PUBLIC ADMINISTRATION AND DEVELOPMENT

Public Admin. Dev. **35**, 222–237 (2015)

Published online in Wiley Online Library
(wileyonlinelibrary.com) **DOI**: 10.1002/pad.1739

PUBLIC SECTOR MANAGEMENT REFORM IN DEVELOPING COUNTRIES: PERSPECTIVES BEYOND NPM ORTHODOXY

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SUMMARY

With the passage of time and the accumulation of experience, the hegemony of the New Public Management (NPM) (now no longer new) as the dominant approach to public sector reform has weakened, particularly as applied to developing countries. What alternative frameworks for theory and practice offer insights and guidance beyond the NPM orthodoxy? This article offers some answers to this question and draws upon the contributions to this special issue to explore four analytic strands that constitute post-NPM approaches to reform: political economy and institutions, public management function over form, iterative and adaptive reform processes, and individual and collective agency. The discussion highlights the significance of functional mimicry, the challenges of measuring results, the practical difficulties in achieving contextual fit and accounting for the inherent uncertainty in reform processes, the tensions between ownership and outside expertise, and unpacking political economy dynamics within various micro-contexts and across regime types. Copyright © 2015 John Wiley & Sons, Ltd.

KEY WORDS—public sector reform; New Public Management; developing countries; political economy; iterative adaptation; isomorphism; agency; international donors

INTRODUCTION

The standard responses to public sector management deficits in developing countries have focused largely on a combination of technical efficiency-enhancing reforms based on neoliberal market models and New Public Management (NPM) principles and tools. The dominant academic, policy, and practitioner discourses sometimes appear locked in endless loops, repeating variations on the same problem diagnoses and solutions. Yet public sector management in developing countries, and arguably in the industrialized world as well given the blurred boundaries between the global North and South, is under increasing pressure to perform. The litany of current challenges is well recognized: delivering quality services with fewer resources to diverse populations of users, partnering effectively with the private and non-profit sectors, responding flexibly and rapidly to shifts in demands and needs, assuring citizens' safety and security, stimulating widespread and equitable economic growth and opportunity, and coping proactively with transnational threats. These challenges call for looking beyond conventional public sector management approaches and tools.

What new perspectives can shed a different light on public sector management, to either complement or confront the orthodox solution set? What alternative frameworks for theory and practice can move the discourse beyond NPM? What experience and lessons can help to shape new explanations and responses? This article reviews dominant themes in the debates surrounding public sector and governance reforms and highlights some emerging answers to the questions posed here. We first examine the substance and process of public sector reforms, as well as the practical aspects inherent in donor–recipient country relationships centered on reform design and implementation. This includes a discussion of four strands of current exploration in the search for what might be

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called post-NPM public sector reform. The next sections summarize the contributions to the special issue and detail the findings derived from the contributions. The article closes with some observations and conclusions on the state of the practice regarding public sector management and governance.

NEW PUBLIC MANAGEMENT: BEWITCHED, BOTHERED, AND BEWILDERED

To borrow from the lyrics of the 1940 Rodgers and Hart song, NPM has "bewitched, bothered, and bewildered" policymakers and public sector reformers since its emergence as the preeminent solution set for public sector performance problems in the 1980s.[1] At that time, policymakers and reformers were bewitched by the promise of results-based management to reinvent government agencies, eliminate inefficiencies, and impose fiscal discipline. The transfer of private-sector management principles and tools served as a practical recipe for reform and a normative vision of effective government, promulgated by the Organization for Economic Cooperation and Development for industrialized countries and by the International Monetary Fund and World Bank for the developing world.

With accumulated experience with NPM in the 1990s and 2000s, and structural adjustment before that, donor agencies and their country counterparts became increasingly bothered by the limitations and unanticipated consequences of NPM. Privatization, smaller and leaner government, and a singular focus on neoliberal markets failed in many cases to deliver broad-based socioeconomic development, although some countries experienced significant growth. As Hood and Peters (2004) elaborate, as NPM has reached "middle age," anomalies and paradoxes have emerged that point up the gaps between theory and practice, which have undermined confidence in the efficacy of its managerial remedies. Concerns for social inclusion, broad poverty reduction, and the inability of states to meet the challenges enumerated earlier have called into question the wisdom of shrinking government when it appeared that what was needed was—and continues to be—capable government.

Today, the epistemic bubble surrounding NPM that led reformers to prescribe more of the same Washington consensus medicine in the face of growing evidence that the treatment was not a cure-all has burst. However, policymakers in donor agencies and country governments are bewildered: What should replace one-size-fits-all technocratic public sector reforms, and what Evans (2004) calls institutional monocropping? In the current resource-constrained environment, both for international donor agencies and for developing country governments, the pressures to demonstrate results and "value for money" are strong. Regarding mainstream public sector reform, such pressures have created incentives to maintain the core of the NPM package, with some tinkering at the margins, while espousing that what is proposed has moved beyond the old NPM (Lodge and Gill, 2011).

OUTSIDE THE EPISTEMIC BUBBLE: POST-NEW PUBLIC MANAGEMENT

As with any evolutionary shift in theory or practice, the old is never completely swept aside by the new, and the post-NPM reform agenda is no exception (De Vries and Nemec, 2013). The ideologically driven orthodox universalism of NPM has given way to a feasibility-first eclecticism that selects from a menu of public sector reforms to pursue those that appear to fit individual country circumstances and to be doable within a donor-centric timeframe (Fritz, 2015; Robinson, 2015). This menu retains, as noted earlier, a substantial number of NPM-like reform components. At the risk of oversimplification, we identify four broad strands that capture the essence of the current search for effective public sector reforms that are arguably in some sense post-NPM. These are identifiably distinct but share some principles and practices across the strands.

[1]We recognize that NPM is a heterogeneous mix of public management reform prescriptions and practices that derive from several analytic perspectives. To the extent that this variety fits within the NPM label, the broad unifying elements include an emphasis on performance-enhancing interventions that rely on management technologies and systems to drive reforms (Moynihan and Pandey, 2005; Larbi, 2006; Manning, 2001). We employ the label here for economy of presentation while remaining aware of the oversimplification it may convey.

