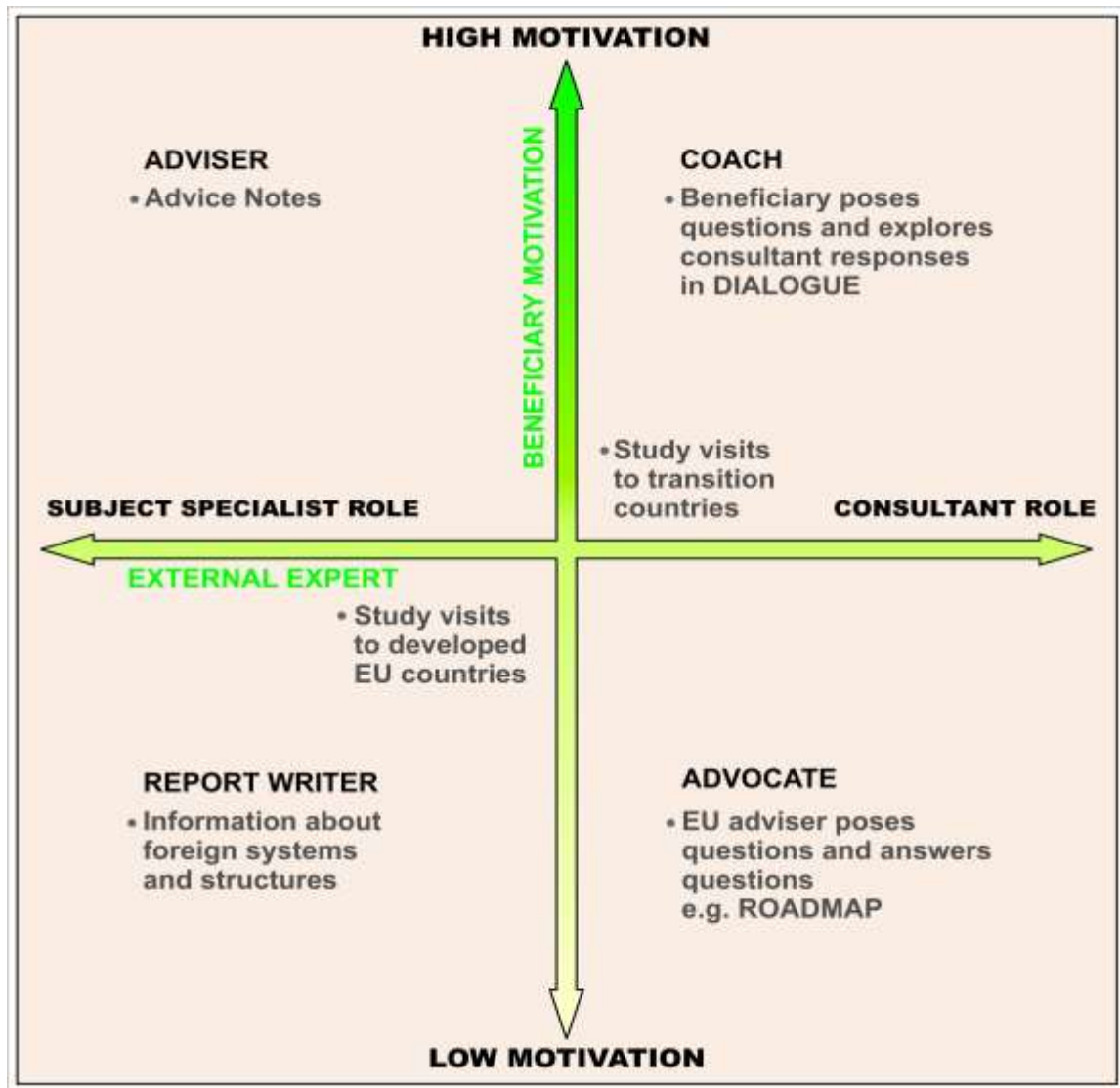
In 1990 I moved to Central Europe and continued my work on de-bureaucratisation with the new systems of local government in Romania, Hungary and the Czech and Slovak republics but then moved in 1999 to Central Asia where I headed up a 3 year EU project on civil service reform and decentralisation in Uzbekistan and a 2 year civil service project in Azerbaijan. Since early 2005, I have returned to my roots in local government - to Kyrgyzstan where I head up an EU project to strengthen local government.

## **c. The context - and structures of influence**

Most of central Europe had functioning democratic and market systems in the early part of the twentieth century. These therefore were not foreign elements - but part of their cultural heritage. This was not true of Russia and CIS countries. The concept of local government is not yet understood - or is actively resisted - in CIS countries which have only the slightest of democratic or pluralist trappings. Formal centralism co-exists uneasily there with a mixture of regional clan systems and informal franchising of senior state positions. And after 15 years, for example, the system of local state administration (Oblasts and rayons) is as strong as it ever was.

Kyrgyzstan is one of the few countries which has an active debate about reforming that system (removing one of the levels) but the debate is conducted at a purely verbal level - since written analysis has not yet become an accepted policy tool. In this hostile or confused environment, the issue of motivation is paramount. Who supports the development of local government? For what reasons? And how can the environment be made more positive? That is an issue which I have tried to address in the latest draft of the Roadmap I am required by my ToR to produce in Kyrgyzstan (para 3 in what follows). Of course, this is an issue mainly for those countries which are at this early stage of developing the notion of local government - which indicates that we need to distinguish "embedded" systems from "contested" systems. Programmes of Technical assistance seem to need a much higher political sensitivity in the latter systems.

The logframes<sup>229</sup> we use generally refer to the risks which come from the political environment - but this seems to be essentially a ritualistic reference which has not affected our thinking about how a programme can actually "make a difference". I've recently developed the following diagram to try to describe the different types of relationships there can be between "beneficiaries" and us "experts" (what significant words these are!)



The vertical axis indicates the attitude of the beneficiary to reform (and also the input of the foreigner) - positive at the top, negative at the bottom. The horizontal axis indicates the expertise of the "expert", on the left a subject specialist (with little experience of real consultancy which requires one to understand the needs of the customer and the local context); on the right the rarer consultant type. This gives four types of relationships - starting with what I call the report-writer, then advocate, adviser and, finally, coach. How often, I have to ask, do you see the coach role?

<sup>229</sup> See Lucy Earle's "Lost in the matrix; the logframe and the local picture" – available on internet (Google scholar)

#### **d. Timescales**

And one of the reasons for this seems to be the type of procurement system used by many donors.

I do not understand the reducing timescale being given to decentralization and admin reform projects by donors. In my experience a project begins to make an impact after 15 months. By that time, the team begins to understand the context and to have become accepted. Only then can it start to work effectively. But I see so many ToR now being advertised which are only 15, 16 or 18 months long - and expected to deliver an unrealistically large number of outputs in that time!

US Aid has a much more realistic approach to local government. It funds the Urban Institute in CIS and some other countries for long periods of time. In Kyrgyzstan, the office has been there for 7 years - focusing on the country's 24 towns. Of course there is competitive procurement - but for the running of that office and associated programmes which are therefore able to continue for realistic periods. *As a result the project staff can have some continuity.*

People such as myself do not belong to the contracting companies. We are individuals - generally with a commitment to "make a difference" to the world in which we work. And we get very impatient with the formulaistic way in which international donors push "best practice" on countries - a practice that many of them do not in fact follow themselves and which are not appropriate to the conditions prevailing in many countries<sup>230</sup>.

WHAT FOLLOWS ARE EXCERPTS FROM THE PRESENT DRAFT OF THE European Delegation's Tacis project to support the strengthening of local government in Kyrgyzstan

The EC is of course not responsible for the opinions expressed in it

Ronald G Young; Bishkek 28 October 2006

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<sup>230</sup> See the papers some of us delivered on this theme to the 2006 NISPACee conference and will now take forward in a new working group



### 3. The Process of Change

#### 3.1 It takes time -

We need, of course, to recognise that it always takes a long time to get legislation for local government into a workable shape<sup>i</sup> - and in the meantime services have to be provided. It is a fallacy to assume that, somehow, in a year or so a sound set of laws can be produced. Building local government is a long-term process - and one of the critical questions is how the process is best structured and supported.

#### 3.2 But patience is not enough!

For the moment we have to ask whether the power system in CIS countries understands how much local government can contribute to a healthy society and economy - and is actually prepared to act to help create the conditions in which it can grow?

The question is phrased in a very careful way - for there seems to be an assumption that local government can be created by a few central decisions to transfer functions and authority over resources - and that municipalities should just wait for this to happen.

That is not the way local government has developed historically! That way is a recipe for continued subservience. One of the reasons why local government has not advanced here since 2002 is that the centre judges that local government does not have the capacity to run services. And by that, it means that it does not have the experience or quality. But how is it to gain the experience unless it is given a chance to prove itself? It is exactly the same argument controlling parents use to deny their adolescent children the opportunity to grow up! Of course inexperienced young people will make mistakes - but it is the job of responsible parents who care about their children to create the conditions in which their children learn for themselves - at minimal cost to themselves and others.

**Historically local government has developed as those in the localities have taken action to demonstrate their determination and ability to set their own priorities - it has not come from the centre transferring functions.**

But how does this happen when there is no tradition or acceptance of challenging the centre?

#### 3.3 The network of discussion needs to widen

In the past few years a good base has been laid for local government here - there are 6818 elected councillors and 484 directly-elected mayors; and a framework of legislation which mayors and municipal staff have had an opportunity to learn about and test - if mainly during the past year or so. There is now a broad understanding of what has to be done to make the system more effective. But local councillors are not yet involved in the discussions about the future of local government in their country - which are too much focused in Bishkek.

#### 3.4 people have to be motivated!

We do need to be very realistic about the diverse motives for people supporting local government. "Decentralisation" is one of these vague phrases everyone likes to use - to show they are modern and progressive. We need to be aware that decentralisation does not necessarily lead to strong local government - and has been used in many countries to conceal a move in the opposite direction - centralisation<sup>231</sup>.

And, as central governments have come under increasing fiscal pressure, they have found it useful politically to transfer functions to local government - without the appropriate financial resources. This could weaken - rather than strengthen - local government. And in CIS countries municipalities are valued as a mechanism for gathering votes to sustain power systems. At a local

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<sup>231</sup> Slovakia in the 1990s and UK in the past 30 years are 2 good examples

level, some people may support local government since it seems to offer them political or economic opportunities. There is nothing wrong with councillors wanting to advance their careers - but this should not be at the expense of the public good and developed systems of local government have various mechanisms to prevent such corruption. Table 1 tries to gather the various motives together - and suggest how to minimise the effects of the negative motives.

**Table 1 Motives for supporting local government**

Motives for supporting Local Government	To what extent present in KR?	How minimise Risk? Or maximise potential?
<b>1. Central Government</b>		
Pass burdens and financial responsibility to lower level	High	Proper calculations of costs of statutory functions Clear legal sanctions
Use as scapegoat	Medium	Strong municipal association (s)
Use as vote machine	High	Transparency
To impress international community	High	Clear commitment from all members of government
From genuine belief in value of local government	Low	Debate about local government - active academics and journalists
<b>2. Local government personnel</b>		
Career development	High	Accountability mechanisms
Means of private profit	Medium	Transparency
From genuine belief	High with councillors	Good links with civil society

Decentralisation involves a major change in mind-set. It requires those in the centre to accept that they can neither know nor control everything from the centre. And it involves changing behaviour - encouraging municipalities to take initiatives and trying to get LSA to see its role differently. *Laws may be necessary but they are not sufficient. Laws don't in themselves change behaviour or beliefs - people have to be persuaded that the changes are good and (generally) in their interests*

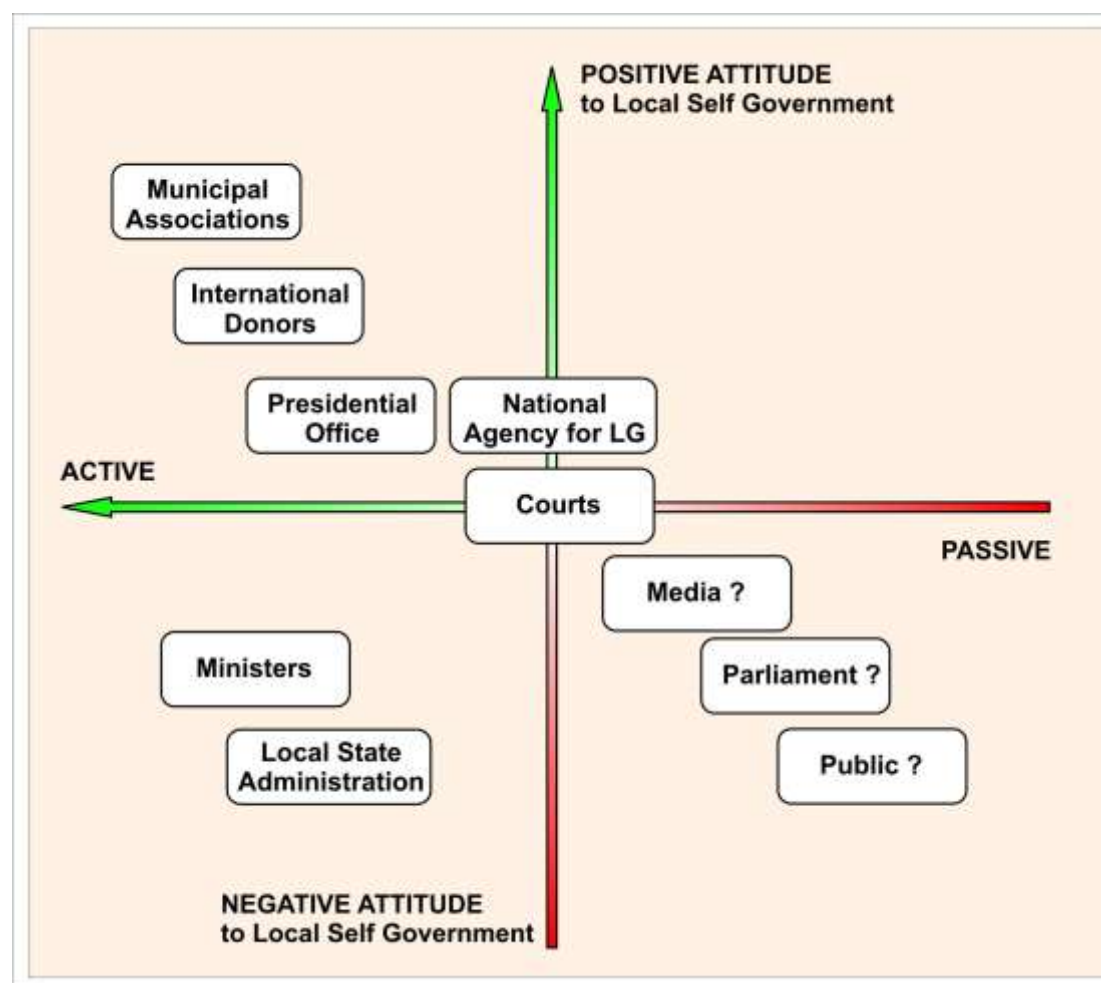
### **3.5 what effective strategies need**

So lack of technical capacity at the heart of government is one reason for the failure to develop local government. This is dangerous for both central government and local government - since it develops cynicism and a feeling that nothing can change. The establishment of a new National Agency for Local Government is a step in the right direction if it can show that it can draft legislation carefully and in full consultation with those affected. Only then are laws workable.

But an effective strategy has to be more than technical. There is little point in legislation being workable if they lie unimplemented (like the Law on local Finance) because strong forces are opposed to the whole idea of local government! The starting point of any change has to be an assessment of the forces which are favourable to any change - and those which are hostile. **An effective strategy then (a) tries to understand the reasons for these motives and (b) develop strategies to deal with them - either front-on or by more devious routes.** Diagram 2 is an indication of what the first stage of such a strategic approach would look like - ie "mapping" the attitudes to local government here by various groups. Groups are placed high on the vertical axis if they have a positive attitude and on the left hand-side if their attitude

(positive or negative) is strong. This, of course, is very impressionistic - there is in fact very little evidence<sup>232</sup> to go on - and parliament is probably more positive than suggested.

**Diagram 2: Attitudes to local government in KR**



A lot of energy and time has been spent in recent years trying to get a precise and relevant legal and fiscal framework for local government.

My feeling is that not enough time and energy has been spent helping some groups to understand what local government actually is - and how it will contribute to (not detract from) the country's social and economic stability.

### 3.6 Next steps?

As we've said, the location of the various groups in the diagram's four quadrants needs to be properly discussed. It is my feeling that support for the idea of local government has been declining here in KR in recent years. How could it be otherwise? It has not been allowed to operate - so how can people feel positive about it?

The question is where should attention focus - on getting better laws working? That could take years. On getting the local budget system working? But the opposition to that could also last some time. Two important elements of change seem to be missing in the present situation-

<sup>232</sup> But see the Combined Report - poll results on level of consumer satisfaction with town municipality services in KR (Urban Institute summer 2006)

- **Forceful advocates** of the importance of local government - and its practical benefits
- Practical examples of **what a municipality can actually do**

And forceful advocacy means good communications! Bodies such as the National Agency for Local Government and the Decentralisation Council need to build strong links with municipalities and explain clearly and frequently what is going on and why what they are doing is important. And consideration should be given to the establishment of pilot municipalities which have special legal status to allow them to operate with the clear legal, financial, staffing and organisational conditions to demonstrate what a municipality is capable of.

### Section 5.5 Choosing appropriate tools

Enacting legislation comes easily - particularly to those schooled in Moscow. But new laws do not in themselves motivate - or reduce the resistance or indifference which comes when people don't understand the reasons for a new system which is being introduced. Table 3 sets out the various mechanisms which are available to those trying to change beliefs and behaviour -

**Table 2; tools in the change process**

Motivating Factor	Example of tool	Particular mechanism
<b>1. Understanding</b>	Training Campaigns Functional review	Rational persuasion  Factual analysis
<b>2. Commitment</b>	Leadership Communications Training	Legitimisation; inspiration  Pride
<b>3. Personal Benefit</b>	Pay increase and bonus Promotion (including political office) Good publicity Winning an award	Monetary calculation ambition  Reputation; Psychological Status
<b>4. Personal Cost</b>	Named as poor performer Demotion Report cards	Psychological (Shame) Monetary Pride
<b>5. Obligation</b>	Law Action plan Family ties	Courts Managerial authority Social pressure
<b>6. Peer influence</b>	Bribery Quality circles	Pressure Support
<b>7. Social influence</b>	Opinion surveys	Feedback from public about service quality

We have already, in para 3.4, talked about the need to pay attention to the motives of various key groups. When a new system - such as decentralisation - is being introduced, the tools we use for that change have to match the motives. What is it that is most likely to make target groups change their behaviour?

- Simple instructions?
- Threats? Incentives?
- Explanations and understanding?

- Moral exhortation?

The following simple suggestions are offered tentatively to encourage a discussion -

### **5.5.1 Surveys**

Simple comparisons generate discussion and can establish a momentum for change<sup>233</sup>. For example a recent Urban Institute publication (see 3.6 above) showed major differences in local public satisfaction with town municipalities - and therefore allows questions to be raised about the reasons<sup>234</sup> for the low ratings of certain mayors.

### **5.5.2 pilots**

We have suggested that people need to see examples of properly working municipalities - and that this can be by selecting some as pilots - where the municipality would be given freedom from certain administrative and financial restrictions and work in a more creative way.

