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**IMPLEMENTING POLICY CHANGES**

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## EXECUTIVE SUMMARY

Policy reforms have proved to be very difficult to implement, particularly as countries focus on broad scale sectoral policy changes. These can range from fairly specific mandates such as policies to increase credit availability to more general policies such as reforms of the civil service or policies to privatize the marketing of agricultural produce. The nature of the policies themselves make implementation difficult. Officials often do not agree with the reforms nor understand them and frequently there is a lot of uncertainty about how to implement them. They also pose organizational problems. Reforms often require implementing units to play new roles, make procedural changes, and work with other organizations. Finally, there is usually little political support for the changes. New policies often impose costs on visible, organized groups, at least in the short run. Resources are severely constrained, and many reforms go against prevailing norms.

Because of the complexity and uncertainty associated with the reforms implementors need to be flexible and make adjustments in their activities and in the policies in light of experiences. The problem is that most managers and organizations in these countries are unprepared to be innovative or flexible. Governing institutions are commonly weak, political systems are personalized and corrupt, private sectors are undeveloped, organizations do not think in terms of programs or performance, staff are not well trained, and bureaucrats try to protect their limited power bases, often through graft.

There is an emerging consensus within the development community that the best way to help LDC officials is to begin with a collaborative process. The purpose of the process is twofold. It enables implementing officials to plan a strategy for carrying out policies that is appropriate to the pressures and demands they confront in their situation, and it provides an opportunity for them to determine what kinds of assistance they need. The study presents a framework which lays out the steps in such a process. In doing so it draws on the growing body of experience with planning processes in developing countries in which participants diagnose their situation, identify priorities and plan a strategy. Such a process is essential to insure that the implementation process is fitting and to gain the ownership of those involved in it.

Planning processes, however, can pose some problems, especially if participants fail to take into account the considerable body of knowledge about management and implementation that has been accumulating. Therefore the framework has a second role. It lists a number of substantive issues that should be raised during the process. For example, participants planning how to implement policies to improve the

delivery of inputs to farmers need to be aware of the variety of ways to do this, from relying on private organizations, to user fees, to turning the delivery over to the private sector.

Finally, a common framework can greatly assist the development community in producing some cumulative knowledge. Those providing technical cooperation can compare strategies, can begin to order their findings, and can suggest when one or another approach is more fitting.

The framework for a strategic process presented here is grounded in existing studies of implementation within the Third World. It is guided by several assumptions (see Part II).

First individuals are intendedly rational, but have a limited capacity for choosing the best course of action or carrying it out. Therefore organizational procedures are needed that can handle personnel, resources and information. At the same time individuals can learn and thus need to be able to adjust these procedures on the basis of experience.

Second, it emphasizes the need for strategic thinking. Because policies and their settings are complex and uncertain managers need to be strategic in anticipating political constraints and opportunities.

Third, it emphasizes ownership of the changes. A lack of ownership can be a serious problem in heavily indebted countries where officials often feel that policies are being imposed on them. A framework that lays out the steps and rationale in the process can help managers identify elements that are particularly relevant and thereby gives them more ownership of the implementation process.

Fourth, it points to existing knowledge about management. Process approaches can err in emphasizing consensus building at the expense of tapping into the broader reservoir of experience. The framework avoids this problem by listing substantive issues that implementors should consider during the process. These are drawn from the growing body of literature on development management and cover such subjects as decentralization and inter-organizational relations.

Part III describes the framework for carrying out a strategic process approach. It includes five steps: 1. Agree on a process for developing an implementation strategy; 2. Map or assess the situation; 3. Identify strategic issues; 4. Design an implementation strategy and determine needed skills and procedural changes; 5. Design procedures for monitoring results and making ongoing adjustments. The discussion reviews the rationale for each step, and presents techniques for carrying them out. A series of questions are listed for each of the steps

that summarize the issues to be raised.

The framework can be used in two kinds of research (See Part IV). Implementing teams can carry out action research in order to document and learn from their activities as they proceed. Action research enables those engaged in the implementation to reflect on the process and learn in the process. Second, implementing teams can develop a more systematic body of knowledge about implementation by using the framework to design comparative case studies of their experiences. In order to learn more about implementation they need to address some specific questions including: What parts of the framework work well, and which need to be changed? What is the best way to introduce a process approach so that Third World officials understand it and can apply it? Under what conditions will organizations cooperate with each other? What are the best ways to generate feedback from field units? What techniques will insure that LDC officials have ownership of the process? How can implementation concerns be included in the regular policy planning process? The proposed methodology relies on annual workshops in which implementing teams discuss these questions and formulate some systematic means, such as matrices, to compile their results.

## IMPLEMENTING POLICY CHANGES

### I. INTRODUCTION

#### A. Changing Dynamics of Policy Reforms and Implementation

In the face of crippling economic problems that have reached crisis proportions during the 1980s, and strongly encouraged by external lenders and donors, Third World countries are embarking on extensive policy changes. The general purpose is to stabilize their economies and bring about structural adjustments to promote economic growth. The reforms have been widely debated both within the countries and throughout the international development community. Most of the controversy has dealt with the substance of the proposed policy changes and their intended and actual impacts. There is another aspect of the policy changes that is becoming increasingly evident, namely the difficulties of carrying out the reforms and insuring that they are sustained. There is growing evidence that officials may agree to a particular policy change and even make an effort to carry it out, but that the reform is unevenly carried out or never put in place or not continued for very long.

Problems in implementing the policy reforms were not widely anticipated. In fact macro economic reforms such as liberalizing exchange rates or eliminating government price supports were appealing because they presumably do not depend on government agencies to put them in place. Central ministries of finance and plan could implement them fairly easily once they agreed to do so. Using this logic, international organizations viewed the reforms as relatively "quick fixes" that would virtually implement themselves by generating private capital and stimulating recovery.<sup>1</sup>

Experience has demonstrated that implementation is a far more serious problem. Consider a common policy reform to distribute foreign exchange through a market-like auction system rather than through government actions. Those responsible for auctions have to determine how much foreign exchange is needed, insure that the right amount is in the system, select which bidding system to use, establish mechanisms to absorb excess liquidity in the economy that would otherwise cause inflation, decide whether and how to limit imports of luxury goods, and insure public confidence in the auction.<sup>2</sup> All of these issues have to be dealt with in the process of putting an auction in place.

Implementation has become even more of an issue as international organizations and donors turn to policy changes at

the sectoral level. By 1984 it was clear that stabilization and macro economic policy changes would not be sufficient to reverse the increasingly serious economic problems in these countries. As a result there has been more stress on longer term structural adjustments to promote economic development. These include extensive changes within sectors, and involve a far more complex set of activities than the original so-called "quick fixes" did. They also pose major implementation challenges for donors who have relied primarily on project assistance in the past. Whereas projects identify fairly discrete tasks, implementors of policy changes have to make a broad range of decisions about HOW to implement the policies.

A brief look at policy changes to improve agricultural productivity, to stimulate the private sector, and to protect the natural resources, suggests the range of implementation decisions and problems that can arise. Consider the example of Guinea. This small African nation, severely underdeveloped and facing enormous economic deficits, has undertaken some far reaching liberalizing reforms. Prices for agricultural commodities have risen and as intended, they have led to increased farm production. Some of this increase reflects the slack that was already in the system, however. To have long term, sustained increase in food production, officials will have to undertake a host of related activities, such as improving the roads and marketing systems, and providing credit to farmers.

The World Bank, in a 1988 review of experiences with policy reforms, offers a similar analysis, arguing that price increases are unlikely to be effective unless complementary actions are taken to insure that credit is available, that roads and storage facilities are adequate, that research is relevant to farmer needs, that extension services are available to women producers, to name only a few critical conditions.<sup>3</sup> Each of these supportive actions require initiatives by the managers in charge working through their organizations. For example, they typically require managers to delegate responsibilities and to set up procedures to communicate between ministry officials, field units and private organizations which provide the services. They require mechanisms to plan and coordinate extension services and ongoing research. Typically they require officials to set up linkages with farmer organizations to learn about actual needs of farmers and what kinds of additional assistance they need.

Implementation problems also arise with policy changes to privatize parastatals. Again policies that simply decree privatization are insufficient. Public sector managers typically need to create an environment that motivates the private sector to perform effectively. For example, they need to insure that credit is available, guarantee a predictable and supportive legal framework, enforce a rational tax system, protect private property, provide services such as roads and electricity.<sup>4</sup>

Implementation challenges also occur in the area of natural resources where policy changes typically are designed to encourage local conservation efforts. Managers need to carry out extensive education in local areas; they need to design appropriate incentives to get local community members to cooperate. They may need to develop new linkages to local communities, and to explore alternative ownership patterns to encourage conservation. Often they will need to stimulate relevant research and collect information that will allow officials to monitor impacts on the environment. They may need to explore and make available alternative sources of energy, or more appropriate technology. Most of these actions will require them to exercise considerable leadership skills and to negotiate among competing interests.