Political economy, institutions, and incentives

The first strand consists of the focus on political economy, institutions, and—as a consequence—the key role of incentive structures. The widest ranging expressions of this strand are found in the work of North *et al*. (2009), Acemoglu and Robinson (2012), and Fukuyama (2011). North *et al*. explore the transition from what they call limited access orders (the natural state governed by a hierarchy of personal relationships and elites) to open access ones, where the availability of economic and political power is determined by a set of impersonal rules that open the "playing field" beyond a dominant coalition. Acemoglu and Robinson advance a similar argument regarding extractive versus inclusive political institutions, marshalling historical evidence that societies with inclusive institutions are more successful over time, while societies whose institutions are extractive ultimately block growth and sow the seeds of their own destruction. Fukuyama also addresses the history of political evolution, which he characterizes in terms of the emergence of a state's governing apparatus composed of competent and honest officials, the rule of law constraining the behavior of both ruled and rulers, and increased accountability via elections and the growth of notions of a shared public good. In his view, these three constitute the pillars of a stable state.

These sweeping historical perspectives have found expression in public sector reform in several ways. First, they suggest what institutional arrangements need to be put in place to lay the foundation for inclusive socioeconomic development. Second, they inform the stream of literature that posits that viable reforms begin with a country's political settlement, which sets the stage for the politics of governance and the social contract, what kinds of reforms can consequently be pursued with some chance of success, and what key actors are likely to have the incentives to be committed to achieving these (e.g., vom Hau, 2012; Hickey, 2013). Third, they provide a foundation for a range of citizen accountability mechanisms (Brinkerhoff and Wetterberg, 2015).

The shorthand message to reformers from this literature is that "politics and institutions matter," which has reinforced the mainstreaming of political economy analysis into almost every aspect of international development theory and programming. The governance and public sector management literature has had a robust stream of analysis and practice pointing out the importance of politics and political mapping that predates these historical framings (Brinkerhoff, 2008), but these frameworks have increased the salience of institutional perspectives.

Public management function, not form

The second strand moves beyond seeking to put in place public sector organizations and processes that replicate the form of those in industrialized countries—what is termed institutional isomorphism—to concentrate on the core functions of public management. Central to this strand is the literature on good-enough governance (Grindle, 2004, 2007), which opts for feasible and best-fit solutions to core public management problems. This message has been spread throughout the donor community both through cautionary tales of the pitfalls of isomorphic mimicry and the public sector "Potemkin villages" that best-practice approaches risk creating (Andrews, 2013).[2] Empty mimicry constitutes a decoupling of form from function (Meyer and Rowan, 1977; Brinkerhoff, Forthcoming). External pressures may lead country decision makers to adopt the visible trappings of reforms—for example, civil service restructuring, computerized budgeting, and competitive procurement—without actually implementing them to achieve their intended function (Krause, 2013).

To reduce the chances of empty mimicry and decoupling, donor public sector reform strategies are changing to concentrate on politically informed diagnostics and on solving specific performance problems (Bunse and Fritz, 2012; World Bank, 2012). The US Agency for International Development argues for attention to country systems and understanding how their structures and processes facilitate or impede public sector management (USAID, 2014). These context-specific perspectives have highlighted the informal and local elements of governance and public sector management (e.g., Carothers and de Gramont, 2011). Contrary to the NPM ideology that

[2]Prince Grigory Potemkin built a portable village façade along the banks of the Dnieper River to disguise from the Empress Catherine the Great that Russian efforts to rebuild the 18th-century post-war Crimean region had not achieved much success. As the empress and her court traveled downstream by barge, Potemkin and his men would disassemble the façade and rebuild it ahead of her next arrival port. The factual basis of the story is disputed, but the term has come to refer to any sort of effort intended to deceive through creating a false image that covers up a negative reality. (http://www.histoire.ens.fr/IMG/file/Coeure/David-Fox%20Potemkin%20villages.pdf/)

DOI: 10.1002/pad

the public sector is an impediment to development and should be targeted for downsizing, this strand has reinforced the current widely accepted perception that building the public sector's capacity, efficiency, effectiveness, integrity, accountability, and responsiveness is key to achieving a broad range of socioeconomic development goals. This viewpoint recognizes the salience of the quality of governance, not simply its quantitative aspects.

Iterative and adaptive reform processes

This strand has its roots in a longstanding search for answers to the question, how can public sector reform design and implementation best be pursued to increase the chances of achieving success? The search has been inseparably intertwined with the policies and practices of international donor agencies, which shape externally supported reforms in all sectors in developing countries receiving international assistance. Key points in the discourse have revolved around the extent to which goals and implementation plans can or should be predefined, who defines them, how much flexibility is both possible and acceptable given reporting and accountability concerns, and how to determine and measure success (Brinkerhoff and Ingle, 1989). NPM, with its universalist solutions to public management performance failings, encouraged predefined goals and measures, blueprint reform designs and implementation templates, which in the opinion of some analysts reinforced isomorphic mimicry and decoupling.

The growing ascendancy of function-focused performance improvements informed by deep understanding of political economy drivers has led to renewed attention to the process side of public sector reform: problem classification jointly undertaken by donor agencies and country actors; ongoing consultation and constituency building with key stakeholders during design and implementation; and iterative cycles of experimentation, adaptation, and learning. These features are the hallmarks of what is termed problem-driven iterative adaptation (PDIA), an approach to public sector reform that engages country teams of reformers in pursuing an iterative process of problem identification and testing of solutions, supported by external facilitators (Andrews *et al*., 2012; Andrews, 2013).[3] The World Bank has adopted the problem-solving approach as the core strategy for its public sector management programs, applied across the project cycle, from political economy diagnostics to reform design and implementation (Blum *et al*., 2012; Bunse and Fritz, 2012; World Bank, 2012).

