

# Governance Reform and State Capacity

**Katherine Bersch**

Institute of the Study of International Development

**McGill University**

katherine.bersch@mcgill.ca

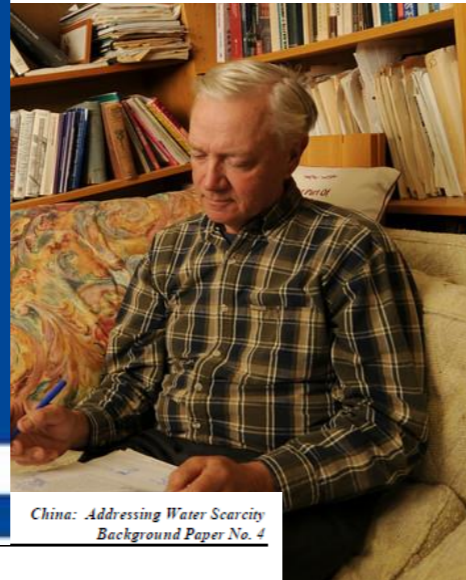
Research Affiliate

The Governance Project

**Stanford University**

**Insiders** - experts embedded within the state -  
are often better equipped to  
develop and advance reform than **outsiders**.





China: Addressing Water Scarcity  
Background Paper No. 4

# Powering Reform

## THE CASE FOR RADICAL REFORM

Anders Åslund

*Anders Åslund is senior associate at the Carnegie Endowment for International Peace. He joined the Swedish diplomatic corps in 1976, and earned his doctorate from St. Antony's College, Oxford University, in 1982. From late 1991 to early 1994, he served as an economic advisor to the government of Russia.*

### EXECUTIVE SUMMARY

From the 1980s to 1990s Singapore made tremendous efforts to create a comprehensive environmental management system, including water supply, control of river pollution, establishment of well planned industrial estates, and a world class urban sanitation system for the whole island. More recently, the Singapore government has made "sustainable water supply" the main target of water management, and a series of initiatives and actions have been undertaken. Singapore has achieved remarkable progress in water resource management based primarily on urban catchment management and water reuse. Its experience is valuable for other countries and cities facing threats to the quality and quantity of their water supplies. The key points of the Singapore experience are highlighted below:

**Political Will.** The Singapore government has been an essential force behind the successful water policy, strategy, planning and implementation. The Prime Minister's support for the *Four National Taps Strategy* has enabled the Public Utilities Board (PUB) to conduct a series of water programs;

**Integrated Land Use Planning.** Singapore has been very effective in integrating land use planning and water management. It prevents water pollution at an early stage, and constitutes one of the most critical factors for successful catchment management. Effective cross-sector coordination government agencies ensures success in inter-sectoral cooperation.

**Enforcement of Legislation.** Strict implementation of legislation such as pollution control is another essential characteristic of water management in Singapore.

**Public Education.** School education and public campaigns are used as tools to raise public awareness of water policy and programs. These activities boost public support for the government's water policy and initiatives.

**Application of Advanced Technology.** Singapore pays close attention to development and application of new water

*Political Will.*



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# The logic of powering

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- ❖ If changes are more gradual, opponents will have time to organize resistance against them
- ❖ If reforms are partial or incremental, they will fail to undercut the vested interests focused on preserving the status quo



What reform strategies result in effective and enduring improvements?

What type of reformers are necessary to advance successful change?

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# Overview

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- ❖ Need for a new theory of reform
  - ❖ Two approaches to reform
- ❖ Research on reform in Brazil and Argentina
- ❖ State capabilities (with Praça and Taylor)
- ❖ Brazil in comparative perspective (with Francis Fukuyama)
- ❖ Tentative Conclusions



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# Approaches to State Reform

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- ❖ Powering: swift, comprehensive change (“Big Bang” reforms)
- ❖ Problem-solving: gradual changes sequenced over time in response to failings in previous policy

