Public services at the crossroads

Ten years after the World Development Report 2004: reflections on the past decade and implications for the future

Making services work for poor people: the science and politics of delivery

WDR 2004 anniversary conference, 28 February - 1 March
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Ten years after the World Development Report 2004: reflections on the past decade and implications for the future

It is 10 years since the World Bank launched its landmark World Development Report (WDR), Making Services Work For Poor People. A decade later, what have we learnt about the science and politics of service delivery – and what are the emerging issues that will shape future priorities? The recent anniversary Conference in Washington D.C., co-hosted by ODI and the World Bank, with support from the UK Department for International Development, discussed new developments, data and trends in public service delivery since 2004 across a range of service delivery sectors.

Here, ODI experts share their reflections on the conference and on future directions in five key areas for service delivery: information and incentives, behavioural economics and social norms, financing service delivery, fragile states and the politics of delivery. We begin with an overview of the 2004 WDR and the current state of play from Marta Foresti, Head of the Politics and Governance Programme at ODI.

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Why do so many countries still fail to deliver adequate services to their citizens? And why does this problem persist even in countries that have rapid economic growth and relatively robust institutions or policies?

This was the problem addressed by the World Bank’s ground-breaking 2004 World Development Report (WDR) *Making Services Work for Poor People*. At its core was the recognition that politics and accountability are vital to improve services, and that aid donors ignore this at their peril. Ten years on, these issues are still at the heart of the development agenda, as discussed at the anniversary conference organised jointly by ODI and the World Bank in late February.

As much as this was a moment to celebrate the influence of the WDR 2004 on a decade of development thinking and practice, it also highlighted just how far we have to go before every citizen around the world has access to good quality basic services such as education, health, water and electricity.

Let’s begin with what we learned from WDR 2004 and what we know better today as a result of the work of the last ten years. First off is the role of information to improve accountability for service delivery. As Leni Wild suggests in her reflections on the conference, there has been real progress in understanding not only what types of information can be used and by whom, but also in how information can foster accountability. There is widespread agreement that information alone rarely leads to improved services, and a growing awareness that it is incentives that matter if politicians and service providers are to act on information and data.

Related to this, Ruth Levine of the Hewlett Foundation was among those who noted the progress made in the past decade in research and the quality of evidence on service delivery. This is the result, in part, of greater interest and investment in impact evaluation and randomised control trials (RCTs) that provide vital insights on what works to improve services in different contexts and – to a lesser extent – on why. However the mood at the conference was not one of hype around RCTs and other experimental approaches: much as they provide relevant evidence, they fail to explain the complex relationship between contextual factors, institutional arrangements, programmes and their outcomes. Lant Pritchett from CGD summed this up neatly in his blog last November: ‘RCTs are one hammer in the development toolkit and previously protruding nails were ignored for lack of a hammer, but not every development problem is a nail.’
Shanta Devarjan, lead author of WDR 2004 reminded us of one of its key lessons: that money is not enough to fix public service delivery problems and that, by extension, aid plays only a minor role. Countries undergoing fast economic growth, such as Nigeria, still fail to provide access to education to many poor girls and even Brazil – seen as a world leader on improving services to the poor – faces trade-offs between a pro-poor tax system and improved education and health, as discussed by Nora Lustig at the Conference.

Despite the influence of WDR 2004 on development thinking and practice over the past ten years, thorny issues remain that still need attention and, most importantly, far more debate. This will demand open minds and a real desire to break down disciplinary barriers, a step-by-step approach, experimentation with new ideas, and a willingness to acknowledge and learn from failure, all very much in line with advice to the Conference from Tim Harford, author of Adapt.

The first thorny issue is the role of the private sector in delivering services, which was a much debated theme: the evidence may show promising results and outcomes, but can we really expect the private sector to substitute for improved public institutions? And what are the implications for the long-term sustainability of services for the poor? Most importantly, where states are weak, their markets are often weak, casting doubt on the notion of markets as a short cut to accountability. Public and private provision is not a matter of ‘either or’: they are inter-related and this close relationship requires more analysis.