An ongoing difficulty regarding PDIA and related process approaches to reform is the constraints they face from politico-bureaucratic pressures (both from donor agencies and from country governments) to deliver tangible and measurable performance results. Reforms that deliberately avoid setting clear targets in advance and that depend upon trial-and-error processes to achieve success mesh poorly with results-based management. From the global level (the Millennium Development Goals and Sustainable Development Goals) to the national and local levels, governments are pressed to commit to specific objectives as assessed by quantifiable indicators, as are their international donor partners. Chabbott (2014), for example, observes that indicators are often "weaponized." That is, seemingly benign efforts to identify indicators for measuring progress and outcomes become cudgels that funders and politicians can employ to hold implementers accountable. This dynamic discourages PDIA and the kind of experimentation and flexibility needed for innovation and scaling up.

However, there are examples that illustrate how process approaches like PDIA can be reconciled with donor practices. Nigeria's State Accountability and Voice Initiative (SAVI), funded by the UK's DFID, developed a results framework that explicitly recognized process dimensions of institutional reform and worked with local actors to learn over time what worked to promote SAVI's aims (Booth and Chambers, 2014). The World Bank's Pay and Performance project in Sierra Leone applied political economy analysis to develop a problem-driven civil service reform agenda that tackled politically acceptable reforms and implemented them iteratively and collaboratively through the creative application of a results-based funding mechanism that allowed for iterative flexibility (Srivastava and Larizza, 2013).

[3]For more on PDIA, see http://buildingstatecapability.com/tag/pdia/

DOI: 10.1002/pad

Individual and collective agency

Problem-driven public sector reform and its related political economy diagnostics shine a spotlight on the people engaged in supporting, implementing, opposing, and benefiting from reforms. This strand focuses on actor-related (and often loosely defined) issues such as ownership, commitment, reform champions, policy entrepreneurs, and collective action. For example, a multi-country study of public sector reforms flagged the role of networked reform leaders in bringing about sustained performance improvements through the creation of “islands of excellence” (Barma *et al*., 2014). While there is often the perception that committed and public-spirited reformers are rare, a growing body of work suggests that this view is overstated. Brinkerhoff and Crosby’s (2002) analysis of policy change managers recounts a number of cases of such reformers. Faustino and Booth (2014), drawing on a study of development entrepreneurs in the Philippines, argue that innovators and change champions are more prevalent across a range of country contexts than is generally assumed. Brinkerhoff (Forthcoming) confirms that reforms require institutional entrepreneurs from within the systems targeted for change as well as from the outside, and those fringe actors can become catalysts to engage otherwise latent public sector change agents.

New Public Management principles posited that contractual forms of interaction, which would increase the power of principals over their agents, were the most likely to motivate performance-enhancing behaviors and outcomes. Famously (or infamously), NPM characterized the principal–agent relationship between the public sector and citizens in private-sector terms: Citizens were customers expecting satisfaction from government. However, a recent research stream has advocated moving beyond binary, principal–agent thinking of supply-side and demand-side governance to focus on collective action challenges (Crook and Booth, 2011; Booth and Cammack, 2013; Booth, 2012; Brinkerhoff and Wetterberg, 2015). That is, ‘governance challenges…are not fundamentally about one set of people getting another set of people to behave better. They are about both sets of people finding ways of being able to act collectively in their own best interests’ (Booth, 2012: 11). A collective action approach enables the identification of more creative and productive solutions to public goods provision, reframes the role of citizens beyond simply sources of customer demand, and builds from an understanding of incentives that the political economy analyses noted earlier can provide.

OVERVIEW OF CONTRIBUTIONS

The contributions in this volume both illustrate and extend the analytic and operational trajectories in these strands. They nuance current thinking on public sector reform and generate alternative guidance to the NPM orthodoxy. Here, we briefly summarize the articles and highlight their key points.

Brian Levy’s contribution fits squarely in the political economy strand for improving public sector reform. Drawing on his book (Levy 2014), he proposes a good-fit framework for governance reform that matches reform strategies with regime types. His regime typology varies along two dimensions: dominant versus competitive political settlements and personal versus impersonal institutions. To make the typology practically relevant, he treats these variables as continuous, which incorporates real-world political and institutional dynamics. Levy then characterizes public sector reforms in terms of the extent to which they aim for comprehensive or incremental change, and whether they are based on principal–agent or principal–principal interactions. This exercise yields four reform categories: system-wide public management reform, targeted reforms in specific sectors or agencies, strengthening of checks-and-balances institutions, and improving multi-stakeholder governance. He subsequently maps these reform types to the typology of political and institutional contexts, which provides the basis for determining good fit.

Levy’s article advances practical understanding of what it means for public sector reforms to “go with the grain” and adapt to specific contexts. His discussion recognizes the decisional calculus that political elites undertake in deciding what sorts of public sector reforms to pursue, which helps to illuminate country ownership. Levy is careful to specify that his framework is not another blueprint for reform, but that it aims to identify the most relevant and feasible reforms and to adapt and modify reform agendas based on learning. Thus, Levy’s framework is situated in the post-NPM strands on both iterative and adaptive processes and individual/collective agency. Levy’s framework represents a significant contribution to refining good-enough governance reform approaches.

DOI: 10.1002/pad

Among the public sector reforms that has often been treated as a universal is decentralization, leading to overly simplistic conceptions of how it should be designed and managed. *Paul Smoke* provides a critique of standard decentralization reforms and argues for better recognition of the heterogeneous nature of decentralization and for paying more attention to the impact of context—particularly political economy—on prospects for achieving intended results. He notes that earlier research was dominated by assessment of how closely reforms followed normative criteria and the degree to which they were implemented as intended. More recent research has prioritized various decentralization results, including better service delivery, quality of life, and governance (e.g., inclusive citizen engagement and transparency), as well as investigating factors underlying local government performance.