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# The Powering Approach

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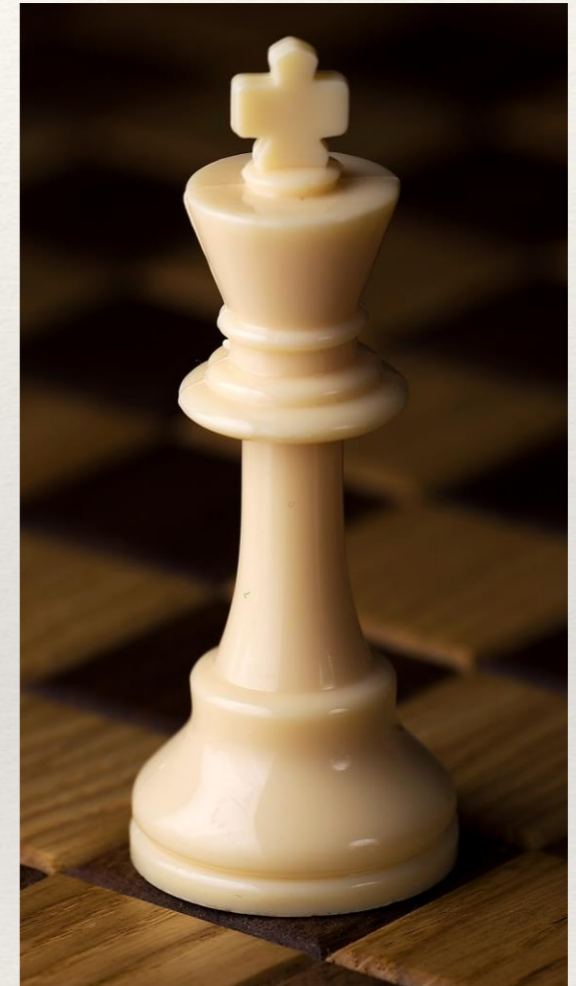
- ❖ A comprehensive solution can be rationally designed (Aslund 1994; Durand & Thorp 1998)
- ❖ Power is essential for breaking resistance (Grindle 2004; cf. Andrews 2013)
- ❖ Comprehensive reforms will be durable (Burki & Perry 1998)

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# The Powering Approach

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- ❖ Assumption 1: A comprehensive solution can be rationally designed (Aslund 1994; Durand & Thorp 1998)
- ❖ However, mistakes in decision making depend on complexity and capabilities of reformers.
  - ❖ Powering reforms are complex
  - ❖ Powering reform are led by outsiders that lack contextual understanding.



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# The Powering Approach

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- ❖ Assumption 2: Power is essential for breaking resistance (Grindle 2004; cf. Andrews 2013)
- ❖ However,
  - ❖ Breed resistance
  - ❖ Dismantles existing institutions
  - ❖ Disrupts bureaucratic continuity (e.g., transportation)

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# The Powering Approach

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- ❖ Comprehensive reforms will be durable (Burki & Perry 1998) as they produce benefits they will gain supporters
- ❖ However,
  - ❖ Comprehensive reforms often generate unintended consequences & new problems
  - ❖ Radical reforms = concentrated opposition and diffuse supporters

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# The Problem-Solving Approach

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- ❖ Allows for corrections and learning
- ❖ De-emphasizes contentious political issues  
(e.g., Siga Brazil, Military provision of construction)
- ❖ Sequentially builds support and extends reforms  
(e.g., business community & civil society)

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# Reform Approaches

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- ❖ Powering search for magic bullets. By contrast, problem-solving engenders an incremental learning process that allows reform tactics to evolve along the way
- ❖ Mixtures of both approaches are possible
- ❖ Disorganized reforms? Gradual reforms benefit from vision
- ❖ Joins other scholars in rejecting one size fits all change and the importance of gradual change (Abers and Keck, Andrews, Levy, Praca and Taylor)

# Research

- ❖ Brazil and Argentina: government contracting and service delivery in health and transportation
  - ❖ Argentina PAMI
  - ❖ Law 8666 of 1993 and efforts to improve contracting
- ❖ State capacity in Brazil (with Sérgio Praça and Matthew Taylor)