Lant Pritchett put forward the second challenge for the next ten years: public services should be for all, the poor, of course, but also the middle classes. When service delivery is abysmal right across the social spectrum, the focus on the poor might miss important opportunities to identify a significant and powerful constituency for change amongst the ‘elites’.

The third thorny issue is human behaviour and all the assumptions that surround it. The forthcoming WDR 2015, Mind and Culture, focuses on social norms and behaviour and there is much expectation that behavioural economics (which, as Ruth Levine reminded us, used to be called psychology) will shed some light on our preconceptions about how we attempt to induce better behaviour among politicians, as well as service providers and ourselves. But I am not convinced that this alone will get us to the root of how political incentives work, let alone broader questions about risk-taking individuals and their chances of thriving in fundamentally risk-averse bureaucracies. As David Booth reminded me, we need to look at the role of social and political organisation, and in particular the kind of organisation that permits collective action to unblock process of reform and change.

Which leads me to my final – and most important – point: the politics of it all. The conference ended with a clear indication of what the future holds: politics is not only part of the problem, but also of the solution. Working around politics rather than with it does not work: meaningful education reform cannot happen despite teachers unions, but rather in negotiation with them. Equally, efforts to stimulate the voice of citizens and their demand for services only work when they are met with equal efforts to better understand the incentives and decision-making logic of the politicians and civil servants responsible for the delivery of those services. Above all, there is a need for a healthy dose of humility about the role of external actors in what are, fundamentally, domestically driven political processes.
There is still a gap to be filled between having more information and figuring out whether and how services improve. However, February’s joint ODI and World Bank Conference marking ten years since the World Development Report (WDR) on service delivery flagged up where progress has been made, and what we are learning about the role information can – and cannot – play here.

Information was at the heart of the WDR 2004, which emphasised its role in ensuring better performance from service providers and greater accountability between politicians and voters, whether via citizen report cards, public-expenditure tracking surveys, data on the presence or absence of service providers, and so on. What is striking is just how much work and research has been done over the past ten years on this theme, reflected in very rich discussions at the conference. Three points really stood out for me. First, the debate has clearly moved on from grand statements about the ‘power of information’, to thoughtful reflections on when, why and how it actually supports change. It was equally inspiring to hear stories of failure as well as success – including Rakesh Rajani, who shared Twaweza’s hard-won experience that the value of information depends on whether anyone uses it (and the acknowledgement that sometimes they don’t), to Justin Sandefur, who reflected openly on the difficulty of motivating decision-makers to act on evidence, including findings from randomized control trials. What emerged was growing humility in acknowledging what types of information are meaningful for different audiences, rather than assuming that everyone from citizens to leaders will automatically become motivated and engaged if we can just give them the right information.

Second, I heard much more detailed discussions on what types of information can be used and by whom. We all know this matters – but it was good to hear just how much it matters and to hear some tangible ideas. Jakob Svensson cited work in Uganda, revealing that information on performance may be even more powerful than results for citizens, while Tanzanian MP Zitto Kabwe reflected on his own embarrassment at getting a low score in a recent NGO scorecard campaign, spurring him to take action; and Gayle Martin offered rich insights into experience with the Service Delivery Indicators – a response to the need for different types of information for different aspects of delivery and different sectors (the information you need on curative health care, for example, is bound to differ to that for primary education). This is something we have explored at ODI, working with University of Birmingham colleagues to look at different information gaps and incentives across different sectors.

