



## ESID Briefing Paper No. 8

Research Framing Paper No. 2

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# Researching the politics of service provision: A new conceptual and methodological approach

November, 2014

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### The approach:

- Extends and politicises the 'accountability framework' of relations between citizens, clients and service providers, set out in the World Bank's 2004 World Development Report, to incorporate different levels of analysis, while highlighting the linkages between them.
  - Employs a political settlements approach to investigate the main drivers of political and organisational behaviour from national-level policy making through to front line service provision.
  - Adopts a relational view of the actors engaged in service provision and proposes an organisation-specific diagnosis of the nature of the principal-agent (and often multi-stakeholder) relationships within service delivery.
  - Offers policy lessons derived from political and organisational analysis.
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## Introduction

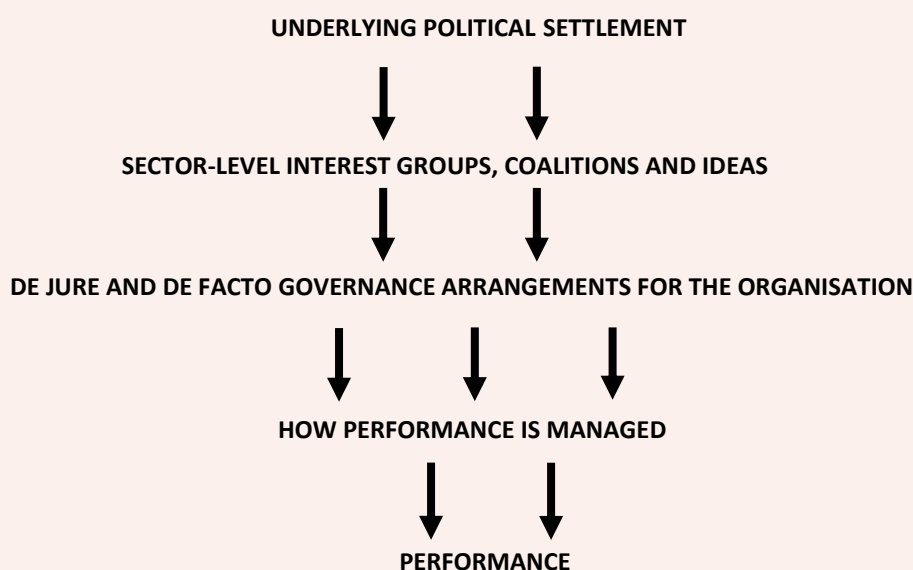
Although politics is now widely seen as critical in shaping the quality of service provision in developing countries, this recognition has yet to be integrated within the conceptual frameworks that shape research and action in the field. The World Bank's 'accountability framework', set out in the World Development Report 2004, has dominated the understanding of service delivery within policy debates in recent years. While this framework recognises the role of politics in accountability processes, it focuses on top-down hierarchical and participatory approaches. The focus on these two polar approaches tends to ignore the wider political context that shapes the success of these approaches, oversimplify the stakeholder relationships, and overlook the middle spaces, which are major domains of political and organisational behaviour. These spaces are sources both of within-country and across-country variation in the quality of public service provision. They also provide the locus where many opportunities for achieving gains in performance are to be found, which would lead to better developmental outcomes.

This new approach extends the accountability framework to include three 'vertical' levels, emphasising the ways in which political settlements and governance arrangements influence organisational behaviour. This multi-level framework takes specific public service provision agencies as the unit of analysis, with a focus on performance, exploring the sectoral manifestation of political settlements and drivers of organisational behaviour.

This enables comparative analysis across multiple sectors and multiple countries in order to better understand variations in performance – over time within the organisation, across units in the organisation, across subnational areas, across countries. The aim of this approach is to offer insights which open up new terrain for action in the space in-between the two polar patterns, recognising the ways in which politics shapes the delivery of services beyond the accountability framework.

