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Challenges to Effective Development Policymaking

The purpose of this book is to orient citizens, activists, students, planners, and policymakers to contribute more effectively to the public policy processes of developing countries, through greater understanding of the dynamics and pitfalls of these processes. One premise of the book is that in each specific context, readily available knowledge is limited by three vital factors: stakeholders' and policymakers' assumptions and true preferences, the range of paths through which policy initiatives can be channeled, and the technical and political obstacles that can undermine sound policy initiatives. Without guidance on how to understand the origins of dysfunctions of the process, identify the appropriate range of stakeholders who ought to be involved, or identify the opportunities to navigate the policy process more effectively, sound policy initiatives may falter or become seriously distorted.

It is also true that planning, policy selection, implementation, and evaluation are intricately intertwined – these aspects must be considered as a whole. Therefore, this book is not only a guide and a critical assessment of the governmental policy processes across the whole range of policies, but it also tries to illuminate the interactions among all of the decision functions involved in this policy process. This is necessary both for maneuvering within existing processes and for developing more effective processes.

THE DEVELOPMENT CONTRIBUTOR'S CHALLENGE

A crucial insight for understanding the challenges in trying to contribute to sound development is that *everyone* is an outsider with regard to major

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aspects of the policy process. Obviously foreign development practitioners are outsiders. Individual citizens and groups outside of government are not privy to many of the deliberations within government. Yet even within government ranks, a planner or policymaker of one agency is an “outsider” with respect to the inner machinations of other agencies. Top leaders of the national government are outsiders with respect to subnational governments, and they have no realistic way to know everything about the thoughts and actions of staff within the agencies over whom these leaders ostensibly have authority. Therefore, in addition to the practical problem that misperception often abounds, the analytic challenge is for all participants to be able to make reasonable inferences about the motivations and perceptions of others involved in the development-policy process. Much of this book is devoted to suggesting suitable diagnostic indicators to make these assessments.

SEVEN KEY PROBLEMS IN PURSUING SOUND
DEVELOPMENT-POLICY INITIATIVES

To make this guide as useful as possible, it is organized around seven fundamental problems commonly encountered in the pursuit of sound development-policy initiatives. They are:

Support of Ill-Fated Initiatives. Without understanding and anticipating how seemingly sound initiatives will be weakened or distorted, or without the capacity to prevent this from happening, anyone involved in the formulation or support of particular policies runs the risk of endorsing an ill-starred effort. This could supplant more promising initiatives, as well as discredit the endorser. Many donor governments, international assistance agencies, and NGOs have fallen into the trap of supporting initiatives based on weak intelligence. For example, the U.S. Agency for International Development supported a major Kenyan project to introduce genetically-modified cassava, only to learn that insufficient preliminary research missed the new strain’s vulnerability to cassava mosaic disease, leading to 30 percent crop losses (East African Magazine 2006).

Another form of intelligence – to which policymakers critical to the approval and enactment of a sound initiative might not be sufficiently committed – may be lacking. Development practitioners and aid agencies may be sucked into supporting initiatives that falter when the government’s commitment declines, as in the failure of the Bangladesh government to deploy half of the \$400 million Health and Population Sector Program

fund, provided by a host of bilateral and multilateral agencies.¹ This fund, holding more than half of all foreign assistance aid directed to health in Bangladesh, was suspended by a new government in 2002 (Batkin et al. 2006, 32). The UK Department of International Development's self-assessment also noted that "None of the HPSP reforms had been fully implemented by that point [2002], and there is no evidence of increases in productivity or in the quality of essential health services. The proportion of health in the GoB budget fell and there is also no evidence of increased efficiency or equity in distribution of funding" (Batkin et al. 2006, 32).