Third, there was a stronger focus on the potential role of information in generating an understanding of how different actors and organisations relate to one another – and on identifying how and where information can make a difference in these relationships. This reflected from a major theme that emerged during the conference: the need to appreciate the interconnections between a whole range of different stakeholders and the overall incentives
within a system, rather than focus narrowly on particular groups or inputs. The discussion on Service Delivery Indicators revealed that while we tend to focus on getting better information flows between citizens and frontline service providers, less attention has been paid to the need to improve information flows between middle managers/supervisors and frontline providers. If these flows can be improved, we could see better results. Watch this space for some forthcoming ODI research into CARE’s experience with community scorecards in four countries (Ethiopia, Malawi, Rwanda and Tanzania) where we are finding something similar – which supports the need to look much more at those ‘middle managers’ within systems who may be able to lead improvements.

What does this mean for the future? While we were looking back over the past decade at the Conference, I could see two key areas for future reflection and action:

First, while WDR 2004’s diagram of a ‘core trio’ of relationships linking service users, service providers and policy-makers is helpful, we all know it presents a simplistic picture. I left the conference thinking we need to face the reality that what we are dealing with are systems and networks, through which a much wider set of stakeholders are connected. So the nature of these connections matters, in terms of power balances, incentives and norms. With this in mind, we need to stop thinking of ‘information’ itself in a fairly narrow sense, in terms of information to get somebody to do something for someone else (whether a politician, service provider or citizen). This is what the economists call ‘principal-agent problems’.

Instead, thinking in terms of systems and networks opens up more opportunities to consider the role of information in building collective action, collaboration and networked approaches. Indeed, in the final session of the Conference, Marta Foresti reminded us about the importance of organisations – these were left out of the original WDR 2004 framing but we know they are crucial to bring together individuals and create shared, collective interests. Improving our understanding of how systems, networks and the organisations within them operate seems to be the new frontier for those concerned with the power and role of information in supporting change processes.

This brings me to my second point. DFID’s Chief Economist Stefan Dercon reflected on the differences between ‘evidence-based policy making’ and ‘policy-based evidence making’, with the latter too often the norm for donor agencies. This prompted much debate on how to use evidence (i.e. one form of information) better and more systematically. It strikes me that there is a missing piece to this puzzle – that is, how to match it up with growing calls to be more iterative and adaptive a la contributions from Tim Harford and Matt Andrews. Matt’s work at Harvard on public-sector reform suggests that, rather than looking for exhaustive evidence up front, perhaps we should take stock of the best we have, and then work iteratively, to try things out.
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All public policy is based on assumptions, whether implicit or explicit, about human behaviour. These assumptions, particularly those about what motivates people, are often incomplete. A better understanding of human motivation, one that draws on a range of disciplines, offers a chance to improve the effectiveness of development policy.

This argument provides a foundation for the forthcoming World Development Report 2015 on *Mind and Culture*. It was also the point of departure for a very interesting session linking this welcome reflection on disciplinary diversification at the World Bank to evolving thinking on service delivery at the recent Conference on the 10th anniversary of the 2004 World Development Report, Making Services Work for Poor People.

The opening presentation by Varun Gauri suggested that social norms may have important impacts on each of the three points of the famous WDR 2004 ‘trio’ of accountability relationships linking citizens/service users, providers and policy-makers.

The evidence presented in the session indicated the time and effort that has been put into thinking about innovative ways to leverage social norms to shift behaviour in communities (e.g. in community-led total sanitation schemes). There are also clear lessons to be learned from a variety of disciplines about how to coax better behaviour from providers and thereby achieve better development outcomes. Of particular interest here was the discussion on establishing internalised professional norms among providers, with some very nice thinking from Pascaline Dupas and Karthik Muralidharan drawing on a growing body of research work.

So, how do we get teachers to turn up in classrooms and teach? How do we get nurses and doctors in clinics and hospitals to act in the best interests of their patients, despite particularly acute information asymmetries? There appears to be a role for both incentives and social norms. While much of Muralidharan’s work provides a case for changes in hiring and payment practices in the education sector to reflect what we’re learning about how to incentivize improved performance, Dupas pointed to emerging evidence from Ghana that even in the apparent absence of material incentives or sanctions, nurses tend to behave more professionally than expected. These are by no means contradictory conclusions and indeed some of the most exciting discussion broached potential complementarities and contradictions, blurred only slightly by some debate over the way in which social norms were defined.