In a review of experiences with sectoral policy reforms, Joan Nelson documents that implementation has turned out to be far more complex than anticipated and that it creates severe problems for implementing units. Because stabilization and adjustment measures are carried out simultaneously and over a long period of time, the inevitable problems undermine confidence in government agencies. Many of the reforms create what appear to be permanent losers; expatriates often seem to be the primary winners and Africans feel they are losing control of their economy. Whereas stabilization measures are carried out by a few central ministries, structural adjustments involve a wider set of agencies, and there are more opportunities for bureaucrats to "drag their feet" and obstruct the reforms.<sup>5</sup>

Implementing policy reforms involves a daunting series of tasks. In the meantime, the governments in these countries typically have a very limited capacity for being innovative and an equally limited financial base. The characteristics of policy reforms described above, compounded by the weaknesses in the structures, go a long way to explain why policy reform implementation has been so uneven. Consider the conclusions of a study of policy reforms in Ghana, a country that has been relatively successful in its reform efforts, Callaghy notes that "the pervasive administrative weakness of the Ghanaian state has greatly limited the program. It has affected policy formulation and, above all, implementation. Medium and long-term government planning has been almost nonexistent. Even basic data gathering and analysis capabilities and accounting skills are very rudimentary. The most effective reform policies have been those that do not involve direct administrative action on a continuous basis."<sup>6</sup>

He notes similar problems in Zambia. "Sheer administrative weakness can greatly threaten the effective implementation of an adjustment program. One striking example was the inability of the Zambia government over several years to collect bumper harvests of maize that resulted in part from increases of producer prices

which were part of the economic reform package. As recent World Bank data demonstrate, those elements of adjustment programs that have the highest rates of implementation problems are the ones that do not require sustained administrative action."<sup>7</sup> Nicholas, in a study for the World Bank, confirmed this implementation lag. He found that "three-quarters of all adjustment loans are experiencing delays in release (of funds) as a result of delays in fulfillment of agreed conditions."<sup>8</sup>

The development community has been increasingly concerned with these failures by LDC governments and are trying to work more directly with existing program agencies to help them improve their capacity. In the past, donors tended to bypass the typically weak and cumbersome LDC bureaucracies by working through autonomous project units to carry out their projects. While there was always the hope that these temporary organizations would demonstrate to others how to implement activities, they seldom did this. Too often they served as alternatives with little connection to what went on in ministries and the activities were ended once external funding ceased. Now donors have more interest in working with and through program agencies in order to enable them to be more effective in the long run and to sustain particular innovations.<sup>9</sup>

Donors are exploring ways to assist implementation, primarily through technical assistance and management training. The World Bank has just commissioned a major study of the institutional development aspects of policy reforms and AID is proposing to build on its Performance Management Project. At the same time attention to implementation issues remains uneven and episodic. The Office of Technology Assessment in its 1988 review of this issue concluded that donor "support to improve African capabilities to participate in these decisions has not kept pace [with resources for reforms]. For example, AID's Africa Bureau expenditures for building African policy capabilities reached a high in 1981 and have declined since, although overall spending for reforms has continued to increase."<sup>10</sup> In-house reviews of project plans by the World Bank and AID show very uneven attention to institutional and implementation issues.<sup>11</sup>

## B. Perspectives on Implementation

Implementation originally emerged as an important issue in the United States during the 1960s and 1970s as governments became more active in carrying out social programs and redistributing economic resources. At first, observers focused on the content of policies and asked whether they were carried out as intended. They soon noted that frequently policies were sidetracked. Organization theorists wrote about "goal displacement" and the ease with which managers reinterpreted policies to support the interests of their organizations even if

that meant compromising policy goals. It is important to remember that this interest in implementation grew out of numerous case studies showing how often well conceived policies were not carried out. It explains why these early writings turned to techniques such as evaluation strategies and management controls to hold officials accountable to the original policy design.<sup>12</sup>

The approach to implementation has changed in a number of significant ways. While there is still a concern that bureaucracies can subvert policies, more observers appreciate that many policies were never "implementable" in the first place and that their design is often a major problem. Policies, therefore, have to be designed to be feasible and to take implementation into account from the outset. Taking this line of thinking one step further, design and implementation are seen as part of a single, continuing process. Implementation itself involves learning and adjustment during the implementation process. This changed perspective alters the definition of implementation. Instead of asking whether an organization has carried out a policy as intended, one asks whether those charged with carrying out a policy have successfully dealt with the problems that arise. Have they developed the necessary organizational and management capacity and have they coped successfully with political challenges?

In summary, implementation has become increasingly important, while its meaning has been expanded to be more inclusive. It is not enough to carry out a well designed policy, it is also important to have a managerial and organizational capacity appropriate for the policy to insure that policies are adjusted in light of ongoing experience. A 1988 study by the Office of Technology Assessment notes that AID supports this revised view of implementation with respect to the projects it finances. "AID is also recognizing the need for more flexible implementation. Lessons learned from planning and implementing past projects and program have led to calls for less pre-planning and more flexibility to change activities during project implementation. Critics argue that excessive pre-planning leads to problems because plans may be over 4 years old before being initiated or there may be a reluctance to change pre-planned activities despite significant changed circumstances. 'Rolling designs' have been proposed as an alternative. In these, an activity, though still planned in advance, can be changed by its implementors to respond to local capabilities and constraints." <sup>13</sup>

### C. Characteristics of Policy Reforms

The nature of implementation depends on two broad issues. First, the substance of a policy determines the kinds of problems

that managers and organizations have to cope with. Second, successful implementation depends on the characteristics and capacity of the units responsible for the policies, and particularly whether these are appropriate to the policies.

Policy changes are often grounded in economic analysis, but they also raise profound political and organizational issues. There are at least three aspects of policy changes that determine how difficult they are to implement: the views of country officials, reflecting their political sensitivities and policy priorities; the demands placed on the implementing units, which typically exceed their capacity and threaten those in power; and the degree of support for the policies which often exact high political costs. Variations in these three dimensions determine what implementation strategies will be appropriate. Table 1 lays out these characteristics as a series of continua. Policy changes that fall towards the left of each dimension are fairly defined activities, ones that can be handled by routine procedures in organizations. Those that fall towards the right of each dimension involve much more uncertainty and conflict and adjustment. Most sectoral policy changes clearly fall closer to the right hand of each line.

Table 1. Characteristics of Sectoral Policy Changes

	<u>Defined</u> <u>Task</u>	<u>Open-ended</u> <u>Task</u>
<u>Perspectives of Country Officials</u>		
Agreement on value of policy	high	low
Understanding of the policy (varies inversely with complexity)	high	low
Knowledge how to implement or what technology applies	high	low
<u>Implications for Implementing Organization</u>		
Requires structural or procedural changes or improvements	less	more
Requires new tasks or roles	less	more
Involves working with other organizations - coordination, or sharing	less	more
<u>Environmental Support</u>		
Political costs (number and political salience of "losers")	low	high
Availability of needed resources	low	high
Fits culture and norms	more	less

## 1. Perspective of Country Officials

(a) Is there agreement on the value of the policy? Implementors may or may not agree that the policy has merit. The emphasis on individualism and efficiency typical of many reforms may run counter to traditional norms. Similarly policies to rely more on the private sector may violate long standing views of the role of the government in development. Studies suggest that unless a country has experienced a severe economic crisis, officials do not appreciate the need for many of the reforms. Callaghy observes that officials in Sub-Saharan Africa, in particular do not generally appreciate how marginal they have become in the international economy.<sup>14</sup>

(b) Is there an understanding of the assumptions and requirements of the policy or is the policy so complex that it is difficult to comprehend? Many proposed policy changes are based on complex economic arguments that are difficult to fully understand, and some are even counterintuitive to those not trained in classical economic theory. Studies of technology transfer emphasize the importance of a full understanding if people are to take advantage of new technology. It is not enough to be given a new technology; recipients have to understand the way in which the technology works in order to apply it in a new setting, making adjustments and changes as necessary. For this reason, Richard Nelson challenges the very concept of "technology transfer" because it suggests that recipients are passive.<sup>15</sup> These reflections apply equally to policy reforms; local officials need to fully understand them if they are going to adapt them to their local settings and sustain them.

(c) Is there an understanding of the best strategy or technology for implementing a policy? Even if there is agreement on the value of a policy and broad understanding of its assumptions, it may still be unclear how to implement it. What is the best strategy for generating research relevant to local producers, for example? Or what is the best method for holding local officials accountable for spending funds without imposing rigid roadblocks? There are no single or easy answers to any of these questions.

## 2. Implications for Implementing Organization

(a) To what extent does the change require the organization to assume new roles or embark on additional tasks for which they have little or no experience? A policy change, for example, may be intended to encourage more activity by the private sector. Implementing units may have to change their role from producing goods and services to stimulating and supporting the private sector. They may have to reorient their entire thinking about the role of the public sector. The new roles may be very threatening

if they require bureaucrats to give up activities that provided them with extra income on the side. <sup>16</sup>

(b) To what extent does the policy change require new procedures or structural changes in the organization? A policy to encourage small farmer productivity might require an agricultural ministry to establish new linkages with local farmer organizations to determine their farming needs. Managers will need to develop a more flexible system of communicating with farmers, one that encourages feedback from the field level to higher level decision makers. Such procedural changes are always disorienting, and will typically threaten officials who have a vested interest in continuing their present positions.

