

Governance and Service Provision

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Over the past decade, development professionals have become increasingly aware of the fact that providing better services for the poor is as much about governance as it is about solving technical problems. Building new schools, health centres, and water points is all very well, but if teachers and nurses don't turn up to work or perform poorly and if standpipes run dry because of lack of maintenance, development goals remain unfulfilled.

The first reading in this pack is the World Bank's World Development Report 2004: Making Services Work for Poor People (WDR 2004) — a landmark study in the role of governance and service provision. It argued that when services went undelivered, broke down or were substandard, it was because of failures in the chain of accountability that linked service providers to beneficiaries. It introduced the now-famous 'accountability triangle', that linked poor people to service providers either via policymakers (the 'long-route' of accountability), or directly (the 'short-route'). To strengthen the long-route, it recommended programmes to amplify citizen 'voice' on the one side, and advocated strategies to improve 'compacts' between policy-makers and service providers on the other. On the base of the triangle the short route could be strengthened by various schemes to enhance 'client power'.

WDR 2004 remains influential and has inspired countless governance and development programmes. Despite these initiatives, there is an abundance of evidence that highlights how services continue to fail the poor, particularly with regard to quality. Booth and Cammack (2014) suggest that this is because of the way in which WDR 2004 has been interpreted and implemented. While the report is sophisticated and nuanced in its acknowledgement of a variety of obstacles to, and solutions for, better service provision, the development industry has seized on the idea that



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service deficiencies are a result of what are technically known as ‘principal-agent’ problems. The problems are caused by ‘asymmetries of information’ that prevent the principal (in this case the service-receiving public) from getting the agent (policymakers and service providers) to do a good job. Consequently, there has been a profusion of programmes to provide citizens with better information about services, with a view to helping them hold service providers to account. This, Booth and Cammack argue, may be an important part of the solution, but it is rarely sufficient to stimulate the kind of collective action that is required to solve service delivery problems.

Levy (2014) shares this perspective. WDR 2004 was a major breakthrough, but oversimplified the accountability relations involved in service provision, and thus underestimated the number of potential entry points for improvement. Further, its distinction between ‘pro-poor’ and ‘clientelist’ political contexts was too simplistic. As an alternative, Levy distinguishes between various types of ‘dominant’ and ‘competitive’ political settlements, and argues that strategies for better service delivery should work with the grain of each.

While the fourth reading in the pack, *Blurring the boundaries* (2011), focuses more explicitly on the role of citizens and citizenship in improving state responsiveness and accountability, it shares many of the insights of Booth & Cammack and Levy. It too notes that many governance programmes have focused on either the long or the short route of accountability in isolation, yet the most successful citizen initiatives demonstrate an ability to navigate between the two, and to build both horizontal and vertical alliances for change. Citizen capabilities, political and institutional context, the strength of internal champions, the location of power and decision-making, the history of citizen engagement and the nature of the issue all affect the success or failure of citizen engagement strategies. Further, governance issues are typically multidimensional, comprising local, national, and global dimensions.

WDR 2004 draws heavily on concepts originating in new institutional economics and new political economy. *Poor Economics* (2011) is representative of economics’ behavioural turn. It challenges the political economy perspective, in particular the pessimistic view that ‘INSTITUTIONS’— which change only in the long run—are the main drivers of development outcomes. Drawing on a rich catalogue of empirical examples, the authors argue that significant and cumulative gains can be made by understanding how service users and providers make decisions (often dependent on their mental models or cognitive frames), paying attention to detail, and experimenting to get results. The influence of behavioural economics has continued to grow, and is the cornerstone of World Development Report 2015.

In the final reading in this pack Wild et al. synthesise much of what has been learned at ODI and elsewhere about the pitfalls of relying on an overly generic approach to strengthening governance for service provision. The report embraces complexity theory, the study of collective action, and the advantages of problem-driven approaches to development. It advocates a more politically smart, locally led, entrepreneurial and adaptive approach – all tenets of the growing Doing Development Differently movement.

Key readings

Reading 1: World Bank. (2003). Overview. *World Development Report 2004: Making services work for poor people*. Washington DC: World Bank.

https://openknowledge.worldbank.org/bitstream/handle/10986/5986/9780821354681_overview.pdf?sequence=3&isAllowed=y

Reading 2: Booth, D. and Cammack, D. (2014). From “good governance” to governance that works. *Governance for development in Africa: Solving collective action problems* (Author’s pre-publication copy). London: Zed Books.

<http://www.gsdr.org/document-library/from-good-governance-to-governance-that-works/>

Reading 3: Levy, B. (2014). Function versus form in public sector reform. *Working with the grain: Integrating governance and growth in development strategies*. (Author’s pre-publication copy). Oxford: Oxford University Press.

<http://www.gsdr.org/document-library/function-versus-form-public-sector-reform/>

To understand the argument put forward in this chapter within the context of the entire book, the book is available from here: <https://global.oup.com/academic/product/working-with-the-grain-9780199363810?cc=us&lang=en>

For recent thinking on this subject from Levy, read his blog: <http://workingwiththegrain.com/>

Reading 4: Development Research Centre: Citizenship, Participation and Accountability. (2010). *Blurring the boundaries: Citizen action across states and societies*. Brighton: Institute for Development Studies.

<http://www.drc-citizenship.org/system/assets/1052734700/original/1052734700-cdr.2011-blurring.pdf>

Reading 5: Banerjee, A. and Duflo, E. (2011). Policies, politics. *Poor economics: A radical rethinking of the way to fight global poverty*. New York: Public Affairs.

<http://www.upscsuccess.com/sites/default/files/documents/poor%20economics.pdf#page=427>

Reading 6: Wild, L. et al. (2015). *Adapting development: Improving services for the poor*. London: Overseas Development Institute.

<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9437.pdf>

Questions to guide the reading

- Do the governance programmes you know fit the WDR triangle?
- What is the difference between a principal-agent and a collective action problem? Is it true that service provision problems are best thought of in terms of the latter?
- Should development partners tailor their strategies to context, and, if so, what features of the context matter?
- Is citizen engagement important everywhere? And how can donors promote citizen engagement in contexts where government/elite backlash is probable?
- By downplaying the role of INSTITUTIONS in development, does behavioural economics underestimate the importance of governance and politics in service provision?
- How strong is the evidence base in favour of adaptive approaches to development? Are politically smart, locally led approaches compatible with the political economy of the aid industry?
- Is WDR 2004 still relevant, or do we need to totally rethink the way we approach governance and services?