The Scandinavian Free commune experiment is relevant here - which invited municipalities in selected pilot regions to indicate which administrative requirements on municipalities (eg stats and reports; number and title of admin positions) could be experimentally abolished). The EU Tacis project is already working in this spirit with a few village municipalities in its 2 pilot Oblasts.

### **5.5.3 Advocates of change**

*A proper debate on the role of local government is needed* - and could perhaps be developed by the establishment of an independent review committee which would take evidence from bodies at both national and local level and produce an analysis and recommendations<sup>235</sup>. And there should certainly be some locally elected representatives on such a body.

### **5.5.4 Media coverage**

Most countries have journalists who specialise in local government - helping the public understand the value of municipalities and identifying examples of good practice. Bodies such as the German Marshall Fellowship have played an important role in helping develop such expertise.

### **5.5.5 research coverage**

Academic and teaching institutions should also be encouraged to set up research into the process of developing local government here - monitoring what is happening in the localities; issuing publications which would help people - at both national and local levels - understand better the various issues involved in establishing a strong and flourishing local government system. A lot of the CIS countries simply do not have the people with the core concepts and language of public administration systems as we know them. How can you reform without the shared language and meanings?

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<sup>233</sup> This is a tool much used now by the World Bank in civil service reform - asking civil servants and the public their opinions and using the results to indicate the need for reform

<sup>234</sup> reasons would include budget allocations, leadership and local expectations

<sup>235</sup> countries differ, of course, in the extent to which their civil servants are able and willing to conduct and put such analysis on paper!

## Section 13 – Developing municipal Capacity

This section of the Roadmap poses questions about how the capacity of the municipalities can be developed – and challenges the assumptions that this is best done through training conducted by centralist institutions.

### 13.3 Different ways of learning

There is some confusion between

- the **educational requirements** for local government – which demand a uniform approach and are, therefore, properly the concern of national education bodies such as the Academy of Management, on the one hand, and
- **short-course training provision** – which needs to be more experimental and flexible; and very sensitive to the specific contexts and needs of the individuals at local level who are wrestling with ambiguity and under-funding.

The education of municipal staff only makes sense when it is part of a reform package which includes the introduction (and implementation!) of formal educational requirements for particular posts (such as head of Finance; and Responsible Secretary); and pay reform.

The current absence of such reforms leads to high risks of educational work being wasted – and of short-courses being used as a substitute and stop-gap”.

Our project – like many other donors – had been given a vague instruction to “help train municipal personnel in the two pilot Oblasts to enable them to play an important role in the process of decentralisation and the practice of local good government”. By June 2005, ideas were emerging in Naryn about **local municipal support centres** – which could help collect and disseminate the basic information about laws and good practice which was missing. These ideas have borne fruit and 3 such centres will open shortly in each of the Oblasts.

And our work has helped us identify local municipal people who have the experience, respect and commitment to act as a mix of **trainers and champions of local government**. We don't pretend that such things – in themselves – give a local training capacity but they are important developments.

In a sense we have been trying to steer a path between the prescriptive model of national educational establishments and a more organic model of local initiatives.

Initially we expressed what we thought our “third” way was by arguing that we were concerned with the elected element in local government – the councillors, the chairmen of committees, the newly-elected AO Heads – who were perhaps being ignored with all the emphasis on technical subjects. We felt more emphasis needed to be given to what after all defines local government – these elected people, the skills they need and their accountability to local people. But then the phrase we found ourselves using was “the softer skills” – which are those involved in the roles and relationships which were one of the subjects of the consultancy-type work we started to do in April.

The immediate focus of both the prescriptive and organic models is the individual – whereas the method we are struggling toward focuses more on the municipality as a whole.

The prescriptive model is formal and disciplined; the organic is more anarchic. These differences are set out in table 7.

**Table 8; models of learning**

	<b>Prescriptive learning</b>	<b>Organic learning</b>	<b>Holistic learning</b>
<b>Immediate Focus</b>	The individual student	The individual practitioner	The unit or organisation
<b>Style</b>	hierarchic	Spontaneous	Disciplined interaction
<b>Example</b>	University	Community development work	Consultancy
<b>Assumption</b>	That missing knowledge is best developed through courses delivered through lectures	That new skills and knowledge are best developed through doing	That people will discover relevant action and skills by structured dialogue within their system
<b>Problem</b>	Attention; memory span through lack of application	People may not learn from mistakes	Leadership domination may not allow process

We don't want to suggest that the holistic is a superior model – rather we want to suggest that each model is appropriate under certain conditions.

### 13.6 Preconditions for effective learning

Training, therefore, is effective only if certain conditions exist-

- **practical and successful methods** ("measures"<sup>236</sup>) **have been developed locally of dealing with the key problems** facing those undertaking the training; and by "practical" we mean within the capacity of the resources and skills which exist within their organisations
- **legal systems are operational** to allow these measures to be implemented
- those **supplying the training** are accepted by the trainees as having the **relevant skills and experience** to do so
- the course is **structured in a way which fits the job pressures** of those taking it
- those attending the course are **motivated** to do so
- and receive the positive support of their employers to do so

These can be seen as **basic principles of effective training**.

One of the reasons why existing legal and technical training modules are not being actively used is that the legal framework is simply not being implemented – often because it has not been properly drafted for the local context. Those who have taken part in such training understandably feel it is therefore a bit theoretical. And the same goes for some of the other training modules on technical matters such as local budgeting and municipal property management.

But that should not mean that no training should take place until these matters are resolved!

Our work in the pilot Oblasts shows us that there is a positive attitude here to "learning from seeing" – site visits to developing good practice eg in municipal waste management. We have also identified some local officials who are carrying out what seems very effective training in their field (eg finance). All of this suggests that a new type of "mutual learning" approach may be the best way forward – encouraging people to learn from one another. This is a particularly important approach for local government whose whole justification is as "local laboratories" for initiative and democracy.

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<sup>236</sup> eg practical waste management schemes such as the Karabalta official presented at one of the project workshops

*We suggest that the principles set out above should be used to construct a pilot approach to municipal training. Ideally international bodies such as UNDP or EU should help to set up and fund a basic framework of trainers and modules (probably on some sort of distance-learning basis) - with bilateral donors then funding the participants from individual towns and villages take part in it. But such a model seems to be beyond the capacity of the donor community!*



# The Long Game

## *The blind leading the blind?*

Nobody had ever lived through a triple transformation (Markets, nations, democracy) ever before. People had been writing profusely about the transition from capitalism to communism - but not the other way around. The collapse of communism was a great shock. Few - except the Poles and Hungarians<sup>237</sup> - were at all prepared for it. And understanding such systems change requires a vast array of different intellectual disciplines - and sub-disciplines - and who is trained to make sense of them all<sup>238</sup>? The apparently irreversible trend toward greater and greater specialisation of the social sciences places more power in the hands of technocrats<sup>239</sup> and disables politicians from serious involvement in the discourse of the international bodies whose staff therefore engage in the reconstruction of other country's state systems with no effective challenge - from any source. Strange that these are the very people who preach about accountability and corruption!!!

Those of us who have got involved in these programmes of advising governments in these countries have a real moral challenge. After all, we are daring to advise these countries construct effective organisations - we are employed by organisations supposed to have the expertise in how to put systems together to ensure that appropriate intervention strategies emerge to deal with the organisational and social problems of these countries. We are supposed to have the knowledge and skills to help develop appropriate knowledge and skills in others!

But how many of us can give positive answers to the following 5 questions? -

- Do the organisations which pay us practice what they and we preach on the ground about good organisational principles?
- Does the knowledge and experience we have as individual consultants actually help us identify and implement interventions which fit the context in which we are working?
- Do we have the skills to make that happen?
- What are the bodies which employ consultants doing to explore such questions - and to deal with the deficiencies which I dare to suggest would be revealed?
- Do any of us have a clue about how to turn kleptocratic regimes into systems that recognise the meaning of public service?<sup>240</sup>

These were the questions I posed in a paper I drafted and presented to the 2007 NISPAcee Conference. The rest of this para is taken from that paper.

Too many programmes and projects are designed out of context in a high-handed manner (counter to basic principles of organisational consultancy) by highly trained people in highly bureaucratic organisations who have little direct experience of the messy nature of real change. What they produce are the typical products of rationalist mentality - which no amount of tinkering can make more effective.

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<sup>237</sup> who, with other countries admitted in 2004, had experienced these systems earlier in the 20<sup>th</sup> century!

<sup>238</sup> Elster and Offe

<sup>239</sup> JR Saul is one of the few who have tried to expose this - in Voltaire's Bastards

<sup>240</sup> Anti-corruption strategies have, of course, become very fashionable in the international community - but seem to me a good example of a mechanism which serves the interests of donors (jobs) and beneficiary countries who have such strategies wished upon them. For the latter it gives the pretence of action and also fits with the traditional culture of rhetorical exhortation.

### Three different species of consultants

I've spotted at least three very different schools of operation amongst our colleagues -

- The "**liberal**" perspective can be found in constitutional literature and mainstream political science writing about the workings of liberal democracy - where the "public good" is achieved by free peoples voting in and out politicians who form governments (national and local) - advised by neutral and honest civil servants. Government policies (and reputations) are subject to constant and detailed scrutiny by a large community of pressure groups, researchers and media.
- The "**neo-liberal**" perspective is economic - talks about "state capture" and "rent-seeking" - and advises that the public good is best achieved by the role of the state being minimised and the role of the market and contracts maximised.
- The "**functionalist**" lens is more anthropological - and starts with an attempt to understand who is actually doing what - regardless of whether they are "legitimate" or "effective" players according to the constitutional and economic models which dominate donor thinking. Its interventions are pragmatic - using change management perspectives (Carnall).

An army of economic experts from the second battalion had the bit between the teeth from the privatisation which had swept the world in the 1990s - and was looking for a new challenge! So no humility was on display. They knew what had to be done! And the bodies which employed them (such as the IMF and World Bank) were international and therefore protected from effective challenge - although for those who cared to read the numerous critiques of their work<sup>241</sup>, their record and structure of ways of managing programmes and personnel was highly questionable. In Central Europe, of course, such bodies had to share the place at the table with the European Union - whose fiefdom this was - and with EBRD. As has been well documented by Santos, however, the EU, however, despite all the vacuous rhetoric of common administrative space<sup>242</sup>, has no intellectual line<sup>243</sup> of its own and simply follows the "intellectual" lead of international bodies such as the World Bank. So even the EU was slow to wake up the significance of a strong and effective machinery of state.

When it did, accession was the name of the game and legitimised a rather "imperial" approach to public administration reform - with accession countries required to learn the *Acquis Commaunitais*<sup>244</sup> and annual report cards. EU "experts" (of varying background and levels of expertise) found themselves working on programmes restructuring Ministries and helping introduce and implement civil service laws. Others in civil service training. But far too quickly the EU decided to make accession (rather than development) the driving force of its technical assistance. At that stage it was patently obvious to those who knew countries such as Romania and Slovakia that the culture of patronage and corruption was so deeply embedded in these systems that Ministry twinning<sup>245</sup> was no answer. But we were only experts in the field - employed by companies on contract to the EU - mercenaries. And who listens to mercenaries?

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<sup>241</sup> the critiques are too numerous to mention - starting from Susan George and Fabrizio Sabelli *Faith and Credit - the World Bank's Secular Empire* (Penguin 1994) through to *Reinventing the World Bank* (Ithaca 2002). See also article "Our poverty is a world full of dreams; reforming the World Bank" by Catherine Weaver and Ralf Leiteritz in *Global Governance; a review of multilateralism and international organisations*

<sup>242</sup> see paper in SIGMA series

<sup>243</sup> It is quite scandalous, given the scale of money spent by the EU on the topic, that the EU has no lead experts exercising any leadership or quality control over, for example, the ToR drafted in this field.

<sup>244</sup> basic subjects were access to regional funds, project management. For the advanced there were recondite subjects such as comitology

<sup>245</sup> Giving accession countries a civil servant from a matching Ministry in a member country. To such people, giving advice was a novel experience, let alone to countries so different from their own.

And yet the management theory of the time was preaching the importance of the bosses listening to the views of their workers in the field. But such a view is and remains anathema to the elite culture of the Commission<sup>246</sup>.

Further afield in Russia and Central Asia, the Washington consensus had full rein. And what a disaster it has been<sup>247</sup>! Initially, of course, there was no talk of administrative reform. The language was functional transfer or, more euphemistically, review. The central state was to be stripped - and its assets transferred ideally to something called the private sector. This line went down well with the apparatchniks who were well placed to benefit - so "local ownership" was clearly in place! As it slowly dawned on these zealots that market transactions did require some element of regularity and legality - otherwise society reverted to banditry - the academics discovered the writings of people like North<sup>248</sup> and Schick and started to allow some experts in to help construct some of the machinery of government which is required to ensure the minimum level of social trust required for economic transactions.

### Some results

State bodies (at all levels) in many transition countries have been regarded by the international community as so contaminated with soviet centralist thinking and corrupt informal coping practices as to be beyond hope. The strategy of international donors during the 1990s to avoid working with or through them. Instead they channelled assistance to building up the private and NGO sectors<sup>249</sup>.

- The privatisation process has been very extensively documented. Different models were followed in different countries - and worked more or less satisfactorily depending on the local context. In much of Central Europe, the process and outcomes were, given the novelty of the process, not excessively contentious<sup>250</sup>. But the selected methods and context in Russia combined to create a criminal class able to buy anything - including elections<sup>251</sup>.
- And most NGOs in transition countries - funded as they are by the international community - are not NGOs as we know them. They have, rather, been a combination of entrepreneurial bodies or fronts to disburse money to causes acceptable to donors.
- In the accession countries, serious efforts at administrative reform only really started in the late 1990s - and still receive very little serious attention in Central Asia. And it is only in the last few years that a real effort has started in Russia to try to build up a civil service system which serves the state rather than its own interests<sup>252</sup>.

### 5.5 intellectual signposts

The website set up by the World Bank, UNDP and others<sup>253</sup>, although useful, as an introductory tour of some tools for admin reform, tantalises rather than instructs. And the voluminous

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<sup>246</sup> Although I was very impressed in the 1980s with the openness of the Delors regime to the views and role of local government

<sup>247</sup> for a definition and history see Gore. For the definitive critique, see Stiglitz.

<sup>248</sup> for a summary see "The Theoretical Core of the new institutionalism" by Ellen Immergut Politics and Society vol 26 no 1 March 1998 (available via google scholar)

<sup>249</sup> The various Annual World Bank Reports charted this process of thinking.

<sup>250</sup> this is, of course, a very sweeping statement - with exception in certain countries and sectors. In Bulgaria and Romania the process was highly contentious - and Gatzweiler and Hagedorn, amongst others, argue that land privatisation was highly deficient (in "People, Institutions and Agroecosystems in Transition").

<sup>251</sup> The most accessible account is Freeland. See also Black and Tarassova

<sup>252</sup> "Hard cases and improving governance: Putin and civil service reform" by Pat Grey (2004)

<sup>253</sup> [www.worldbank.org/publicsector/civilservice](http://www.worldbank.org/publicsector/civilservice)

Manual on PAR produced in 2004 by the Asian Development Bank<sup>254</sup> - which one would imagine to offer some perspectives on the Asian context - disappoints. A lot of the World Bank papers take a statistical approach to problems and try to identify correlations - presumably because it employs so many people with econometric qualifications and because its mission does not (technically) allow it to get into political matters<sup>255</sup>. However staff such as Shephard have bravely asked critical questions. Nick Manning has been an indefatigable writer prepared to write in an accessible way about his work - and Tony Verheijen's papers have also been very helpful to those of us in the field as we struggled to make sense of our work.

### A-historical approaches

One would have thought that before rushing into transition countries, donors and experts might have asked themselves the basic question about the process by which their own economic and political institutions were constructed. But the economist thinking which was then so rampant has no place for history - only the latest nostras and equations. Joon Chang has been one of a few prepared to challenge with proper analysis the facile assumptions of the various economic and political prescriptions which lay inside the advice offered by World Bank advisers<sup>256</sup>.

David's paper, for example, makes the very correct point that elections themselves are not the defining feature of democracy. The Government system in a democracy is made up of several structures or systems each of which has a distinctive role. It is this **sharing of responsibilities** - in a context of free and open dialogue - which ideally gives democratic systems their strength - particularly in

- Producing and testing ideas
- Checking the abuses of power
- Ensuring public acceptance of the political system - and the decisions which come from it.

The key institutions for a democratic system are -

- A **political executive** - whose members are elected and whose role is to set the policy agenda- that is develop a strategy (and make available the laws and resources) to deal with those issues which it feels need to be addressed.
- A freely elected **legislative Assembly** - whose role is to ensure (i) that the merits of new legislation and policies of the political Executive are critically and openly assessed; (ii) that the performance of government and civil servants is held to account; and (iii) that, by the way these roles are performed, the public develop confidence in the workings of the political system.
- An independent **Judiciary** - which ensures that the rule of Law prevails, that is to say that no-one is able to feel above the law.
- A free **media**; where journalists and people can express their opinions freely and without fear.
- A professional impartial **Civil Service** - whose members have been appointed and promoted by virtue of their technical ability to ensure (i) that the political Executive receives the most competent policy advice; (ii) that the decisions of the executive (approved as necessary by Parliament) are effectively implemented ; and that (iii) public services are well-managed

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<sup>254</sup> Available on their website

<sup>255</sup> Clearly it does in fact engage in very high politics - but has had to invent a new technical jargon and literature to conceal this.

<sup>256</sup> But I have also recently come across the excellent collection of essays on rule of law programmes by Carothers.

- The major institutions of Government - **Ministries, Regional structures (Governor and regional offices of Ministries) and various types of Agencies**. These bodies should be structured, staffed and managed in a purposeful manner
- An independent **system of local self-government** - whose leaders are accountable through direct elections to the local population<sup>257</sup>. The staff may or may not be civil servants.
- An active **civil society** - with a rich structure of voluntary associations - able to establish and operate without restriction. Politicians can ignore the general public for some time but, as the last ten years has shown, only for so long! The vitality of civil society - and of the media - creates (and withdraws) the legitimacy of political systems.
- An independent **university system** - which encourages tolerance and diversity

Such a democratic model is, of course, an "ideal-type" - a model which few (if any) countries actually match in all respects. A lot of what the global community preaches as "good practice" in government structures is actually of very recent vintage in their own countries and is still often more rhetoric than actual practice.

Of course public appointments, for example, should be taken on merit - and not on the basis of ethnic or religious networks. But Belgium and Netherlands, to name but two European examples, have a formal structure of government based, until very recently, on religious and ethnic divisions<sup>258</sup>. In those cases a system which is otherwise rule-based and transparent has had minor adjustments made to take account of strong social realities and ensure consensus. But in the case of countries such as Northern Ireland (until very recently), the form and rhetoric of objective administration in the public good has been completely undermined by religious divisions. All public goods (eg housing and appointments) were made in favour of Protestants.

The Italian system has for decades been notorious for the systemic abuse of the machinery of the state by various powerful groups - with eventually the Mafia itself clearly controlling some key parts of it<sup>259</sup>. American influence played a powerful part in this in the post-war period - but the collapse of communism removed that influence and allowed the Italians to have a serious attempt at reforming the system - until Berlusconi intervened.