Smoke's analysis illustrates the political economy strand of public sector reform thinking, emphasizing the wide variety of decentralized institutional structures and the consequent range of incentives that are created, both at the center and the periphery. Given this variation, the exact form decentralization takes differs considerably, as do the ways that decentralization functions and the roles of decentralized managers. He focuses on analyses and action steps that increase the chances of successfully managing transitions to decentralization and suggests that reformers consider iterative and adaptive approaches to reform implementation as appropriate for operating within the often highly politicized context for decentralization and the inherent emergent and contingent nature of pursuing best-fit changes.

Eleanor Chowns investigates the merits of community-based management in the water sector, drawing from extensive empirical work from Malawi. Community-based water management is a common prescription promoted by donors and international non-governmental organizations and frequently embraced by local country actors. However, Chowns finds that the results are less than expected and the approach may better serve governments and donors than communities. She highlights the importance of interrogating who is "local" when defining solutions and assessing results. Donors and government (both national and local), she finds, are quick to define the problem with disappointing water management results as stemming from the community, while communities are more likely to blame insufficient resource investment and government engagement.

Her analysis suggests the need for finer-tuned political economy analysis to examine whose interests are served when defining problems and assessing progress in particular ways. Problem definition implicitly presents opportunities to shift responsibility and blame when results are less than expected. Community-based water management commonly results in the loose adoption of forms, rather than functions, and often fails to account for stakeholders' incentives. Governments may be highly motivated to delegate water management responsibility to local communities, whereas community members may be less motivated to finance maintenance, for example. The data from Malawi (and more broadly) suggest that many of these challenges are well-known, but little has been done to learn from experience and adapt the prescribed reforms. Ultimately, Chowns challenges the naiveté of expecting that collective action and related public values can be blueprinted rather than cultivated through more engaged efforts that account for local political economies.

Using the example of two anti-corruption policies in Romania, *Sabina Schnell* contextualizes isomorphic mimicry, suggesting that external pressures in practice become mediated by the political dynamics in a country. She provides a political economy analysis to explain why the reforms were adopted in form and then examines how they evolved to eventually embrace significant portions of their functions. Her analysis includes the role of demand-side actors, that is, civil society, in fostering political will to move beyond empty mimicry. The complex interplay of external pressure, domestic policy reformers, and citizen demand recasts the donor role from one of convener to facilitator. Importantly, the external pressure also extends beyond donors to include international non-governmental organizations, with both playing a potential role in seminar-based diplomacy—laying the groundwork for socialization into new norms and learning from other policy experiences. This finding highlights the role of donors and other external actors as neutral conveners.

Schnell demonstrates how PDIA efforts can realistically be operationalized. It may be, for example, that these processes are not programmable, but necessarily emerge organically from the interplay of these actors and

DOI: 10.1002/pad

institutions as reforms become embedded in broader systems of accountability. Iterative adaptation, in this example, occurred through the political process and included seeming triumphs and setbacks for giving teeth to the reforms. Schnell illustrates how politicians' calculus may include a risk analysis of whether reforms will actually be enforced, leading some to support asset disclosure, for example.

Matt Andrews focuses on an enduring issue in governance reforms: how to implement changes that effectively fulfill necessary functions rather than installing superficial systems that imitate the formal accoutrements of government (institutional decoupling). He builds upon the earlier work on PDIA, which seeks to help developing countries to avoid these traps, and provides a detailed picture of how PDIA can be applied in practice, using an action research example of judicial reform in Mozambique. Andrews illustrates how the PDIA approach can enable a better contextual fit of reforms, as they can be adapted to newly recognized features of the reform environment. Related learning through the collective experience of agents across government ministries, with external facilitation, can enhance capacities, yielding results that, even if only initially modest, can enhance the legitimacy of reform processes.

Jennifer Brinkerhoff examines agency in institutional reform. She develops a dynamic framework for the strategic actions involved in moving a reform through three stages: un-freezing the existing institutional landscape, moving towards the proposed reform, and re-freezing the institutional field with the newly established institution. She illustrates the framework through application to the creation of the Ethiopia Commodities Exchange (ECX). Brinkerhoff confirms that institutional reform is both a political and psychological project. She highlights three defining features of institutional entrepreneurism: political engagement (as all reforms challenge the existing distribution of costs and benefits), crafting messaging and modeling to promote the cognitive ease of adoption, and networked action.

The strategic actions outlined include cultural and interactional strategies to promote acceptance of the need for change and the adoption of the proposed reform. Related framing highlights the importance of structuring incentives for adoption, and also for promoting reforms in ways that minimize cognitive dissonance. Supporting the cognitive ease of adoption includes referencing existing institutions, and particularly appealing to shared, often public, values and identity constructs. Together, these efforts aim to ensure the functional adoption of reforms, not just the rhetoric. The application and analysis confirm institutional entrepreneurism as a collective endeavor with multiple and shifting institutional entrepreneurs and agents networked to provide the necessary resources and skills for each stage in the reform process. The creation of the ECX is an example of PDIA, where strategic actions shifted to respond to emerging challenges and interests.

Analogous to the literature review in Robinson (2015), *Clare Cummings* provides a broad synopsis of promising perspectives on public sector reform that examine reformers' attitudes, behaviors, and entrepreneurial propensities and proposes they can contribute to effective reform implementation. Like J. Brinkerhoff's, her article relates most directly to two of the post-NPM strands summarized earlier: iterative and adaptive reform processes, and individual and collective agency. The author draws upon the emerging literature on flexibility-focused technical assistance models, while acknowledging that there is a substantial antecedent literature that has advocated for adaptation to context and flexibility dating back several decades. She explores how theories and concepts of entrepreneurialism might inform adaptive and flexible public sector reforms. Entrepreneurs' intrinsic motivators include increasing mastery and competence, achieving a valued purpose, and functioning autonomously to pursue their goals. She notes country examples from Eritrea, Nigeria, Rwanda, and the Philippines that suggest contexts and reform designs that support these motivations are conducive to achieving desired outcomes and results. Particularly important to achieving results is the recognition that reformers do not operate as lone actors; possibilities for success are enhanced through collective institutional entrepreneurship.

