

Developmental Regimes in Africa

Public services and economic transformation

What history teaches and its
possible relevance to Nigeria

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Les avantages.wmv



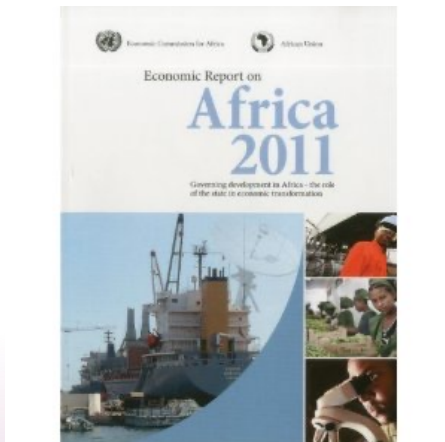
“My team has created a very innovative solution, but we’re still looking for a problem to go with it.”

Summary

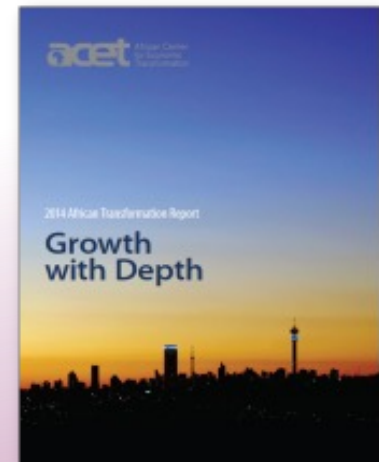
- The African 'transformation agenda'
- The new questions it raises about governance and the public sector
- Some lessons from history
- From historical lessons to reform practices: some rules of thumb

The transformation agenda: landmarks in thinking

- Economic headlines of 2010: ‘Africa on the move’
 - McKinsey report “Lions on the Move”: accelerating growth during 2000s; not just a resource boom
 - Steven Radelet CGA book: steady economic growth and democratisation since mid-1990s in 17 “cheetah” countries
- Economic headlines of 2011-14: not just growth but ...



K.Y.
Amoako



- ... economic transformation

Growth and transformation: what's the difference?

- Textbook development economics: development = growth + structural change
- Structural change = change in sectoral distribution of output arising from productivity growth, not neglect!
- That means
 - Investments in infrastructure with long gestation periods
 - Credible state commitments to investors in infrastructure and productive enterprise
 - Politically protected link-ups between capitalists and sectoral bureaucrats or semi-public agencies in key sectors
 - Public or private organisations that assure market coordination and assume risk for small producers
- And therefore active and effective public sector organisations

The new questions this raises about governance and the public sector

- What sort of public service should Nigerian leaders be seeking to create?
- What are the relevant lessons from history that should be taken into account?
- What are the errors that have been committed in the past of public service reform in Africa that should be avoided, as far as possible, in the future?

Some answers to the second and third questions to help answer the first ...

Why history matters

- A great deal of the prevailing thinking about public sector reform in developing countries is not informed at all by a sense of history.
 - ‘Good governance’ does not specify well the governance qualities that are preconditions for development
 - The institutional ‘best practices’ promoted in public sector reforms do not reflect the most relevant history
 - ‘Kicking away the ladder’
- Needed ‘good fit’, not ‘best practices’
- Public sector reform experiences since 1980s – a lot of evidence!



Two big lessons

- No successful process of economic transformation has been the *result of a comprehensive* reform of the public service
 - comprehensive reforms have generally *followed* considerable structural economic progress
 - highly *selective* efforts in particular organisations are the first step
- Institutional changes that work well are generally the result of a problem-driven approach
 - changes are introduced to solve a particularly troubling or urgent national problem
 - good policy making is problem-driven, iterative and adaptive (PDIA)
- Asian experience supports all of the above

Two smaller lessons

- High-level political support is necessary for even the selective building of effective public-sector organisations, but good things can be achieved with only a little of such support if the right approach is taken
 - moments of special opportunity
 - reforms achieved ‘against the odds’ when reformers inside and outside government have cooperated in a politically ‘smart’ way
- But this cooperation across the divide between government and non-government does not mean ‘mobilising demand for good governance’ or ‘accountability to citizens and public-service users’
 - These ideas are not realistic about the way politics and society work
 - Historically, accountability to citizens arises when citizens begin paying direct taxes on a significant scale, which only happens *after* significant economic transformation (Lagos maybe?)

Four rules of thumb, possibly relevant to Nigeria

- ✓ Begin by identifying a few problems that many people, including powerful people, want to see solved (don't begin with assumed solutions)
- ✓ If addressing the problem requires some sort of change in the way particular public organisations function, concentrate on those organisations
- ✓ Think about how helpful changes can be achieved without incurring a lot of formal or informal opposition, by designing them to win friends and motivate them, without creating enemies unnecessarily
- ✓ Give yourselves time to learn from trial and error, and make it clear to leaders why some experimentation and stepwise learning is important
 - Explain that this is what China did!

Five more rules of thumb

- ✓ See the task as brokering deals and facilitating changes, not as using authority or money to impose unpopular remedies.
 - Think ‘outside the box’ about how to achieve worthwhile change and make it stick.
- ✓ Do not rely on ‘citizen demand’ but *do* look for allies and helpers outside of the executive branch of government
 - For example in legislative assemblies, the media and civil society organisations
- ✓ Coalitions supporting change can be ‘tacit’; they do not need to be formally agreed or highly publicised to be effective
- ✓ Do not assume that the interests of politicians and officials are going to change in the short and medium term
 - But find ways of making desirable changes attractive to power holders, by showing them new ways of protecting their interests
- ✓ Make use of what exists
 - Don’t try to invent institutions from scratch without regard to social and political heritage and the resources to hand

Thank you!

Developmental Regimes in Africa



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