# PAMI in Argentina

- ❖ Fiscal crisis: arrears estimated in the billions
- ❖ Endemic corruption
- ❖ Poor quality services



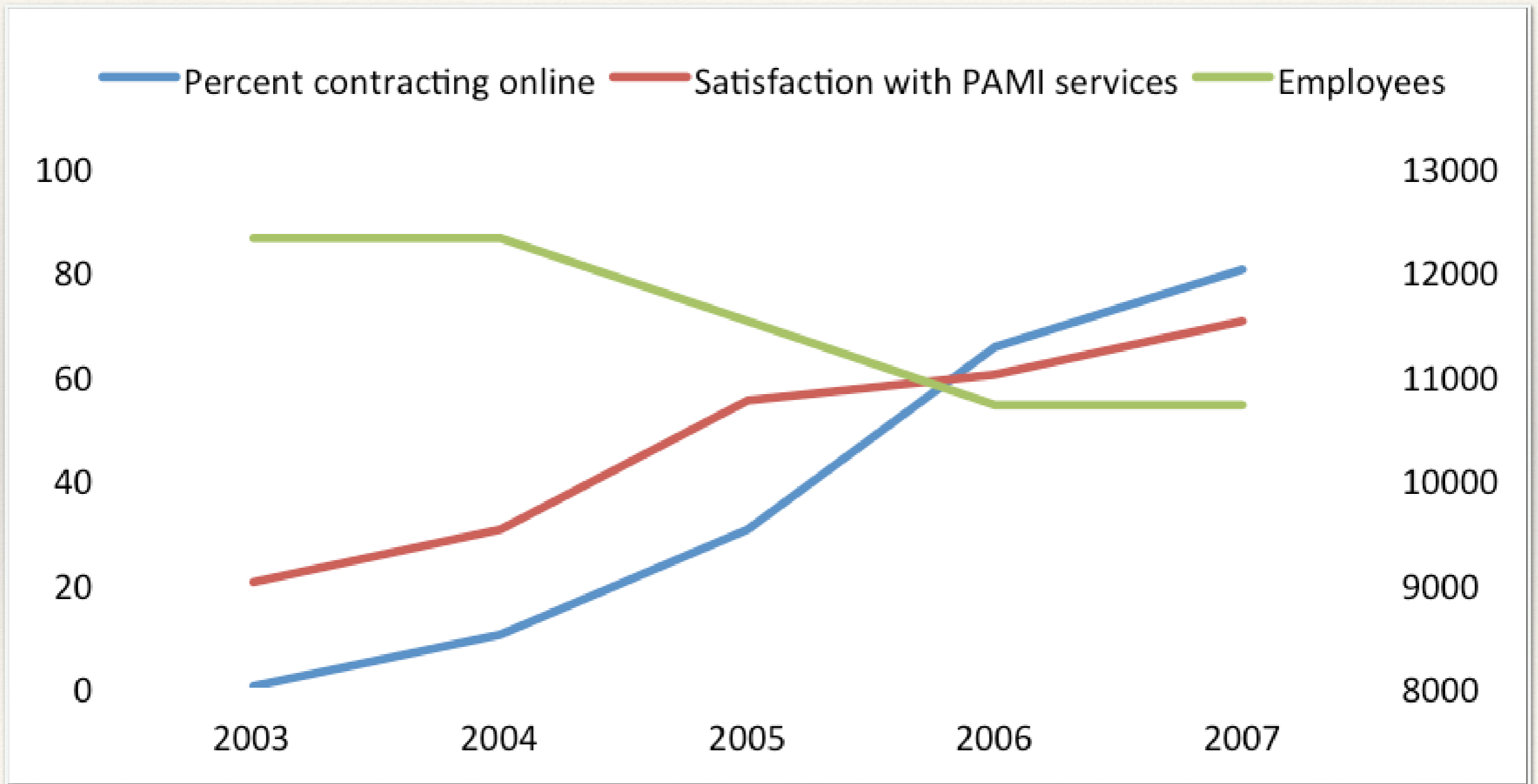
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## Kirchner appoints Ocaña to intervene in PAMI