(c) To what extent does the policy require the implementing unit to work with other organizations, inside or outside of the government? A policy change may require a ministry to delegate responsibilities vertically to field units, requiring new procedures of monitoring, of communicating information and providing feedback. Or the change may require a ministry to work horizontally with a number of units. These may be other ministries, or private sector or community organizations. Here the problem is that implementation will require coordination, communication and sharing resources. Inter-organizational relations are involved in many sectoral policy reforms. Managers may need to establish close linkages with communities and local organizations, to strengthen traditional groups, or even to encourage new ones. Many of these actions will place implementing units in an entirely new position. Suddenly they have to work along with and coordinate a variety of units and somehow balance the need for a rational approach to policy with the need to stimulate autonomy and self reliance within communities.

### 3. Environmental Support

(a) How politically costly are the policy changes? Answers to this question depend on the numbers and influence of beneficiaries and losers. For example, some agricultural policy changes benefit small producers but may not be visible to officials nor organized to express their supports. The same policy often hurts urban interests who are far more organized and politically visible. Another problem is that policy changes may only benefit people in the long run, while the costs are immediate or short run in nature and thus more apparent. Lindenberg reports that people often perceive policies to hurt them, whether or not they do, and that even if they are told that they will benefit in the long run, they may suspect that the long run will never come. <sup>17</sup>

(b) To what extent are additional resources needed? Additional resources include money for recurrent costs and for

maintenance of services or products. Managers have to be fairly creative in searching out additional resources, through user fees, in-kind contributions, private sector contributions, or grants. Resources also include more intangible political support and appropriate technology. Policy changes can require large measures of both of these.

(c) To what extent does the policy change fit with cultural norms and practices? Some policy changes challenge long-standing practices in the community. This is particularly true of policies to protect natural resources. Many planting and harvesting practices that harm the ecology of an area and are designed to be changed by policy reforms may be critical to the existing survival strategies of local residents.

Most policy changes at the sectoral level fall towards the right of the dimensions listed in table 1. There are almost always value disagreements or conflicting interests. Officials often perceive that the changes are being externally imposed on them and thus have little sense of ownership. The policies also involve complex and uncertain technologies. The changes require managers to undertake new roles, many of which threaten their established practices, losers are visible and organized, there are few available resources to cushion the effects, and the changes go against long established practices in the community. As a result, managers need to be flexible, to make changes in light of new information and initial experiences, to adjust policies to meet the views of relevant interests and available resources, and to experiment with new roles and responsibilities. While organizations need to be able to carry out routine activities effectively and efficiently, policy changes demand innovative management and organizations that go beyond "business as usual" practices.

An important clarification needs to be made at this point. Much of the literature on development management emphasizes this need for flexible procedures. Often however, "business as usual" in LDC governments is very limited, and they have not developed functioning organizational practices for even routine activities. Dichter, for example, insists that often very basic procedures involving accounting, recruitment, personnel need to be put in place, and that the emphasis on flexibility and participation in decision making can overlook these very basic needs.<sup>18</sup> For this reason, it would be wrong to conclude from Table 1 that policy reforms only involve flexible, open-ended and participatory practices. They may also need some very basic and fairly routine procedures for handling the more defined aspects of the policy changes.

#### D. Characteristics of Public Sector Managers and Organizations

The above demands are difficult for organizations to handle in any setting. The literature on implementation within the United States is replete with studies documenting the extent to which policies are not implemented, and the difficulty that organizations have in responding to new demands and in being adaptive and innovative. It is even more difficult for organizations in most Third World situations to meet these demands.

First, these countries have notoriously weak governing institutions. Typically they were left almost totally unprepared for self governance by colonial powers. They inherited hierarchical and centralized institutions that thrived on routinized bureaucratic procedures and that promoted rigidity and "going by the book" rather than problem solving. For the most part regimes have retained these rigid hierarchies, replete with stultifying red tape, and have even made them more cumbersome by hiring unneeded civil servants as a form of patronage.

Second, most of the regimes have had chaotic political histories, with frequent periods of violence and hostile takeovers. As a result officials are preoccupied with security and are unwilling to encourage further participation or to delegate responsibility to new units. In Sub-Saharan Africa, strong-man regimes have further weakened political institutions, with their emphasis on "personal rule which corrode bureaucratic and legal rationality and promote the misallocation of scarce public resources. Such political decay discourages investment and productivity, thereby impeding capitalist development."<sup>19</sup> Goren Hyden attributes the problems in governance in Africa to extreme personalism with its "supremacy of sanctioned arbitrariness" rather than to weak bureaucracies per se.<sup>20</sup> The wrenching irony is that personal rule is a response to the lack of integration in these peasant societies, leading Sandbrook to ask, "What will hold these societies together when the rulers have little in the way of patronage to distribute?"<sup>21</sup>

Third, there are few alternative institutions within most of these societies that can either check or support government agencies. There are typically no effective opposition parties or effective legislatures that can hold agencies accountable, there is no active press, and the middle class and private sector are typically weak. One result is widespread corruption within bureaucracies and an accompanying alienation and cynicism about bureaucracies among the public at large.<sup>22</sup> Another result is a lack of systematic feedback to bureaucracies about the effects of their policies.

Fourth, the norms and procedures within organizations discourage innovation. Officials are not used to thinking of

policy as a way to solve problems, nor to manage a policy in terms of performance. They do not think programmatically or relate separate projects to broader program goals. They tend not to be risk takers or to consider and compare alternative strategies. They are not accustomed to rewarding performance, or to linking salaries and job level with performance.<sup>23</sup>

Fifth, there is a dearth of well trained people to work in agencies. Those who are trained find salaries in the public sector far too low and find work elsewhere. If they do work in the public sector they are not well used and end up supervising large numbers of lower level civil servants in doing routine tasks.

Sixth, in addition to this general lack of a capacity for effective governance, bureaucracies have their own interests to protect. Officials are loathe to explore role changes that threaten their very fragile power base. Similarly the very low pay scales in most of these countries tempt them to use their jobs to exact private payments with the result that graft flourishes throughout the system.

In sum, policy changes associated with structural adjustments are fraught with political perils and place enormous demands on government agencies. The settings within which these changes are to take place are characterized by uncertainty and frequently by norms and expectations that run counter to the policy goals. Finally, the existing governing organizations are notoriously ill suited for dealing with these demands - for promoting changes, for remaining flexible, for experimenting, for adopting a problem-solving mode, for working creatively with groups in their environment.

#### E. A Framework for Improving the Implementation of Policy Changes

There is an ongoing debate within the development community about whether it is even possible to make institutional changes in countries such as those in Sub-Saharan Africa where institutional weaknesses are so severe. Traditional foreign assistance was designed to pump financial resources into these systems to stimulate their economic development. Many responded by saying that such pump priming is wasteful unless institutions are reformed or technical assistance is offered to manage the resources.<sup>24</sup> As a result international organizations and bilateral donors sponsored a range of efforts to improve management and organizations in these countries. Others responded by warning that they underestimated the serious problems in these societies.<sup>25</sup> The conversation among these points of view continues, generating new approaches to stimulating change on the one hand, and warnings that external groups are looking for quick fixes to seemingly intractable problems, on the other.<sup>26</sup>

The development community has been accumulating a substantial body of experience about the best strategies for improving implementation. A number of particularly innovative efforts have been sponsored through AID's Performance Management Project. Evaluation studies by AID and other donors, studies in institutional development by the World Bank, writings by consulting and research groups have all contributed to a fairly impressive set of findings. On the face of it, they remain a fairly disparate set of strategies. At the same time, these studies demonstrate a growing consensus about the best way to improve implementation capacity. It includes the following assumptions:

1. A collaborative planning process should be set up that directly involves those who will be doing the implementation. This emphasis draws heavily on literature associated with organization development.

2. Because of the complexity of policy changes and their settings, implementors need to develop a strategy to cope with their situation and solve critical problems. This assumption draws from the literature on strategic planning, strategic management and systems analysis.

3. Implementation strategies should fit with actual tasks and situations. Typically organizations need to improve their basic procedures for managing personnel and resources and for collecting and handling information. Beyond this, they need to design procedures appropriate to particular policy tasks. This emphasis draws from contingency theory, public choice theory, and the organizational design literature.

4. Managers need to play a variety of roles and take a proactive role in implementing the policy changes. According to one discussion, public managers need to learn to work the "seams of the system," such as the relationships between administrators and policy makers, officials and donors, public and private units, government organizations and their publics, different administrative agencies.<sup>27</sup> This emphasis draws from the management literature.

This accumulating body of knowledge can be brought together into a framework that does two things: First, the framework lays out a process for designing an implementation strategy. Second the Framework lists substantive issues that need to be raised during the process.

