INTRODUCTION

- Institute for State Effectiveness → last 10 years, work w/reformers + practitioners to develop and operationalize agendas for building accountable + resilient states

- Building EFFECTIVE ORGANIZATIONS around citizen needs is critical for sustaining peace.

  - Glue binding citizenry and its need for social development with all-important institutional development agenda

- Recommend a **sovereignty strategy** – understanding this might be a 30-50 yr. project

  - Citizen at center of **design and development of** public administration from start
  - About CLOSING GAP b/w citizen expectations and governments ability to deliver.
  - Recognizes how technical institutional building can reconstitute existing power structures, --- making it a very political process.

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INTRODUCTION (cont.)

- Does NOT mean taking PREDATORY STATE and expanding its access.
    - About addressing **CHARACTER OF THE STATE** to make it responsive to citizens
    - some cases → get a predatory state, (esp. in the form of a predatory policy or bribery/extractive system) OFF THE BACKS OF THE CITIZENS.

- Importance of Public Servants
    - Design rules
    - Manage public finances
    - **Can use institutions of the state either as instruments for inclusion or exclusion**

- Does not mean that public service is the only instrument of service
    - Delivering on functions of the state in today's shifting environment means being open to **co-production** of state services between public authorities, communities civic groups, and where appropriate, the private sector

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INTRODUCTION (cont.)

- **Structure of Presentation:**

  - 1st: Back to basics → analyzing country contexts + social trajectories in a manner than helps rather than inhibits

  - 2nd: Implications and Lessons Learned

- **Why:**

  - Nature and performance of public sector organisations are critical not only for developmental outcomes but also for sustaining peace.

  - Yet significant differences remain in the identification of the right paths to the development of institutions (the rules of the game) and organizations especially those in the civil service

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CONTEXT

3 major factors shaping country and society trajectories

1st → a precise diagnostic of the drivers of conflict + past/present fault lines
- Ethnic conflicts, separatist movements, center-seeking conflicts, wars of independence
- Each bring specific challenges
- *Approach strategies for reform of public service differently in each case.*

2nd → understand what type of state dealing with? Institutional legacies persist
- Middle income countries w/legacy of sophisticated institutions –
    - Colombia, Syria, Sri Lanka Question
    - Question: how to build on institutional muscle memory while reforming/transforming
- Where institutions severely degraded, e.g.
    - Somalia, Haiti and the DRC (more of a back to basics agenda?)
- New context like South Sudan + East Timor where new state institutions being built

Recognizing differences essential → list of generic policy prescriptions short
- Best to adapt reforms to prevailing norms and traditions as source of legitimacy and capacity
- E.g. different outcomes in Afghanistan and Sierra Leone re Civil Service Commission

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CONTEXT (cont.)

3ʳᵈ factor → the nature of the peace-making process + the elite bargaining or society-wide discourse and movements that takes place.

- Raises questions of who controls institutions, money and access to jobs

- often, short-term imperatives set stage for continued corruption esp. when high level positions are used as a key rent for holding together elite bargains based on patronage

    - Undermines reforms addressing drivers of conflict especially
        - if those include exclusion from social and economic services, or
        - a predatory nature of the state.

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED

What does this mean? What are some implications? Lessons learned?

- At ISE: thinking about approaches especially in light of new trends affecting states globally
    - Started long-term inquiry - "**State of the State**" - to reflect on lessons and to anticipate trends ahead to help prevent and manage crises as they arise
    - Began with global listening exercise – with reformers and practitioners to hear stories

- Many mistakes made over the last 10+ yrs and now in midst of many crises today

- **BUT also cases of success and opportunities for learning**.
    - identify lessons learned from these cases (and from negative cases)
    - Identify risks + opportunities today across different categories of state
    - Fragility a universal concern?

- At start- a **small window of opportunity** to get things right –
    - Raises questions on **priorities and sequencing** given time/capacity issues + limited $
    - Reformers struggle with setting priorities
    - Important to focus on what's foundational and critical for opening up process

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED (Cont.)

So what does this mean in practice:

FIRST LESSON: If we take seriously notion of a sovereignty strategy, then start with citizen expectations to inform priorities and sequencing

- Crisis sucks up capacity, limited time and resources → must focus on key priorities.

- Initial approach → widespread consultations about citizens' priorities to identify what is critical for setting the stage for a new process

  - E.g. In Colombia, the president and ministers went around the country asking people what they wanted and reported back
  - E.g. Uganda, Liberia, etc. – priorities determined (roads/infrastructure)

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED (Cont.)

SECOND FUNDAMENTAL LESSON → need for serious attention to public finance across peace-making and peace-building processes

- peace-making often entrenches corrupt, elite actors within public admin. And what follows → increase in criminality and corruption, re-animating past grievances + creating new ones

- Focusing on public finance management can:
    - provides macro- economic stability to withstand global shocks
    - internally balances social and economic disparities through
        - development incentives + large scale delivery of services (thru national programs – in the sense they are country-wide and highly decentralized)

- Make **budget the central instrument of policy coordination**
    - means for preventing and tackling corruption +
    - producing transparency for the citizens in how budget used

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED (Cont.)