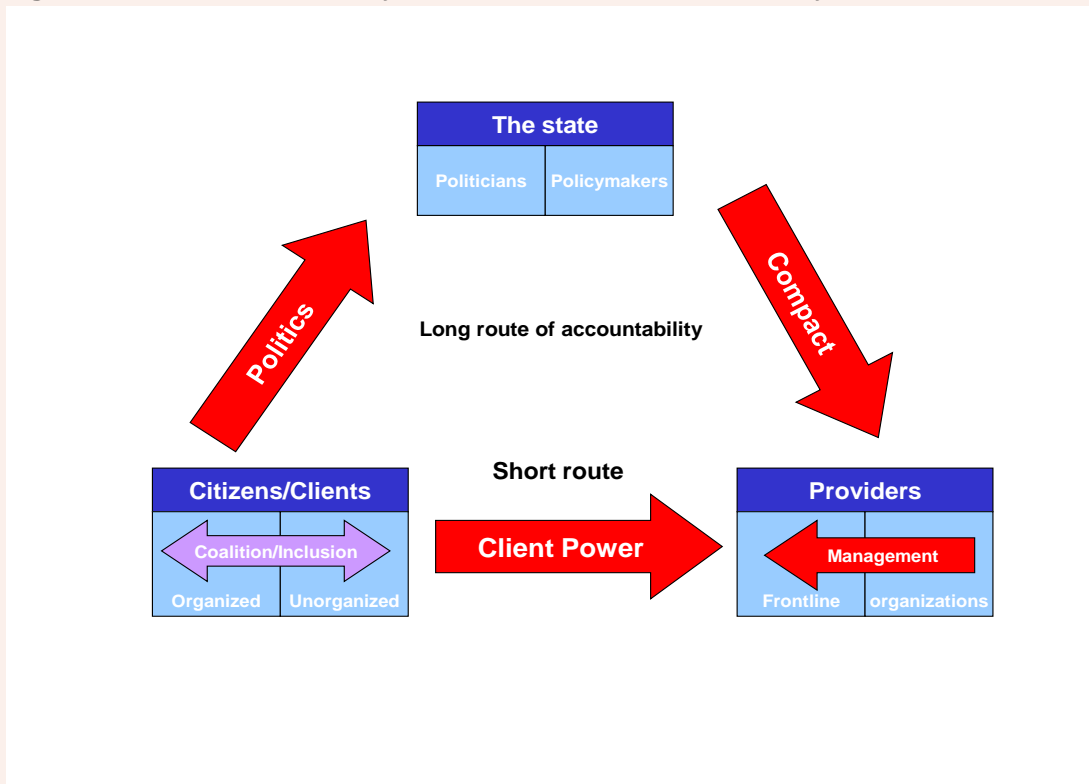
## Underlying models

**Figure 1. The determinants of public organisation performance**



Source: adapted from Williamson (2000).

**Figure 2. The accountability framework for service delivery**



Source: World Bank (2004).

The World Bank 2004 accountability framework (Figure 2) has achieved important diagnostic gains. It brought actors and their incentives to the forefront and linked principal-agent concepts to politics and organisational functioning. It is, however, relatively weak on how politics actually works and on associated issues of drivers of the behaviour of the state.

A central hypothesis underlying this new approach is that the in-between spaces are the sources of much within-country and across-country variation in the quality of public service provision – and also the locus where many opportunities for achieving gains in performance are to be found.

### The framework

The proposed approach uses the accountability framework as a point of departure, but extends it by incorporating:

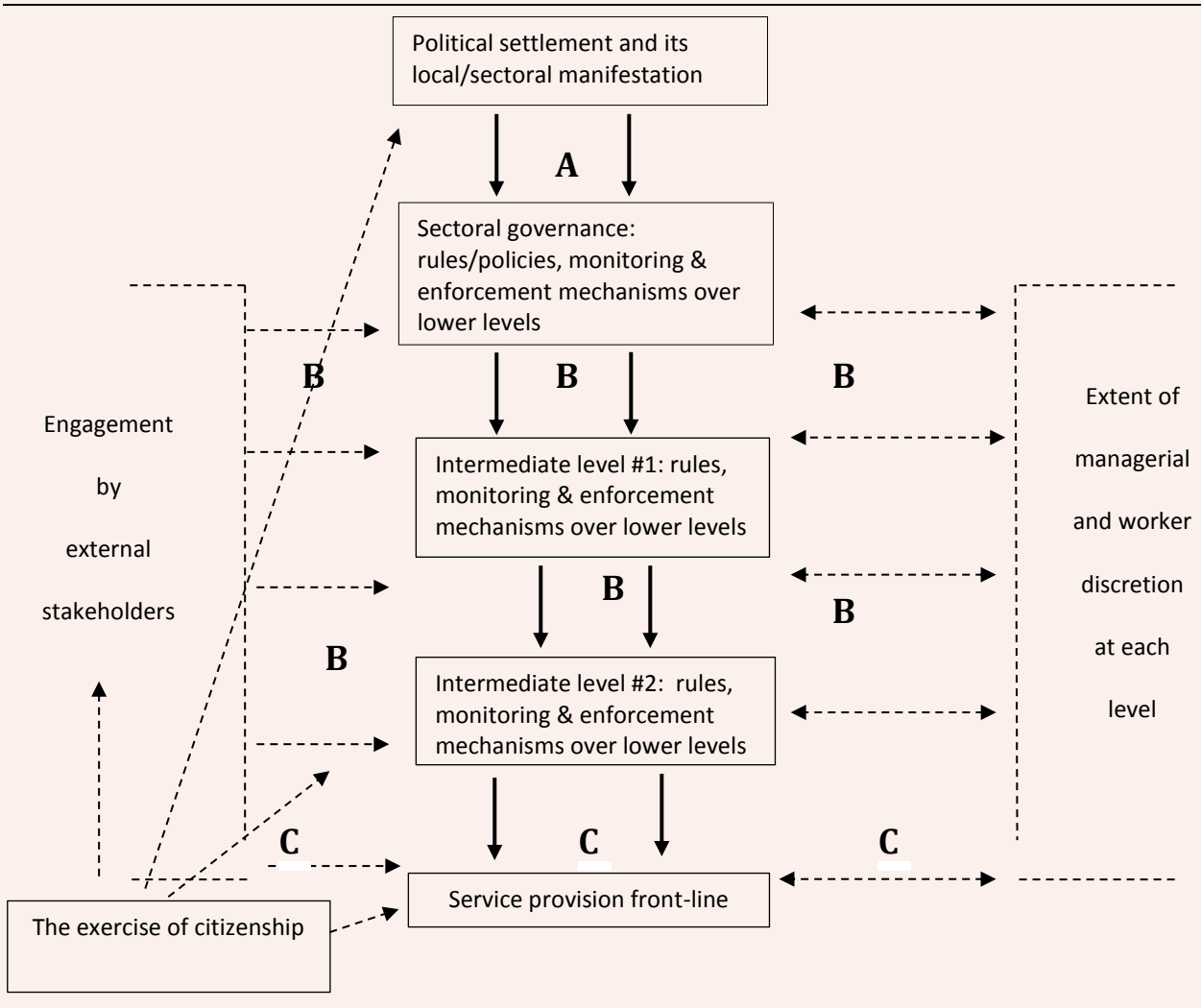
- An explicit and more structured treatment of the influence of the overall political settlement on how an organisation functions, and how the political settlement shapes sector-level interest groups, coalitions and ideas.
- A structured diagnosis of the drivers of elite and organisation behaviour, that allows for heterogeneity within the overall system, across organisations, sectors and levels of government – with the possibility of domains of more effective service delivery co-existing alongside domains of ineffectiveness, and an associated need for organisation-specific diagnosis of the nature of the principal-agent (and often multi-stakeholder) relationships.
- Recognition of the porous nature of the state-citizen division, and of that with private sector provision – with state actors being also typically embedded in societal, political and market-



based structures, and with overlapping roles – whether at the front line, at the point of provision or higher up the governance structure.

The framework laid out in Figure 3 distinguishes between the three ‘vertical’ levels that influence organisation performance: top level – political settlement; intermediate governance and managerial levels; and service provision front-line. In this model, citizens can influence organisational behaviour in three ways: via the formal political process (e.g. by voting in a democracy); via direct interactions with front-line workers; and through engaging with a variety of stakeholders that influence organisational behaviour at intermediate levels. The first two are incorporated into the World Bank 2004 accountability framework. The third – which is central to this approach – is not.

**Figure 3. The inter-related domains of empirical analysis of a sectoral organisation**



## **Performance measures**

For every service, we need an independent measure of performance. Three aspects, or levels, of performance can be distinguished:

1. the immediate outputs of the organisation's service;
2. measures of intermediate outputs within the system – these will almost always only be meaningful in a comparative context; and
3. outputs related to the actual 'outcomes' in living conditions of different people in the population, for example their health status, learning outcomes, experiences of security.

Of course, 'performance' may also relate to how effective an organisation is in meeting the predatory purposes of elites. Predation is an explicit, and central, part of the framework here. However, to distinguish it clearly from development effectiveness we use different terms, generally external or internal extraction of rents (including low effort), capture, or opportunistic behaviour.