The process will be grounded in the experiences of the development community, and will draw from and integrate the kinds of process steps that have proved to be useful in the field. Steps in the process include: Mapping exercises, Identification of major problems, Design of a strategy to cope with the

problems, Design of a monitoring and learning process.

A process approach can pose problems in actual practice, however. It may promote consensus and interpersonal relations and overlook the importance of dialogue and learning. It may assume that participants have all the knowledge that is essential and that the task is merely to elicit it. To the contrary, participants may need to be introduced to a number of options and to new ways of thinking about their problems. A framework can avoid some of these problems, by laying out substantive issues to be addressed during the process and introducing different models for thinking about implementation strategies. Participants can then examine different studies, theories and findings and determine whether they will be useful in a particular situation.

By applying a common framework that deals with both a planning process and the substance of implementation experiences, the development community can integrate and build on its extensive knowledge base. There is a richly documented set of findings, but to date they have not been brought together systematically so that comparisons can be drawn and some cumulative knowledge gained.

The remainder of this study develops such a Framework, one that is grounded in the experiences and research on implementing development activities. It particularly draws from those experiences that are applicable to the complex innovations associated with sectoral level policy changes. Part II examines the theoretical grounding for a strategic process approach to implementation and reviews the literature on which it is based. Part III presents the proposed framework for putting such a process in place. Part IV outlines a research agenda associated with the process.

## II. THEORETICAL BASIS FOR A STRATEGIC PROCESS APPROACH

### A. Prescriptive and Process Approaches to Implementation

The framework proposes a process model for improving implementation. It is helpful to show how it differs from the several prescriptive models that have been applied to implementation. A prescriptive approach uses an analytic or theoretical model to prescribe the kinds of organizations and implementation strategies that will be most appropriate. Several models have been proposed. The most influential one promotes rationally structured organizations because they have a capacity for objective problem solving and can implement activities efficiently by relying on hierarchical lines of control. A second prescriptive model relies on contingency theory. It states that organizations need to be appropriate to the nature of the policy

and their immediate situation.<sup>28</sup> It provides valuable insights into the kinds of organizations that are fitting to specific policy changes but offers only general directions rather than specific guidelines.

A third prescriptive model has been increasingly influential within the development community. Based on economic analyses of organizational behavior, and often referred to as Public Choice theory, it provides a specific predictive model of organizational behavior and testable propositions about the kinds of changes that will improve implementation. The model has proved to be particularly insightful in providing a rationale for relying on local and private organizations to produce services and for injecting competition and accountability into public organizations.<sup>29</sup>

Each of these models has some important insights and proposes some useful management techniques. There is no proven basis for choosing one of these over the others, however. Rather than imposing any one model, this paper proposes a process which allows participants to analyze their situations and decide when a rational, contingency or economic model is appropriate in their situation.

A process approach to improving implementation brings individuals together to diagnose their situations, identify their problems, and develop appropriate strategies. It assumes that a viable implementation strategy has to be designed by those who will be responsible for carrying it out. There are several reasons. First, responsible officials have first hand knowledge about implementation problems that outsiders do not have. Second, unless officials have a sense of ownership of the implementation plan they are unlikely to invest a great deal of energy in it. Third, long lasting, sustainable changes are much more likely if officials have a chance to make changes in their procedures and organizational structures in the process of implementing policies.

This paper proposes a process that implementing officials can use to design an implementation strategy that "fits with" the particular policy task they are charged with and the particular setting in which they are working. Briefly, it assumes that managers need to design strategies to solve specific problems and deal with what is critical in their particular situation. The emphasis therefore is on anticipating likely problems in carrying out their tasks, and designing a way to cope with the problems. The process will be described in detail in Section III. The rest of this section describes the literature and development management studies on which it is based. First it summarizes some of the findings in AID's studies on development management and then it describes three bodies of theory that provide the basis for the strategic process approach - bounded rationality,

strategic management, and organization development. It concludes by amplifying why it is necessary to develop a Framework rather than simply relying on an open-ended process.

### B. Performance Management Project and Development Management Studies

A strategic process approach draws on and builds upon much of AID's recent experiences with implementation. Specifically, it is based on AID's Performance Management Project (PMP) which in turn drew heavily from the literature of strategic management and organization development.<sup>30</sup> While the PMP funded a variety of activities participants tended to agree on a number of points. First, managers need to focus on their performance, on what they are actually accomplishing, rather than adopt prescribed procedures or structures. Information about performance needs to be used by managers to adjust their activities. For example, in addition to knowing how much money is spent on trucks, it is important to know whether the trucks were useful, and to feed that information immediately back into budgetary and transportation decisions.<sup>31</sup>

Second, managers are more apt to change their organizations or their behavior if they participate in proposing the changes and learning from them. Being told about desirable changes is much less effective than being part of a process to design the changes. Third, such a process should begin by coming to a consensus about clear objectives and then deciding how best to achieve them. Successful implementation strategies combine some structure in the form of broad goals with flexible procedures for reaching them.<sup>32</sup> Fourth, interactive approaches are a useful way to get better information and to gain the support of those necessary to the process. Some would add that for many development programs, local community groups and clients need to be included in that process. Fifth, design and implementation should be part of a single process so that project or program designers take implementation into account from the outset.

### C. Bounded Rationality

The process approach described here takes a cognitive approach to management and organizational behavior. Cognitive and economic models are the two dominant models of organization behavior. Cognitive models assume that people are intendedly rational while economic models assume they act to maximize what is in their apparent self interest. As noted earlier, economic models are appealing because they have a specific model of behavior which they use to make predictions and propose testable hypotheses. Such models can only be predictive, however, when they are able to define the content of peoples' interests and

motivations ahead of time. It is for this reason that economists assume that people maximize their self interest. This methodology overlooks some potentially important opportunities for promoting change. Cognitive models encompass a broader range of behavior than is contained in economic models and are able to take historical settings into account.

Herbert Simon's cognitive theory of bounded rationality provides a useful theoretical grounding for a theory of management. He proposes that people are intendedly rational or strategic, but that there are limits to their rationality. Both of these points are important -- the premise that individuals use their reason and are able to respond to ideas and learn from their experiences as well as the limitations on their reasoning. There are several implications of these assumptions. <sup>33</sup>

First, individuals are "teachable" and can be reached through ideas and persuasion as well as by economic incentives. This means that peoples' definitions of their interests and objectives will change and shift as they learn more information or have more experiences. People pursue their perceived interests, but these evolve and change. They are influenced both by economic incentives and also by ideas and new information. While individuals generally pursue their self interest, their definition of what is in their interest can and does change as they accumulate more information and increase their experiences.<sup>34</sup> It is therefore impossible to predict what a satisfactory solution would look like. It is more useful to focus on how people learn to define their interests and goals. In Simon's words, "the study of the mechanisms of attention direction, situation defining, and evoking are among the most promising targets of political research." <sup>35</sup>

Second, people seek to satisfice rather than maximize their goals and interests. Because an individual's capacity for selecting rational strategies is limited, there is a tendency to select satisfactory responses. Cognitive rationality predicts that individuals will select actions that are appropriate to their situation and that individuals usually have reasons for what they do. The reasons may, but do not have to, reflect economic rationality.

Third, the limits on individual capacities and the tendency to satisfice enhances the importance of organizational procedures. As "satisficers," managers are usually not looking for the most efficient way to operate. According to Hirschman there is a lot of slack in most organizations meaning that managers are willing to get along at a far less than optimal level. Instead of responding to critics they may be pleased when dissatisfied customers exit--it simply means that the troublemakers are gone. Instead of improving their efficiency, organizations are apt to continue with business as usual. As a

result, Hirschman continues, competition is not necessarily the best way to improve organizations or to make them more efficient and accountable. Improved organizational procedures in handling information and personnel and resources are often more useful in helping individuals become more efficient.

Four, the theory implies that knowledge and expertise are dispersed among various parties. Because of managers' cognitive limitations it is necessary to rely on the expertise and knowledge of others, on stakeholders located throughout the organization, in the policy arena, or in the community.<sup>36</sup> It is necessary to include those who experience policy first hand, because they alone have what Hayek refers to as "time and place information."<sup>37</sup> Managers have to include different views, to consult with and involve those who will be using and adapting the information from the outset.<sup>38</sup> And because individuals respond to new ideas, management becomes a more interactive process. Managers can influence how people define their preferences and views. They not only provide incentives to satisfy peoples' immediate interests; they also interact with and provide leadership to shape those interests and views. It also means that research has to be more open ended and seek to understand why people behave as they do, what their preferences and goals are, and encourage their self understanding.<sup>39</sup>

These assumptions are supported by recent theories of technology transfer. Imparting new skills will have modest impact unless people fully understand those skills and know enough to be able to adapt them to their situations. Technology is only truly "transferred" when individuals adapt it to their situations and not simply when they learn to carry out the original technology.<sup>40</sup> Echoing the emphasis in the performance management literature, people throughout the system "learn by doing."