For example – The gap between what states can deliver and what citizen expect is exacerbated when donors by-pass country systems.

- Found in Timor-Leste and Afghanistan that working through national budget can be a tool to overcome the fragmentation (+ strengthen accountability)

- ISE study with G7+ -- highlights need to retool technical assistance to BETTER support national ownership OF INSTITUTIONAL DEVELOPMENT.
    - In cases of Afghanistan and Timor-Leste, a direct budget support arrangement with key donors helped streamline development efforts and bolster national capacity.

- Another finding → need to invest in administrative backbone of finance ministries (such as IT, accounting and human resources).

http://effectivestates.org/wp-content/uploads/2017/10/ISE-6-timorAfghan-1-WEB.pdf

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED

THIRD LESSON → inadequate understanding of levels + functions of governance

- **Rush to federalism and decentralization** often without adequate attention to what makes sense to deliver at local level, + with what available capacities, authorities.

- Decentralization not a panacea for conflict → in some places, fine line b/w decentralization and disintegration (e.g. where seen as a threat to center-seeking elites)

- Dependent on history of conflict and the current context

- Centralization vs decentralization misses deeper question –
    - What model CAN work for delivery?

- Subsidiary reform may offer better results than decentralization through national platforms and block grants. Let communities do what they can, build out and scale from bottom up!

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED
Lesson 4

FOURTH LESSON LEARNED → need to anticipate rapid demographic changes and generational renewal in public sector

- how to deal with the old guard who knew the system but are approaching retirement?

- how to bring in a new generation who may lack experience but have energy?

    - E.g. Afghanistan: strategies designed to leave the 'old guard' in place but make young people work under them.

- Need for creativity in crafting instruments of social policy and programming that can turn demands and promises for inclusion into reality

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED

FIFTH, and related lesson → the question of inclusion and the mechanisms used for inclusion with regards to public administration

- Public sector jobs often used to buy loyalty – put people with no experience with public administration in great positions of authority

- Key driver of conflict emerging from SoS inquiry --> **"hollowing out of the state"** by the capture by predatory, criminal networks

- What other mechanisms for inclusion that can allow for space for professionalization?

- Under what circumstances is it appropriate or inappropriate to use positions in the state as a vehicle for inclusion, rather than seeking to build inclusion through making instruments of social inclusion and social policy work at scale, including through large scale CDD programs that reach every village and neighborhood?

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED (Cont.)

In many places where ISE works, what we have tended to see:

- Ring-fencing technical ministries to ensure particularly sensitive positions remain professional. (e.g. procurement officials or pilots).

- Example: Afghanistan - warlords made an order to appoint 1000s of militia members in public positions, including in airlines. Public service pushed back by issuing policy differentiating b/w a pilot by decree vs. pilot by profession.

- So if about jobs/salaries, what other mechanisms for inclusion can be devised?

- **Pension systems** -- too often neglected and lack of delays generational renewal (E.g. South Sudan)

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED (Cont.)

Let's be specific with what we mean about inclusion in public administration

- Need for pensions rather than sacrificing technical capacity of public administration?

- If about decision-making authority, local positions so must respond to constituents?

- If about inclusion and meeting needs of excluded populations or those with grievances, then about getting key services to work in ways that are not predatory but geared to serving citizens.

    - About building systems + organizational cultures geared to serving citizens at scale
    - <u>not</u> about cutting in leaders into rent-seeking positions.

- Either way → sow seeds for generational change in the public service early on via, .e.g., pension systems + early investments in training new gen. of public servants

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IMPLICATIONS TO APPROACH AND LESSONS LEARNED (No. 6.)

Sixth Lesson: organizational culture for public administration reform

- What are the incentive sets and constraints around decision-making authorities?
- How can we develop and maintain a culture of rule of law within public administration?

Reform → as much about behavior changes as institutional design

- ISE work with SPLN in South Sudan or Moaists in Nepal → key question how to go from running a militia to running a bureaucracy.
    - Organizations with vastly different sets of requirements.
        - Shift from secrecy (necessary for armed group) to transparency
        - Shift from single goal of winning power to difficult job of governance + delivering services to people.
    - Difficult to make this cultural shift

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CONCLUSION

- The Goal – even if a 50 year payoff – <u>closing sovereignty gap</u>

- Importance of Meeting → Marries institutional/public administration agenda with agenda on sustaining peace, placing it at center of the inquiry.

- Looking Forward- Need a serious look at the types of reform strategies for public administrations that can be effective in different contexts. (middle income, new state, weak state)

- Thank you!

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