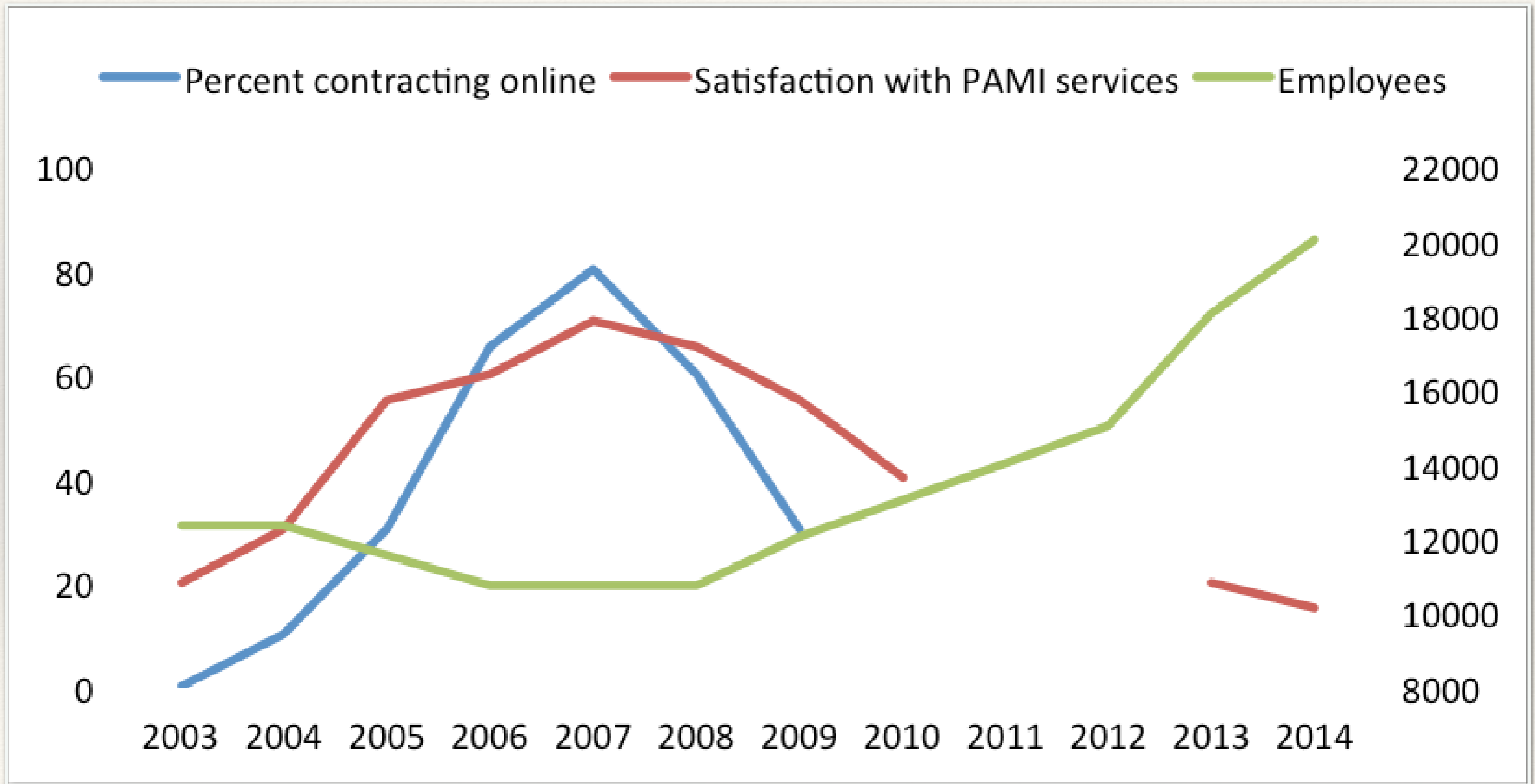
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- ❖ Restructured the contracting system
- ❖ Created an internal PAMI auditing body
- ❖ Overhauled human resource procedures
- ❖ Published contracting information online
- ❖ Set PAMI on sound fiscal footing