#### D. Strategic management

A second body of theory, also grounded in a cognitive approach, extends bounded rationality. It has been developed for situations where managers find that their environment, or organizational setting, is changing and complex and even hostile to their efforts. It assumes that managers should go on the offensive as it were, and look for opportunities to be effective, and even to influence this setting by strategically looking for opportunities to pursue their policies. Managers need to approach implementation strategically by identifying critical problems and learning to solve those. It emphasizes the proactive side of management. Managers need to take their settings seriously and design concrete strategies for influencing what goes on in their environment.

Strategic approaches can be carried out at several levels: 41

1. Strategic planning. Top officials come together to develop goals and implementation plans. Participants map their situations, assess the constraints and opportunities, and how best to deal with them. Plans may be developed in special retreats or planning sessions and reviewed and revised over a period of a year or more.<sup>42</sup>

2. Strategic management. This variation involves managers throughout the organization in reviewing and changing management procedures, practices and structures to accomplish agreed on objectives. There is more emphasis on changes in actual management practices than in simply devising plans. Implementation plans may be formulated in special planning sessions, but ongoing adjustments will be made during the course of carrying out policies.

3. Strategic organizations. Individuals throughout the organization are engaged in reviewing and revising the purpose and design of their organizations. Members of other organizations that share responsibility for a policy, including beneficiaries, may also be included. Changes are made in organizational responsibilities and roles and some actions may be contracted out or delegated to others.

The framework proposed here assumes that strategic design needs to include both management and organizational issues, and that it is not enough to simply develop plans or goal statements.

Elmore's proposition that managers need to learn to work the "seams of government" is an interesting version of strategic management. As noted earlier he is concerned that managers learn to work more effectively in their environment by negotiating among the different parties that have an influence on policy implementation -- other agencies, clientele groups, political groups, donors, private firms and non-profit organizations, for example.<sup>43</sup> He continues that "working the seams" involves four sets of skills or competencies:

1. Managers need to master the technical core of knowledge in their fields including both analytic and management skills. These include competency in data collection and analysis and also in monitoring and managing people in the organization.

2. They also need to master what Elmore calls the institutional setting of their work in order to organize staff most effectively and to develop linkages with other organizations.

3. They need to be knowledgeable about the substantive

aspects of the policy they are implementing, and able to form working alliances with key groups.

4. Finally, they need to develop skills in various modes of influence which include communicating and negotiating with others as well as motivating them through leadership.

#### E. Organization Development

Many who focus on strategic management combine it with organization development theory with its emphasis on consultation and collaboration in developing goals and setting objectives. Organization development theory proposes that individual commitment depends on participation in establishing goals and objectives and implementation plans. Whereas bounded rationality theory emphasizes the need to include different views in any planning, this approach emphasizes the need to involve people in order to motivate them. It assumes that individuals will respond to opportunities to exercise creative judgment and responsibility.

A typical strategy is to set up work teams that include all those involved in carrying out a particular policy. They meet together, often in brainstorming sessions, to reach a consensus about their tasks, roles and strategies. There is an emphasis on developing interactive skills, on learning to communicate with other members. The emphasis on work groups in fact has been very influential in much of the work on development management funded by AID.<sup>44</sup> It has also been endorsed by many within the World Bank as the preferred technology in working with LDC officials. A recent World Bank publication describes the approach and its assumptions in some detail and refers to its broad application throughout the Third World.<sup>45</sup>

#### F. Implications for Definitions of Management

The three theories can be summarized as follows:

1. Individuals do have a capacity for approaching problems rationally, but it is limited and can never be comprehensive. It is therefore necessary to get information from a number of those involved and to proceed incrementally, learning and adapting.

2. Any implementation strategy has to be designed to deal with a particular policy in a particular setting. Since most sectoral policy changes involve a fairly complex set of actions and take place in difficult and politically charged surroundings, those involved need to be strategic in their approach to implementation -- assessing problems and opportunities and focusing on critical steps where they can have some influence.

3. Bureaucratic energy and commitment to change are scarce resources and Third World officials are typically not used to taking a strategic approach to implementation. One way to overcome these limitations is to include those actually responsible for implementation as part of the planning process. Involvement has two purposes: to gain their commitment to the plans that evolve and to make sure that the plans deal with the actual problems the implementors are likely to confront.

4. The stress on cognition and learning, however, suggests that management involves more than people skills. It also requires appropriate organizational procedures for handling information and resources. Thus it is necessary to put in place practices in effective personnel management, data collection and analysis, and financial management.

5. Managers need to be proactive and play a variety of roles. They do not simply translate policy statements into actions. They have to engage in a broad set of activities ranging from analysis to organizational design to persuasion and leadership.

In summary, managers are intendedly rational, they make compromises, they develop strategies, they are responsible for a collaborative process of communication and learning. Experiences need to be monitored and learned from. Relevant information is dispersed among a variety of actors and comes out of the process of learning from experience. It is a process that involves collaboration and learning and that has to respect the limits on rationality. This broad and proactive view of management is consistent with the literature on development management. According to Paul, managers are responsible for translating policies into programs, designing implementation strategies, and deciding who should be responsible for implementation.<sup>46</sup> Warwick identifies management with initiative and flexibility. Kiggundu says that it includes both operational and strategic activities. Leonard includes leadership as an important element in management. Evaluations of USAID sponsored projects to improve agricultural research emphasize the importance of leadership and political entrepreneurship.<sup>47</sup> According to Austin and Ickis, managers are especially important during times of economic chaos, heightened expectations, and scarce resources.<sup>48</sup> According to Saasa managers often play a broader role in the third world than elsewhere precisely because public opinion is so ill informed in these countries and political institutions are so weak.

This approach to management is appropriate to policy changes based on the discussion of their characteristics. Table 1 emphasized the fact that a great deal of uncertainty surrounds policy changes and economic development. A process approach that emphasizes collaboration and learning fits with the lack of knowledge and the complexity and uncertainty associated with

sectoral policy changes. It fits with policy changes for a second reason. Developing country officials often feel that the policies are imposed on them. The model emphasizes the need to include them early in the process of designing how the policies are to be implemented.

#### G. The Need for a Framework

Thus far we have argued that implementation can best be improved by adopting a process approach in which those responsible for implementation engage in a strategic process to design their activities. A simple process approach to implementation and management has a number of limitations, however, problems that can be addressed by developing a framework to shape the process.

First, it is easy for processes to be dominated by external consultants. Many of the cases that describe applications of strategic management depend almost wholly on external, trained consultants. Outside experts with process skills can be important resources: they bring a fresh perspective, they have a repertoire of skills to stimulate interaction and discussion, and they are less likely to have a vested interest in existing procedures or activities. There is the danger, however, that they may create a dependency, that they may unduly mystify the process, or that the procedures may become more important than the substance of the plans.

In reality there is nothing obscure or particularly sophisticated about many of the steps in strategic planning and management. Most are based on common sense and managers may find they already engage in some of the elements of the process on their own. By laying out the steps in the process a framework is one very simple way to demystify that process and involve participants as early as possible. The general literature on strategic management and development management include a number of such frameworks.<sup>49</sup> The framework described in Part III is based on these studies. It specifically uses language that should be natural to managers and tries to avoid the specialized language associated with some process models. The purpose of the framework is to describe to managers what is involved, help them identify elements that are particularly relevant to them, and give them more ownership of the process. It allows them to determine where external consultants will be useful and to negotiate more effectively with outsiders for particular skills.

A second problem can arise with process approaches. There is a tendency to care more about reaching a consensus than in debating issues or learning new information. A typical process, for example, asks managers to diagnose their situation and relies on a series of group process techniques to encourage the

diagnosis. According to one statement, "This approach assumes that most of the information the participants need to solve the issue at hand already exists somewhere within the group."<sup>50</sup> While facilitators undoubtedly can and do interject new information, the emphasis is on eliciting perceptions and ideas.

There are numerous case studies and substantive research, however, that are relevant to most implementation experiences and that can assist such a diagnosis. Examples include studies on decentralization, financial management, organizational incentives, community development. The analytic or prescriptive models described earlier, such as contingency and public choice theory, also have useful insights to offer. It is not always clear how to introduce substantive information and analytic models into a typical process, however. The proposed framework specifically lays out a number of substantive issues to be raised and considered during the process. By including analytic categories that reflect current research on implementation and policy changes, it encourages participants to examine recent studies as well as to process the information they gather.

A third problem with process approaches is their dependence on the interest and commitment of senior officials. The preceding description of the dynamics within Third World bureaucracies noted the lack of creativity and insecurity and red tape that permeates them. There is no theory that allows us to assume that officials will be committed to realistically diagnosing their situations or developing creative strategies to implement policy changes. Much of the existing theory about organizational behavior in fact predicts quite the opposite, that bureaucrats will inevitably be caught up in consuming turf battles and protective power plays.