These are well-known cases - but the more we look, the more we find that countries which have long boasted of their fair and objective public administration systems have in fact suffered serious intrusions by sectional interests. The British and French indeed have invented words to describe the informal systems which has perverted the apparent neutrality of their public administration - "the old boy network"<sup>260</sup> and "pantouflage" of "ENArques"<sup>261</sup>. Too much of the commentary on Central Europe and Central Asia seems oblivious to this history and these realities - and imagines that a mixture of persuasive rhetoric and arm-twisting will lead to significant changes here. The result is inappropriate mechanisms and an alienated and offended beneficiary.

<sup>257</sup> Encouraging a strong and free system of local self-government is perhaps the most difficult part of the transition process - since it means allowing forces of opposition to have a power base. But it is the way to develop public confidence in government!

<sup>258</sup> Ie each of Belgium's 3 Regions has a both an executive and a "community" structure - with the latter reflecting ethnic issues. Netherlands has long had its "Pillars" which ensured that the main religious forces had their say in nominations and decisions. This has now weakened.

<sup>259</sup> There is a voluminous literature on this - the most lively is Peter Robb's *Midnight in Sicily* (Harvill Press 1996). For an update, read *Berlusconi's Shadow - crime, justice and the pursuit of power* by David Lane (Penguin 2005)

<sup>260</sup> published critiques of the narrow circles from which business and political leaders were drawn started in the early 1960s - but only Margaret Thatcher's rule of the 1980s really broke the power of this elite and created a meritocracy

<sup>261</sup> business, political and Civil service leaders have overwhelmingly passed through the Ecole Nationale d'Administration (ENA) and have moved easily from a top position in the Civil Service to political leadership to business leadership.

## Unknown Regions

### *The notion of impervious power*

This section argues how much of an unknown for western experts the context is which they are supposed to be analysing let alone working in Neighbourhood countries. I have some problems with the terminology. Initially I used the term „kleptocracy“ (since the basic feature of the states in most of these countries is legitimised theft) but feedback suggested that this was too general and emotional a term. „Autocracy“ was too much of a cliché. „Sultanistic“ had been suggested by Linz and Stepan in their definitive overview of transitions in 1995<sup>262</sup> as one of the systems into which totalitarian regimes could transmogrify - but had never caught on as a term. „Neo-patrimonialism“ is used in some of the literature on corruption<sup>263</sup>; „neo-feudalism“ popped up recently to describe the current Russian system - and „proliferating dynasties“ was Richard Youngs' recent striking phrase (see 9.4 below). Suddenly I found myself typing the phrase „impervious power“ - and feel that this is a useful phrase which captures the essence of all of these regimes. Impervious to and careless of the penetration of any idea or person from the hoi poloi - stemming from the confidence with which it holds power and abuses it for its own ends.

The imperviousness of power leads to arrogance, mistakes on a gigantic scale and systemic corruption. How does one change such systems? Can it happen incrementally Where are there examples of „impervious power“ morphing into more open systems? Germany and Japan in the aftermath of war - and Greece, Portugal and Spain in the 1970s under the attraction of EU accession. But what happens when neither is present???

### **“Neo-feudalism” in Russia<sup>264</sup>?**

*Corruption in Russia is a form of transactional grease in the absence of any generally accepted and legally codified alternative. Built under Vladimir Putin, Russia's "power vertical" provides a mechanism for the relatively simple conversion of power into money, and vice versa. At every level of the hierarchy a certain degree of bribery and clientalist parochialism is not only tolerated but presupposed in exchange for unconditional loyalty and a part of the take for one's superiors. The system is based on the economic freedom of its citizens, but cautious political restrictions on these freedoms generate the wealth of the biggest beneficiaries. There is a cascade of floors and ceilings to the restrictions on freedom, so it is a feudalism with more levels than the old kind. But it works fundamentally the same way: The weak pay tribute "up", and the strong provide protection "down."*

*The Putin phenomenon reflects the fact that Russian leaders of the 1990s preferred a mediocre officer with no noteworthy achievements to become the new President instead of, for example, experienced if imperfect men like Yevgeny Primakov and Yuri Luzhkov, both of whom were quite popular at that time. The rise of Putin, who barely progressed to the rank of lieutenant colonel in Soviet times and who later became famous only for his corrupt businesses in the St. Petersburg city hall, became typical of personnel choices in the 2000s. Inefficient bureaucrats by the hundreds recruited even less able people to occupy crucial positions in their ministries and committees, content in the knowledge that such mediocrities could not compete with or displace them. As a result, Russian governance suffers today less from a "power oligarchy" than from a dictatorship of incompetence.*

*On the one hand, Russia has built a system in which the execution of state powers has become a monopolistic business. It is controlled mainly by friends and colleagues of the system's creator, Vladimir Putin, and faithfully operated by the most dutiful and least talented newcomers. All big national business is associated with the federal authorities or controlled by them; local entrepreneurs still try to bargain with*

<sup>262</sup> Problems of Democratic Transition and Consolidation – southern europe, south america and post-communist europe ; by Juan Linz and Alfred Stepan

<sup>263</sup> see, for example, the useful [Anti-corruption Approaches; a literature review](#) (Norad 2009)

<sup>264</sup> <http://www.the-american-interest.com/article.cfm?piece=939>

regional bureaucracy. All of the new fortunes made in the 2000s belong to Putin's friends and people who helped him build this "negative vertical." Therefore, in the coming years, competition inside the elite will diminish, the quality of governance will deteriorate further, and what is left of effective management will collapse. Yet to change these trends would nevertheless be a totally illogical step for the political class. At the same time, a huge social group wants to join this system, not oppose it (in contrast to the final years of the Soviet Union). In a way, this is like wanting to join a Ponzi scheme at the bottom in hopes that one may not stay at the bottom, and that in any event one will be better off than those left outside the scheme altogether. As the de-professionalization of government advances (along with the "commercialization" of state services) competition among non-professionals will grow, since these have never been in short supply. Therefore, in the future a less internally competitive ruling elite will be able to co-opt any number of adherents. The Russian elite has essentially "piratized" and privatized one of the world's richest countries. It is so grateful for this privilege that it may insist on Mr. Putin's return to the Kremlin in 2012 for 12 more dismal years. By then the young liberal cohorts on whom so many Western analysts pinned their hopes for change will have grown up. The mediocre among them will be part of the system. Most of the best of them, no doubt, will no longer reside in Russia.

Russia seemed to be undergoing some serious reform efforts in the early 2000s<sup>265</sup> - but it is now revealed as donor-deep only. Granted, the EC is no longer working in Russia - but a similar analysis could be conducted of most of the countries in the EC Neighbourhood Programme.

### ***Central Asian governance - centralised, closed and corrupt***

After 7 years of my life living and working in Central Asian and Caucasian countries, this is how I found myself describing their essence -

#### centralised in -

- **policy-making style**; new policy directions are signalled in Presidential Decrees developed in secret - with parliament and state bodies playing no real role in developing policies
- **management style and systems** in state bodies; where old Soviet one-man management still prevails, with crisis-management modes evident and no managerial delegation
- the **absence of conditions for the new local government system** to flourish properly

#### closed in that -

- There is **little acceptance of pluralist methods of thinking**; for example about the need for separation of power; and challenge to ideas and conventional wisdom
- **Recruitment to civil service** is done on the basis of (extended) family links
- Bright graduates now go either to the private or international sector (including TA)
- Elections are often fixed; It is **difficult for independent-minded reformers to stand for election**
- **Censorship** is widespread - whether formal or informal through media being owned and controlled by government and administration figures

#### corrupt in that significant numbers of -

- Key government and administrative **positions** are bought
- public officials (are expected to) accept informal payments for **special favours**
- senior administrative figures have substantial and active economic interests"
- students can and do buy educational **qualifications**

<sup>265</sup> „From Clientism to a „client-centred orientation”; the challenge of public administration reform in Russia” by William Tomson (OECD 2007) is a tough analysis [http://eprints.bbk.ac.uk/505/1/ECO-WKP\(2006\)64.pdf](http://eprints.bbk.ac.uk/505/1/ECO-WKP(2006)64.pdf)



### **proliferating dynasties and struggling transitions- the Neighbourhood countries**

An important book appeared in 2009 which matches the concern I voice in this paper - about the failure of the EU to understand properly the context of neighbourhood countries and to adjust TA accordingly. The book has the marvellous title of Democracy's Plight in the European Neighbourhood - Struggling transitions and proliferating dynasties<sup>266</sup> with chapters on Bulgaria, Romania, Moldova, Serbia, Turkey, Georgia, Armenia, Azerbaijan<sup>267</sup>, Ukraine, Russia, Kazakhstan, Belarus, Egypt, Algeria, Morocco.

Hopefully its lessons have been absorbed by EC managers responsible for project design in these countries. But it will be sheer accident if more than a handful of experts actually working in these countries will be aware of the book. How do we put up with a system which allows such negligence? It is utterly unprofessional!

### **A case-study of a Member country**

Easily the most useful paper for those trying to understand lack of governance capacity in many countries we deal with is one written by Sorin Ionita<sup>268</sup>. His focus is on Romania but the explanations he offers for the poor governance in that country has resonance for many other countries -

- The focus of the political parties in that country on winning and retaining power to the exclusion of any interest in policy - or implementation process
- The failure of political figures to recognise and build on the programmes of previous regimes
- Lack of understanding of the need for „trade-offs“ in government; the (technocratic/academic) belief that perfect solutions exist; and that failure to achieve them is due to incompetence or bad intent.
- The belief that policymaking is something being centered mainly in the drafting and passing of legislation. *“A policy is good or legitimate when it follows the letter of the law – and vice versa. Judgments in terms of social costs and benefits are very rare. This legalistic view leaves little room for feasibility assessments in terms of social outcomes, collecting feedback or making a study of implementation mechanisms. What little memory exists regarding past policy experiences is never made explicit (in the form of books, working papers, public lectures, university courses, etc): it survives as a tacit knowledge had by public servants who happened to be involved in the process at some point or other. And as central government agencies are notably numerous and unstable - i.e. appearing, changing their structure and falling into oblivion every few years - institutional memory is not something that can be perpetuated”*

Ionita adds other “pre-modern” aspects of the civil service - such as unwillingness to share information and experiences across various organisational boundaries. And the existence of a „dual system“ of poorly paid lower and middle level people in frustrating jobs headed by younger, Western-educated elite which talks the language of reform but treats its position as a temporary placement on the way to better things<sup>269</sup>. He also adds a useful historical perspective.

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[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1513213&http://scholar.google.ro/scholar?q=Democracies+Plight+in+the+European+Neighbourhood+%E2%80%93+Struggling&hl=ro&btnG=C%C4%83uta%C5%A3i](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1513213&http://scholar.google.ro/scholar?q=Democracies+Plight+in+the+European+Neighbourhood+%E2%80%93+Struggling&hl=ro&btnG=C%C4%83uta%C5%A3i)

<sup>267</sup> Azeri and kazakh systems <http://www.forschungsstelle.uni-bremen.de/images/stories/pdf/ap/fsoap107.pdf>

<sup>268</sup> Poor policy-making and how to improve it in states with weak institutions (CEU 2006)

[http://pdc.ceu.hu/archive/00002838/01/ionita\\_f3.pdf](http://pdc.ceu.hu/archive/00002838/01/ionita_f3.pdf)

<sup>269</sup> I have strong doubts about the wisdom of the British „fast-track“ system which has alienated public servants in Romania (Young Professional scheme) and was (in 2011) about to be wished upon Bulgaria.



*"Entrenched bureaucracies have learned from experience that they can always prevail in the long run by paying lip service to reforms while resisting them in a tacit way. They do not like coherent strategies, transparent regulations and written laws - they prefer the status quo, and daily instructions received by phone from above. This was how the communist regime worked; and after its collapse the old chain of command fell apart, though a deep contempt for law and transparency of action remained a 'constant' in involved persons' daily activities. Such an institutional culture is self-perpetuating in the civil service, the political class and in society at large.*

*A change of generations is not going to alter the rules of the game as long as recruitment and socialization follow the same old pattern: graduates from universities with low standards are hired through clientelistic mechanisms; performance when on the job is not measured; tenure and promotion are gained via power struggles.*

*In general, the average Romanian minister has little understanding of the difficulty and complexity of the tasks he or she faces, or he/she simply judges them impossible to accomplish. Thus they focus less on getting things done, and more on developing supportive networks, because having collaborators one can trust with absolute loyalty is the obsession of all local politicians - and this is the reason why they avoid formal institutional cooperation or independent expertise. In other words, policymaking is reduced to nothing more than politics by other means. And when politics becomes very personalized or personality-based, fragmented and pre-modern, turf wars becomes the rule all across the public sector."*

In January 2011 *Transition Online* started a series giving some rare detail on the sources of finance of political parties in central Europe. They quoted an example of the benefit one contributor received in Romania from a 40,000 payment. I suspect the figures are considerable underestimates - the benefits of political favour in Romania (and Bulgaria) are so great that I doubt whether a 40,000 euros contribution is going to get you very much! The next box is the result of my own, brief research -

#### **Box Case study in anti-corruption and transparency**

A recent Minister of Finance came under strong attack for his dishonesty and hypocrisy in concealing eleven sources of income he had. As Minister, he was on the Board of several state companies - and apparently received 96,000 euros a year for attending their Board meetings which he forgot to declare. The financial asset declaration forms are now compulsory - and available on the internet. A few weeks after the story hit the headlines, the form of a 30 year-old State Secretary in the same Ministry who had been working in the Ministry for more than a year, his form (dated 10 June 2009) told us that he was working in the municipality of Bucharest! However his brief CV (on the EIB website since he was appointed in Feb 2009 to its Board) tells us that he finished the municipal job exactly one year earlier than he completed and signed his declaration - in June 2008!

His declaration form also tells us that his net **annual** earnings were 50,000 rons (about 1250 euros - perhaps he made a mistake and this is actually monthly?) - although he also admits to owning 25,000 sq metres of land in Bucharest and another 25,000 sq metres of land in Calarasi). Of course he is now a State Secretary - actually earning 9,600 euros a month! He obviously hasn't been using his Rolex, Breitweiler and other 2 watches (which he values in total at 14,000 euros) and does not therefore realise that it is now mid-September 2010. Rip van Winkle rather than Midas!

Just imagine yourself in such a situation - your boss has been sacked and is being publicly pilloried for having failed to declare external earnings. The first question of a normal person would be "Is my own declaration form in order?" But no, people like this young State Secretary enjoy such patronage (with no experience - he became a State Secretary at the age of 26 after an extended education!) and protection and seem so contemptuous of these forms that he doesn't even bother to update his form which understates his income by a factor of 40!<sup>270</sup> His out-of-date form does, however, declare some of the additional revenues he earned as a committee member of various state funds

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<sup>270</sup> It could be useful for civil society and the media to take more interest in these forms

These assets, earnings and concealments reveal systemic immorality which, in Romania's case, seems to be shaped and sustained by the role of its political parties which grabbed significant amounts of property in 1990 and which now determine the career path of young characters such as this State Secretary (nationally and internationally) and take in return a significant part of his earnings. Tom Gallagher<sup>271</sup> is a useful source for more information.

Government proposals to cut pensions caused serious public protests and demonstrations in Romania - and led to the Constitutional Court ruling that this was unconstitutional - perhaps not surprising given the [incredible pensions and other benefits which the judges and other members of the political class enjoy](#)<sup>272</sup>. In one case an ex-judge is known to have a monthly pension of 8,000 euros and generals (of which Romania has an extraordinary number) can expect about 5,000 euros a month. This in a country whose average monthly wage is 150 euros. And a 25% cut in public service wages has gone through - making life even harder for teachers and others. If this is not kleptocracy, what is?

## What do we know about the process of changing impervious power?

### *Incentives for administrative reform*

The international community had it lucky for the first 15 years after the fall of the wall - EU accession was a powerful incentive to central European governments and societies to introduce systemic change in their judicial and administrative systems. In non-accession countries the possibilities for user-friendly and effective state bodies are less rosy. So what does one do? Limit oneself in countries with a context hostile to reform to funding NGOs and giving the odd scholarship? Keep one's powder dry and put one's hope in the future generation?

In places where the EU incentive does not realistically exist, competition of two sorts seems to offer some footing for PAR

- to be investment-friendly regimes; and
- to have the image of making most progress within the particular Region (particularly to attract TA and develop the EU's Neighbourhood mechanism in eg Caucasus).

But such competition is rather a blunt incentive compared with that of accession. The imperviousness of power leads to arrogance, mistakes on a gigantic scale and systemic corruption. How does one change such systems? Can it happen incrementally

Where are there examples of „impervious power“ morphing into more open systems? Japan is one obvious example - famous now for the way management engage staff in a continuous dialogue about how to improve what their services and products offer the customer. But this is a relatively recent phenomenon - brought on by the combination of the shock of Second World War defeat and the import under General MacArthur's regime of a little-known American management guru, Edward Deming whose statistically based approach to "quality management" so transformed Japanese - and, ultimately and ironically, - American industry. Before then, organisational structures had the same features of subservience as CIS countries. And, in the immediate post-war years, Germany too developed its system of industrial co-determination and strong local government.

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<sup>271</sup> <http://www.opendemocracy.net/tom-gallagher/romania-and-europe-entrapped-decade>

<sup>272</sup> a recent scandal has shown that Romanian trade union leaders' noses are also in the trough

But, apart from such post-war scenarios, there are few examples of countries emerging from impervious power to create and operate service-oriented (and as distinct from self-serving) system of public administration. Greece, Spain and Portugal were all quoted in the early 1990s as the models for the transition countries<sup>273</sup> - but (a) they too had the huge pressure of EU accession and (b) their reputations are now somewhat tarnished.

### **What can the international community offer?**

It was a great tragedy that the neo-liberal agenda of the 1990s discouraged any serious thoughts then about the process of „state-building“<sup>274</sup> - and that this phrase became contaminated in the following decade by its use by occupying forces in Afghanistan and Iraq. Fukiyama has put the matter very succinctly in 2007 -

*"The post-Cold War era began under the intellectual dominance of economists, who pushed strongly for liberalization and a minimal state. Ten years later, many economists have concluded that some of the most important variables affecting development are not economic but institutional and political in nature. There was an entire missing dimension of stateness—that of state-building—and hence of development studies that had been ignored amid all the talk about state scope. Many economists found themselves blowing the dust off halfcentury-old books on public administration, or else reinventing the wheel with regard to anticorruption strategies. Michael Woolcock and Lant Pritchett talk about the problem of "getting to Denmark," where "Denmark" stands generically for a developed country with well-functioning state institutions.*

*We know what "Denmark" looks like, and something about how the actual Denmark came to be historically. But to what extent is that knowledge transferable to countries as far away historically and culturally from Denmark as Moldova?*

*Unfortunately, the problem of how to get to Denmark is one that probably cannot be solved for quite a few countries. The obstacle is not a cognitive one: We know by and large how they differ from Denmark, and what a Denmark-like solution would be; the problem is that we do not have the political means of arriving there because there is insufficient local demand for reform. Well-meaning developed countries have tried a variety of strategies for stimulating such local demand, from loan conditionality to outright military occupation. The record, however, if we look at it honestly, is not an impressive one, and in many cases our interventions have actually made things worse."<sup>275</sup>*

International bodies may have changed their tune about the role of the state since the simplistic thinking of the - but their arrogance remains. Physical and financial tsunamis have demonstrated the need for an effective - if not strong - states. Typically, experts have swung from one extreme to the other. Having expected little of the state - they now expect too much. Their anti-poverty strategies read like Soviet 10 year plans.

Merilee Grindle has been one of the few to challenge<sup>276</sup> this.