Yet I cannot help wonder whether the emphasis on new approaches to changing behaviour was somewhat skewed. That is, do we think enough about whether this sort of analysis is, or ought to be, applicable to efforts to get more developmental behaviour out of the third corner of the WDR 2004 triangle – the policy maker? What lessons from attempts to establish professional norms among service providers could be applied to the way in which we select

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3. Social norms and incentives: Homo economicus is dead, long live bounded rationality, social interdependence and culture!

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and manage politicians? The implicit assumptions that are so often challenged elsewhere seem to be left alone in terms of a general faith in the ability of the democratic system to select and provide effective incentives for politicians.

In this vein, one potential implication is that we need to further explore potential trade-offs between activities that appeal to international norms and their effect on local social norms and expectations. For example, indices that measure perceptions of the prevalence and severity of corruption suggest a belief in the potential to incentivise improved performance (reduced corruption) by providing information on the perceived level of corruption in a particular country. Where countries are performing worse than their peers, this is certainly a form of condemnation, but what can we say about the impact of this shaming effect compared with the potential for such indices to reinforce the belief that corruption is rife and the associated negative norms and expectations of behaviour? In other words (to paraphrase an argument Rothstein and Tegnhammar extend from Myrdal), if I, as a politician, am bombarded with evidence that everybody else is (or is seen to be) taking bribes, why shouldn’t I as well? These perverse effects have been documented elsewhere with respect to tax compliance and deserve further exploration.

Similar questions could be asked about norms related to narrowly focused patronage relationships and other aspects of governance and service delivery. Incentives, electoral and otherwise, clearly matter, but the premise of the forthcoming WDR 2015 – that social norms can either support or constrain material incentives – seems to demand closer scrutiny of the potential to leverage these norms to shift political behaviour.

Might we actually be better off with strategic misinformation campaigns that encourage the development of more positive norms? We may well decide that the moral implications of such duplicity are too severe, but there may be a more practical middle ground in some cases, such as the form of selective or purposeful reporting of positive behaviour (though this may run counter to journalistic instincts and incentives that favour a juicy corruption story) or targeted messaging (though this raises questions about traditional media partners).

In the end, this session raised far more questions for me than answers. The policy implications are far from clear, providing good reason to stay tuned as the WDR 2015 tries to synthesise the wide-ranging set of studies within its remit (some with questionable external validity as a result of the high context specificity of social norms). Whatever the result next year, this research agenda clearly raises questions that ought to challenge our preconceptions about the mechanisms we use to induce better behaviour by politicians, as well as providers and ourselves.
Finance was mostly an undercurrent during two days of debate on service delivery ten years on from the landmark WDR 2004. But it did surface with some force a few times. One of the original authors, Shanta Devarajan, went on record to say that money alone – particularly foreign aid – wasn’t the solution to better service delivery. Other panellists, such as Charles Kenny and Lant Pritchett, were highly sceptical about the contribution of external development assistance, especially its relationship with domestic public institutions and accountability. Not everyone was so dismissive, but the proceedings didn’t focus heavily on public finance or shout for extra funding.

Most of the discussion on finance was left to a final parallel session which I chaired, during which we grappled with how to link public finance management (PFM) to service delivery. At one level, the answer is simple: sufficient funding, properly spent, contributes to more and better services. Yet we know surprisingly little about the real linkages between PFM and effective service delivery. It isn’t self-evident precisely how upstream systems and processes for resource management affect sector performance and frontline services. Nor is it obvious what is required when looking back up the pipework from the service delivery end. Policies, systems, information and incentives are all important – somehow.

The session raised five big issues that deserve further attention. Some may seem prosaic, but they matter.