# Ocaña restructures PAMI



# Episodic will, short-lived reforms



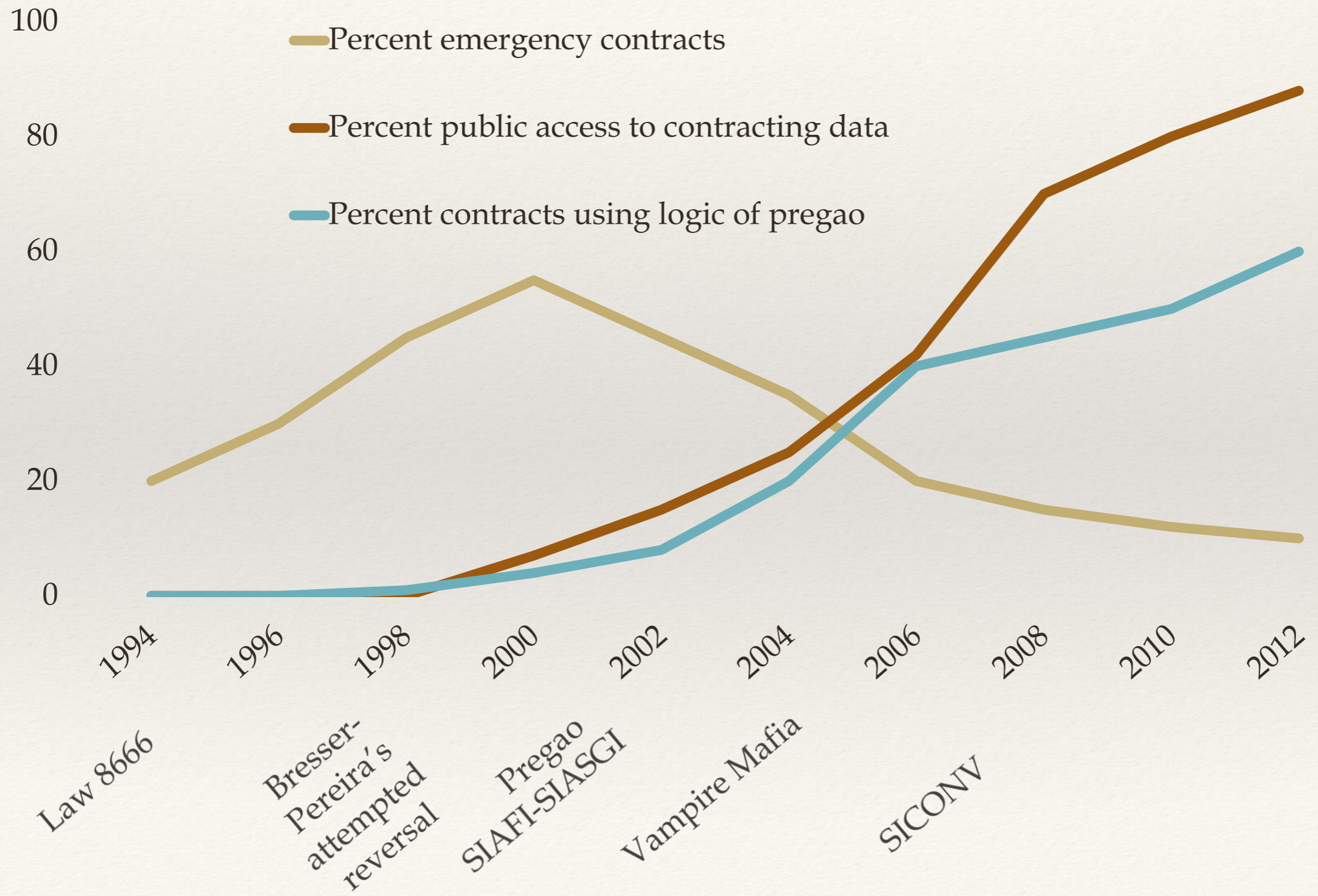
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# What happened?