The proposed framework, however, assumes that there are some officials willing to take an innovative look at their activities and exercise some leadership in promoting such an analysis. It also assumes that officials are governed by a variety of motives. They may be so impressed by the problems they are confronting and by the "performance gaps" in their organizations, that they will be open to a new approach.<sup>51</sup> There are, in fact, a large number of cases where officials have agreed to participate in such a process. Further by encouraging these officials to take ownership of the process, it can reinforce those who are willing to exercise some leadership in strengthening their capacity for implementing policy changes.

### **III. A FRAMEWORK FOR A STRATEGIC PROCESS: IMPLEMENTING POLICY CHANGES**

This section lays out a framework for designing and putting in place a strategy to implement sectoral level policy changes.

The framework draws on the theories described in Part II and is grounded in experiences in developing implementation capacity in Third World countries. It assumes that specific policy changes can take very different forms and range from broad scale policies to promote civil service reform or expand the private sector to more specific policies to improve credit for farmers. It also assumes that successful implementation requires attention both to a general capacity for generic activities such as personnel and data analysis, as well as specific actions relevant to a particular policy proposal. While experimentation and adaptation are encouraged, the common framework allows implementors to develop comparative studies and cumulative knowledge across this variety of policies. (The use of the framework for comparative case studies is examined in more detail in Section IV on Research.)

The framework has five steps:

STEP 1. Agree on a process for developing an implementation strategy.

This step involves decisions about who should be involved, agreements about the value of strategic thinking and the steps in the process, and decisions about any assistance that may be needed.

STEP 2. Map or assess the situation.

In this step participants map the content of the policy, the setting, and the capacity of organizations to implement the policy and cope with the external situation.

STEP 3. Identify strategic issues

Participants select the critical issues that need to be dealt with to implement a particular policy.

STEP 4. Design an implementation strategy

Participants design a strategy to deal with the issues identified in step 3.

STEP 5. Design a process for monitoring results and making ongoing adjustments.

This step provides for continuing learning and adaptation during the implementation process. Since the information is fed back into the other steps, the entire process becomes cyclical and ongoing.

The rest of Part III describes each of these steps in more

detail. It draws from existing research and case descriptions to suggest why different categories are included. It includes examples of techniques that have been used in carrying out such a process and in applying strategic approaches in the Third World.

STEP 1. AGREE ON A PROCESS FOR DEVELOPING A STRATEGY.

This step has four elements: deciding who to include, agreeing on the value of the process, agreeing on the steps in the process, and deciding what kinds of assistance are needed.

A. Decide who should be involved.

Studies show that there is little chance of success unless top level officials are involved and supportive. Those with actual responsibility for implementing a policy, including mid-level managers, and even some field staff, should be part of this planning process. This recommendation for a broad involvement by the actual implementors is based on several propositions. First, those who are involved in the process are more likely to be committed to the strategies. Second, members involved in a design process are more likely to develop a consensus around a selected strategy. Third, people throughout an organization are important sources of information and feedback, both for mapping the current situation and designing an alternative strategy.

There are similar reasons for including clients and beneficiaries in designing an implementation process. Like officials located at different levels in the organization they have particular knowledge about existing practices and possible alternatives. Beneficiaries may also be able to break through the insular, bureaucratic mentalities of staff, and they may develop a greater capacity to take on responsibilities for carrying out or maintaining a policy.<sup>52</sup>

Different people can be involved at different stages of the process. A strategic approach to improving irrigation practices in Pakistan used a series of workshops in several different provinces. The first involved 30 to 35 people from 12 or 13 organizations. They included both field and operational management levels from all of the implementing units. A second workshop brought together people from all of the implementing units, but relied on a smaller group to plan the operations. The plans devised by this group were then circulated among executives and policy level personnel for their approval during a third phase.<sup>53</sup>

**B. Agree on the value of strategic thinking.**

If strategic thinking is a new experience, participants need to be introduced to its purpose and convinced of its utility. Given the inflexibility of most organizations in the Third World, this may be one of the most important steps. Strategic thinking, planning, and management have been developed in the United States, primarily within the private sector, and for large corporations. It fits fairly naturally with the orientation of many in the private sector who are used to thinking in terms of market strategy and discipline. It is more difficult to apply in the public sector where organizations are often larger, lack the accountability of markets, and are subject to more external pressures. It is even more difficult to apply in the Third World where organizations tend to be rule bound, and where managers focus on narrow, operational routines, and are less apt to think strategically.

The purposes of a strategic approach need to be introduced so that participants perceive it can help them address some real and immediate problems. This step usually involves the following: introducing the concept of strategic planning and managing; exploring what it can mean in practice and what its implications are; coming to some agreement that it is worthwhile to spend time on it. The agreement may need to include a list of items that will not be reviewed or placed on the table, at least at the outset.

**C. Agree on the steps in the process.**

Strategic management exercises can vary from a fairly short and structured event in which participants focus on a few specific aspects of a policy change to a more comprehensive and longer range set of activities to redesign an organization. The very concept of being strategic means that one selects critical areas to work on that are feasible in ones situation. Thus those planning such an approach will need to be strategic in deciding how to structure the process and how elaborate to make it. At the very least those planning it will need to review the framework proposed here and agree on which parts are most relevant to their problems and situation.

For those attempting this approach for the first time, a relatively limited effort may be valuable to introduce the approach and to give participants a positive experience that they can learn from. One of the decisions they may eventually make is to undertake a more extensive strategic planning and management process. The point is that strategic planning can be a very costly activity in terms of time and interpersonal activities. Reducing complexity may be very valuable. At the same time changes in thinking take time and little may happen if the

process is too restricted.

D. Decide what kinds of expertise or assistance are needed.

The literature on strategic management focuses on process rather than substance. Processes are important to encourage people to interact creatively and outsiders with particular process skills can be very useful. In addition, there may be a need for substantive expertise, for assistance from people with knowledge and experience in a specific policy area and its technical aspects. If a policy deals with changes in the management of natural resources, for example, it may be useful to bring in people with knowledge in this area, who have a familiarity with similar efforts and specific technology. It may also be useful to bring in people with expertise in specific management strategies such as financial management and information systems, as well as strategies such as decentralization or developing community organizations.

Relevant expertise may only become evident at later stages in the process. It is here listed as a separate step in the planning process for two reasons. Participants should have a say in deciding what kinds of expertise they need and different consultants may come in at different points in the process. It is important not to assume that those who do the initial planning are the only resources to be made available. Decisions about needed expertise should come out of the process.

Techniques for carrying out Step 1 include the following:

Someone has to initiate the process, usually high level or key officials. They may sponsor the process themselves or assign it to others to carry out. Proponents usually begin by stimulating implementing staff to reflect on their current practices and identify problems they are having. Then they briefly present the purpose and logic of strategic thinking and management. Specific techniques include workshops where officials reflect on their present operating procedures and are introduced to alternative approaches. Another technique is for outsiders to interview officials about their jobs, feed the results back to them, and then ask them to identify the main problems they perceive. In a "learn by doing" approach, strategic management concepts are introduced to assist a organization with a specific task and officials learn about the approach while doing it.

In most of the available documented cases that describe steps in introducing strategic management in the Third World, external consultants rather than top level managers were the catalyst and took the initiative. Most have relied on workshops where teams are brought together to engage in the planning. While

many of the examples will refer to workshop experiences it is important to note that workshops are not the only technique. Interviews and small group consultations can also be used at various stages.

A report of a strategic planning activity in Pakistan to improve the management of irrigated agriculture described the entry phase as follows (adapted from original): "The entry phase varied from between one-and-a-half weeks to four days. During this period we attempted to meet with all the key actors in the province, as well as the project manager and his staff, to get their input, involvement, and support for the program; to identify who needed to be involved; to review the results of an earlier diagnostic study; to identify the concerns and issues that needed to be addressed. Typically we met with the Secretaries of Irrigation and Agriculture, the Chief Engineers, the Directors-General and the Directors beneath them, the operational counterparts of the CWM project manager in each line agency, and other key players at the operational and policy levels."<sup>54</sup>

A report on a workshop to introduce strategic management concepts into the Ministry of Agriculture in Guinea noted the following steps. A team of expatriates began by informally talking with key individuals about their situation. They then held a workshop for senior officials including department heads, their assistants, chief financial officers of each department, the Director of Administration and Financial Affairs and their assistants, 15 people in all. They asked these officials to reflect on the purpose of a budget, and to analyze a specific line item budget to see what problems it posed. Then they introduced alternative ways to think about budgeting, and proposed an alternative procedure.<sup>55</sup>

#### **QUESTIONS TO ASK TO CARRY OUT STEP I**

1. Who should be included?

Which top level officials?

Which mid-level managers?

Which field-level staff?

Should beneficiaries, community members be included?

Should members of the policy arena be included?

2. What is the best way to introduce strategic thinking to those who will be participating?

3. What aspects of the proposed framework should be included?

What adjustments or additions should be made?

4. What kinds of expertise are needed?

What process skills and who is available?

What substantive or sectoral expertise and who is available?

What managerial and organizational expertise is needed?