First, we don’t always know what we mean by public finance management. That may sound odd, but the term is ambiguous and even the panellists had different starting points. PFM, public expenditure management, budgeting, fiscal management, financial management – sometimes they’re the same thing, sometimes they’re not. No-one was persuaded that the Public Expenditure and Financial Accountability (PEFA) dimensions sum it up adequately. A minimal technocratic version of PFM would cover processes and systems for budget execution, accounting and financial reporting. A broader version embraces fiscal policy, revenue-raising and resource allocation. And it covers the politics and incentives that surround them. How we define PFM affects its implied relationship to service delivery. So the discussion struggled for a foothold at times. Greater clarity and consistency of the definitions in use would be a helpful step forward.

Second, the compartmentalisation of PFM and service delivery as separate thematic concerns is too pronounced. It leads to a problematic disconnect. External PFM specialists and sector specialists inhabit different communities and rarely mingle. The risk is that strengthening PFM systems starts to become an end in itself. Tools such as PEFA and IMF Reports on the Observance of Standards and Codes (ROSC) are valuable, but can usurp the real priorities if they’re divorced from a focus on budget outcomes and policy objectives. It is well understood that finance ministries and sector ministries in all countries have opposing financial prerogatives. The budget process is an institutional device to reconcile those differences in a constrained
fiscal context. A subtler point made by Philipp Krause is the risk that external actors – sector specialists and PFM experts – may reinforce the battle lines through their own policy positions and technical assistance. Greater coherence is clearly needed.

Third, tax policy and intergovernmental finance systems matter for service delivery. Different proposals emerged from the panel. Ehtisham Ahmad argued for own-source revenues assigned to sub-national jurisdictions as important to bolster the connection between responsibilities and outcomes. Zitto Kabwe called for tighter tax legislation and tax policy to curb illicit financial flows, reduce tax incentives and boost tax compliance, thereby boosting domestic revenue to support investments in service delivery. The risk is that these technical propositions overlook or assume away too easily the ‘political economy’ points that are now central to PFM thinking. The discussion was a cautionary reminder of wider discourse on reform that still oscillates between the technical and political. Yet it also served as a valuable corrective. Nobody mentioned foreign aid; it was all about domestic revenues. It was a striking contrast with the era of the WDR a decade ago.

Fourth, standard approaches to strengthening public finance institutions are not problem-driven and under-emphasise change processes. Generic institutional transplants from other countries abound while targeted PFM reforms that match specific priorities are rare. For example, the track record of attempts to implement performance-based budgeting and credible multi-year spending frameworks is not encouraging. Nor is it clear that those measures respond to functional problems or wider political priorities. More astute and pragmatic ways of working have been popularised by recent research, including from Matt Andrews and Philipp Krause. Linked to service delivery, the speakers argued for a stronger up-front emphasis on policy objectives before launching into PFM reform. They argued that different priorities, such as service delivery or state-building, may imply different sorts of PFM capability. Timely financial releases and strict financial control, for example, require different institutional emphasis. Understanding what politicians care about is a necessary first step. Thinking about the functional (for example, service delivery) objectives you want to affect through PFM comes next. Recent ODI work has started to explore this approach.

Fifth, better information is a central piece in the jigsaw but its role and potential needs to be better examined. There are compelling examples of information technology spurring accountability to ensure money is spent on relevant sector outputs which do reach the frontline. Zitto Kabwe spoke to the case of money refunded from BAE Systems being channelled to school textbook delivery that could be traced electronically to schools. The perennial question remained of how to establish cause and effect, and how to understand and evaluate the leap from information to accountability. Strengthening Parliamentary oversight committees was one proposal to achieve that. Better and more symmetric information on the sources and uses of funds was seen as essential to align and improve incentives for service delivery across tiers of governments. Ehtisham Ahmad argued that it can reduce game-playing and liability accumulation by sub-national jurisdictions. The major challenge is the feasibility of tools such as the IMF Government Finance Statistics in countries with low administrative capability. And the questions of institutional fit and contingency to recognised problems do not disappear.