## **Hypotheses on good and bad performance**

The hypotheses presented in Table 1 are organised around the interaction between the nature of the political settlement, and the sectoral and organisational governance arrangements that link political elites, other external stakeholders, and an organisation's managers and workers. We assume that different actors have multiple objectives. Political elites are assumed to be concerned with three things, with varying weights: developmental outcomes; personal enrichment; and political continuity (that could mean regime stability or re-election probability, depending on the political conditions). Internal stakeholders (managers and workers) also have goals of organisation-level development outcomes and personal gains (monetary or effort-related). External stakeholders will be interested in development outcomes relevant to themselves or their group, and are also interested in personal gains.

Sectoral features add complexity to the analytic framework, implying that different sectoral activities and tasks will be more suited to alternative governance arrangements, even within the same political settlement.

**Table 1. Summary of hypotheses on good and bad performance of organisations in terms of political settlement and governance.<sup>1</sup>**

Type of political settlement	Hierarchical governance	Multi-stakeholder governance
<b>Dominant-developmental</b>	H1a: Good performance <i>if</i> principal-agent issues are solved; easier for some sectoral activities than others	H1b: Alongside hierarchical governance, could add value on the margin, if it helps solve principal-agent problems; or could threaten dominant political position.
<b>Dominant-predatory</b>	H2a: Capture by predatory principal.	H2b: Unlikely to be effective as countervailing power to predator.
<b>Inclusive competitive clientelist</b>	H3a: Poor performance – multiple principals with lack of clarity on goals, and no organisation-level buttress against external predation;  and/or: managerial or worker capture – insofar as managers can play principals off against one another, and both managers and workers can get away with rent extraction through low effort or corruption.	H3b: Good performance – <i>if</i> conditions of politically salient stakeholder mobilisation and effective leadership hold; can be effective, both for public activities serving elites and those serving non-elites.  Absent any of the conditions, likely poor performance.
<b>Elitist competitive clientelist</b>	H4a: Poor performance – multiple principals with lack of clarity on goals, and no organisation-level buttress against external predation;  and/or managerial or worker capture – as above.	H4b: Good performance for elites – if, as per H3b, conditions are met for elite groups; poor performance for broad-based delivery.  Absent any of the conditions, likely poor performance.
<b>Competitive-Programmatic</b>	H5a: Moderately good performance <i>if</i> sectorally-influenced principal-agent issues are solved.	H5b: Potential for very good performance.

<sup>1</sup> The hypotheses suggest the likely effects of reforms focusing on hierarchical or multi-stakeholder approaches, respectively, in each type of political settlement context.

## Change – improving service provision

An important goal of this approach lies in understanding how change occurs, both for interpretative reasons and as a potential input to the design of public action. This framing suggests a complementary set of hypotheses on how change might be induced within each of the different types of political settlement:

- **Dominant developmental.** Because goals are aligned, greater effectiveness can come from technocratic initiatives – experimentation with alternative techniques (new pedagogies, conditional cash transfers) or possibly with complementary action to get more efficient management, including better information and stakeholder involvement to help solve internal agency problems. The potential for mobilising stakeholders can be constrained by political concerns over loss of social control.
- **Dominant predatory.** In general, little can be done; getting more information into public debate may contribute to political pressures on regimes. However, even with predatory regimes, there may be specific domains or circumstances in which it is in the leadership's interest to get better development performance, leading to the potential for specific 'islands' of development action.
- **Inclusive competitive clientelistic.** Change may be resisted when there is external and internal capture, but the hypothesis around multi-stakeholder governance provides a structured way of thinking about how change can be effected – through external stakeholder mobilisation, political connectivity and links to internal organisational stakeholders. Again, information and mobilisation to solve collective action problems can be relevant.
- **Elite competitive clientelistic.** Similar to inclusive competitive clientelistic in structure, but likely to be more relevant to services for elite groups and more difficult to get broad-based quality services in the absence of larger political changes that make middle and poorer groups salient for elites.
- **Competitive programmatic.** In principle, the potential for public action should be 'easiest' within programmatic regimes. However, as debates in industrialised countries vividly illustrate, the question of design, solving agency problems, and engaging with stakeholders remains of first order interest. What is (generally) different from the competitive clientelistic cases is that such challenges are not, in the first instance, seeking to go against the systems of rules which prevail in the countries.