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- ❖ Unintended consequences
- ❖ Few reform defenders left
  
- ❖ A seeming success?
- ❖ The paradox of powering:
  - ❖ Eliminating existing arrangements casts doubt on whether new rules will have staying power or whether the next powering reform will sweep them away.

# A Gradual Transformation



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# Reforms and Reformers

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- ❖ Tremendous with-in state variation in capabilities
  - ❖ In some areas, building human resources is the most pressing problems (e.g., transport, contracting staff)
  - ❖ Where human resources are sufficient, civil servants can focus on solving other problems.

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# Concept and Data

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- ❖ Concept: limited Weberian legal-rational ideal
  - ❖ A professional bureaucracy able to implement policy without undue external influence.
- ❖ Database: 325 thousand federal civil servants aggregated into agencies.
- ❖ Scope: 95 most significant federal agencies.
- ❖ Data source: crossing individual civil service data with electoral court data.



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# Indicators

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## Capacity

- ❖ Career strength: Proportion of civil servants in either core or expert careers
- ❖ Career specialization A: Average longevity in civil service
- ❖ Career specialization B: Civil servants requisitioned from other agencies
- ❖ Career specialization C: Average salary for civil servants within agency

## Autonomy

- ❖ Proportion of low-level DAS appointments filled by party members
- ❖ Proportion of high-level DAS appointments filled by party members
- ❖ Proportion of regular civil servants that are party members



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# Advances and Limitations

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- ❖ Advances
  - ❖ Objective, not subjective
  - ❖ Individual rather than institutional characteristics
  - ❖ Differentiation between autonomy and capacity
  - ❖ Within country measure
- ❖ Limitations
  - ❖ Thin measures
  - ❖ Challenges for cross national extension