**STEP 2. MAPPING OR ASSESSING THE SITUATION.**

Strategic thinking and management can be overwhelming and intimidating and even produce "paralysis by analysis." Step 2, the mapping function, can be either comprehensive or focused, and those in charge need to decide how inclusive it should be. On the one hand it is important to be selective and focus on those aspects of the situation relevant to the policy change. At the same time, cases indicate that most implementation plans, including those designed by donors, err on the side of excluding important issues.<sup>56</sup> Some of the more qualitative aspects of a situation, such as the "mission of the organization," or the "cultural context" are commonly overlooked, partly because their effects are often subtle, and because it is hard to collect clear, quantifiable information about them. Nevertheless, they may offer the greatest stumbling blocks to implementation. Designers of a strategic management process, therefore, should justify why they choose to omit any of these categories from the mapping process.

Note that there are two kinds of information that can be collected during this phase. One kind of information consists of opinions about the different elements. Participants may view the situation from diverse perspectives or have different estimates of political trends. Where estimates differ, an important part of the mapping process is to collect the variety of views and determine areas of agreement and disagreement. Even if there are important disagreements about goals for example, there may be sufficient agreement on the major problems to forge a working consensus. It may also become clear whether the disagreements stem from a lack of information or from different values and interests.

A second kind of information useful in mapping includes descriptive data about the setting. Such data can be acquired from surveys, from interviews, from studies, or from collecting information in the community. Strategic planning models have tended to emphasize the value of sharing opinions rather than descriptive data, but some implementation problems require information about what is going on in the community or in a particular sector. The mapping sessions should identify the kinds of information that are needed and who should be responsible for gathering them.

There is an important caveat to be noted here. Strategic planning and mapping is more iterative than may be implied to identifying steps 1, 2, 3 and so forth. It is not necessary to exhaustively map a situation before going on to identify issues and design strategies. A preliminary mapping session may be sufficient to develop an initial pilot strategy to implement part of a policy, and will also produce further information about the situation. Thus the fifth step, "Design a process for monitoring results and making ongoing adjustments," may feed into and even become part of the mapping phase.<sup>57</sup>

Three elements need to be mapped: the policy content, the nature of the environment, and the capacity of relevant organizations. One useful device for thinking about each of these is called SWOT analysis, an acronym that refers to Strengths, Weaknesses, Opportunities and Threats.<sup>58</sup> Participants can be asked to identify the opportunities and threats posed by each element in the setting, and to note the strengths and weaknesses in each element of the organization. Later in the process these items will be used to identify steps in the implementation strategy. For example, consider a policy to promote the private sector. The diagnosis may point to weaknesses in existing credit institutions, and also to strengths in local non-profit groups. A strategy might then be designed to help the non-profits develop a credit program.

Simply mapping or listing elements is not enough if they are to be successfully in developing strategies. They need to be discussed and analyzed.<sup>59</sup> A SWOT analysis recommends a matrix as a device to stimulate thinking and organize information, a practice that can be used throughout the mapping process. Matrices are charts with two dimensions that allows one to analyze the cells where items intersect. For example one dimension may be the objectives of a policy, and the other may be the SWOTs. For each objective one would consider the strengths, weaknesses, opportunities and threats. The following discussion notes some matrices that have been developed for thinking about implementation strategically. They are illustrative only, since the most useful matrices will often be developed by those immersed in analyzing a particular policy change.<sup>60</sup>

#### A. Mapping the Policy Content.

##### 1. Goals and objectives of the policy.

It is important to be very clear about the goals of the policy and the expectations of political officials. It is equally important to know how much leeway the organization has, what would be frowned on, what is not ruled out. Sometimes political institutions are fairly weak and implementing organizations have some leeway in defining and shaping the policy.<sup>61</sup> At other times

political officials maintain tight controls and agencies have much less discretion.<sup>62</sup>

2. Compatibility of the policy with the implementing unit's norms and sense of mission.

Some policies are compatible with the task that an organization is already performing, with its sense of mission and purpose, and some are not. For example, a policy change to privatize marketing of agricultural inputs may require organizations to undertake substantially different roles than they have in the past. It may stipulate that the organization should encourage the private sector or local communities to produce the service. The role of the organization would change from providing the service itself to stimulating and encouraging these other units.<sup>63</sup> Such changes may be threatening to individuals who have a personal, and often a monetary, stake in continuing an activity. The extensive research on bureaucratic politics indicates that individuals are often loathe to make changes, and that significant inducements may be needed.<sup>64</sup> Policy changes may also offend officials' sense of the proper role of government in a society.

3. Nature of the service or activity, the benefits it should produce, and intended beneficiaries.

Participants need to identify the particular benefits or services or activities involved in the policy change. Often these aspects of a policy are left vague by the policy makers and can be determined by the implementors.<sup>65</sup> If the benefits consist of a set of services, it is useful to sort out those that are essential, those that have to be offered first, and those that are supplementary and may be able to be postponed.

4. Complexity of the policy.

A fourth aspect of the policy is its complexity, whether, for example, it prescribes a relatively simple task of delivering a specific service or a more complex task of changing behavior in a community. One framework developed for the World Bank lists the following aspects of complexity: variety of services, amount of change desired, whether there is a sequencing of tasks, whether the tasks can be well defined, the scale of the services, whether the services involve new activities, whether there are conflicting views about them.<sup>66</sup>

Research on policy implementation experiences indicate that the degree of "institutional intensity" is an important element of a policy. Paul reviewed World Bank sectoral loans and

determined that they were "institutionally intense" if they "required organizational restructuring and policy capacity building," that is if the policy changes referred to changes in organizations.<sup>67</sup>

#### 5. Degree of knowledge about how to implement.

A final aspect of the policy content to be mapped is the extent of knowledge about how to implement it. This characteristic concerns available technology or know-how. Is it clear what steps to take and are the effects predictable? Or as is more typical in policy changes, does the implementation process involve a lot of uncertainty, and an inability to predict what will happen? Are there known cases where the policy has been attempted and experiences documented? It may be helpful to invite experts in the policy to help with this question.

### B. Mapping the Environment

A core part of the strategic process is to review the relevant and critical elements of the environment. It is important to focus on relevant aspects of the environment, namely those that can affect the policy either positively or negatively. It may be helpful for participants to distinguish among three aspects of the environment: parts that implementors have to take into account, parts over which they can likely have some influence, and parts where they exercise control.<sup>68</sup>

#### 1. Beneficiaries

For many policy changes "beneficiaries" needs to be defined more inclusively than is the case with more defined and targeted projects. The beneficiaries of a privatization policy change, for example, need to include not only potential private owners, but also potential customers, and firms that will supply goods to the new units. There are three topics to be covered: their preferences or needs, the diversity among the beneficiaries, and potential assets they can provide.

Preferences and needs can be mapped both by asking beneficiaries what they want and by analyzing their present problems. Sensitivity to beneficiary needs has become increasingly important in agricultural policies, for example. Policy makers have learned that improvements in agricultural production depend on whether new research and technology address the actual problems that farmers face, rather than on how technologically advanced it is.<sup>69</sup> Special efforts are usually needed to collect information about such groups, especially if they are physically remote or alienated from public programs.<sup>70</sup>

A mapping exercise to determine problems associated with irrigation systems in Pakistan used members of the implementing organizations to interview farmers about the problems they confronted. They described the following characteristics of the existing system in order to determine beneficiary needs: 1. Inequity of water supply; 2. Unreliability of water supply; 3. Inadequacy of water; 4. Watercourse losses; 5. Submerged outlets; 6. Very low use of inputs; 7. Farmer willingness to be involved in improving the system. <sup>71</sup>

In describing beneficiaries and their needs it is important to determine the diversity among beneficiaries. Observers often generalize about beneficiaries and look at averages and general tendencies. In fact there may be important variations that need to be taken into account in designing services. There may be very significant differences between the wants and needs of women and men farmers, for example, that will have a major influence on the kinds of services that are needed. Similarly the needs of the poorest may differ from those with slightly more income. Tendler, proposes dividing the poor into three groups, so that information about those at the bottom is included, and Esman, reminds observers to look at the special needs of the landless. <sup>72</sup>

Finally, information is needed about the assets as well as the needs of intended beneficiaries. A study in the Philippines, for example, decided that a traditional demographic profile of community members -- income, size of family, etc. -- would not give managers the kinds of information they needed to promote development in the area. A survey of community members to find out how they actually earned a living would tell managers about the variety of coping strategies that had emerged in the community. Managers could then use this information to design the policy and involve community members in assisting with it. <sup>73</sup>

## 2. Stakeholders.

The concept of stakeholders refers to all groups with an ability to influence the policy either positively or negatively. The list is specific to each policy and can include local political interests, civil servants, labor unions, international organizations, revolutionaries, opposition parties, chambers of commerce, and so forth. The important aspect of mapping stakeholders is to be clear about the variety of groups with a stake in the process and to identify how they will affect the policy general, and whether they offer potential assets to those implementing a policy. Often implementors will need to find specific ways to address the negative effects of policy changes on stakeholders by compensating them in some way.