Considerable waste of resources and embarrassment have also come from endorsing initiatives that are substantially implemented but with problematic modifications. In many developing countries, bilateral donors, multilateral assistance agencies, and international conservation NGOs have supported the establishment of protected areas, only to find that local people have been displaced without adequate provision for their livelihoods (Brandon 2014). A World Wildlife Fund (2004, 13) assessment of over 200 conservation areas in developing countries concluded that ineffective conservation often resulted from failing to enforce project provisions, including inadequate resources for monitoring and community participation. In particular, management practices of protected areas often depart substantially from the legal property rights arrangements, as documented for Ecuador and Peru by Naughton-Treves et al. (2006, 40).

Rejection of Sound Knowledge or Recommendations. One of the great frustrations of many participants is that the development-policy process effectively ignores their input even if their contributions are based on solid information and expertise. In many cases the input goes unheeded, even when it is accompanied by resource transfers contingent on complying with the advice. The most prominent instances are the decisions of many governments not to comply with the conditions formally required by international financial institutions, such as the International Monetary Fund and the World Bank (Dreher 2006; 2009; Mosley, Noorbakhsh, and Paloni 2003). Yet on a more micro level, virtually all advisors have seen their advice neglected, even if it has been received with respect and appreciation. This author (among others) was consulted by a leader of a prominent Asian political party on the issue of

¹ The British, Canadian, German, Japanese, Swedish, and U.S. bilateral foreign assistance agencies, plus the European Union, the UN Family Planning Agency, the UN Children's Fund, the World Bank, and the World Health Organization.

whether the party platform should include a call for a minimum wage regulation. The “outsiders” pointed out that the minimum wage would reduce the better-paying employment prospects for the unemployed and workers in the informal sector, precisely the voters whom the party needed to attract. The advice was ignored; what the party leaders believed (perhaps correctly) was that low-income voters would view a minimum wage favorably even if it went against their true interests.

Impasses Blocking the Enactment of Sound Initiatives. Antagonism among groups, or between stakeholder groups and the government, frequently undermines efforts to forge constructive accords. Mills et al. (2012, 15) note that assessments of South Africa’s health insurance policymaking have demonstrated “how the opposition of key stakeholders to the particular equity goals and key design features within insurance proposals, and the failure to manage this opposition, resulted in a policy stalemate.”

Understanding the factors that exacerbate the relations among groups may hold the potential to bring groups together. Even when an initiative would in fact be favorable to a particular group, influential members of that group may not agree with this assessment, perhaps because of lack of information or trust. For example, low-income groups rarely embrace government initiatives to reduce subsidies on gasoline and diesel, yet based on analysis of twenty countries in Africa, Asia, Latin America, and the Middle East, Del Granado, Coady, and Gillingham (2012, 2234) conclude that “[f]uel subsidies are a costly approach to protecting the poor due to substantial benefit leakage to higher income groups; in absolute terms, the top income quintile captures six times more in subsidies than the bottom.” Thus, these subsidies benefit higher income people far more, and deny the government the savings that could be devoted to programs for the poor. Or perhaps the stakeholders fear that supporting or acquiescing to the initiative would lead to damaging future measures. If fuel subsidies are reduced, would this pave the way for the reduction of other subsidies that benefit the poor more than others? In other cases, repressive actions by the government or the armed forces worsen the impasse by sowing distrust. The governance status of Indonesia’s regions of the island of New Guinea has been in impasse since the fall of President Suharto in 1998, in no small part because of the heavy-handed military suppression of the independence movement (Chauvel 2011).

Sometimes impasses can be circumvented by bringing the initiative through other channels. For example, to help the poor to overcome the

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costliness and rigidities of many judicial systems, the Commission on Legal Empowerment of the Poor (2008, 26) recommends that “reformers might also address the demand for judicial services [for the poor] by encouraging or requiring resolution of more disputes (at least in the first instance) in the administrative bureaucracy rather than the courts.” Another strategy of pursuing different channels is the shift from national-level arenas to subnational arenas. For example, the European Union has recommended that Nigerian community-self-help advocates should target local governments to establish social funds involving participatory community development (Ifeka 2001, 462). However, continued reliance on less promising channels may be frozen because of lack of knowledge and experience regarding alternatives, legal rigidities, difficulties in mobilizing support for the shift, or sheer inertia.