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Stanford

CDDRL

Center on Democracy,  
Development, and the Rule of Law

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# The Governance Project

with Francis Fukuyama

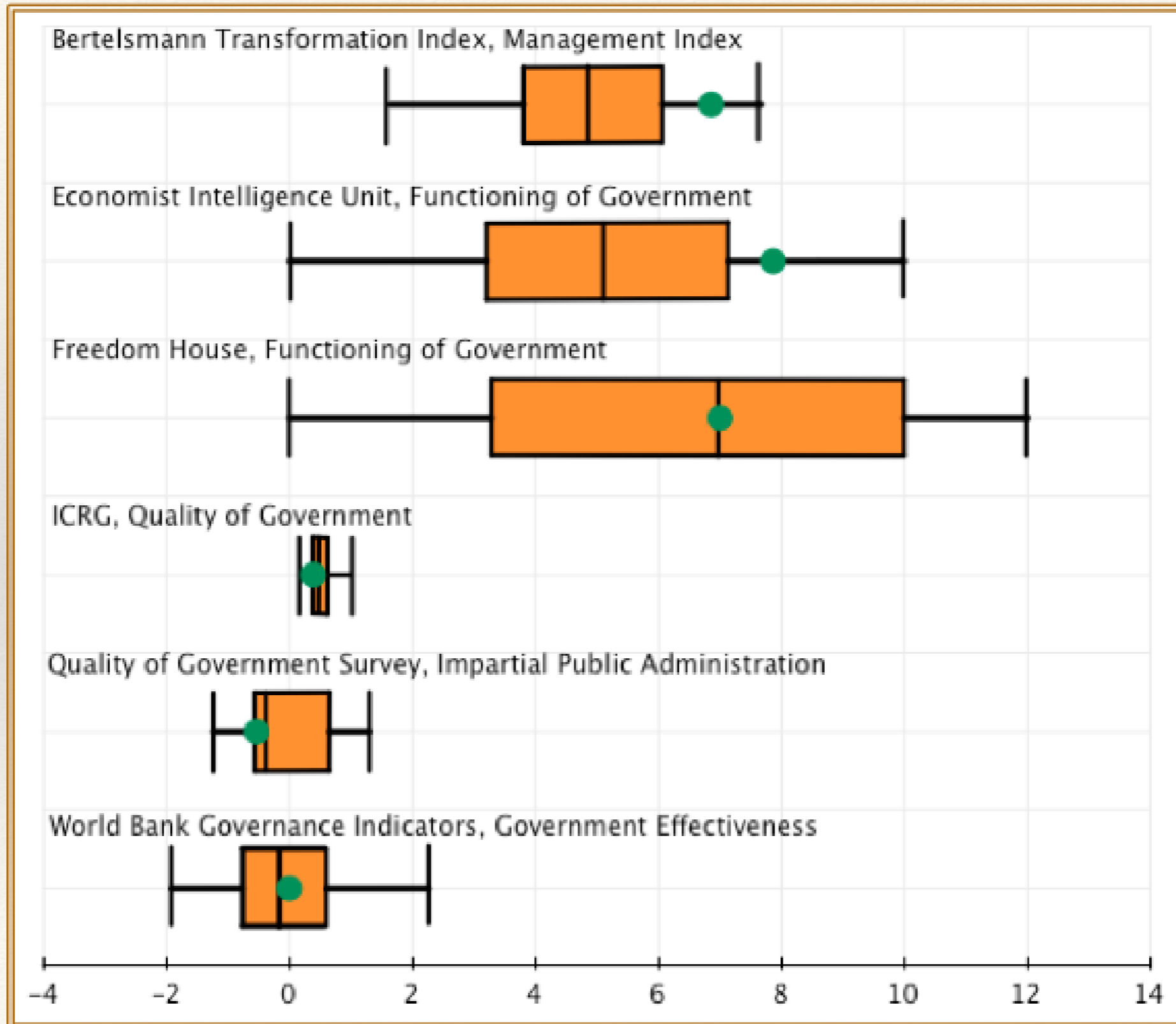
The Governance Project seeks to better conceptualize and measure governance.

It begins with the premise that governance is a characteristic of modern polities concerning the delivery of public service that is different from either democratic institutions and the rule of law.

[https://cddrl.fsi.stanford.edu/research/the\\_governance\\_project](https://cddrl.fsi.stanford.edu/research/the_governance_project)



# Measurement Challenges



# Public-sector surveys

## 2016 Federal Employee Viewpoint Survey

### EMPLOYEES INFLUENCING CHANGE

The Federal Employee Viewpoint Survey (FEVS) is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Survey results provide valuable insight into the challenges agency leaders face in ensuring the Federal Government has an effective civilian workforce and how well they are responding.

**Report:** [2016 Governmentwide Management Report](#)

**Infographic:** [Building an Engaging Workplace](#)

**Summary:** [Understanding and Using Engagement Drivers](#)

**Report:** [The Keys to Unlocking Engagement](#)

#### RELATED INFORMATION

- [Unlocking Federal Talent](#)
- [Fedscope](#)