### **Box ; Good enough governance**

*"Getting good governance calls for improvements that touch virtually all aspects of the public sector—from institutions that set the rules of the game for economic and political interaction, to decision-making structures that determine priorities among public problems and allocate resources to respond to them, to organizations that manage administrative systems and deliver goods and services to citizens, to human resources that staff government bureaucracies, to the interface of officials and citizens in political and bureaucratic arenas...*

<sup>273</sup> Linz and Stepan

<sup>274</sup> a good overview is [http://publishing.eur.nl/ir/darenet/asset/17084/GSDRC\\_paper.pdf](http://publishing.eur.nl/ir/darenet/asset/17084/GSDRC_paper.pdf)

<sup>275</sup> [http://www.internationalbudget.org/pdf/Civil\\_Society\\_and\\_Improved\\_Governance\\_in\\_Developing\\_Countries.pdf](http://www.internationalbudget.org/pdf/Civil_Society_and_Improved_Governance_in_Developing_Countries.pdf)

<sup>276</sup> full article at [http://relooney.fatcow.com/oo\\_New\\_1805.pdf](http://relooney.fatcow.com/oo_New_1805.pdf)

Not surprisingly, advocating good governance raises a host of questions about what needs to be done, when it needs to be done, and how it needs to be done.

Recently, the idea of "good enough governance" questioned the length of the good governance agenda. This concept suggested that not all governance deficits need to be (or can be) tackled at once and that institution and capacity building are products of time; governance achievements can also be reversed.

**Good enough governance means that interventions thought to contribute to the ends of economic and political development need to be questioned, prioritized, and made relevant to the conditions of individual countries. They need to be assessed in light of historical evidence, sequence, and timing, and they should be selected carefully in terms of their contributions to particular ends such as poverty reduction and democracy.**

*Good enough governance directs attention to considerations of the minimal conditions of governance necessary to allow political and economic development to occur"*

### **The toolkit of change**

The following basic mechanisms have been used to try to create in transition countries a system of public administration which is responsive to public need<sup>277</sup> -

- *Judicial reform*; to embed properly the principle of the rule of law<sup>278</sup>
- *Budgetary reform*; to ensure the integrity and transparency of public resources
- *Civil service laws, structures and training institutions* - to encourage professionalism and less politicization of staff of state bodies
- *Impact assessment* - to try to move the transition systems away from a legalistic approach and force policy-makers to carry out consultations and assess the financial and other effects of draft legislation<sup>279</sup>
- *Functional Review* - to try to remove those functions of state bodies which are no longer necessary or are best handled by another sector or body<sup>280</sup>.
- *Institutional twinning* - to help build the capacity of those state bodies whose performance is crucial to the implementation of the Acquis Communautaire<sup>281</sup>
- *Development of local government and NGOs* - to try to ensure that a redistribution of power takes place
- *Anti-corruption strategies*<sup>282</sup> - which incorporate elements of the first three of the above
- *Performance measurement and management* eg EFQM
- *report-cards*<sup>283</sup> -

<sup>277</sup> The Governance and Social Development Resource Centre has recently published an interesting overview of „Current trends in governance support“- at <http://www.gsdr.org/docs/open/HD755.pdf>

<sup>278</sup> see [http://www.carnegieendowment.org/files/Rule\\_of\\_Law\\_Temptations.pdf](http://www.carnegieendowment.org/files/Rule_of_Law_Temptations.pdf)

<sup>279</sup> the history, experience and problems of this are well set out by Andrea Renda in various publications such as *IA in the EU - state of the art and the art of the state* (2006) <http://www.ceps.eu/files/book/1291.pdf>; and <http://www.oecd.org/dataoecd/8/35/45447552.pdf>. See also Radaelli

<http://centres.exeter.ac.uk/ceg/research/riacp/documents/RadaelliEvidenceandpoliticalcontrol.pdf>

<sup>280</sup> a rare set of guidelines was given in 2001 by Manning et al [http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2005/06/22/000090341\\_20050622142938/Rend ered/PDF/32699.pdf](http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2005/06/22/000090341_20050622142938/Rend ered/PDF/32699.pdf)

<sup>281</sup> for a rare insight into the origin of twinning see Tulmets paper quoted at reference 17

<sup>282</sup> the sociologists and anthropologists have given us a useful critique of the role of anti-corruption work - see, for example,

<http://www.kus.uu.se/pdf/activities/20040329-30/integritywarriors.pdf>

<sup>283</sup> consumer feedback on public services - one of the tools summarised in a useful menu published by the World Bank in 2005

<http://www1.worldbank.org/publicsector/civilservice/ACSRCourse2007/Session%208/IncreasingGovEffectiveness.pdf>

The problem with many of these tools - particularly the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> - is that their rationalistic basis brings them into immediate conflict with local realities which subverts therefore all too easily their good intentions even if the project had

- beneficiaries with both clout and commitment and
- experts with the relevant skills
- the necessary flexibility.

Fair and transparent recruitment procedures strike at the heart of a Minister's patronage power. Asking questions about the necessity of Ministry functions is like asking turkeys to vote for an early Christmas! It is part of the toolkit of a politician not to reveal or commit too much - not least because most politicians are flying by the seats of their pants

Too many of the tools of those involved in administrative reform are anti-political (and therefore anti-democratic) in their "rationalism". What many technocrats attribute to politics or parties is simply human behaviour! Human behaviour needs to be factored into change efforts!

The contrast between the two ways of thinking is nicely caught in the following diagram.

**Diagram 1; rational and political approaches to change**

	Functional- rational dimension	Political dimension
Main unit of analysis	The organisation as an entity with certain functional requirements; focus on task-and-work system	Subgroups with self-interest, in shifting coalitions; focus on power-and-loyalty systems
What driving forces are emphasised?	A sense of norms and coherence, intrinsic motivation	Sanctions & rewards, extrinsic incentives
Which image of man is assumed?	Employees concerned with the organisation's interests	Individuals concerned with self-interests
How does change happen?	Through participative reasoning and joint learning, finding the best technical solution	Through internal conflict and external pressure, coalition building, finding the powerful agents who can force positive and negative capacity change
What will change efforts focus on?	Internal systems, structures, skills, technology, communication	Change incentives, fire foes and hire friends, build client and performance pressure.
"Emotional tone" of the analysis	Naive	Cynical

from Teskey (DFiD 2005)

Impact assessment, for example, is a resurrected form of cost-benefit analysis which was memorably castigated by Peter Self in the 1970s as „Nonsense on stilts“<sup>284</sup>. The research on Impact Assessment by Renda and others shows what an uphill battle it has had in member states and the European Commission - suggesting that it is somewhat naive to expect it to work in transition countries!

### ***How much research - or reflection?***

The Court of Auditors' 2007 Report (which provoked the Backbone strategy) was concerned with procurement procedures. It is questions about the substance which are overdue - not so much the „how“ as the „what“. This section therefore tries to identify relevant critical writing.

<sup>284</sup> <http://john-adams.co.uk/wp-content/uploads/2007/11/londons-third-airport.pdf>



With one major exception, there seems to have little reflection over the past 20 years about the nature of and results from the various tools being used in TA programmes<sup>285</sup>. That exception is anti-corruption work – where there has been a huge amount of writing and a fair amount of breast-beating.

Of course lots of case-studies of administrative reform have been published (not least from the NISPAcee Annual Conferences). Most, however, are descriptions of isolated initiatives – unrelated to larger issue of how the capacity of state institutions and local government can realistically be developed in neighbourhood countries.

### *Administrative Capacity*

In 2004 SIGMA published a **critical overview of PAR in the Balkans**<sup>286</sup>. "Too often", it says "PAR strategies in the region are designed by (external) technocrats with a limited mandate. Public Administration reforms are not sufficiently considered as political interventions which need to be sustained by a coalition of interests which includes business, civil society and public sector workers". The paper then went on to make the following very useful injunctions –

- Get the administrative basics right – before getting into the complexity of NPM-type measures
- Focus on establishing regularity
- Tackle systems – not agencies
- Develop the young; constrain the old<sup>287</sup>
- Be serious about local ownership
- Avoid having a project focus force governments into unrealistic expectations
- Address the governance system as a whole – eg parliament and admin justice

It is a pity this paper did not receive wider circulation and discussion. They are all too rare! It would be useful to have an update commissioned in true consultative fashion – drawing on the experience this time on more people on the ground. For example, Craciun gave us recently a useful assessments of the cumulative impact (or lack of it) of **EC Technical Assistance on Romania**<sup>288</sup>. Ionitsa is one of several who has gone so far as to suggest that the resources involved in Technical Assistance actually strengthens the forces of pre-modernity in the country.<sup>289</sup>

A paper<sup>290</sup> on the Russian experience of civil service reform is one of the few to try to offer an explanation of how the combination of specific internal and external factors has constrained the reform process in that particular country eg variable political leadership and support; variable administrative leadership and capacity; political and social instability; minimal civil society; the preponderance of old apparatchniks; cultural factors; and 'windows of opportunity' (see section

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<sup>285</sup> although The World Bank's published a major evaluation in 2008 – *Public Sector Reform: What works and why?* <http://web.worldbank.org/WBSITE/EXTERNAL/EXTOED/EXTPUBSECREP/0,,menuPK:4664077~pagePK:64829575~piPK:64829612~theSitePK:4663904,00.html>

<sup>286</sup> <http://www.sigmaweb.org/dataoecd/45/2/34862245.pdf>

<sup>287</sup> although I have reservations about the "ageism" of this. Young people from the region educated in Western Europe have a shocking arrogance (perhaps because they have no local role models – perhaps because of the nature of the social science they have been taught) which means they are doomed to repeat the mistakes of the past. And their instant elevation to promoted posts on their return from Western Europe creates problems since they have no work experience.

<sup>288</sup> [http://pdc.ceu.hu/archive/00002856/01/craciun\\_f2j.pdf](http://pdc.ceu.hu/archive/00002856/01/craciun_f2j.pdf)

<sup>289</sup> The new, post '89 elites, who speak the language of modernity when put in an official setting, can still be discretionary and clannish in private. Indeed, such a disconnection between official, Westernized discourse abroad and actual behavior at home in all things that really matter has a long history in Romania. 19th century boyars sent their sons to French and German universities and adopted Western customs in order to be able to preserve their power of patronage in new circumstances – anticipating the idea of the Sicilian writer di Lampedusa that "everything has to change in order to stay the same" (page 15 of [http://pdc.ceu.hu/archive/00002838/01/ionita\\_f3.pdf](http://pdc.ceu.hu/archive/00002838/01/ionita_f3.pdf)).

<sup>290</sup> "Hard cases and improving governance: Putin and civil service reform" by Pat Grey (2004)

11.1 below). In 2006 Manning and others, knowing that context, and after an analysis of the lessons of global reforms<sup>291</sup>, gave the following advice to the Russian Federation -

- Bear in mind the need for realism and managed expectations
- Start with the basics; focus on fundamental civil service reform
- Create traction (?); through developing the capacity of central agencies
- Seize opportunities by forging partnerships with regional governments, cities etc and encourage pilot reform schemes and experiments at agency or sub-national level
- Create opportunities through judicial use of functional reviews - and stimulate external pressure on the Executive (eg through freedom of information legislation and Ombudsman bodies)

But note that, although these analyses are trying to understand the dynamics of change, they give little attention to the tools being used - rather look at context and stratagems.

In 2006 the World Bank produced a report - **Administrative capacity in the New Member States - the limits of innovation?**<sup>292</sup> - by Tony Verheijen which did look at both - although somewhat superficially. The conclusions were sobering - with many of the early reforms failing to stick - and the report noting the need for

*"the development of a common understanding among politicians that a well functioning civil service is a public good rather than an extension party politics, and the development of a set of principles politicians commit to abide by when addressing civil service staffing issues. Without a commitment by politicians to accept the notion of the civil service as a public good, little progress can be made on this issue. If a common direction does not emerge organically as it did in the Baltic States, a formal process in which politicians and senior officials engage with the academic and business communities on the design of a common vision for the development of the public management system should be put in place".* The reports tried to identify the features which allows the Baltic states to make more progress. *"The Latvian and Lithuanian reforms were built around a relatively small group of reform-minded officials who managed to gain and retain the trust of politicians regardless of their political orientation. This type of professional, non-partisan elite appears to have been missing in most other states, where expertise was and is politicized (and thus deemed insufficiently trustworthy by opposing political factions), is not available or is not available to government. Technical capacity and consensus thus appear to be strongly intertwined in most of the states concerned, and Latvia and Lithuania have been an exception to this rule, although there is no a clear explanation for this".*

#### *Civil Service reform*

The recent **SIGMA** paper on the undermining of civil service agencies in some of the new EU member states<sup>293</sup> took me back to a couple of papers published almost a decade ago Polidano's 2001 „Why Civil Service Reforms Fail" and Geoffrey Shepherd's 2003 „Why is Civil Service Reform going so badly?". And Francis Cardona's **Can Civil Service Reforms Last? The European Union's 5th Enlargement and Future Policy Orientation** (March 2010) squarely faces up to the problems - making various suggestions , two of which are useful to excerpt -

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<sup>291</sup> International Public Administration Reform – implications for the Russian Federation (World Bank 2004)  
[http://books.google.com/books?id=iyH3MA48kQAC&printsec=frontcover&hl=ro&source=gbp\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](http://books.google.com/books?id=iyH3MA48kQAC&printsec=frontcover&hl=ro&source=gbp_ge_summary_r&cad=0#v=onepage&q&f=false)

<sup>292</sup>

[http://books.google.com/books?id=ZiHCCR1JxogC&printsec=frontcover&hl=ro&source=gbp\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](http://books.google.com/books?id=ZiHCCR1JxogC&printsec=frontcover&hl=ro&source=gbp_ge_summary_r&cad=0#v=onepage&q&f=false)

<sup>293</sup> [http://www.rcpar.org/mediaupload/publications/2009/20100311\\_SIGMA\\_sustainability\\_of\\_CSR\\_in\\_CEE.pdf](http://www.rcpar.org/mediaupload/publications/2009/20100311_SIGMA_sustainability_of_CSR_in_CEE.pdf)

*The internalisation of European principles of public administration should be promoted*

The link between professionalism and effective membership of the European Union was not fully internalised by candidate countries. The organisation of international and national networks of politicians and practitioners, international organisations, and non-governmental actors is increasingly needed. These networks should aim to develop operational frameworks fostering reflection, exchanges and proposals on ways and means of creating state institutions that are resilient and reliable enough to implement EU policies and legislation serving European citizens. The internalisation of European principles of public administration should primarily aim to better institutionalise co-operation between current and future EU Member States. Advantage should be taken of the possibilities provided by article 197 of the consolidated text of the Lisbon Treaty. The new approach made possible by article 197 should also be reflected in the design of technical assistance projects.

*.6 Technical assistance projects should promote realistic expectations*

The EC should more resolutely take into account the political dimension of reform and foster realistic

expectations with regard to the time required to develop and implement highly politically loaded reforms and to develop adequate political instruments to support them. In this context and in the

interest of the sustainability of reforms, more attention should be paid to the joint use by the Commission and countries of diagnosis instruments, and in particular of well structured policy dialogues that help foster local political willingness for, and ownership of reform and allow for reform implications to be sufficiently understood, internalised and managed by the countries themselves. Technical assistance designers should be aware of the limited absorption capacity of many of the small-sized current applicants and candidate countries. Furthermore, changing mentalities requires both considerable time and the implementation in *acquis* enforcement bodies of interim solutions such as the promotion of rule-driven behaviour as a democratic value over efficiency as a managerial value<sup>294</sup>.

### *Decentralisation*

A 2001 paper by Patrick Heller which looked at the frequently quoted **examples of decentralisation** in Kerala (India), South Africa and Porto Alegre emphasised how unique and strong were the pressures for reform there<sup>295</sup>. Decentralisation which comes without that pressure (for example from the recommendations of international bodies and their officials) will be skin deep only - and capable of easy reversal.

### *Rule of Law*

Tom Carothers (US Aid) is a rare voice of logic, clarity, experience and balance in the world of international aid. In 2007, the Journal of Democracy carried an excellent paper by him<sup>296</sup> which looked at some of the global thinking about the institutional development process which affects the Technical Cooperation field. He took exception with the argument that democracy should take second place to the establishment of the rule of law. In 2009 Carothers produced another paper which looked at the experience and discussion of the past decade **with rule-of-law**

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<sup>294</sup> [http://www.rcpar.org/mediaupload/publications/2010/20100311\\_SIGMA\\_can\\_reforms\\_last.pdf](http://www.rcpar.org/mediaupload/publications/2010/20100311_SIGMA_can_reforms_last.pdf)

<sup>295</sup> <http://abahlali.org/files/Heller%202001%20Moving%20the%20State%20The%20Politics%20of%20Democratic%20Decentralization%20in%20Kerala%20South%20Africa%20and%20Porto%20Alegre.pdf>

<sup>296</sup> [http://yimd.org/documents/T/the\\_sequencing\\_fallacy-how\\_democracies\\_emerge.pdf](http://yimd.org/documents/T/the_sequencing_fallacy-how_democracies_emerge.pdf)



projects<sup>297</sup>. His paper points out the ambiguity of that term - which finds support from a variety of ideological and professional positions and therefore leads to confused implementation if not state capture. Fukiyama also had a good paper on the subject in 2010<sup>298</sup>

### *Anti Corruption*

There is so a huge literature on the Anti-Corruption work of the past 2 decades - most of it despairing. And quite a few literature reviews of which the most recent is the 2009 Norad one which said that "the literature notes that Parliament, in its capacity as lawmaker but also as a political oversight watchdog and accountability mechanism, has been largely neglected in Rule of Law and anti-corruption efforts"<sup>299</sup>. The title of another Corruption and Anti-corruption - do donors have the right approach?<sup>300</sup> reflects the despair many feel about these efforts<sup>301</sup>.

### *Training*

Tens of millions of euros have been spent in the EC on the development of national and local training capacities for public officials in transition countries - accession, neighbourhood and others. Thousands of trainers have supposedly been trained - and almost as many training modules developed. Hundreds of millions of euros have been spent by the EC to underwrite the actual training.

In which transition countries, after all this effort, can we actually point to a robust Institute of Public Administration which is actually helping the state system perform? Lithuania and Poland are often quoted as such bodies - but where else are there financially viable training centres able to draw on experienced trainers whose courses offer the trainees and the state bodies from which they come interactive skills which actually makes a measurable impact on the performance both of the official and of their state bodies?

A combination of factors has made this a distant prospect in too many countries -

- Trained trainers escaping to the private sector
- Traditional lectures rather than interactive learning being offered
- Bosses being cynical about the contribution of training
- State bodies lacking the strategic dimension to allow them to develop change strategies with training as an integral element of that chance
- Lack of funding for state training centres
- Confusion about the role of state funding; unrealistic expectation about financial viability
- Confusion about how to carry out needs assessment
- Unrealistic expectations about E-learning
- Lack of an appropriate model for a training system which unites supply and demand elements in a way which ensures relevance.