Ineffective or Incoherent Enactment of Initiatives. Behind many of the ill-fated endorsements, but going considerably beyond that problem, is the fact that formal policy provisions are often distorted or ineffective in their application. The most obvious scenario is the incomplete enactment of formal provisions pursuing sound objectives; in fact, except for policies that simply involve setting a rate (e.g., the government bond interest rates), it is a rare policy that is precisely and fully implemented. However, it is important to recognize that the problem may not lie with the implementers, but rather with the weaknesses of the formal policies, particularly insufficient funding or cumbersome procedures.

A much less obvious problem is that many formal policies lack provisions to adapt to the changing conditions or varying contexts in which they are applied. In Thailand, Khotsing (2013, 6) notes that in addition to avoiding or delaying the granting of community title deeds, title deed officers confront legal rigidities that limit their function. In Brazil, the constitutional requirement that a proportion of the national budget and state and local taxes be devoted to education helps to lock in the commitment to education, but Alston et al. (2004, 7) note that this makes it more difficult to adapt to unexpected contingencies. More generally, they argue that “the initial high level of constitutionalization of public policy produced great rigidity in public policy in general” (Alston et al. 2004, 9). Raczynski and Muñoz-Stuado (2007, 655) critique Chile’s education policies on the grounds that “a standardized and rigid design has been preferred, that imposes changes on schools and does not take into account their specific problems and potential.” Kinsey and Binswanger (1993) documented the rigidities of resettlement programs (focusing principally on Burkina Faso,

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Guatemala, Indonesia, Kenya, Malaysia, and Zimbabwe), resulting in both economic and environmental problems.

Inadequate Accommodation for Groups Excessively Deprived by Policy Initiatives. Policy initiatives often have severe impacts on particular groups, whether intended or not. Although deliberate or inadvertent causes of what one would consider to be excessive deprivations are likely to have very different roots, the outcome is problematic all the same. Often, policymakers simply do not anticipate some of the consequences. Kothari and Pathak (2009, 2), after citing estimates of the number of people living in protected areas as between 2.5 and 3 million, note that the enactment of India's Wild Life Protection Law, following the Supreme Court's ruling that protected areas needed to be designated within a year, had the consequence that "[m]any state governments quickly complied with the order without any comprehensive assessments of rights, hence depriving thousands of people of their due rights; or conversely they allowed all rights in [protected areas] (as in Rajasthan) without assessing their impacts on the ecosystem."

In addition, the *termination* of policies, programs, or projects may be mis-timed in either direction. Premature terminations do not allow the provisions to demonstrate their positive impacts, or do not afford enough time needed for alternatives to be developed and enacted. For example, following Indonesia's decentralization, the withdrawal of the national government's provision of health services to internally displaced persons in 2003 left these people dependent on the inadequate resources of the subnational government units (Brussets et al. 2004; Massie 2008, 2).

In contrast is the failure to terminate policies that should have been ended sooner. For example, Argentina's peso-dollar convertibility, which began in 1991, endured far beyond its usefulness in the face of trade and financial imbalances (Jiri 2002). It caused enormous damage to Argentines, particularly the most vulnerable. The failure to terminate policies in a timely fashion often indulges particular groups at the expense of others, just as premature termination not only undermines potentially fruitful policies, but also deprives those stakeholders who invested their resources in good faith the chance (or time) to take advantage of the policies. For them, adequate lead time for termination occurs, and, often, compensation, may be compelling.