Cummings flags barriers to adopting public sector reform approaches that enable entrepreneurially driven innovation. Central among these are the well-recognized impediments posed by international donor funding and reporting requirements, as well as the mismatch between ambitious donor goals and country capacity. Another barrier concerns the political economy within which country reformers are situated; if key country actors are not committed to supporting the kinds of iterative and flexible processes that enable innovation, then entrepreneurial reformers will find it difficult to move forward.

DOI: 10.1002/pad

FINDINGS

In this section, we identify several points extracted from the contributions to the special issue that strike us as particularly important in thinking about non-orthodox public sector reform. We highlight the significance of functional mimicry, challenges of measuring results, alternative analytic and process frameworks for action, the tensions between ownership and outside expertise, and further reflections on political economy analysis.

Functional mimicry

Schnell, Andrews, and J. Brinkerhoff nuance our understanding of isomorphic mimicry and institutional decoupling. Such decoupling is a particularly profound problem when institutional reforms are externally defined and are pursued in weak states, that is, those lacking in capacity and resources (Meyer *et al*., 1997; Pritchett, 2013). Decoupling derives from limited intention (political will), lack of capacity, and poor fit between the context and proposed institutional solution. The fit issue can include the incentives facing governments to engage in isomorphic mimicry (Krause, 2013). In Schnell's, Andrews', and J. Brinkerhoff's examples, donors and other external actors served as facilitators to address, respectively, the political will, capacity, and fit challenges associated with institutional decoupling.

Together, these contributions demonstrate that conventional donor tools and empty mimicry, which may be questionable in their efficacy in the early stages of reform, may be critical to reform processes over time. Conventional tools in these cases included donor conditionality, convening, funding, and technical assistance. Decoupling can prove functional in two fundamental respects. First, it may open policy windows, as was the case in anti-corruption reforms in Romania (Schnell), creating space for sympathetic agents to engage (both from government and civil society). When related political bargaining and contestation ensue, arguably, the result may be a more robust reform. As agreements become embedded in policy, implementation structures and procedures, and, ultimately, perceived entitlements and expectations, they give effect to genuine country ownership.

Second, initial decoupling can assist in resolving the inevitable cognitive dissonance that accompanies reform (Greif, 2006). Adopting form before function enables agents to introduce functional changes incrementally, preparing constituencies (e.g., perceived winners and losers, and implementers) for changes by (i) enacting existing functional institutional elements until new ones can be appropriately adapted, thus enhancing confidence in the reform process, and (ii) taking time to frame reforms to emphasize their adjacency to enduring public values and norms. In this case, resulting reforms may be more robust because they represent a better contextual fit and are more cognitively embedded among agents and constituents.

Measuring results

The contributions to the special issue raise questions about what it means to monitor public sector reform progress. What should reformers and international partners look for as indicators? Focusing on form lends itself to concrete measures and checklists, which mesh with donor reporting requirements. However, politically driven public sector reforms involve complexity—particularly in the sense that specific results will be emergent properties of the dynamic reform process—and thus will be to a significant extent both uncertain and imperfectly predictable. Levy recognizes the difficulties of measuring governance and the wide variety of available indicators and argues for continuous variables that focus on relative assessments of more or less, rather than yes–no categorical determinations.

The development of monitoring systems that can capture the uncertain and unpredictable nature of reforms while still enabling donors and their country counterparts to fulfill reporting and accountability demands is a topic of great current interest. Some guidance has been developed with suggested tools that can track progress and outcomes of complex reforms; the most significant change technique may be particularly promising (Britt, 2013).[4] However, beyond simply monitoring, donor agencies and country decision makers need strategies to cope with managing the risks inherent in reform processes where results are not assured with "guarantees." Building ownership and iterating learning cycles of experimentation constitute components of risk management strategies, as does

[4]For additional information, see http://usaidlearninglab.org/complexity-aware-monitoring/basics

DOI: 10.1002/pad

the application of political economy analysis to identify *ex ante* what reforms have the potential to be politically acceptable and feasible.[5]

A key question in measuring results is the timeframe: When should we do so? Schnell's work illustrates that initial empty mimicry may yield functional reforms in the long run, and these achievements may only become evident after numerous setbacks and recoveries. Iterative adaptation, as Andrews and J. Brinkerhoff illustrate, means that problems and solutions may be redefined with learning and experience and to accommodate unforeseen and emerging interests. Given donor project design and reporting requirements—and country government ones as well—what leeway would implementers, then, possess or need in order to redefine results and associated indicators with each adjustment? Smoke's treatment of managing decentralization adds complexity to answering this question. He points out that macro-level reforms, if implemented adaptively, may lead to asymmetric outcomes where some localities will outperform others. Reform progress, then, would need to be gauged differentially and account for relative starting points and capacities. Finally, Cummings cites the World Bank's evaluation findings that operational successes in public sector reform are frequently reported, but not necessarily concurrently with overall progress in public sector performance. Her review underscores the need to measure whether functions are effectively realized, rather than forms; whether macro-challenges are addressed, as opposed to symptoms. Designing, applying, and funding such measurement systems remain persistent challenges.

From static blueprint solutions to dynamic process guidance and frameworks

Many of the post-NPM strands reviewed earlier remain solution driven. The guidance and frameworks proposed in this collection focus more on contingent choices—menus of options—and process, where the process does not necessarily begin with identification of a solution, as much as it does with agreement on a problem to be addressed. This is the essence of Andrew's Mozambique case, where the judicial reform team applied the PDIA methodology, with successive iterations of problem diagnosis, testing, and stocktaking. Diagnostic and process-related guidance and frameworks are certainly not new. For example, Brinkerhoff and Crosby's (2002) policy implementation task model—applied across a wide range of sectors and countries—emphasizes that successful reforms result from iterative cycles of policy legitimization, constituency building, resource mobilization and accumulation, organizational design and planning, and monitoring and adaptation.