<sup>297</sup> [http://www.carnegieendowment.org/files/Rule\\_of\\_Law\\_Temptations.pdf](http://www.carnegieendowment.org/files/Rule_of_Law_Temptations.pdf)

<sup>298</sup> [http://apps.americanbar.org/rol/perspectives\\_10/transitions\\_to\\_the\\_rule\\_of\\_law\\_by\\_francis\\_fukuyama.pdf](http://apps.americanbar.org/rol/perspectives_10/transitions_to_the_rule_of_law_by_francis_fukuyama.pdf)

<sup>299</sup> Anti-corruption Approaches; a literature review (Norad 2009)

<sup>300</sup> [http://www.humansecuritygateway.com/documents/CMI\\_corruptionanticorruptioneffortsaid.pdf](http://www.humansecuritygateway.com/documents/CMI_corruptionanticorruptioneffortsaid.pdf)

<sup>301</sup> 2 recent useful papers on the situation in ex-communist countries are "Anti-corruption - what do we know? Research on preventing corruption in the ex-communist world" by Diane Schmidt in Political Studies 2007

<http://www.esri.salford.ac.uk/esri/resources/uploads/File/Conferences/CorruptionMarch07/schmidt%20-%20Paper.pdf> and The politics of scandal: Political time horizons, organisational life cycles, and anti-corruption agencies in the 'new' EU member states by Agnes Batory (CEU 2010)

[http://soc.kuleuven.be/io/egpa/org/2010Toul/Papers/Agnes\\_Batory\\_EGPA%202010.pdf](http://soc.kuleuven.be/io/egpa/org/2010Toul/Papers/Agnes_Batory_EGPA%202010.pdf)

How these problems might be overcome is an issue I have developed in a separate paper<sup>302</sup>.

## Implications for the Institution-building agenda

### .1 Play the long game - not the logframe

In an extended public letter he wrote in 1990 and published under the title Reflections on the Revolution in Europe<sup>303</sup>, Ralf Dahrendorf made the prescient comment that it would take one or two years to create new institutions of political democracy in the recently liberated countries of CEEC, maybe five to 10 years to reform the economy and make a market economy, and 15 to 20 years to create the rule of law. And it would take maybe two generations to create a functioning civil society there.

A former adviser to Václav Havel, Jiri Pehe, referred recently to that prediction and suggested that *"what we see now is that we have completed the first two stages, the transformation of the institutions, of the framework of political democracy on the institutional level, there is a functioning market economy, which of course has certain problems, but when you take a look at the third area, the rule of the law, there is still a long way to go, and civil society is still weak and in many ways not very efficient."*<sup>304</sup>

He then went on to make the useful distinction between *"democracy understood as institutions and democracy understood as culture. It's been much easier to create a democratic regime, a democratic system as a set of institutions and procedures and mechanism, than to create democracy as a kind of culture - that is, an environment in which people are actually democrats"*.

These are salutary comments for those with too mechanistic an approach to institution-building. Notwithstanding the tons of books on organisational cultures and cultural change, political cultures cannot be engineered. Above all, they will not be reformed from a project approach based on using bodyshops, cowboy companies and the logframe. My 2006 paper referred to the classic critique of the logframe<sup>305</sup> - and I will return to this point in the conclusion to this paper.

### .2 Take a capacity development perspective

I found it interesting that the Court of Auditors latched on to capacity development (giving appropriate references) in its critical 2007 review of Technical Assistance whereas the EC response was a bit sniffy about that perspective - although it has published one Guidance note on the subject<sup>306</sup> - as did the newly-established OECD committee on the subject in 2006. Those who work as consultants in institution building are trained in other subjects and often find themselves reinventing the wheel of capacity development (I certainly did) - so this is an example of where the contractors and EC could be doing more to ensure their consultants are actually up to scratch.

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<sup>302</sup> available on my website - <http://www.freewebs.com/publicadminreform/>

<sup>303</sup>

[http://books.google.com/books?id=obx2BX91FQUC&printsec=frontcover&source=gbs\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](http://books.google.com/books?id=obx2BX91FQUC&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false)

<sup>304</sup> Is Europe's democratic Revolution Over? <http://www.tol.org/client/article/22386-is-europes-democratic-revolution-over.html>

<sup>305</sup> Lucy Earle's 2002 "Lost in the Matrix: the logframe and the local picture"

<http://publicadminreform.webs.com/key%20papers/Lost%20in%20the%20matrix%20-%20Earle%20and%20logframe.pdf>

<sup>306</sup> [http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t106\\_en.htm](http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t106_en.htm)

Surprisingly, it has been the OECD and the World Bank which (momentarily) talked the most sense. The OECD in 1999 when it commissioned a whole set of studies to explore the HOW of administrative reform and change; and Nick Manning and others a year or so later when, in their work for the Russian Federation, they actually used the language of „*windows of opportunity*“.<sup>307</sup> And perhaps the most useful recent assessment is the World Bank's Governance Reforms under real world conditions<sup>308</sup> which is written around the sorts of questions we consultants deal with on a daily basis -

1. How do we build broad coalitions of influentials in favour of change? What do we do about powerful vested interests?
2. How do we help reformers transform indifferent, or even hostile, public opinion into support for reform objectives?
3. How do we instigate citizen demand for good governance and accountability to sustain governance reform?

The paper by Matthew Andrews which starts part 2 of the book weaves an interesting theory around 3 words - „acceptance“, „authority“ and „ability“<sup>309</sup>.

#### **Box ; Some preconditions**

Is there *acceptance* of the need for change and reform?

- of the specific reform idea?
- of the monetary costs for reform?
- of the social costs for reformers?
- within the incentive fabric of the organization (not just with individuals)?

Is there *authority*:

- does legislation allow people to challenge the status quo and initiate reform?
- do formal organizational structures and rules allow reformers to do what is needed?
- do informal organizational norms allow reformers to do what needs to be done?

Is there *ability*: are there enough people, with appropriate skills,

- to conceptualize and implement the reform?
- is technology sufficient?
- are there appropriate information sources to help conceptualize, plan, implement, and institutionalize the reform?

It is Ionita's view that „*constraints on improving of policy management are to be found firstly in terms of low acceptance (of the legitimacy of new, objective criteria and transparency); secondly, in terms of low authority (meaning that nobody knows who exactly is in charge of prioritization across sectors, for example) and only thirdly in terms of low technical ability in institutions*“

A diagram in that World Bank paper shows that each of these three elements plays a different role at the 4 stages of conceptualisation, initiation, transition and institutionalisation and that it

<sup>307</sup>

[http://books.google.com/books?id=iyH3MA48kQAC&printsec=frontcover&source=gbs\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](http://books.google.com/books?id=iyH3MA48kQAC&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false)

<sup>308</sup> [http://siteresources.worldbank.org/EXTGOVACC/Resources/GovReform\\_ebook.pdf](http://siteresources.worldbank.org/EXTGOVACC/Resources/GovReform_ebook.pdf)

<sup>309</sup> In the 1980s, we British reformers talked about "generating understanding and commitment" and of the three basic tests for new proposals - Feasibility, legitimacy and support. "Does it work?" "Does it fall within our powers? And "will it be accepted?" Twenty years later the discourse had returned to the problems of implementation.

is the space of overlapping circles that the opportunity for change occurs. However the short para headed „Individual champions matter less than networks“ – was the one that hit nerves. „The individual who connects nodes is the key to the network but is often not the one who has the technical idea or who is called the reform champion. His or her skill lies in the ability to bridge relational boundaries and to bring people together. Development is fostered in the presence of robust networks with skilled connectors acting at their heart.“ My mind was taken back almost 30 years when, as the guy in charge of Strathclyde Region's strategy to combat deprivation but using my academic role, I established what I called the urban change network and brought together once a month a diverse collection of officials and councillors of different municipalities in the West of Scotland, academics and NGO people to explore how we could extend our understanding of what we were dealing with – and how our policies might make more impact. It was, I think, the single most effective thing I ever did.

### **Box : Is it people who change systems? Or systems which change people?**

Answers tend to run on ideological grounds – individualists tend to say the former; social democrats the latter. And both are right! Change begins with a single step, an inspiring story, a champion. But, unless the actions “resonate” with society, they will be dismissed as mavericks, “ahead of their time”.

A significant number of people have to be discontent – and persuaded that there is an alternative. The wider system has to be ready for change – and, in the meantime, the narrow and upward accountabilities of the administrative system can be – and is so often – malevolent, encouraging people to behave in perverse ways. Formal and informal systems are a well-recognised fact of organizational life<sup>310</sup>. Whatever new formal systems say, powerful informal systems tend to ensure the maintenance of unreformed systems – until, that is, and unless there is a determined move to change. What do I mean by “determined move”? –

- Ensuring, by communications, leadership and training, that **people understand** what the reform is trying to achieve – and why it is needed and in their interests
- Development and enforce detailed **instruments**
- Networking in order to **mobilise support** for the relevant changes
- building and empowering relevant **institutions** to be responsible for the reform – and help drive it forward

Administrative reform is an intervention in a social system – or rather set of interlocking systems. Like an organism, it will quickly be rejected or absorbed unless it can relate to elements in these larger systems. We are these days advised always to carry out “stakeholder analyses” – to track who will be affected by the changes and how the indifferent or potentially hostile can be brought on side or neutralised<sup>311</sup>.

### **The elephant in the room – the rotten political class**

The abstract of this paper was entitled „The Two Elephants in the room“ when it was first submitted to NISPACE since I wanted to focus on two groups who are rarely mentioned in the literature of institution building and yet play important roles – politicians and consultants. It is a truism in the training world that it is almost impossible to get senior executives on training courses since they think they have nothing to learn – and this is particularly true of the political class. Not only do politicians (generally) think they have nothing to learn but they have managed very successfully to ensure that no one ever carries out critical assessments of their

<sup>310</sup> In 1970, Donald Schon coined the phrase “dynamic conservatism” in *Beyond the Stable State* to describe the strength of these forces in an organisation.

<sup>311</sup> Roger Lovell has a useful paper on “Gaining Support” which uses the dimensions of “agreement to change” and “trust” to distinguish allies, adversaries, bedfellows, opponents and fence sitters

world. They commission or preside over countless inquiries into all the other systems of society – but rarely does their world come under proper scrutiny<sup>312</sup>. Elections are assumed to give legitimacy to anything. Media exposure is assumed to keep politicians on their toes – but a combination of economics, patterns of media ownership and journalistic laziness has meant an end to investigative journalism and its replacement with cheap attacks on politicians which simply breeds public cynicism and indifference. And public cynicism and indifference is the oxygen in which „impervious power“ thrives!

The one common thread in those assessments which have faced honestly the crumbling of reform in the region (Cardona; Ionitsa; Manning; Verheijen) is the need to force the politicians to grow up and stop behaving like petulant schoolboys and girls. Manning and Ionitsa both emphasise the need for transparency and external pressures. Cardona and Verheijen talk of the establishment of structures bringing politicians, officials, academics etc together to develop a consensus. As Ionitsa puts it succinctly – *„If a strong requirement is present – and the first openings must be made at the political level – the supply can be generated fairly rapidly, especially in ex-communist countries, with their well-educated manpower. But if the demand is lacking, then the supply will be irrelevant“*.

### ***Need to break down the intellectual silos***

I have made several references in this paper to the absence of dialogue between groups and I was therefore pleased to see a comment in the recent paper from the OECD's Network on Governance's Anti-corruption Task Team report on Integrity and State Building that *„As a result of interviews with senior members of ten donor agencies, it became apparent that those engaged in anti-corruption activities and those involved in the issues of statebuilding and fragile states had little knowledge of each other's approaches and strategies“*.

Departmental silos are one of the recurring themes in the literature of public administration and reform – but it is often academia which lies behind this problem with its overspecialisation.

For example, „Fragile states“ and „Statebuilding“ are two new phrases which have grown up only in the last few years – and „capacity development“ has now become a more high-profile activity.

There are too many specialised groups working on building effective institutions in the difficult contexts I focussed on in section 9 – and too few actually sharing their experiences. We need a road map – and more dialogue!

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<sup>312</sup> Britain's Chris Mullin was a very rare example of someone prepared in the two sets of diaries he has published about his life as a parliamentarian and junior Minister to reveal how pointless these roles had been.

## Inconclusion

*"I have long given up on the quest to find the one universal tool kit that will unite us all under a perfect methodology... as they will only ever be as good as the users that rely on them. What is sorely missing in the development machine is a solid grounding in ethics, empathy, integrity and humility"<sup>313</sup>.*

### ***The need for some humility***

This paper has tried to explore *the nature of the knowledge and skill base which a consultant operating in the very specific context of Neighbourhood Countries needs to be effective*. This, in turn, requires us to face up to the following sorts of questions -

- What were the forces which helped reform the state system of the various EU member countries?
- what do we actually know about the results of institution-building (IB) in regimes characterised by Impervious Power?
- Does it not simply give a new arrogant and kleptocratic elite a better vocabulary?
- *Does the "windows of opportunity" theory not suggest a totally different approach to IB?*

But in what sense can we actually say the British or French state systems, for example, have actually reformed in the past 40 years - let alone in a "better" direction?? Of course the rhetoric of reform is in place - which it certainly wasn't 40 years ago.

I vividly remember the writing of organisational analysts such as Charles Lindblom in the 1970s who invented phrases such as "*disjointed incrementalism*" to demonstrate the impossibility of modern public organisations being able to change radically. Suddenly in the late 1980s, the language changed and everything seemed possible - "Total Quality Management" was a typical phrase. Thatcher has a lot to answer for - in creating the illusion that private management (concepts and people) had the answer.

But, after several waves of major public sector reforms in the last two decades, a lot of British people, for example, would certainly say that things have gone backward - or, with more nuancing, that any improvements are down to technological and financial rather than managerial developments. And "managerial" covers elements of both macro structures (like Agencies) and management hierarchy and behaviour - which has certainly got worse as the ethic of public service has disappeared.

But who is best placed to make such judgements? Using what criteria? Do we rely on public surveys? But survey work is so profoundly influenced by the sorts of questions asked - and interpretations. Politicians, managers and professionals all have their vested interest in the stance they take - although the older "coalface" professional is perhaps in the best position to judge.

We have a lot of comparative indicators these days about both individual public services (France regularly tops the league tables for health; Finland for education) and governance systems. But they don't seem to have much link with the experiences of ordinary people. A combination of education and media exposure has made the European public lose its traditional deference to those with authority. And increasingly those in public positions are exposed for lacking the basic

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<sup>313</sup> Blog comment on <http://aidontheedge.info/2011/02/10/whose-paradigm-counts>



character (let alone competence) for the job. And managerialism (and the salaries which go to the top echelons) seems to be at the root of the problem.

I therefore return to the questions I posed in my 2006 paper to the NISPAcee Conference (see box 1 of this paper) and specifically how can those of us who come from such countries dare to give advice to those struggling in "transition" countries? And perhaps some of these countries have themselves reached the position to which older member of the EUs are still in transition? Many of these countries, after all, bought in the mid 1990s a strong version of neo-liberalism (everything for sale) when their taxation systems collapsed and their elites realised what a great legitimisation for their corruption the new Western Weltanschauung gave them! The greed of the financial system has now brought the welfare systems of the older EU member states close to collapse.

### ***Shaky foundations of TA***

I have suggested that Technical Assistance based on project management and competitive tendering is fatally flawed - assuming that a series of "products" procured randomly by competitive company bidding can develop the sort of trust, networking and knowledge on which lasting change depends. *I have also raised the question of why we seem to expect tools which we have not found easy to implement to work in more difficult circumstances.*

At this point I want to suggest that part of the problem has to do with the unwillingness and/or inability of those involved in the game to admit how much of a power game it is. The very language of Technical Assistance assumes certainty of knowledge (inputs-outputs) and relationships of power - of superiority ("experts") and inferiority ("beneficiaries"). What happens when we start from different assumptions? For example that -

- Technical Assistance built on projects (and the project management philosophy which enshrines that) may be OK for constructing buildings but is not appropriate for assisting in the development of public institutions<sup>314</sup>
- Institutions grow - and no one really understands that process
- Administrative reform has little basis in scientific evidence<sup>315</sup>. The discipline of public administration from which it springs is promiscuous in its multi-disciplinary borrowing.

Such criticism has been made of Technical Assistance in the development field - but has not yet made the crossing to those who work in the (bureaucratically separate) world of institution-building in post-communist countries. Once one accepts the world of uncertainty in which we are working, it is not enough to talk about more flexibility in the first few months to adjust project details. This is just the old machine metaphor<sup>316</sup> at work again - one last twist of the spanner and hey presto, it's working!

The table below is taken from one of the most interesting writers in the development field one of whose early books was titled, memorably, "Putting the Last First". As you would expect from such a title, his approach is highly critical of external technical experts and of the way even participatory efforts are dominated by them.

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<sup>314</sup> Essentially the argument in the classic critique against the logframe Lucy Earle's 2002 „Lost in the Matrix; the logframe and the local picture“ <http://publicadminreform.webs.com/key%20papers/Lost%20in%20the%20matrix%20-%20Earle%20and%20logframe.pdf>

<sup>315</sup> See the 99 contradictory proverbs underlying it which Hood and Jackson identified in their (out of print) 1999 book

<sup>316</sup> see Gareth Morgan's Images of Organisation for more

**Table ; Four approaches to development**

Approach	1. Benevolent	2. Participatory	3. Rights-based	4. Obligation-based
<b>Core concept</b>	Doing good	Effectiveness	Rights of "have-nots"	Obligations of "haves"
<b>Dominant mode</b>	Technical	Social	political	Ethical
<b>Relationships of donors to recipients</b>	Blueprinted	Consultative	transformative	Reflective
<b>Stakeholders seen as</b>	Beneficiaries	Implementers	Citizens	Guides, teachers
<b>accountability</b>	Upward to aid agency	Upward with some downward	multiple	Personal
<b>Procedures</b>	Bureaucratic conformity	More acceptance of diversity	Negotiated, evolutionary	Learning
<b>Organizational drivers</b>	Pressure to disburse	Balance between disbursement and results	Pressure for results	Expectations of responsible use of discretion

Source; Ideas for Development: R. Chambers (2005) p 208)

Sadly, few younger consultants<sup>317</sup> in the field of admin reform (particularly NPM ones) are familiar with the development literature . The unease some of us have been increasingly feeling about PAR in transition countries is well explained in that table. The practice of technical assistance in reshaping state structures in transition countries is stuck at the first stage - although the rhetoric of "local ownership" of the past 5 years or so has moved the thinking to the second column.

The challenge is now two-fold, to make that rhetoric more of a reality and then to move to try to ensure that citizens actually benefit from all the activity!

### ***A false model of change?***

The Washington consensus was an ideological offensive which was offensively simplistic - and was fairly quickly buried but the arrogance behind it is alive and well. It is time for the soi-disants „experts“ to develop some humility. And this humility is doubly due - in the light of work done in the management field by the likes of Russell Ackoff and Margaret Wheatley<sup>318</sup> and in the development community on the implications of complexity theory reflected in UK's Overseas Development Institute.<sup>319</sup>

They could do worse than study Robert Quinn's book Changing the World<sup>320</sup> which is an excellent antidote for those who are still fixated on the expert model of change - those who imagine it can be achieved by "telling", "forcing" or by participation. Quinn exposes the last for what it normally is (despite the best intentions of those in power) - a form of manipulation - and effectively encourages us, through examples, to have more faith in people. As the blurb says - "the idea that inner change makes outer change possible has always been part of spiritual and psychological teachings. But not an idea that's generally addressed in leadership and management training".

<sup>317</sup> The older ones, of course, have considerable experience of Africa - which has a dual problem. They come with jaundiced eyes; and beneficiaries in transition countries do not take kindly to being compared with Africa.