Challenges always seem to come more easily to conference panels and audiences than proposed solutions. Nevertheless, a good agenda does emerge for further debate and some action. Nicola Smithers and Hana Brixi from the World Bank announced a new initiative for a Community of Practice on PFM and service delivery. Details are still to emerge, but it seems a worthy offspring of the 2004 WDR and a good way to move forward.
I should admit to being highly sceptical of ‘win-win’ situations. I’m reminded of the agricultural economist, Michael Lipton, telling me very early in my career: ‘Rachel, I have never in my entire career seen a single case of two birds being killed with one stone.’ And I work predominantly in the social protection sector where, albeit slowly, we are learning that if you heap too many objectives on to a simple instrument like cash transfers or school feeding, you risk not achieving any of them satisfactorily.

I have similar concerns about the common mantra that we hear in development agencies about fragile states: deliver basic services, especially health, education, water and sanitation, and (hey presto!) enhance the relationship between citizens and the state. Is it possible to deliver basic services effectively and efficiently, and at the same time enhance state legitimacy? I’m not sure. We know that some programme design and implementation choices that focus on, for example, building state legitimacy, lead to sub-optimal outcomes for the development of human capital and, therefore, for the reduction of poverty. Put more simply, trade-offs are everywhere. So what more did I learn about this at the WDR 2004 10th Anniversary Conference in Washington D.C. last week? And what continues to niggle and remains unresolved?

One lesson was some food for thought about the role of the private sector in delivering services in fragile and conflict-affected countries. Richard Batley stressed the need to recognise that the private sector is often the main service provider in many fragile countries and, rather than replacing a government-provided service that has collapsed during conflict, the private sector has always been the main provider in some places – the Kivus in eastern DRC are a good example. Paul Collier suggested that governments should take overall responsibility for the delivery of services but not the function itself. Derek Brinkerhoff, Egbert Sondorp and Jacob Shapiro focused more on how to manage resources and funds to deliver services and provided some important insights about the kinds of changes needed in the roles and approaches of development agencies and governments, especially around resourcing, leadership and accountability.

My second lesson was that we must not be too simplistic in the way we portray thinking by donor agencies about the service delivery – such as my own caricatured description of the common mantra of development agencies on services and statebuilding above! We too often set up a straw man to knock it down (we oversimplify donors’ positions and then we prove the actual situation is more complex). For example, Alan Whaites stressed that the OECD’s message about service delivery and statebuilding has somehow been distilled to focus on the actual delivery bit, when, in actual fact, the OECD posited that meeting people’s expectations in relation to service delivery (not just delivering services) was a mechanism that might increase state legitimacy. And we need to heed Jacob Shapiro’s experience in Pakistan where he found that, while the delivery of services following floods in 2010 didn’t lead directly to increased
state legitimacy, it did increase participation in elections in targeted areas.

And the unresolved issues? Well, I’m left with a concern that the current approach to building (state) institutions and delivering services in post-conflict situations pushes for a transition from humanitarian assistance to building state capacity far too quickly. This is problematic because of the lack of absorptive capacity and access to remote areas – Egbert Sondorp described how large health infrastructure projects in South Sudan were only able to build hospitals just outside Juba and failed to expand health infrastructure much further than that.

But I have a deeper concern – one that emerges from the last week’s discussions about the roles of state and non-state providers, the extent to which there are trade-offs between enhancing state legitimacy and delivering services, and what sorts of transitions are required post-conflict. My concern is whether, in the current push to move rapidly to state delivery of services following a conflict, and to build the capacity of state at speed (rather than have non-state provision) we are investing in services in conflict-affected situations that are not even vaguely conflict-proof.

Conflict and violence rarely come to a full stop right after a peace agreement, and many countries slide back into conflict or remain fragile, but how far does our programming insure against that? Rebecca Winthrop pointed out that in the education sector, too much attention is paid to who is delivering services, and far too little to whether children’s education is able to continue, uninterrupted and without disruption, during conflicts.