The contributions in this volume build on earlier treatments of process approaches and reinforce the generally underappreciated challenge of how in practice to achieve contextual fit and how to account for the inherent dynamism in reform processes, where contexts, strategic actions, and actors shift as the reform process unfolds. Several of the contributions point to particular neglected components and dynamics of political economy analysis, discussed later. Levy's good-fit framework provides a contextually tailored menu of public sector reform options that builds from the political regime type of a given country. This starting point serves immediately to narrow the menu of feasible options and to manage expectations for reform success. Andrews and J. Brinkerhoff provide dynamic process frameworks, respectively, for find-and-fit iterations to unpack problems and test solutions, and for strategic actions of institutional entrepreneurs and change agents across the reform process stages. Smoke's guidance on managing decentralization sensitizes reformers to the fact that the problems decentralization is intended to solve are rarely clear cut, and stakeholders differ in what aims they pursue and how they do so. He argues for deeper political analysis and iterative and adaptive cycles of design and implementation. Like Levy, his guidance suggests more narrowly defined aims and objectives based on contextual fit nationally and subnationally.

Balancing ownership and expertise

Insufficient and superficial ownership is a significant contributor to institutional decoupling, where technical forms are adopted without the behavioral changes needed to ensure they function as intended. While the international rhetoric around country ownership is ubiquitous, what it means in practice and how to create it remain contested and

[5]The Effective States and Inclusive Development Research Centre, housed at the University of Manchester, is applying political economy analysis to the selection and use of governance indicators for results measurement. (http://www.effective-states.org/the-political-economy-of-measuring-state-capacity-and-governance/)

DOI: 10.1002/pad

under-examined. Beyond the questions of which actors are relevant and whether there is sufficient operational substance in the concept of country ownership (as Chowns problematizes), donors in particular rarely acknowledge the inherent tension between country ownership and their own agendas and accountabilities for results. Donors tend to infer the existence of ownership and political will from the extent to which senior country officials express agreement with their problem diagnosis and proposed best-practice solution set. Smoke describes this dynamic in his discussion of decentralization reforms. In search of a "legitimate looking" project, World Bank and government officials in Mozambique gravitated to a large-scale information-technology solution despite the failures of similar previous projects (Andrews). Cummings reviews how the Nigerian public sector reform program, State Partnership, Accountability, Responsiveness and Capability, curtailed entrepreneurial space and ownership by insisting that some central reforms required "technical solutions," aka blueprints. The concept of "capability traps" in the PDIA literature and applied in the Mozambique case (Andrews) demonstrates how government officials' buy-in to the donor-determined reform locked them into supporting a solution that was destined to fall short, rather than focusing attention on the appropriateness of the expert perspective and searching for alternatives (Andrews *et al*., 2012).

Among the contributions of this volume is the explication of the linkages among actors, ownership, political and institutional incentives, and technical expertise. In terms of politics and institutions, Smoke illustrates well how decentralization stakeholders' intentions may conflict and contradict across government agencies and levels. Similar tensions were inherent in the judicial sector in Mozambique (Andrews). Donor-country programming debates may become proxies for national or subnational political maneuvering to advance particular partisan interests, for example. Political exigencies may lead to suboptimal reforms that lead to isomorphic mimicry. Ownership may be politically expedient, enabling the offloading of responsibility, as in the case of community management, from donors to the country government, and from the national government to local communities. Chowns suggests an informed analysis to ensure that responsibility is not transferred without the necessary expertise and support to effectively meet functional aims. Reliance on expertise can become a proxy for agreement among conflicting or uncertain stakeholders: When in doubt, defer to the experts (and presumably blame them later if things fail). The experts, in many situations, are the donors.

The different parties to a reform effort, both from the government and donor sides, have varying degrees of knowledge of local political dynamics on the one hand, and technical alternatives to proposed reforms on the other. Country ownership is further complicated when government officials lack the technical capacity to fully vet the alternatives and/or understand and meet their requirements for implementation. Problem-driven approaches may ameliorate these challenges by moving away from pre-determined blueprints. However, differences in expertise and related vocabularies persist.

All the contributors to this volume demonstrate that good-fit, situation-specific solutions to public sector problems require distributed networks of actors, both inside and outside of government, with expertise, commitment, authority, and/or resources. Effective ownership emerges from the interactions within these networks. Good-fit reform strategies explicitly acknowledge the politics, competing interests, and incentives, between and among donors and government actors. They also recognize that these interactions can build trust, which enables the translation of expertise into meaningful acceptance before a reform is adopted and implemented. The ECX case (J. Brinkerhoff) illustrates these dynamics, revealing how a trusted broker who can explain and translate the various perspectives and, in this particular case, provide the detailed technical solution to the identified problem was able to generate ownership on the part of senior Ethiopian officials. Andrews highlights the potential for external coaches to assist in such processes. Cummings provides additional examples where donors helped local change agents to tap their own expertise as they selected and pursued reforms.

Nuancing political economy analysis

The necessity of understanding the political economy of reforms in all sectors, not just public administration, has become a mantra in international development circles. Yet, the sheer range of potential variables and targets for assessment raises the classic specter of "paralysis by analysis." To avoid this danger, the escape route most

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commonly advocated is that political economy analysis should be problem driven (e.g., Fritz *et al*., 2009). Several contributors offer relevant commentary on this admonition. Both Smoke and Chowns reveal the possibility that reforms (in their cases, decentralization and community-based water management) are adopted for reasons beyond their espoused aims, and problems (and blame for poor results) are identified differently by the various actors involved. In nuancing problem-driven political economy analysis, these authors argue that particular attention needs to be given to why initial problems and subsequent causes for inadequate performance are identified—or ignored—by different stakeholders. Chowns argues for unpacking the problem-definition process at the local level through better understanding of power relations and whose input matters. Along a similar vein, Smoke advocates finer-grained analysis of national–subnational dynamics as input to better management of decentralization. These recommendations align with Andrews' discussion of PDIA and the need for reformers to understand and navigate Mozambique's authorizing environment to create space for judicial reform (see also Andrews *et al*., 2012).