Avoidable Conflict Stemming from Policy Initiatives and Their Enactment. Although the bulk of policies, programs, and projects meet with some resistance, some policy designs, communications, and implementation

approaches lead to avoidable destructive conflict. For example, Winichakul (2008, 26) argues that in Thailand the centrist, urban-oriented governments have been blind to the urban and central-region biases of government policies: “promises of tax benefits, industrial parks, more electric trains in Bangkok and measures to solve Bangkok’s traffic jams, export promotions, and investment stimuli are seen in the urban-biased view as national interests and legitimate policies.” His point is that this discourse denied the legitimacy of the complaints of the largely rural-based leftist-populist movement. Both the weakness of pro-poor policies by the centrist governments and their dismissive rhetoric increased the polarization and contributed to the political violence that erupted in 2010 and has continued sporadically since then.

Shortsightedness. Policymakers often fail to adopt farsighted initiatives recommended by development practitioners, either taking no action in the face of pressing problems or adopting shortsighted initiatives. Although this can result in ill-fated initiatives, or the futility of development practitioners when their advice is ignored, special problems arising from shortsightedness need to be addressed. The scope of the challenge includes not just whether policymakers and implementers pursue farsighted initiatives, but also whether stakeholders in general can be induced to pursue their own farsighted actions, as well as support the government’s efforts.

Examples of shortsighted policies, programs, and projects can be found in virtually all sectors, from energy, physical infrastructure, and environment to education and health. Highways in sub-Saharan Africa are often opened with great fanfare, but the maintenance funds – often a less attractive investment – are typically neglected (Benmaamar 2006), with the result that the highways crumble prematurely. Resettlement programs may serve the short-term goal of alleviating congestion in high-density areas, but the conflicts with existing residents in the resettlement areas can have highly destructive long-term consequences. The early neglect of investment in urban upgrading has perpetuated urban degradation that would now require far more disruption and investment to reverse. Kombe and Kreibich (2012: 13) note for Tanzania that “[t]he failure of the slum clearance approaches, site and service and squatter upgrading strategies of the 1960s, 70s and 80s has demonstrated the exorbitant costs of retrofitting unsustainable settlement structures and left the state and its administration at crossroads.”

Because of the short-term pain of abandoning popular but distorting tax exemptions, many governments have been unwilling to undertake sound tax reforms that would lead to better investment decisions by discouraging investments that are sufficiently profitable only because of the exemptions.

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The rates of natural resource extraction for more immediate government revenues are frequently excessive even when world prices are low. For renewable resources, such as timber and fish, excessive extraction also risks the long-term problems of deforestation, desertification, collapse of fish stocks, and so on. When governments receive windfall revenues, policymakers often spend them profligately even when available projects and programs lack adequate rates of return. In the sphere of national security, policymakers frequently resort to heavy-handed tactics to suppress threats, increasing the likelihood of greater future antagonism.

STRUCTURING THE ANALYSIS

For each of these problematic outcomes, one can identify and analyze several malfunctions in planning, policy selection, implementation, and/or evaluation—and the interactions among these functions. In turn, these malfunctions are related to dynamics seen in some developing countries. The crucial next step is to provide diagnostic tools to aid in identifying relevant malfunctions and dynamics.

While it is clear that planning, selection, implementation, and evaluation are useful distinctions, a more nuanced set of categories has proven even more useful for identifying the resources, political aspects, technical challenges, and potential malfunctions of the policy process. This set, a core component of the policy sciences framework,² offers seven functions – which are not “stages,” despite how they have been misconstrued by superficial critiques,³ because they go on continually and interactively. However, if one wishes to follow a particular initiative, the process can be applied to follow that initiative as all of these functions shape it (or may kill it).⁴ In other words, the multiple efforts are a continual swarm of activity, but once an initiative – whether a vague campaign promise or a detailed policy proposal – is on the table, it can be followed sequentially through time.

² In particular, Lasswell and Kaplan 1950; Lasswell 1971; Brewer and deLeon 1983; Lasswell and McDougal 1992.