Ultimately, I came away from the WDR 2004 anniversary meeting wondering about South Sudan, and how much of the millions of dollars of investment in building services there has survived the violence of December 2013 and remains intact? Rather than prioritising statebuilding objectives in relation to services, should we not focus more on ensuring that our programming is conflict sensitive and will be sustained even in the face of further violence?
The WDR 2004 report certainly put politics centre stage. Ten years on, the picture remains the same: where there’s any form of accountability relationship, there is some form of politics. A key insight of the report was the trio of accountability relationships for service delivery and demand for improvement involving citizens, service providers and the government. The politics can travel in different ways: through the ‘long route’ of citizens’ involvement in national or local politics to pressure government to deliver services; or through the ‘short route’ of citizens engaging directly with service providers. Ten years on, at the recent Conference to mark the anniversary of WDR 2004, this framework for conceptualising the politics of service delivery – and its famous diagram – still generated support. However, the relationship politics and service delivery doesn’t begin and end with a diagram. Over the two days of the conference, some important – and challenging – questions about the ongoing relationship between politics and service delivery were raised:

First, ‘politics is part of the solution, not just the problem’. There was only one developing country politician in attendance, which might be surprising for this kind of conference. Perhaps they thought they should stay away, given that for some people working in the field, ‘politics’ is the thing that ‘gets in the way’ of effective delivery. Fortunately, the conference delegates were wiser than this. First, they recognised that if politics is part of the problem of service delivery it has to be part of the solution as well. Second, politicians will be the leaders of this change. Finding ways and reasons to align their incentives with service delivery through accountability relationships is vital for improvements. And there is no easy way out: countries that fail to deliver public services will also fail to deliver effective private markets. As a result, there is no easy option to ‘get round the politics’ by simply privatising service provision.

Second, ‘make services work for the middle-class – to help the poor’. The WDR 2004 focused primarily on poor people and their access to services. This fits easily – and uncontroversially – with the poverty focus of the World Bank and its supporters. However, some voices from the conference pushed back against this, for two different ‘political’ reasons. As a matter of political right, the middle-classes in developing countries (who are still poor by our standards) should also have access to good quality public services. More importantly, the way to make politics and service delivery align is to get the articulate and influential middle-classes engaged in service delivery. Services for poor people are often poor services, so making public services a political issue for the middle-class might, paradoxically, do more to make them work for the poor as well.

Third, ‘The politics of donors’. Never missing a chance to bite the hand that feeds (most of) them, delegates also discussed the role of external actors in delivering public services. In reality, there are often two parallel ‘political’ processes going on when donors try to help developing countries deliver services: the politics of that country’s public services, and the politics of what donors can and will do to help. There was broad skepticism about any notion that donors have a strong influence on the politics of public services. Certainly, it was noted that aid is
declining in importance compared to other flows of money, and this has radically reduced the number of countries in which donors have any real influence. Some saw a reduction in external involvement policy making as a good thing, yielding the most memorable line of one session: ‘the MDGs are evil.’

Fourth, ‘The politics of behaviour’. The WDR 2004 and other studies have focused on the politics of incentives – why people behave the way they do based on rational decisions to maximise their welfare. Several voices at the conferences noted that time – and behavioural economics – has moved on. Increasingly, we should focus on the role of social norms and individual behaviour in shaping development outcomes, moving away from the concept of a ‘rational actor’. Indeed, the forthcoming 2015 WDR on *Mind and Culture* will focus on precisely these issues. This has the potential to generate a radical shift in the debate away from the politics of rational actors, and towards the politics of actual human behaviour, and how this might affect service delivery. The conference raised interesting new research that suggested one way to improve services would be to encourage the ‘selecting in’ of intrinsically motivated people into public service, rather than focusing on the usual policy ideas of pay and workforce reform to raise effectiveness.

As these events often do, more questions were raised than were answered, although there was no constituency suggesting that politics and service delivery operate separately. The event certainly showed that one of the key insights from the original 2004 report is still valid: politics matters in delivering services, whether you are taking the long or the short route to get there.
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