In addition, Smoke raises the issue that donor organizations can be a source of policy and program incoherence, leading sometimes to uncoordinated or even contradictory decentralization reform efforts in the same country. On the other side, Schnell notes the positive impacts of European Union donor policies and actions in creating space and serving as a neutral broker for Romanian reformers. These findings reinforce a conclusion that others have reached, namely that the political economy analytic lens can usefully focus on the donors themselves, and not just on the countries where reforms are pursued, a point we return to in the next section.

The previously discussed contributors nuance political economy analysis through demonstrating approaches that target unpacking dynamics within various micro-contexts (local, organizational, and donor specific) related to problem definition and pursuit of solutions. Levy, however, takes a different tack, offering through his frameworks an approach to understanding political economy that starts from a categorization of regime types and their impacts on elite incentives and behaviors. This approach offers a perspective on assessing the political economy of public sector reforms that sheds additional light on the question of why particular policy problems and solutions are selected, and what the prospects for success may be.

IMPLICATIONS

Post-NPM public sector reforms redefine the boundaries of performance improvement efforts. Whereas the universalist assumptions underlying NPM led reformers to focus on the best-practice aspect of reforms and downplay adaptation beyond minor tinkering, the strands outlined above seek to address the range of contextual factors that influence best fit. The perspective that effective reforms build on political economy diagnostics, concentrate on functions over form, pursue iterative adaptation and learning, and mobilize individuals' entrepreneurial agency expands the intervention frontier far beyond NPM-inspired management-technology transfer. As the articles in this special issue demonstrate, the action agenda that this perspective engenders constitutes a broad array of proactive and varied tasks for reformers, with a heavy emphasis on political skills. In the following discussion, we identify practice implications related to each of the post-NPM analytic strands discussed earlier.

Political economy and institutions

Political economy analysis aims to reveal the key features of the targeted public sector landscape, and the contributions in the special issue have illuminated issues and challenges related to both the content and process of political economy analysis. As noted earlier, political economy analysis has been mainstreamed in public sector reforms in multilateral and bilateral assistance agencies, and the international development blogosphere abounds with stories of "politically smart development" and "doing development differently."[6] Sometimes muddled is the specification of who are the politically savvy actors: public sector and/or civil society reformers in developing countries or donor agency staff and technical assistance providers? Several of the contributors seek to clarify the answer(s) to this question.

[6]For example, http://www.odi.org/doing-development-differently-0

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Further, the contributions suggest that donors would do well to turn the political economy analytic lens towards their own organizations. Gulrajani (2015), for example, begins to tackle this issue at the macro-governance level of donor agencies (see also Carothers and de Gramont, 2013). The contributions here suggest that this analysis needs to extend to the organizational unit and individual levels within donor agencies, and to how they interact with local political economies. External actors need to become more self-aware and transparent in their motives and agendas to recognize when these conflict with the country-led and problem-driven aims of public sector reform. Much of the attention to these dynamics remains at the country level where high-level policy negotiation takes place—the targeted ministry or sector as opposed to its components, and the country office of a particular donor. Public sector reform processes and related analytics persist in ignoring the importance of individual agents in these processes, including those who represent donors. An exception is Eyben's (2010) work on donor staff behaviors that enable them to deal with bureaucratic requirements while still achieving development outcomes (see also Mowles, 2012). Such analyses have revealed, among other insights, why international donors tend to do poorly in addressing political economy issues in the countries where they provide assistance (Carothers and de Gramont, 2013; Routley and Hulme, 2013).

Governance function versus form

This special issue has emphasized relatively more of the process of public sector reform than the content. However, the content of public sector reform obviously remains important. While the ultimate governance destination for developing countries should not and cannot take the form of "Denmark," for all the reasons Pritchett and Woolcock (2004) discuss, the core public sector functions that that country ably fulfills are broadly applicable in poor nations. That reality is most starkly illustrated by the deleterious impacts that their absence reveals in conflict-affected and failed states. Whaites (2008) identifies three survival functions that viable states need to fulfill: provision of security, revenue raising and spending, and rule through some form of accepted law. Beyond these basics are what he calls expected functions, which relate to what citizens and external actors expect the government to provide, for example, basic services and economic opportunity (cf. Fukuyama, 2011). Fulfilling both survival and expected functions depends importantly upon a competent (at least at some minimal level) governance system, including the basic machinery of public administration. The paths to such competence are various and lengthy (and not necessarily Weberian and/or reliant on formal institutions); the forms of an effective government system may differ greatly as a result of process approaches that ensure contextual fit and meaningful buy-in. However, in terms of function, neither we nor our contributors to this volume reject as irrelevant the entire menu of public sector mechanisms and tools that NPM-based reforms have sought to install.

Iterative adaptive reform processes

As we remarked earlier, iterative and adaptive approaches to public sector reform are enjoying increased popularity, among both practitioners and academics, but these approaches are not new. Aligned with the point made regarding political economy analysis, in today's renewed/rediscovered regard for attention to reform process, it is not always clear who is, or should be, iterating, adapting, and learning. Little remarked upon is that developing country governments often seek best-fit solutions and express a combination of bafflement and frustration when donor agency experts resist the slightest hint of prescription in favor of *de novo* problem diagnosis and solution design (Blum *et al*., 2012). Krause (2013) makes the perhaps heretical argument that there may in practice be a place for institutional mimicry as a launch pad for adaptation. Several of the contributors offer cases that shed light and expand on these points, most directly Andrews, J. Brinkerhoff, and Schnell. Further exploration along analytic avenues that concentrate on reformers' attitudes, motivations, and behaviors is warranted, a theme we pick up later regarding individual and collective agency.