<sup>318</sup> See Ackoff's Little Book of F Laws (2006); and Wheatley's Management Science and Complexity Theory (2001)

<sup>319</sup> <http://aidontheedge.info/2011/06/06/new-odi-working-paper-on-taking-responsibility-for-complexity/> and Exploring the Science of complexity - ideas and implications for development (2008)

<http://www.odi.org.uk/resources/download/583.pdf>

<sup>320</sup> <http://business.unr.edu/faculty/simmons/badm720/actchange.pdf>



Quinn looks at how leaders such as Gandhi and Luther King have mobilised people for major change - and suggests that, by using certain principles, "change agents" are capable of helping ordinary people to achieve transformative change. These principles include; „Look within - be aware of your hypocrisy"; "Embody a vision of the common good"; "Disturb the system"; "Don't try to micro-manage - be aware of systems"; „Entice through moral power".

# BACK TO THE BALKANS

At that point, I decided that it was time to see how the newest members of the European Union were coping.....and I had acquired in a remote village in the Carpathian mountain what (thanks to her labours) became, after 2000, a lovely old house with superb vistas from front balcony and back terrace of two spectacular mountain ranges.....

I got the chance to spend summer 2007 there before being tempted by one of the last Phare-funded projects which bore the highly poetic title - *"Technical Assistance to the Institute of Public Administration and European Integration - for the development of an in-service training centre network linked to the implementation and enforcement of the Acquis"*. The project's aim was to -

" build a system for in-service training of Inspectors and other stakeholders to satisfy clearly identified training needs and priorities in the field of acquis communautaire implementation". Five fields were selected by the Institute for the initial development of training and training material - Food safety; Environment; E-government; Consumer protection; and Equal opportunities  
The project appointed Bulgarian specialists in these fields to manage this process of designing and delivering training. In six months the project was able to -

- Produce 18 training
- Draft Guidelines for assessing training; how to carry out assessment which helps improved training.
- Produce a Training of Trainers' Manual; and a Coaching Manual
- Run 30 workshops in the 6 regions for 500 local officials
- Draft a Discussion Paper to identify the various elements needed to help improve the capacity of Bulgarian state administration. This offered examples of good practice in both training and implementation.

"Procurement issues" (for which read a combination of Bulgarian and Italian corruption) delayed the start of the project by some 4 months.....and continued to plague us for the remainder of the year. But it was, for me again. A marvelous learning opportunity during which I learned so much about both the fundamental issue of "compliance with European norms" - as well as [how effective training could and should be organized](#).....

# 1. Seeing difficulties as opportunities

## 1.1 The project's basic purpose

This project had some clear outputs – 6 new regional centres; a Management Information system; Training materials; trainers; 500 trained officials.

But none of these is an end in itself – they are all means to a wider purpose which was clearly expressed in the project ToR – “To build a networked system for in-service training of Inspectors and other stakeholders to satisfy clearly identified training needs and priorities in the field of *acquis communautaire* implementation”

An important part of the project has, therefore, been to –

- pose the basic question of “how can training actually contribute to implementation and compliance”? **How can training managers find out who needs what sort of improved knowledge and skills** in order to achieve new policy requirements and procedures?
- help **develop training modules** which seemed to **meet those defined needs** – which would serve as examples of “good practice” for other sectors
- run workshops for 500 local officials – at 6 regional centres – which would **test the relevance of the course structure and training material**
- identify lessons from this experience which could **help the Institute of Public Admin manage its new network** in a way which ensures that training actually leads to improved performance.

## 1.2 Identifying the gaps – how to work out who needs what sort of help?

The process which should be undertaken when a state body faces the task of undertaking a new set of responsibilities is clear –

- The first step is for **senior management** of the relevant state body or bodies to identify what difference the new policy will make to ways of working. Who is most affected by the change – and what exactly will they have to do that is different?
- This would then be the subject of discussion with at least a **representative sample of those directly concerned** – to allow a note to be drafted giving detailed guidance on the requirements of the new procedures
- Depending on the scale of the change, some people might, at this stage, raise the question of **piloting the change** somewhere in order to identify and deal with problems before full-scale implementation<sup>321</sup>.
- Alternatively some questions might be raised about **whether all of the staff concerned had the necessary skills** (eg communications) to manage the new procedures successfully.

Note the stage at which training comes into the picture. It is not – or should not be – the immediate reaction. The question we had was whether senior management was in fact operating like this in Bulgaria. The approach this suggested was laid out in para 4.4.3 of our Inception Report

“Before a training model and materials can be developed, we need to –

- understand how the new *acquis* are communicated down the line; with what changes in job specifications and training
- meet experts working on compliance and enforcement in the various levels of implementing bodies so that we can properly identify the target group and develop a

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<sup>321</sup> As is happening, for example, with E-government

profile of the typical individual the network will be serving - and their present and future job requirements

- identify the **weaknesses** of present communications and/or training systems
- understand the role of "off-the-job" and "on-the-job training" in solving these problems - and the link between them
- identify who exactly the **target groups for the 500 trainees should be**
- identify **other supporting actors** in the field (eg professional networks; Ministry training centres; EU projects (past and present); Chamber activity;)
- review the training material they have used
- check the role of the training in professional development and performance appraisal

That was a very ambitious methodology - but a necessary process if appropriate tools are to be developed for the achievement of better implementation. The process can be boiled down to three simple statements -

- First identify **what** it is that a particular group need to know to perform a new task.
- Then find out **who** lacks this knowledge or skills
- Then explore **how** the group can best be assisted reach that new state.

### 1.3 Using difficulties as an opportunity to learn

In the event, the project had neither the time nor the authority to carry out the sort of detailed analysis suggested in the Inception Report. In this respect, it was perhaps in a very similar position to that of IPA's training managers. Training managers throughout the world encounter certain common problems such as -

- inadequate TNA and, therefore, inappropriate course structure and material
- workshops being organised at short notice
- people being sent to courses who don't want to be there
- participants with different levels of needs
- courses which rely too much on passive learning - and don't use case-studies or exercises
- lack of systems to check that training material properly related to needs
- persuading trainers to use more informative assessment forms
- reluctance to confront the problem of poor trainers
- lack of follow-up to workshops

The project approach has been to encourage its Training Coordinators and instructors to treat each workshop as an opportunity for them (as organisers) to learn more about the needs of the people they were dealing with and about what changes were needed in the way they responded to those needs.

We shall now briefly describe the work of the project - focussing on the light the experience threw on these typical problems

## 2. How the project tried to identify needs - and design relevant learning experiences

This section raises issues relating to -

- the selection of the subject areas
- the identification of the target groups
- assessment of their needs
- the development of the training programmes and material

## 2.1 The selection of priority fields

Contrary to our expectations, there was no guidance from the Council of Ministers about priorities - and the project and the beneficiary were, therefore, left to make their own decisions. The project selected five fields<sup>322</sup> - environmental protection; food safety; E-government; consumer protection; and equal opportunities. The justification for this is set out in table two -

**Table one; reasons for selection of fields**

	<b>Need</b>
environmental protection	A previous EU project had looked at the capacity of regional and local structures to implement the environmental acquis - which gave our project information and a network to build on
food safety	This field had been mentioned in the 2007 EC Report as critical
E-government	A 2007 law was scheduled to come into effect in June 2008 - for which new systems were needed
consumer protection	A new Directive was causing problems
equal opportunities	An important horizontal issue

And Training Coordinators were appointed whose track record convinced us that they could manage curricula development and workshops in these fields.

## 2.2 Who were our actual target groups?

Compliance with EU norms requires the understanding (and one might add - commitment) of at least three very distinct groups of people -

- Senior management of state bodies; to ensure that strategies, action plans, management systems and budgets are in place to support implementation
- Local and regional officials; to ensure they understood the new law and had the skills to implement it
- Society at large - the citizens and organisations whose compliance with EU norms is sought

This project was required to focus on the second group - but, as the quotation from the Inception Report indicates, we consider it very dangerous to attribute any failings in implementation to middle and local levels of management! We tried to deal with that issue in Part One of the Discussion paper and return to it in section 17. Table 2 looks at what's involved in each role.

**Table two; Who needs to do what to achieve good implementation - and compliance**

<b>Who? (Stakeholder)</b>	<b>What? (Role)</b>	<b>Result</b>
<b>Senior management</b>	Develop clear and achievable goals, tools and procedures - with enough staff and budget	consistent management guidance and support
<b>Local officials</b>	Understand the new technical and legal requirements	Knowledgeable officials
<b>Local officials</b>	Develop capacity and skills to implement	Officials with compliance skills
<b>Public</b>	Understanding and support for new norms	Compliance

<sup>322</sup> The process by which the project selected its “acquis-related sectors” was described in detail in section 1.2 of the First Progress Report.

The Inception Report has also explained that, with the beneficiary's approval, we had adopted a broad definition of "inspector".<sup>323</sup> The groups with whom the project found itself working therefore were -

- **environment** - one module was developed for environmental inspectors but we focussed mainly on middle managers drafting bids for Structural Funds<sup>324</sup> - which fits the argument of the Inception Report (that knowledge of law does not necessarily get compliance - resources, political, managerial and public support, are more important than training).
- **Food Safety**; we have focussed on inspectors from the Ministries of Health; and of Agriculture.
- **Consumer protection**; where the focus was both the senior staff of the Consumer Protection Commission - to help them understand the implications of the Unfair Commercial Practices Directive - and local officials
- **Information Society**; The Electronic Government Act requires not only new knowledge on and understanding of the legal framework, but also mandates a wholesale internal organisational restructuring in administrative structures. Target groups for training were therefore not only *legal professionals working in administrative positions* but also *ICT specialists* and *secretaries general*.
- **Equal opportunities**; the work to identify the relevant target groups started only in mid-July

**Table three; the project target groups**

Level	Field	Numbers trained in project
<b>Inspectors</b>	Food Safety;	115
	environment;	17
	consumer protection	100
<b>Senior management</b>	Consumer protection	20
	Information society	9
<b>General experts</b>	Equal opportunities;	18
	information services	106
	environment	100

### 2.3 How did we try to find out more about their needs?

Each Bulgarian state body is required<sup>325</sup> to develop an annual training plan - based on a statement by each individual civil servant of his training requirements. These plans are sent to the Minister of SAAR who then sets a general training plan for the Bulgarian civil service. This helps IPAEI draft the annual Catalogue of courses which offers. Obviously some state bodies calculate training needs more carefully than others - which led the Operational Programme document on Administrative Capacity to state that "a comprehensive analysis of the training needs of state administration needs to be carried out"<sup>326</sup>.

As the project did not have official status until the addendum of January 25 was received, it had to refine this needs assessment in informal ways -

<sup>323</sup> "Those who work as experts in state bodies charged with overseeing the implementation and enforcement of a relevant part of the acquis"

<sup>324</sup> the project has developed its own material for environmental inspectors which serves as a model for other types of inspectors

<sup>325</sup> In article 35 (4) of Civil Servants Act of 2000

<sup>326</sup> End of section 6.4 of Operational Programme "Administrative Capacity" 2007-2013

- **Environment field;** In the light of the Operational Programme's priorities and of the needs identified by previous EU project, a menu of 10 possible courses was developed by the project and sent to all municipalities to identify interest and priorities. A training programme was duly drafted - of 6 modules and 10 courses.
- **Food Safety;** The training manager in the National Centre for Health Protection - which services the work of inspectors in the Ministries of Health and Agriculture - was approached. Her involvement in the EU "Better Training for Food Safety" programme led her to suggest that "hazard analysis" should be the focus of training.
- **Consumer Protection;** we asked senior management and some people in municipalities - and got rather different answers about needs. The CPC needed an international consultant to help them clarify issues relating to the Unfair Commercial Practices legislation. As a result of such input, a module on this subject was prepared and delivered - as well as a more general one for local staff.
- **Info Society;** where the need was defined simple as preparing relevant staff to deal with the requirements of the 2007 law on electronic government
- **Equal Opportunities;** where, again, the need was defined as helping staff to understand the obligations of the various EU anti-discriminatory legislation.

Looking back, it is now possible to see that the project was working with three different types of need-

- For a **better understanding of the meaning of a new law** and identification of the sorts of changes needed in procedures and systems
- For the **dissemination of better tools and practice** which has been developed
- For officials to **develop knowledge and skills** to bid for and obtain the resources they need to develop missing infrastructure

**Table four; purpose of the training**

	<b>transfer knowledge</b>	<b>develop skills</b>	<b>Disseminate good practice</b>
<b>Environment</b>	Yes		
<b>Food Safety</b>	Yes	yes	Yes
<b>Information Society</b>	Yes		
<b>Consumer Protection</b>	Yes		Yes
<b>Equal Opportunities</b>	Yes		To an extent

## **2.4 How were our training programmes designed?**

The project was unable to start its training work until the CFCU allowed it to appoint its first 3 Training Coordinators - in March 2008. By then - with half of the project gone - there was little time left to spend on curricula design. We had to start the organisation of some workshops if we were to meet our target of 500 trained officials!

Our approach was, therefore, twofold -

- Brief the Training Coordinators and those drafting the training material about our requirements for the development of the curricula (modules)<sup>327</sup>.
- Encourage them to use each workshop in a systematic way to refine their understanding of needs and the training material "Everyone on this project - including the coordinators and instructors - will be learning as we go. The assumptions we make about who needs to learn what, how and why must be made explicit - and discussed. Training material will be

<sup>327</sup> These had been clearly laid out in the **Guidelines** of January 2008 which can be found in the project's paper on Assessment Methodology

drafted, discussed, used, reviewed, re-drafted in a never-ending cycle. And we want to encourage the various actors in the fields learn from one another's experiences. Recording - and reflecting on - our various experiences during this process is, therefore, an important activity".

Of course all of this will be done only by trainers with a commitment to that style of working. When the trainer is a subject specialist with a full-time job in state administration, it will not be easy to do".

And this brings us to the heart of the matter - that those drafting the training material and delivering the courses on acquis-related matters in Bulgaria are rarely trainers (in the sense of our "basic definitions"). They are subject specialists - who need more guidance and encouragement than they are currently receiving in the very different task of understanding the needs of those they meet at workshops; designing material which meets those needs; and structuring courses which use "active learning" techniques

Few of our "instructors" were willing or able, however, to avail themselves of the opportunities we offered for training in these fields. Perhaps, if the CFCU had not put a block for 4 months on our work, we might have been able to hold a public competition for instructors - and make it a condition of their employment that they first attended such training. As, however, it was March before the Training Coordinators had contracts we were only too grateful that they brought with them teams of colleagues who could design and deliver the training. More than half of these instructors took part in the two Training of Trainer courses organised by the project.

One point on which we insisted was the need to draft clear "**learning outcomes**". These are developed by the training managers and trainers (a) making explicit their assumptions about the skill or knowledge deficiencies of the learners and (b) then drafting a detailed statement about what the participant will know or be able to do at the end of the course.

Drafting learning outcomes makes everyone think more systematically about the assumptions they are making about the existing knowledge and skills deficiencies - and share that with the other people involved in training.

The last phase of the project saw intensive interactions between the team and trainers to ensure that the training materials reached the structure and standards laid down in the January note of Guidance.



### 3. How do we identify the most appropriate structure for learning?

#### Systems for both on-the-job and off-the-job training for the acquis

The project ToR understood that training should be a continuous process - that workshops should always have a follow-up if the learning that took place is to be sustained. Unfortunately this rarely happens. Training managers generally breathe a sigh of relief at the end of a workshop - and move on to planning the next one. The ToR envisaged that training events should be followed by coaching from the manager as officials start to apply the new procedures and knowledge they have obtained at the workshop. But the project identified other ways in which the understanding of officials about new tasks can be developed. They were set out as follows -

**Table five; Tools for learning**

<b>Tool</b>	<b>Advantage</b>	<b>Disadvantage</b>
<b>"off-the-job" training/learning</b>		
1. Lectures delivered at workshop	Administratively easy for training system	Relevance and quality difficult to control; learner passivity
2. Exercises	Engage interest; raise questions; simulate real world	Temptation to use only as "ice-breaker". Should be used to help prepare a presentation
3. case-studies	If "failure" presented, can help pose key questions Active involvement of participants	Difficult to construct  Can easily distort or miss key points - and become "propogandist"
4. Site visits	Seeing for oneself Inspiration	Needs good organisation to make connection to learning Interrupts dynamic of workshop
5. Action learning	Discipline of having to prepare coherent presentation Getting feedback and support Learning from practical examples	Requires careful facilitation if it is to be worthwhile
<b>"on-the-job" training/learning</b>		
6. Internet Training material (eg "Frequently asked questions")	Very accessible Administratively easy for training system	Participation is voluntary - and only motivated staff will use it.
7. Coaching	High coverage of staff	Line managers may have difficulties in learning coaching skills
8. E-learning - with tutor interaction	Very accessible; cost effective	High demands on training management Does not allow use of some powerful learning tools
9. Regional consultations (see section 9.4)	Active involvement of participants	Takes instructing staff out of their work

Detailed assessment of each of these tools can be found at section 8 below. Our discussions have clearly indicated that - although there is a continuing need for technical training in new aspects of the relevant acquis - the greater need is to have support system for those officials

at local level as they encounter and try to deal with the problems of compliance and enforcement.

One state body put this very clearly - "We understand the text of the various procedures on equal opportunities - but that is a completely different matter from the various levels of management understanding why the various forms of discrimination occur; are unacceptable; and how they can and should be changed. Such support can be offered in a variety of ways<sup>328</sup> -

- A website with Frequently Asked Questions
- Case-studies
- Surgeries or master classes (of visiting experts)
- Coaching sessions by managers

The project was able to develop a manual on coaching. Annex 2 presents and analyses the experience of two projects in equal opportunities which could be further developed as a case - study.

## **4. Toward a community of learning - the importance of networks and Strategies**

### **4.1 The strategic questions which lie behind a business plan**

Current training of state officials in Bulgaria consists of short courses but, in future, could take various other forms - such as interactive modules; video conferencing; one-to-one advice in coaching.

State bodies have their own training budget; are required to draw up annual training plans; and are free<sup>329</sup> to select the training they consider appropriate. That training is currently provided by IPA and by training centres of state bodies (eg Customs; taxation; Ministry of Labour; Centre for Health Protection) and, to a lesser extent, by Universities, NGOs and the local government Associations. No precise figures are available for the total amount or type of training undertaken by each sector.

None of the training centres or courses run by these bodies require accreditation by a Bulgarian body - although the centres managed by state bodies have all been strongly supported by international organisations such as the EU, WHO, World Bank, ILO and EU. A National Agency for Vocational Education and Training exists in Bulgaria - but its remit does not include training centres for short courses.

Even, however, if these courses do not require to be accredited, it is in everyone's interests that some quality checks are developed and used to improve good practice. Quality control<sup>330</sup> of short-course training for state bodies is taken very seriously in EU member states - but takes various forms.

The training which takes place in Bulgaria in the state training centres for Finance, Justice, Customs and Labour - strongly supported by international bodies - is what might call "vocational" ie relating to a body of knowledge and procedures which is integral to the job descriptions of

<sup>328</sup> these are discussed in more detail in Part II

<sup>329</sup> Subject to the compulsory IPA courses to which they are required to send, for example, those taking up management positions for the first time

<sup>330</sup> Although the word used is "assurance" since "control" has connotations of "big brother". "Assurance" focuses on the results and leaves open the question of means and roles.

the officials. The same might be said of food safety. Trainers for such functions have received extensive and high-level training.

Outside these broad functional areas, it is our understanding that few of those planning and delivering training courses for state bodies here have received training for this role. The vast majority of instructors are university people and subject specialists working as senior experts in state bodies. Few have been properly introduced to the process of adult learning. Few seem to have available manuals or procedures which cover the sort of good practice outlined in the project's Discussion Paper. But it is perhaps time that this was the subject of proper study.