³ E.g., Nakamura 1987; Sabatier 1999. They both confuse functions for sequences or stages. Susan Clark (2011) gets it right: “Because these are functions or activities of decision making and not stages, they are often carried out simultaneously, rather than sequentially, and they are often mixed together in complex ways.”

⁴ That is why Brewer and deLeon (1983) segment the process into initiation, estimation, selection, implementation, evaluation, and termination.

TABLE 1.1 *Functions of the Decision Process*

Intelligence	Gathering and analysis of information, formulation of alternatives and other “technical” planning
Promotion	Efforts to secure preferred policies or outcomes
Prescription	Establishment of rules and norms (including laws, regulations, and allocative, as well as non-formal rules)
Invocation	Determination which prescription(s) ought to apply to a particular case
Application	Concrete carrying out of the prescription deemed to be applicable in each case
Termination	Elimination or significant change in policies, programs, projects, etc.
Appraisal (ex post evaluation)	Evaluation of outcomes according to criteria regarded as appropriate

Sources: Lasswell and Kaplan 1950; Lasswell 1963; Lasswell 1971

These functions are both activities and outcomes; therefore, we can evaluate each activity by using appropriate criteria (e.g., the honesty of persuasive efforts, which are part of the “promotion” function), and we can think of each function in terms of its outcome (e.g., people are duped into favoring a policy because of promotion efforts that are dishonest propaganda). Armed with this understanding of decision functions, we can then examine how they are likely to play out distinctively in developing countries, using an example that reflects the much broader set of initiatives to establish conditional cash transfers in many developing countries.

Addressing these seven problems entails a heavy analytic burden. They can be briefly summarized as follows:

1. To avoid supporting ill-fated initiatives, one must be able to anticipate the distorting influences that may affect the initiative as it proceeds through the policy process. This includes anticipating the possibility that some stakeholders may resist initiatives that in fact are in their interest, and assessing strategies for both conveying the consequences of the initiative and reducing the likelihood that acquiescing to this initiative would bring greater risk to the stakeholders.
2. The development practitioner has to appreciate that others may have very different views of the practitioner’s role: Is it regarded as appropriate only to provide technical advice that does not go beyond

tactics of enactment? Does suggesting “second-best approaches” in light of existing constraints reduce the pressure to remove these constraints and pursue technically optimal policies? Some development practitioners may limit their input to the technically optimal advice, consciously ignoring the fact that policymakers may not follow it. Nevertheless, any participation in decision-making that is not oppositional may be taken as an endorsement of the initiatives.

3. To try to avoid the rejection of sound knowledge or recommendations, it is crucial to diagnose the analytical limitations of others and oneself. One’s advice may still be ignored for a host of reasons, but understanding the difference between one’s understanding and that of others is often crucial though frequently unexamined. This requires “an analysis of analysis” – what is the knowledge base of others; what assumptions do they hold that might be quite different from one’s own?
4. To avoid neglecting more promising channels for pursuing a constructive initiative, it is crucial to identify the full scope of potential arenas through which an initiative may be channeled. The arenas range from executive agencies to legislatures to the courts, at levels from the international to the humblest local commune. This, in turn, requires an assessment of the resources that can be more effective in one arena rather than another, as well as the full range of relevant actors requiring consideration. Relevant actors include not only planners, policymakers, and other active participants, but also stakeholders whose positive or negative reactions are anticipated.
5. To overcome impassés that block the enactment of sound initiatives, one must diagnose problems of the policy process per se, and understand the psychology associated with various aspects of the policy process in order to anticipate otherwise surprising reactions to policy initiatives. These analytical challenges hold as well for understanding how to minimize destructive conflict arising from policy disputes and the consequences of the implementation of policies.
6. To overcome the problems of inconsistent or incoherent policy implementation, one must understand the multiple ways in which planning, policy choice, and the implementing institutions are intertwined (Pritchett, Woolcock, and Andrews 2010). This requires an integrated view of the policy process, resisting the temptation to