However, given that public sector reforms, especially in the poorer of developing countries, remain donor supported, attention to how international partners accommodate iterative and adaptive reform processes continues to be of concern. The core procedures of how donors support public sector reform may not change drastically; for example, conditionality, convening, projectized funding, and technical assistance in some form or another are likely to persist. However, as several of the special issue's contributors note, for donors supporting post-NPM public

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sector reforms, the operational practices associated with these procedures are being pushed to change to account for contextual fit (including political settlements and nuanced policy economy analyses), emerging needs as reform processes evolve (problem and solution redefinitions, changing agency and resource requirements), and the difficulties in pre-identifying, measuring, and monitoring moving targets.

Such changes imply a much heavier emphasis on donors as facilitators of country processes, who connect local and other actors, and work adaptively to ensure a better fit within local political economies (USAID, 2014). Eyben (2010) discusses surreptitious approaches to reconciling such adaptation with donor requirements, what she calls "hiding relations." Her analysis describes how many local donor staff practice their own decoupling—subscribing to reporting responsibilities and accountability upward, on the one hand, while acting in ways that extend beyond these structured requirements and reframing their actions for reporting as needed. That is, they respond in contextually beneficial ways, including cultivating trust relationships with local actors—actions that cannot be neatly measured and most often are not pre-specified in logical frameworks. In contrast to these hidden behaviors, Srivastava and Larizza (2013) present an example of how World Bank staff found ways to incorporate PDIA to support the Sierra Leone public sector reform team in pursuing a flexible and contextually adaptive approach to implementation while creatively working within the limitations of Bank lending procedures.

Individual and collective agency

In terms of agency, the contributions identify new actors and roles, as well as illuminate the complexity and need to account for local agency and its cognitive elements. Beyond donors playing their modified, albeit traditional roles, potential new actors with new roles may be needed to ensure effective public sector reform. These include institutional entrepreneurs, working collectively with like-minded reformers and their supporters; and trusted intermediaries between donors and government officials, who can translate technical assistance and local concerns across these stakeholder groups. Some of these trusted intermediaries may have specialized skills (such as Andrews' coaches) or other advantages (e.g., diasporans, as in the case of the ECX (J. Brinkerhoff)). Both donors and government officials can watch for the emergence of such actors, or identify related needs and actively seek to engage those who may fulfill these roles.

The agency perspective is both emphasized and particularly salient to emergent approaches to public sector reform. While PDIA and similar approaches are promising for identifying appropriately contextualized approaches, what happens after a PDIA process identifies a "solution"? Andrews suggests reformers can shift strategies from iterative adaptation to diffusing and scaling the initial solution. However, country contexts are not monolithic, and other actors have not benefitted from the learning process to reach the identified "solution." Other work, including some in this volume, suggests that the same iterative processes for building legitimacy and support and for enhancing functionality may need to recur in each micro-context in which a particular "solution" is introduced, and the starting points in the find-and-fit cycle (Andrews) modified accordingly.

Localized adaptation concerns the organizational fields (Chabbott, 2014), the cognitive understandings and acceptance of implementers and adopters (J. Brinkerhoff), and the political economy of each new context (Schnell). The socio-cognitive element seems the most esoteric, but strategic interventions are possible. Knowles Morrison (2010) describes how local actors reconcile the contradictory socio-cultural contexts of their work (e.g., between donors and government agencies, and between different levels of authority within implementing structures, and between these and local culture). She identifies pragmatic interventions similar to those J. Brinkerhoff details, such as role modeling and framing.

We have not emphasized the huge literature on citizen participation, but recognize this is another important aspect of reforms. NPM's principal–agent framework has institutionalized an emphasis on citizens as an important component of good governance. Critiques of NPM fueled the evolution of this emphasis away from one of citizens solely as customers to citizens as societal actors with rights and responsibilities. While this topic is beyond the scope of this special issue, we find that rights-based approaches have oversimplified the broad range of actual and potential citizen roles and responsibilities in governance processes. Besides the classic voting and participating in accountability measures, these include engaging in dialogue with public sector officials to mutually define

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societal needs, aims, and the services and resources to ensure their achievement (e.g., Heller and Rao, 2015). Such endeavors necessarily extend well-beyond community-based management and may not take the standard forms some might expect, as Chowns' analysis suggests. She argues that precisely in order to be more responsive to local communities—more effectively meeting their needs and desires—more centralization and upward accountability, rather than less, may be needed. Building citizen-centric governance calls for a sophisticated understanding of state–society relations at multiple levels.

LOOKING AHEAD

New Public Management remains an important framework for thinking about how the machinery of government can serve to achieve societal aims. It points to important functional components of good governance and highlights mechanisms (e.g., privatization, co-production, and performance management) and values (e.g., efficiency and citizen responsiveness) that can inform public sector effectiveness. However, rather than a master blueprint, these elements are now more appropriately viewed as a menu of objectives and potential interventions to consider, and to be implemented through politically informed and context-specific adaptation that takes account of country capacities. If our review is any indication, the good-enough governance paradigm is well ensconced among both donors and many developing country governments. However, to accept "good enough" as a practical metric does not represent an abdication of what governments can (or should) ultimately aspire to. The findings and implications of this volume suggest ways forward, but most of these will necessarily yield results only over a long time frame, and with likely setbacks, derailments, and recoveries as a natural feature of the process. In this sense, "good enough" represents the process of proceeding along the myriad paths to reform, not the ultimate governance destination.

Proceeding with so many intangibles and uncertainties is an uncomfortable fit for many stakeholders, including specialists in the various tools associated with NPM, donor agencies and their principals, and developing country policymakers. While the prospects of navigating public sector reform without clear blueprints seem daunting, the suggested post-orthodoxy approaches—including those described in this volume—provide a wealth of possibilities for experimentation and discovery. The associated processes will be challenging to document and to measure. We end this overview with a call to researchers and practitioners to seek out and pursue such documentation and learning, which may necessarily begin with process analysis of a range of cases, along the lines of the country examples in this volume.

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DOI: 10.1002/pad