A concern for quality leads to three related sets of questions –

- What system is needed to ensure that courses (and the training material and case-studies) are designed and managed to make an impact (**course design**)?
- what system is needed to ensure that those designated as instructors (or tutors) and trainers have and retain the appropriate skills of these very distinct roles<sup>331</sup> (**trainer selection and control**)?
- What system is needed to ensure that the **training system is managed effectively** – ie that priority needs are properly identified, course curricula effectively designed and trainers and relevant participants brought together in a manner which has a satisfactory outcome for the client organisation(**training systems management**)?

Hopefully the project's various papers will help Bulgarian HRM Directors, training managers to deal with these questions.

#### 4.2 The potential role of the IPA network

In our Inception Report, we sketched out a role which IPA could offer the wider system of training of civil servants in Bulgaria. We think these ideas remain valid – and strongly urge IPA to set up a network.

##### Box 1; the value which an IPA network will offer the civil service system in Bulgaria

- exchange of experience
- guidance on course evaluation
- guidance on development of training modules
- identification and development of case-study material for IPA teaching of policy implementation to senior civil servants
- Sustaining and developing an E-learning system – which would be available to a wider audience
- Offer TNA skills to MTCs
- – or be commissioned by Ministries to carry out TNA?
- training the trainer capacity

The Operational Programme on Administrative Capacity indicates the scale of training in general management areas in which IPA will play a significant role – and for which a network of regional centres will be very useful. The training currently being funded by the project at a regional level gives IPA a profile at that level which will be a very useful base for such a development.

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<sup>331</sup> By “instructors” we mean subject specialists – who generally present their material by lectures; “trainers” use a wider range of “learning tools” to create the environment in which course participants learn for themselves. See table 5

### 4.3 IPA's core business

It is reasonable to pose the question whether Bulgaria does not need a source of intellectual guidance and inspiration for public administration reform and improvement.

Most countries have had such an organisation. In Germany, the Speyer Academy - in UK INLOGOV. Both started (INLOGOV in 1970s; Speyer in 1980s) by producing inspirational papers on the change needed in local government - which attracted Chief Executives to come to explore, in seminar format, the issues and to share their experiences of change. Both are now flourishing and commercially viable centres. Neither started as money spinners; they were rather the expressions of a commitment to search for a new and better way of doing things. And to treat those who came to the workshops as colleagues on a journey - rather than as trainees.

This implies a **network and programme approach**. Instead of IPAEI mounting courses on (say consumer protection) it should perhaps be inviting the senior people with the responsibility inside Ministries for implementing "critical" new *acquis* obligations to form a network - which can help them develop the project/change management and communications skills to make sure that state bodies actually implement effectively.

#### An example

The "Unfair commercial practices" Directive offers an instructive example. One of the requirements of Bulgarian EU membership was transposition of this Directive. We understand that very little consultation was carried out - and, as a result, Consumer Protection officials have been left confused about various aspects of implementation. Countries such as Poland, Sweden and Germany have taken a very different approach - taking time to consult closely with those who would be charged with implementation - to ensure both that the transposed legislation is feasible AND that the implementing agency has the time to prepare properly for its new responsibilities. This example can be developed as a case-study for IPA to use in its courses on policy development.

Also teach compliance strategy - using the recent UK experience of radically reviewing inspection and risk management. The project work in the *acquis* fields could help develop case studies around problems of implementation - which IPA can also use in sessions with senior civil servants on change management and policy development.

## 5. Thinking about "Compliance"

### 5.1 The project as a pilot experience

This project's purpose has been to help the Institute of Public Administration in Sofia to develop a regional and local training system which will help state bodies implement EU norms effectively in Bulgaria. This, logically, required the project to -

- look at the factors which constrain effective implementation of new policy and legal commitments arising from EU membership
- identify good practice in policy implementation from member states
- explore the role which training played in achieving this
- look at the range of training tools and systems available
- identify the systems and tools most appropriate for regional officials in Bulgaria

The project was required to provide training in a limited number of sectors but not as an end in itself but rather as a **means to a larger end** - namely assistance in the developing training

*guidelines and systems which could help Bulgarian state bodies achieve better **compliance** with new EU norms.*

EU norms vary according to such factors as

- their focus (target groups) and
- the scope they give to member states to define implementation systems (autonomy).

The project was invited to select several sectors covering different aspects of EU policy. It selected five fields - some (like **food safety**; **E-government**) with clear and technical requirements for limited target groups; others (**environment**; **consumer protection**) laying down more comprehensive requirements on a much wider target group.

And the fifth field in which the project is engaged - **equal opportunities** - poses perhaps the biggest challenge of implementation - since it is attempting to change deep-seated prejudices people have about groups who, as a result, experience difficulties in accessing, for example, educational and job opportunities. Here we find the limitations about laws - that they will work only if they have the support of society.

The project's involvement in five such diverse fields presents an opportunity to think systematically about the process of "**compliance**" - ie obtaining behaviour consistent with legal norms. It would be naive to imagine that all the citizens and legal bodies of the old member states all faithfully observe EU norms. Legal bodies - whether private companies or citizens - are not always able and willing to comply with new legal requirements. And the budgetary pressure on most state bodies means that they often turn a "blind eye" to lack of compliance.

## 5.2 The stages in achieving compliance

We have found it surprising just how little has been written about the application (or implementation) of the *acquis* in EU member states - presumably because no comparative data is collected about that critical stage of the process. There is a huge literature on reasons for variable rates of transposition - but papers on the real act of application are few and far between<sup>332</sup>.

Part I of the project's Discussion Paper identified the only two EC Communications<sup>333</sup> we have been able to find on the subject of Implementation. They are more concerned with the information and reporting systems and networks which can lead to improved identification and reporting for **infringement**.

And there are, of course, two very different sorts of infringement - first when European Law fails to be transposed or is done improperly; and, second, where the correctly transposed law is not observed.

Various problem-solving mechanisms are mentioned - such as negotiations, out-of-court systems and the SOLVIT network of centres which deals with citizen problems with implementation of internal market issues.

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<sup>332</sup> For a rare example, see "Making Europe work; improving transposition, implementation and enforcement" European Policy Centre working paper 25, June 2006. Also "Paths to Compliance: Enforcement, Management, and the European Union" by Jonas Tallberg (International Organisation ; Summer 2002, pp. 609–643)

<sup>333</sup> COM (2007) 502

However, **real implementation** lies in the large area between transposition and infringement - and was identified in the project's Inception Report as the proper focus of the project's training activities.

The table below represents our attempt to set out the different stages of implementation in order to achieve compliance -

**Table six; the stages of implementation for EU legislation**

	<b>Comment</b>
1.1 draft Directive or Regulation <sup>334</sup> is subject of consultation with stakeholders	consultation is needed to ensure that legal draft is relevant.
1.2 Issuing of Directive or Regulation	
1.3 legal drafting in appropriate member states (translation only in case of Regulation)	As Directives leave member states with considerable scope on implementation , such consultation is essential - and taken very seriously in northern EU states
1.4 parliamentary discussion and transposition	
<b>2.1 Development of action plan</b>	One of the main conclusions of this project is for training to be set in the context of such plans
<b>2.2 Training and information giving</b>	For both officials and public
<b>2.3 Information collection and analysis</b>	Obtaining reliable and up-to-date statistics is always a problem - as is subsequent analysis
<b>2.4 inspection</b>	See the project material on this subject <sup>335</sup>
<b>3.1 Discovery of non-compliance</b>	
<b>3.2 prosecution or resolution</b>	

### 5.3 The Importance of thinking in terms of compliance

The project's Discussion Paper pointed out that EU member states are beginning to develop compliance strategies as basic tools of implementing European Community obligations. The box below presents a tool for thinking about compliance.

#### **Box 2; A checklist for developing a compliance strategy**

##### **Aspects of spontaneous compliance**

- Knowledge of the regulation
- Costs of compliance; benefits of non-compliance
- Degree of popular and business acceptance of the regulation
- Natural obedience of subject
- Extent of informal monitoring

##### **Aspects of monitoring**

- Probability of report through informal channels
- probability of inspection
- Probability of detection

<sup>334</sup> See basic definitions at page 4

<sup>335</sup> Which the project developed from the excellent OECD Manual "Assuring compliance – a toolkit for environmental inspectors in central and east Europe" (2004)

- Selectivity of the inspector

#### Aspects of sanctions

- Chance of sanctions
- Severity of sanctions

This constitutes what might be called a “marketing” approach to compliance – as distinct from the legal approach. The **legal approach** makes certain questionable assumptions about the behaviour of legal subjects – namely that they know about the law and are disposed to implement it faithfully.

The **marketing approach** starts with the subject whose compliance is needed and uses the 11 factors as a checklist which the state body and its officials can use (a) first to understand better the factors which reduce the chances of compliant behaviour (eg how well is the legislation understood?); and then (b) to adjust their implementation or action programme to focus on those factors (eg leaflets).

On the basis of this understanding a strategy is developed to maximise the chances of compliance in that particular context<sup>336</sup>.

## 6. How is that good practice achieved?

### 6.1 Recognise different roles

At least four different groups are involved in any training –

- The **client** – who commissions the training
- The **training manager** – based in the training centre: who helps define the learning outcomes; ensures the course structure is designed to meet these; selects and briefs the instructors; and gets the participants to the agreed location.
- The **instructor** (trainer) – who prepares and delivers the training material
- The **learners** – who should have control over the course structure and their learning process<sup>337</sup>

With E-learning we add a fifth – the provider of the technical infrastructure.

The diagram overleaf looks at each of the four roles and tries to define (a) what each person needs to bring to the process if training is to be effective and (b) the results (or outputs) which should come from the dialogue which is needed between each group as we move through the training cycle. Learning outcomes, for example, come from a proper discussion between the client and training manager to which the latter brings questioning and analytical skills to make sure that the learning outcomes are relevant and realistic.

A problem frequently encountered is that training managers do not have the status, time and confidence to ensure good learning outcomes and monitoring of course structure and materials and trainer performance. Too often, too much, is left to the instructors – who, as subject specialists, are assumed to have the knowledge and skills to package their knowledge in a way which leads to effective learning. But being a subject specialist and being a trainer are two entirely different things!

<sup>336</sup> In risk assessment, this is known as the “table of eleven” – and is the basis, for example, of the Netherlands Compliance strategy in the Ministry of Environment (van der Schaarf).

<sup>337</sup> Since they are adults

## **6.2 strengthen the role of training manager**

How can training managers play a stronger role? One obvious answer is to have a written document which sets out a set of procedures and roles – and which the various people involved in training feel obliged to follow. This does not need to be official – it could be a professional code of practice.

The diagram also emphasizes the importance of training managers and trainers committing themselves to “continuous learning” – and treating every workshop as an opportunity of improving their understanding of needs and refining their learning tools and skills.

**DIAGRAM ON NEXT PAGE**

## **6.4 Strengthen the consumer voice**

Achieving improvements in systems always requires operating on both the demand and supply side. So far, we have dealt only with the supply side – the activities, skills and behaviour required of trainers and training managers. But change generally needs pressure from the demand side. Clients, for example, need to know what it is reasonable to expect from training.

## **6.3 Create a “training community”– consisting of those involved in different roles in current training**

A network of HRM managers in state bodies exists in Bulgaria and has an Annual Conference (organised by IPA EI) and we suggest that this should be strengthened – to create a real training community or network which can bring together the various groups listed above to supply a real impetus for change.

## **6.4 The role of certification and accreditation**

Civil servants throughout Europe have been under increasing pressure in the last few decades. More is expected of them – and their training has, as a consequence, been given great importance. Training systems have become much more sophisticated – and are resourced accordingly. What were the factors in other countries at a similar stage of development as Bulgaria's which gave the impetus to change and improvement?

What role did formal accreditation played in these countries in the development of civil service training systems?

This is a critical question – which leads us to make the distinction between “drivers of change” and “certification”. The latter is a check on quality which, of course, can act as an incentive for the improvement of quality for trainers and training centres. Historically, however, it has come into play only after the drive for improvement has reached a critical point – and when experienced trainers exist to act as credible certifiers. It has rarely (if ever) been a driver of change. Indeed it can, paradoxically, stifle the conditions for improvement!



### PART III Trying to make sense of it all

"There are four sorts of worthwhile learning - learning about

- oneself
- learning about things
- learning how others see us
- learning how we see others"

E. Schumacher (author of "Small is Beautiful")

#### 10. 1 Where to invest our energies?

People like me have a certain arrogance! We imagine that we have insights or skills which make us different! And worthy of being listened to. The question is which forum?

- The political arena?
- The book or magazine article?
- Consultant report?
- Mass media?
- Class and Training rooms?
- friendships?
- Example - being good

My own learning background is economic and political science; then a lecturer in these subjects and a political bureaucrat in a large public organisation; and, for the last 15 years, a consultant. And I had a Presbyterean upbringing. So for most of my life, I have believed that reason ruled the world - whether individual or the wider formal purpose of the organisation. Organisational failures I attributed to inappropriate structures or management skills or leaders with lack of clarity or selfish motives.

The guidebooks I read (and written) took little account of the irrationality and emotional confusion of managers - and the effect of their interactions on organisational health and achievement.

Neglecting one's psyche is dangerous - and I paid the price for that neglect for a few years.

That is when I came to know myself better - and started to value relationships more and to read books about personal development. Significantly just at the time when they were inventing the phrase "emotional intelligence"! In Tashkent I first started to use a book on "Behaviour in organisations"<sup>338</sup> I had bought in a second-hand sale in Brussels years earlier. And realised how useful Belbin and strategic thinking exercises<sup>339</sup> were in making us understand that we all look at the world - and think about it - in different ways<sup>340</sup>. Up until then I had focussed on more abstract things.

Of course understanding the world requires an appreciation of both social and psychological sciences. One should not be forced to choose between them. But, sadly, as in the last century, knowledge has become more and more specialised, that is what precisely everyone has been forced to do. Even in medicine, few doctors have been trained in the psychological aspects of their patients and work. They see them as (admittedly wondrous) physical systems.

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<sup>338</sup>

<sup>339</sup>

<sup>340</sup> G. Morgan's Images of Organisation was the first book I read with this exciting perspective

My reading in the 1990s was very managerial<sup>341</sup> - catching up with a side I had missed in the 1980s when I was focussing on poverty and community development issues. And, obviously, trying to come to terms with transition issues.

My reading has, in recent years, been more historical<sup>342</sup> and cultural<sup>343</sup> - trying to understand the context to the sorts of countries I've been living in.

And also behavioural - what can we do to make people more -

- Proactive?
- Innovative?
- Motivated?
- Cooperative with one another?
- Public-spirited?

The answers are various eg change -

- Institutional systems
- Managerial systems
- Culture systems
- Their self-awareness
- Our own behaviour

## 10.2 Changing attitudes and behaviour

If we wish to change people's behaviour, we should look at all options - and, where behaviour patterns of non-compliants are strong, we often need to use a battery of tools. What is it that is most likely to make target groups change their behaviour? Simple instructions? Threats? Incentives? Explanations and understanding? Involvement in the decision-making? Moral exhortation? Or a combination?

Many people tell us that the only effective mechanism is that of the command - whether in the form of laws or injunctions from the boss (line 5.2 in the table). Other people would argue that *rational arguments* (eg in training sessions) or *leaders* make a difference - and can inspire those in the organisation to change (points 1 and 2 in the table).

### Motives and instruments in the change process

Motivating Factor	Example of instrument	Particular mechanism
<b>1. Understanding</b>	1.1 Training 1.2 Campaigns 1.3 Counting and comparing - producing league tables	Rational persuasion Appeal to common sense Questioning when one's organisation compares badly
<b>2. Commitment</b>	2.1 Leadership 2.2 Consultation and cooperation 2.3 Training	Legitimisation; inspiration Shared vision Pride in behaving professionally
<b>3. Personal Benefit</b>	3.1 Pay increase and bonus 3.2 Promotion 3.3 Good publicity 3.4 Winning an award	Financial calculation ambition Reputation; Psychological

<sup>341</sup> see the annotated bibliographical list in "key papers" - [www.freewebs.com/publicadminreform/](http://www.freewebs.com/publicadminreform/)

<sup>342</sup>

<sup>343</sup>

<b>4. Personal Cost</b>	4.1 Named as poor performer 4.2 Demotion 4.3 "Report cards" on organisations <sup>344</sup>	Psychological (Shame) Monetary Pride
<b>5. Obligation</b>	5.1 Law <b>5.2 Orders and Action plans</b>  5.3 Family ties	Courts Obedience to Managerial authority Social pressure
<b>6. Peer influence</b>	6.1 peer review 6.2 bribery 6.2 Quality circles	Pressure from colleagues to do behave the same way as them
<b>7. Social influence</b>	7.1 Opinion surveys 7.2 Public demonstrations	Feedback from public about service quality

In the field of European Law, the threat of financial penalties is assumed to be the ultimate sanction - but, in recent years, the European Commission has moved away from a reliance on such crude tools and has been encouraging persuasion (social marketing) and alternative forms of conflict resolution. And governments trying to improve the performance of state bodies have also made increasing use of "league tables". This involves audit bodies, for example, collecting and publishing comparative information about the performance of individual schools and hospitals in an attempt to persuade senior managers to address the problems of poor performance (1.3 in table). This can also act as a market-type force - bringing the force of public opinion against the organisation (4.3 in table).

### *10.3 the problem of evil*

Public admin books are rationalistic - they say nothing about the **evil** perpetrated by our organisations<sup>345</sup>. And that evil is most vividly seen in Robert Fisk's massive, thoughtful and humanistic portrayal<sup>346</sup> of the killing fields of the middle east, brought on by the thoughtless and arrogant interventions over the past century of Britain, France and America in such areas we now know as Syria, Israel, Palestine, Iraq and Iran. Its 1300 pages are a modern "War and Peace" - and can be put down only long enough to rest one's arms from the weight of the book! I've tried before to understand the history and events of this area - but the previous books have clinically recited events and dates and referred in a few cliches only to the horror of those events. The only individuals who figure in these other books are the leaders - but this book portrays both the victims of the slaughter and their families and also those in the Western bureaucracies - both private and public - who make the slaughter possible. Their words are closely analysed - and their actions held to account in a relentless way which restores one faith in journalism. The book's theme of our lack of historical perspective is echoed in a much shorter book first published in 2003 by Karl Meyer<sup>347</sup> - but Fisk's book is interlaced with powerful references to his father and others who fought in these same places at the beginning of the 20<sup>th</sup> Century. This is the book which should be required reading for students of government and leaders alike - and the subject of discussion on all book clubs. It is writing and humanity at its highest level. It is, after all, individuals who take - or collude in - Government decisions and it is rare to come across this level of research about both the consistency of decisions and their PR defence. Words...

<sup>344</sup> "report cards" measuring citizen satisfaction with public services have become popular in many countries - both developing and developed.

<sup>345</sup>

<sup>346</sup>

<sup>347</sup> The Dust of Empire (Abacus 2005)

But its there too in another book about France I'm reading "On the Brink"<sup>348</sup> - which itemises the corruption in their political and admin system. And that's before we get to Italy<sup>349</sup> and America<sup>350</sup>.

Iin Kyrgyzstan the state has almost broken down - and arguably too in Romania<sup>351</sup> and Bulgaria - let alone the Balkans<sup>352</sup>.

These are the realities - and yet the World Bank and the other international institutions churn out stuff which shows no regard for this - except vague talk of "corruption"<sup>353</sup>.

And my own folks in Europe live a protected yet fearful life. Noone has a clue what to do!