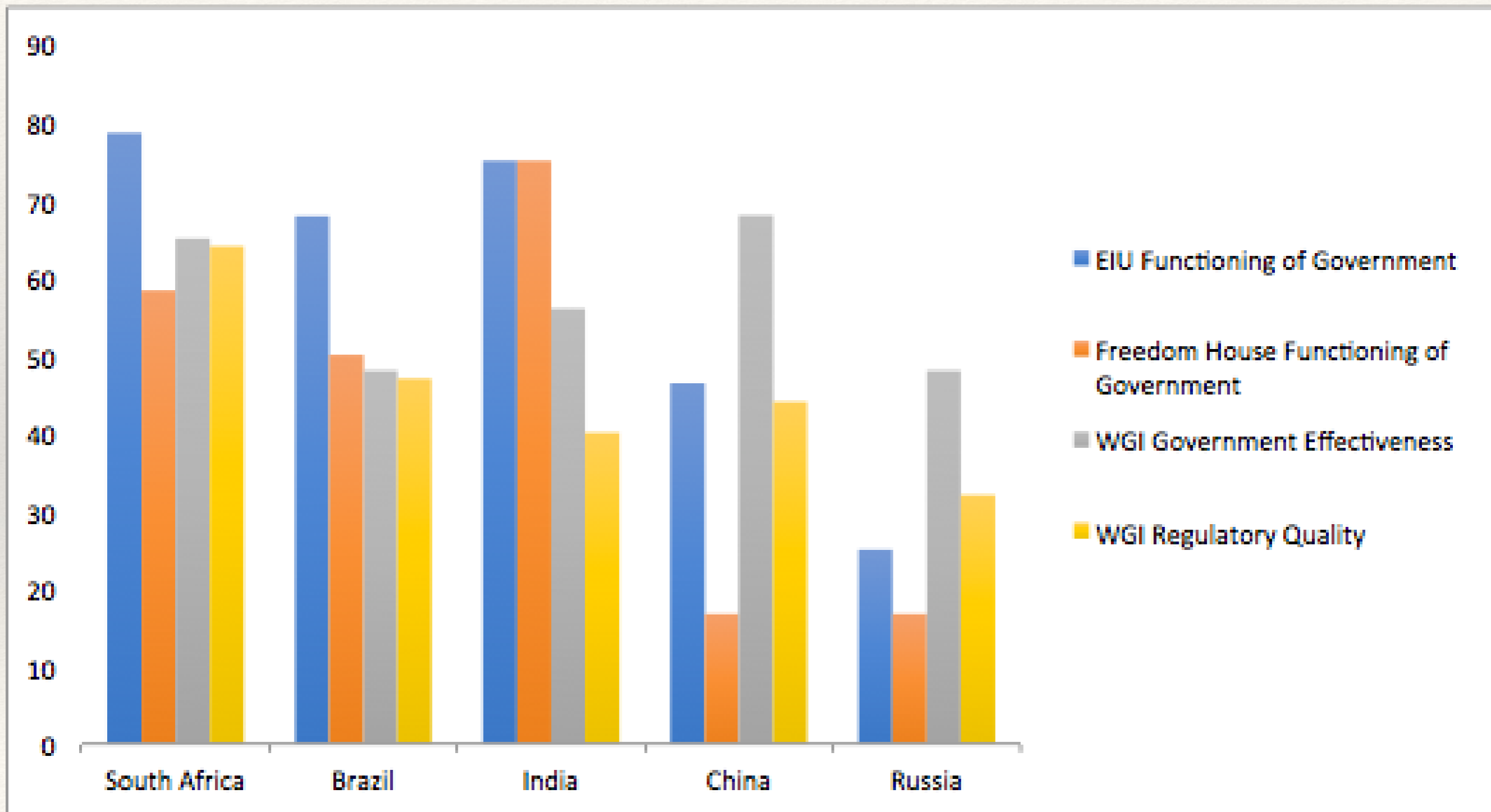
#### PREVIOUS SURVEYS

- [2015](#)
- [2014](#)
- [2013](#)
- [2012](#)
- [2011](#)
- [2010](#)
- [2008](#)
- [2006](#)
- [2004](#)



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# BRICS Measures of Capacity



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# The Governance Survey: Brazil

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- ❖ Public-sector workers at the federal in the main ministries and agencies
- ❖ Collaboration with Brazilian institutions
- ❖ Subsequent surveys will build on the Brazil survey and add other Latin American countries.



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# Conclusions

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- ❖ Experimental, incremental changes sequenced over time can result in cumulative transportations
- ❖ Leaders are most successful when working with the institutions they inherit
- ❖ Reform approach and state capacity go hand in hand
- ❖ Collaboration in future research can shape how we think about reform and state capacity