## Applying the framework

The above framework was set up in terms of specific hypotheses. We are wary that the effort to formulate hypotheses could be misconstrued, so feel it important to highlight some clarification and caveats up-front for our application of the framework.

First, the empirical research to follow will take the form of case studies. Case studies can, of course, provide valuable insights into the hypotheses which we lay out – so we will need to design the case study research (including case selection) to leverage this dimension. But, as elaborated further below, a case study approach to research has different strengths and weaknesses to formal hypothesis testing through large-scale statistical analysis. A case study can provide new insight into the specific problem and context being studied, and thereby support further refinement and

development of the original hypotheses. It would be reductionist to view the purpose or value of the research solely through the lens of formal testing of the hypotheses laid out above.

Second, there are many more variables which determine performance than the ones highlighted here, and some of them (e.g. the technical competence of key individuals) may not be distributed randomly across the structural characteristics of interest; especially with a ‘small-n’ research methodology, the risks of misinterpreting causality are substantial.

Third, the hypotheses are written as if we know in advance the characteristics of the exogenous political settlement (and of lower-level political dynamics). On the contrary, we believe that one of the strengths of the proposed approach is that it will provide a structured way to learn more about how these political dynamics play out in practice, and what they add up to in aggregate. While from a ‘hypothesis-testing’ perspective this could be viewed as too ‘descriptive’, as a weakness of the research, in our view this is potentially an important contribution of the research, an inductive platform for further hypothesis development.

### Key methodological elements to consider

1. **‘Unit of analysis’**: the more narrowly specified the better.
2. **A common focus on performance** in provision of the service.
3. An exploration of **the sectoral manifestation of the political settlement**.
4. A diagnosis of **the drivers of organisational behaviour**.
5. An assessment of the **exercise of citizenship**.
6. The **implications for policy**. A key strength of this conceptual approach is that the policy lessons will derive directly from the political and organisational analysis, and its implied theory of change.

### What does this mean for research on the politics of development?

- Comparative research is needed in order to explore and understand how different political settlements shape variations in performance – over time within the same organisation, across units in the organisation, across sectors, across subnational areas and both across and within different types of political settlement.
- This approach enables study of the interaction between the nature of the political settlement, and the sectoral and organisational governance arrangements that link political elites, other external stakeholders, and an organisation’s managers and workers, which has so far been missing from analysis of the politics of service provision.
- For example, ESID is conducting research on the politics of education and health that compares performance across and within different types of national political settlement, namely competitive clientelist (Bangladesh, Ghana) and dominant party settlements (Cambodia, Rwanda, Uganda), and also between sub-national regions characterised by different political and institutional contexts (Western and Eastern Cape in South Africa).
- Research adopting this approach can assess hypotheses and test theory, identify causal mechanisms, explore the potential for change and identify opportunities for reform at different levels, as well as generate policy-relevant knowledge that is both contextually rich and that can inform thinking and action in similar types of context and sector.



### Further reading

- Levy, B. and Walton, M. (2013). 'Institutions, incentives and service provision: bringing politics back in', *ESID Working Paper No. 18*. Manchester: Effective States and Inclusive Development Research Centre.
- Williamson, O. (2000). 'The new institutional economics: taking stock, looking ahead', *Journal of Economic Literature*, September, pp. 595-613.
- World Bank (2004). *World Development Report: Making Services Work for Poor People*. New York: Oxford University Press and the World Bank.

### About this briefing

This briefing is part of a series of ESID framing papers outlining new conceptual and methodological approaches for researching the politics of development. The aim is to operationalise ESID's political settlements approach in specific domains – in this case service provision – and provide a framework for doing so. The briefing was adapted by Kate Pruce from Brian Levy and Michael Walton's ESID Working Paper No. 18.

## The Effective States and Inclusive Development Research Centre

The Effective States and Inclusive Development Research Centre (ESID) aims to improve the use of governance research evidence in decision-making. Our key focus is on the role of state effectiveness and elite commitment in achieving inclusive development and social justice.

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- BRAC Institute of Governance and Development, BRAC University, Dhaka
- Center for Democratic Development, Accra
- Center for International Development, Harvard University, Boston
- Department of Political and Administrative Studies, University of Malawi, Zomba
- Graduate School of Development, Policy & Practice, Cape Town University
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