Just as model of private competition assumes perfect knowledge and rationality etc so public admin theory (such as it is) assumes good ?????

Greene's The 48 Laws of Power (Profile Books 1998) A very enjoyable read and such a relief from the manic rhetoric of people such as Tom Peters! This is a politically incorrect book which updates Machiavelli and Dale Carnegie in advising on the acquisition and retention of power. It draws from history rather than management academies to produce 48 highly provocative recommendations which challenge the more consensual approach to management. The laws run like this -

- Never outshine the master
- Never put too much trust in friends; learn how to use enemies
- Conceal your intentions
- Always say less than necessary
- Guard your reputation with your life
- Court attention at all costs
- Get others to do the work, but always take the credit
- Make other people come to you
- Win through your actions, never through argument
- Avoid the unhappy and unlucky
- Keep people dependent on you
- Use selective honesty and generosity to disarm your victims
- When asking for help, appeal to self-interest - never to their mercy or thanks
- Pose as a friend, work as a spy
- Crush your enemy totally
- Use absence to increase respect and honour
- Keep others in suspended terror
- Do not build fortresses
- Seem dumber than you are
- Use the surrender tactic
- Keep your hands clean
- Enter action with boldness
- Make your accomplishments seem effortless
- Control the options
- Think as you like, but behave like the others
- Never appear too perfect

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<sup>348</sup>

<sup>349</sup> Berlusconi's Shadow; David Lane (Penguin 2005)

<sup>350</sup>

<sup>351</sup> Tom Gallagher's latest book

<sup>352</sup> Paul Stubbs

<sup>353</sup>

Each law is illustrated with positive and negative examples drawn largely from ancient and medieval history and from fables.

#### 10.4 Some schemata

Of course, as we get older, we do tend to go beyond systems and look to the personal. As I have tried to repair the huge deficiencies in my understandings of the personal world, I realise that different books in this field classify behaviour according to such things as -

- age
- gender
- culture
- psychological type
- socio-economic position
- politico religious values

*How different writers try to explain our behaviour -*

Defining Variable	Authors	Classification system	The crude message	The deeper message
<b>1. Age</b>	William Bridges Gail Sheehy Lessem	7 stages ditto	Young and old inhabit different planets	Each stage of life brings its own crisis - which we should see as a learning opportunity
<b>2. Gender</b>	Gray	2! - represented by Venus and Mars planets	Men and women are from different planets	Happiness requires us to give time and effort to understand and show respect for those we love
<b>3. Culture</b>	Lessem  Trompenaars Huntingdon	4 - Points of compass ??	Societies will never understand one another	People from different countries value things differently from us.
<b>4. Psychological Type</b>	Jung  Belbin	Introvert - extrovert 9 team roles	We have internal dispositions to behave in very different ways.	The world works because each of us can potentially complement the other. We should not try to mould people in our image
<b>5. Socio-economic position</b>	Maslow  Handy?	Hierarchy of need (5 levels)  4 organ types	Those with basic needs are selfish and aggressive	Do not expect those poorer and richer than us to see the world the way we do
<b>6. Values</b>	Etzioni  McGregor		Some of us are kinder than others	What we think will work in society depends on the assumptions we make about people
<b>7. Organisational metaphor</b>	Morgan	9 (unconscious) ways we all think about organisations - like a physical body; brain; prison;	Nothing is real! Everything is in our minds!	What we think will work in an organisation depends on the images we have in our mind

That's quite neat!! I've never seen anyone do that before! But where does it get us? One conclusion, perhaps, is that we should be careful of getting into too specialised an area. That's

the way universities and the educational system push us - but the great university of life has a completely different and more eclectic attitude.

Explanation	Sustaining force	Force for behavioural change	discipline	
Birth	Genes		Biology	
Nationality	Memory; symbols	Supra-nationalism	Anthropology	
Family upbringing	unconscious	Self-awareness	Psychology	
Gender	Genes; reinforcement	Surgery!		
Psychological type		Self-awareness; understanding	Psychology	
Group membership	Peer pressure	Social norms	Social psychology	
Organisational role	Expectations, norms	Restructuring	Sociology	
Choice	Calculus	Change in costs;	Economics	
Context	Mutual perceptions	Change in perceptions	Social psychology	

## 7.

Three different questions -

- What works?
- How should it be implemented?
- How should I act?

I can see 3 very different dimensions of activity -

- **Issue-based**; when you spend your time researching, arguing, lobbying on a particular issue - eg global warming
- **Structural**; when you focus rather on the features of the political and administrative system which prevent relevant action being taken - and try to identify and mobilise change around that (which has been my life - see next para)
- **Personal**; when you try rather to understand what it is about individuals which makes them so ineffective in the present situation (what I've been thinking about recently).

Life is rarely about choices - it's much messier - and luck plays a part. But I do think that individuals can and should prepare themselves both to identify and take advantage of the breaks when they come. So often people can't see the opportunities - or don't know what to do when they suddenly present themselves. I've actually developed a theory about this<sup>354</sup>!

Life is a gift - what are we doing with it? A powerful way of thinking about that is to imagine you are at your own funeral - and to ask what would you want people to be saying about you<sup>355</sup>? Deep down, however materialistic and selfish we might be, we all want to be remembered for our care for others - however we might have expressed this, in individual relationships or the work we did.

<sup>354</sup> I call it opportunistic management

<sup>355</sup> I take this from the book which I try to give the people I work with - "The Seven Habits of Highly Effective People" by Stephen Covey.

One of the books I have found so helpful - by a guy called Robert Quinn and with the title - "Change the world; how ordinary people can accomplish extraordinary results". As its blurb says - "the idea that inner change makes outer change possible has always been part of spiritual and psychological teachings. But not an idea that's generally addressed in leadership and management training. Quinn looks at how leaders such as Christ, Gandhi and Luther King have mobilised people for major change - and suggests that, by using certain principles, change agents (like me) are capable of helping ordinary people to achieve real change. These principles are -

- have a sense of a better system
- Look within - and recognise the hypocritical self
- Transcend fear
- Embody a vision of the common good
- Disturb the system
- Surrender to the emergent system (ie have faith in the power of the group thinking if its given an opportunity to think properly - see the world café movement
- Entice through moral power

The book is an excellent antidote for those who are still fixated on the expert model of change - those who imagine it can be achieved by "telling", "forcing" or by participation. Quinn exposes the last for what it normally is (despite the best intentions of those in power) - a form of manipulation - and effectively encourages us, through examples, to have more faith in people. My only reservation about the book is that it does not emphasise enough that such processes require careful structuring and catalysts - for which there are other good books.

## SPARE TEXT

Others have documented in the years immediately after 1989 efforts to offer "the social economy" as a relevant model to help deal with the traumatic destruction of the industries and agriculture of these countries..... A "no-no"!!

## Preface

These pages reflect one (West European) man's attempt to understand the processes of improving our public institutions in a world of increasing interdependence and complexity. They bring together different sorts of experiences -

- fighting with bureaucracy in Scotland the late 1960s and early 1970s;
- helping to build community organisations;
- and to create and run a Regional government system from 1974-90
- introducing a new process of policy-making which broke down the boundaries between professionals and politicians
- designing and managing during that period a highly participative urban strategy focussed on what is now called "social exclusion";
- running an academic Unit concerned to help make sense of these efforts;
- leading EU projects in Central Europe during the 1990s relating mainly to local and regional systems of government
- leading projects in central Asia and Caucasus for 7 years in the field mainly of reforming central government systems
- extensive reading in the field of public administration reform and of "transitology"

I confess somewhere to an aversion to those writers (so many!) who try to pretend they have a unique perspective on an issue and whose discordant babble make the world such a difficult place to understand.

I look instead for work which, as google puts it, builds on the shoulders of others.....my role in a team is that of the [resource person](#).....who finds and shares material....

I believe in people coming together at a local level to work for the common benefit - principles enshrined in [communitarianism](#) (about which I do have some reservations). I spent a lot of time supporting the work of [social enterprise](#) in low-income communities. None of this went down all that well with the technocrats or even members) of my political party - and the national politicians to whose books I contributed (eg [Gordon Brown](#)) soon changed their tune when they had a taste of power.

But, above all, I am a [passionate sceptic](#) - or [sceptical pluralist](#) - which is the reason for my adding the terms which form the glossary at the end - [Just Words?](#)

Whenever the terms change in this way, we need to ask Why.....what's going on? Does this hide a guilty secret somewhere? Perhaps the very confidence with which we now use terms like "transparency" and "accountability" masks our fear that we haven't a clue - that we know less today about running our public affairs than we (thought we) knew in 1984??

Or perhaps that's not quite true.... 40 years of experience and publications have presumably given us the opportunity to do what all good scientists are supposed to do - to "disprove". At



least (surely) we now know what doesn't work....or at least what doesn't work under certain conditions/in certain contexts?

But (whisper it quietly) South-East European contexts are different from North Western ones!!

## 5. KNOWLEDGE for CHANGE

A film of the early eighties starring Robert Redford - "The Candidate" - covered his campaign and eventual victory, against the odds, to become an American Senator.

The film ends on the victory night and the final words we hear him utter (to himself and in some horror) as he begins to confront the reality beyond the campaigning and the ever-present advice of his spin doctors are - "What the hell do I do now?"

A lot of people have found themselves recently in this situation as a new wave of elections has surged around Central Europe in 1996. In their case there is only too much immediately to do - at least in the way of **negotiations** and **appointments** since, in Central Europe, Governments (and parties!) are often coalitions created only after complex negotiations.

And there is not yet the professional civil service with experience of transfers of government power and able therefore to present the "new masters" with policy options based on the winning manifesto: indeed the new masters will often bring with them a new set of civil servants.

But the question remains - particularly for newly-appointed Ministers and advisers but slightly rephrased - what can I do with this power to make a positive difference?

Even in Western Europe, little has been written to help answer that question - despite the frequency with which good intentions have been frustrated by a combination of malign fate, machinations and the machinery of government.

Political autobiographies, after all, have to market success! And the general management books don't have a great deal to say to those who suddenly find themselves elevated to high level tasks.

A recent book suggests that senior executives need to - and can - develop three general sets of capabilities - personal, interpersonal and strategic dimensions (Dainty and Andersen). The **core personal capabilities** are self-awareness and self-development capacities. The "Interpersonal" (or **process**) **capabilities** are

- insight/influence
- leadership
- team building.

The **Strategic (or purpose) capabilities** are

- environmental and organisational assessments
- policy mechanisms
- structuring the action.

A key issue is getting the appropriate mix of "process" and "purpose" strengths: too much of either in teams and senior executives is problematic. It is curious that the management invasion of government in the past decade does not seem yet to have touched the world of politics - save for marketing!

"Modernisation" of Western societies - in the sense in which we now use that term - started only 30 years ago; and it seems that we need a couple of decades before we can begin to understand the broad pattern of change - to start to make sense of the endeavour, to see the real issues and to begin a balance-sheet.

I think here particularly of Britain which was, from the mid-1960s so full of institutional critiques and self-analysis (see Chapter Four), leading first to major institutional changes, then a neo-liberal backlash and now - in its radical critiques and calls for major policy overhauls, written constitutions - seems to be taking a more analytical and process-oriented view of the process of change. In terms of the length of concern about the decline of the country (to some analysts half a century; to others a full Century), the scale and variety of the policy and organisational changes

and the number and coherence of the studies, Britain offers a marvellous study in institutional pathology.

**Universities have to accept some responsibility for the confusions in our public life.** First for the way that they have, in the past 30 years, allowed so many social science specialisations to be institutionalised, each of which has invented its own mystifying language and fashions (Andreski : Ormerod). The result has been a gigantic failure of communication within the social sciences, let alone with the wider world. And this in the midst of an orgy of enforced publication! Knowledge for government is, for me, a "seamless web" - but has, increasingly, been segregated into academic subjects such as -

- "Government and Public Management" (Hood ; Rhodes ; Dunleavy)
- "Policy Analysis and advice" (Dror; Gunn and Hogwood : Parsons)
- "Public Sector Reform" (Lane; Pollitt ; PUMA)
- "Local Government policy development" (Stewart)
- "Budgeting and Public Finance" (Wildavsky)
- "Political Sociology" (Dunleavy)
- "Organisational theory" (Schon) ; and Organisational. Design (Roger Harrison; Revans; Schein),
- "Learning Approaches" (Kolb ; Senge ; Pedler)
- "Management of change" (Kanter ; Clarke ; Eccles ; Hutchinson)
- "Administrative Reform" (Caiden ; Hesse)
- "Development Theory ; and Practice" (Brohmann; Friedmann; Hirschmann; Gunther Frank)
- "Cross-cultural management" (Hamden-Turner : Trompenaars ; Lessem)
- "Urban Policy" (Donnison ; Boyle; Parkinson ; Bennett ; Robson)
- "Regional Policy" (Bachtler : Amin),
- "Local and Regional Government" (LJ Sharpe; Jones/Keating)
- "Community Development" (Henderson : Freire, Illich),
- "Democratic Theory" (Heald)
- Comparative Politics (Riggs)
- Transitology (Holmes)

There is a second charge I would make against modern university social sciences - that they have devalued the world of practice. I am generally not a great fan of the medical profession qua profession (Illich) - but do respect its tradition of linking teaching to practice. The concept of the University Hospital - which has the practitioner as trainer - is one which other serious academic disciplines would do well to emulate! Having said this, I would not want to be seen to be opposed to academia: after all, without the researchers and scribblers, we would have little clue about what is going on in the world!

But whenever we come across a book dealing with a subject which interests us we need to ask ourselves about the motives for the publication

- To make a reputation?
- To make money?
- Or help us answer the questions and uncertainties we have?

Sadly, it is all too seldom that the latter motive dominates. I hope the book notes will encourage some of you to select what seem to be particularly relevant to your particular needs: and to give you support in what is so often a lonely and thankless struggle of understanding and reform.

## 7. PUTTING RESOURCES IN PERSPECTIVE

Each person facing dereliction - physical, moral or organisational - must look at their own conditions and ask how the energy and ideas both inside and outside the various organisations can best be released. Simply transplanting practice from elsewhere can be counterproductive. Some of the critical questions to ask are -

- what were the preconditions of other successful work ?
- do they exist here ?
- If not, how can they be nurtured ?
- once the conditions are more favourable, what do we do ?

I am very much aware that the immediate needs in so many parts of Central Europe are such things as the provision of adequate water and waste management systems; the renewal of public transport, schools and roads; and all the equipment that goes with that.

I am also aware that Central Europe has well-trained engineers and scientists.

So I can understand the questions - and occasional resentment - about the presence of foreign experts (particularly from those knowledgeable about the disasters visited upon developing countries by the World Bank : see the books by Susan George and Bruce Rich for development of this theme).

Many argue that money is the only thing that is needed: but questions certainly need to be asked about HOW EXACTLY such capital investment and equipment will be managed: and whether indeed it is needed in the precise quantity and form in which the proposals are presented.

After all, commitment to "market reform" actually entails two admissions -

- (i) that the providers were too dominant in the past : and created over-supply of many facilities
- (ii) that the precise configuration of equipment and prices that would meet consumer need effectively will take some time - and effort - to discover.

When, in 1973, I first engaged on the debate about Glasgow's future, the prevailing view in the City Council was that Central Government simply had to give the City Council the "necessary resources". Those of us who dared to suggest that the prevailing policies and structures were incapable of producing effective results: and that more decentralised (and collaborative) methods were needed for getting results tended to be treated as academics. Experience - both in Scotland and in Europe as a whole - indicates we were right: although we lacked then a strong methodological justification for our approach. All that we knew was that the old methods patently were not working: and that voices as diverse as Illich, Schon and Toffler were powerfully arguing, from another Continent, that a new emergent society would require a destruction of the bureaucracies as we knew them (see Conclusion). My own experience between 1970-90 of trying to get government bureaucracies to take seriously the ideas of local people in regeneration projects gave me ample proof of this. From this experience I have taken the following lessons -

**(a) PROCESS - and people - are crucial** : closed systems are the real problem !

A lot of groups and individuals are involved in the renewal of areas and organisations - whose enthusiasm, ideas and support is crucial for successful change and development.

The more pluralistic the society, the more chances of good ideas emerging.

People have to feel part of any change strategy : and that includes

- the staff and leaders of public agencies,
- voluntary organisations and the wider public
- professional associations
- the private sector

(b) That fundamentally affects **HOW** a strategy is evolved (the **PROCESS**). It cannot be done behind closed doors!

Planning systems and structures do not achieve change (indeed they generally pervert and prevent it!) It is people - and their relationships - which are crucial.

This can be seen by comparing the successful Glasgow experience with that of Liverpool - 2 cities with similar social and industrial structures in the 1970s but very different outcomes 20 years later (Carmichael-Chapter 5)

(c) **POLICIES** come next. These have to be

- appropriate to the local (and global) context
- understood and supported
- given institutional grounding
- seen to be successful (to generate the necessary continued support)

(d) **Only then will RESOURCES work!** No-one ever has enough money ! Go to the richest City Authority in the world - and ask them what their main problem is: the answer, invariably, will be "money" (unless they are part of the new breed of managers!). But how cost-effective have the enormous sums of money West Germany lavished on East Germany been?

- Leadership is about having the courage to choose, to select priorities
- Leadership is the ability to inspire others to believe - and to continue to believe - that what they do matters - and will make a difference.
- Leadership is being able to achieve with what you have!

Uzbek

<https://www.rferl.org/a/uzbekistan-karimov-the-day-after-analysis-death-central-asia/27955577.html>

<https://www.opensocietyfoundations.org/sites/default/files/tackling-corruption-uzbekistan-20160524.pdf>

[http://iwep.kz/files/attachments/article/2015-02-19/uzbekistan\\_on\\_the\\_modern\\_stage.pdf](http://iwep.kz/files/attachments/article/2015-02-19/uzbekistan_on_the_modern_stage.pdf)

[http://www.heraldscotland.com/news/12397991.Sex\\_Scandal\\_Human\\_rights\\_abuse\\_and\\_a\\_tou  
ring\\_folk\\_band\\_As\\_ambassador\\_to\\_Uzbekistan\\_Craig\\_Murray\\_learned\\_quite\\_a\\_lot\\_about\\_dipl  
omacy\\_Now\\_he\\_wants\\_to\\_topple\\_the\\_foreign\\_secretary/](http://www.heraldscotland.com/news/12397991.Sex_Scandal_Human_rights_abuse_and_a_tou_ring_folk_band_As_ambassador_to_Uzbekistan_Craig_Murray_learned_quite_a_lot_about_dipl_omacy_Now_he_wants_to_topple_the_foreign_secretary/)

[http://mcglinchey.gmu.edu/wp-](http://mcglinchey.gmu.edu/wp-content/uploads/2016/08/CAA_003_03_McGlinchey.pdf)

[content/uploads/2016/08/CAA\\_003\\_03\\_McGlinchey.pdf](http://mcglinchey.gmu.edu/wp-content/uploads/2016/08/CAA_003_03_McGlinchey.pdf)

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<sup>i</sup> Useful articles describing the process of introducing local government in Central Europe from 1990 are - "How to measure decentralisation; case-study from Central European Countries" by Zdravko Petak; "reforming Local Government in Poland; top-down and bottom-up processes" by Pawel Swianiewicz (2002); and "Thirteen Years of Reforming subnational government in the Czech Republic" by Michal Illner (2002). For a wider view on decentralisation see "Implementing Decentralised Local Governance; a treacherous road with potholes, detours and road closures" by Anwar Shah and Theresa Thompson (World Bank 2004)