A recent study proposed a matrix which focused on the potential resources that stakeholders might offer. Participants first listed stakeholders. Then they indicated what transactions one might carry out with each stakeholder group. Transactions included: providing financial resources, providing physical inputs, offering political support, offering technical assistance, delivering services, providing publicity.<sup>74</sup> This approach leads managers to consider the ways in which stakeholders can be a help to them, rather than simply to develop a lengthy list.<sup>75</sup> It could easily be amended to include both political liabilities and assets. See Table 2.

Table 2. Matrix for Analyzing Assets of Stakeholders of Policy to Privatize Agricultural Inputs

<u>Stakeholders</u>	<u>Potential Assets</u>			
	Finances	Physical inputs	Political support	Service delivery
Farmer orgs.				
Private businesses				
Parastatals				
Banks				
Credit unions				
Donors				
Expatriate orgs.				
Chamber commerce				
NGOs				

### 3. Relevant trends.

Trends include socio-cultural, economic, political, ecological and technological developments. Is anything developing in each of these areas that is particularly relevant to the policy in question? For example, consider a policy to change wood gathering practices in order to prevent further erosion. Relevant environmental trends might include population growth patterns, changes in forestry practices, changes in land ownership patterns, changing technology in heating homes that would affect the need for wood, opportunities for additional ways to earn income. Participants need to review these trends and identify whether or not they pose opportunities or threats to those attempting to implement the policy.

### 4. Legal setting.

The legal setting includes both laws and regulations. Public policies are often affected by a number of legal constraints, particularly in Third World settings which can be heavily

regulated. For example, what regulations affect the use of common grazing lands, and how do they affect individual use of those lands? What regulations affect the expansion of banks into rural areas, and so forth?

### C. Mapping the Capacity of Relevant Organizations.

Again, it is important to define this category fairly inclusively. A policy to provide incentives to protect the environment could involve several ministries, local organizations, universities and research institutes, private and non-profit sector organizations. The following categories can be used to analyze the capacity of such organizations. Participants can then assess the strength and weaknesses of the different elements and link these to the characteristics of the policy and the setting outlined in the above steps.

#### 1. Implementing organization.

This element includes first, the skills, experience, and training of those in the organization. It also concerns the extent to which individuals are in a position to use their skills. Second, capacity refers to organizational procedures for implementing policies. The following procedures are most critical to policy changes: financial management procedures, procedures to recruit and train staff, to monitor performance, and to motivate staff and encourage participation.<sup>76</sup>

A number of studies document the need to improve the basic operations in implementing organizations. For example, personnel procedures continue to be one of the weakest points in many organizations. Robert Klitgaard documents the difficulties in improving civil service systems and in rewarding good performance given the severe shortage of resources in these systems. He insists, however, that we need to overcome our "incentive myopia," our tendency to overlook the importance of incentives, and be willing to explore some second best solutions. As an example he notes that in Ghana the Railways Corporation "linked heavily subsidized packages of food to the achievement of measurable results for each worker and for the Corporation as a whole."<sup>77</sup> Thomas Dichter laments that development management has focused too much on interpersonal skills and overlooked the need for basic accounting systems and data analysis procedures and skills.<sup>78</sup>

Again a matrix can be used to examine the strengths and weaknesses for each of these sets of procedures given the policy requirements and the situation. See Table 3.

Table 3. Matrix for Mapping Organizational Procedures

<u>Procedure</u>	<u>Description</u>	<u>Strengths</u>	<u>Weaknesses</u>
Financial management			
Recruit, train staff			
Monitor, reward performance			
Motivate staff			
Participation			

## 2. Bureaucratic setting.

This factor refers to the place of the organization in the larger bureaucratic setting, its vertical relations with a program ministry, central ministries of finance and plan, regional organizations, field units and local governments. Mapping would lay out the various units involved in carrying out a policy and indicating how they divide or share responsibilities among themselves and how they are related to each other.

Observers of Third World bureaucracies note that finance ministries often insert numerous controls in the system in order to insure the integrity of the funds and cope with the widespread incidences of misuse of funds. The result is a hierarchical system with little delegation of authority. A diagnosis of the agricultural ministry in Guinea, for example, found that the results can be paralyzing. If a project officer in the field wanted to make a purchase he or she had to file 16 different request forms, creating excessive rigidity and explaining why often nothing was done.<sup>79</sup> The same report noted that because of widespread corruption in field operations, most efforts at bureaucratic reform emphasized the need for tighter controls by ministries rather than the value of more local discretion. Other studies confirm that field units are unable to adjust programs to local situations and opportunities and fail to take advantage of local energy and contributions.<sup>80</sup> All these relationships and their effects need to be mapped.

Again matrices can be a useful device for collecting such information. A project unit in Cairo charged to implement a policy to decentralize the provision of urban services in that city found that overlapping authority among government agencies was very confusing and inhibited action by any one unit. The implementors began by listing all of the tasks involved in

carrying out urban services such as assessing the need for services, drawing up designs for schools or clinics, hiring contractors, monitoring construction, payment of the contractors, and so forth. Then they made a list of all the units of government involved in service delivery. They created a matrix in which they identified which units were involved in doing each task; in this way they were able to sort out the different relationships and to identify points of tension and confusion. <sup>81</sup>

### 3. Institutional setting.

This element refers to the broader set of organizations in a policy arena. They include private sector units, non profit organizations, community organizations. Since policy changes frequently require implementing units to delegate some responsibilities to other units, and also to stimulate and develop stronger private sectors this issue has become increasingly important in implementing policy changes. The fact that multiple organizations are involved is important because of the well documented fact that organizations find it exceedingly hard to work together. It is important therefore to examine both what units are potentially available and what innovations might induce them to cooperate with each other.

Four kinds of questions need to be raised in this part of the mapping:

- 1- What other units are presently involved in implementing the policy?
- 2- What other units are available to assist in implementation?
- 3- What incentives or reasons do they have, if any, for contributing to the implementation?
- 4- What problems and opportunities exist to encourage organizations to work together?

Participants could use SWOT analysis to indicate the strengths and weaknesses of each unit, what they could contribute implementation, and their incentives for doing so. For example, those implementing a policy to stimulate local agriculture might decide they needed to make more credit available to farmers. One study lists the following institutions that could be used to implement a more adequate credit scheme: "state agricultural banks, supervised credit agencies, national and regional development agencies, area pilot projects, crop purchasing authorities, various kinds of farmer associations and cooperatives, credit unions, commercial and rural banking systems, private processors and exporters, suppliers, distributors and dealers, village merchants, etc." <sup>82</sup> Those doing a strategic analysis could review such a list, determine which are relevant to the policy at hand, indicate the potential assets

that each unit could bring, and the reasons they might have for contributing to implementation.

### Techniques for carrying out Step 2, Mapping the Situation:

As noted earlier, mapping needs to include both the perceptions and opinions of participants and descriptive evidence about the situation.

#### Information on opinions.

Strategic planners have developed a number of techniques for collecting opinions. These include brainstorming sessions and structured techniques for gathering information. Such techniques can insure that a few people do not dominate the sessions and that minority views are put on the table. Organizations commonly develop their own norms and views of situations and socialize members into looking at problems in the same way. Techniques for generating varied perspectives are one way to break through confining norms and allow members to look at events from alternative perspectives.<sup>83</sup> Several techniques have been designed to include the views of beneficiaries or minorities when representatives of these views are not part of the analysis. The most commonly used one is called the "snowball technique" or the "nominal group process."<sup>84</sup> The matrices mentioned throughout this section are another way to collect and organize information so that participants can see its implications.<sup>85</sup>

#### Descriptive information.

Data collection techniques are similarly varied. In general implementors should be very strategic in defining the kinds of information they need, and avoid the common tendency to collect reams of data for their own sake.<sup>86</sup> They should consider using "rapid reconnaissance" strategies. Scientifically grounded data collection techniques may be unduly sophisticated for the kinds of information policy planners need. Those collecting data should consider using proxy measures and readily available evidence rather than become bogged down in overly sophisticated data collection strategies.<sup>87</sup>

As noted above, implementors may find information about actual farming practices that they could gain from interviews and observations, to be more useful than traditional demographic data gained from surveys. "Critical incidents analysis" is a particularly innovative way to collect information about organizational capacity. Interviewers ask practicing managers to briefly describe critical incidents that they have had to confront over the past year. A team used this technique in southern Africa to develop a very revealing profile of the actual behavior of managers at different levels.<sup>88</sup>

QUESTIONS TO ASK DURING STEP 2:

A. Mapping the Policy Content.

1. Policy mandate

What is the policy mandate?

What is expected of the organization?

What leeway is there to adjust the policy, and what is not ruled out?

2. Sense of mission

How does the implementing unit see its mission or purpose?

How well does the policy fit with the implementing unit's norms and sense of mission?

3. Policy benefits

What specific benefits is the policy designed to provide?

For whom are they designed?

4. Policy complexity

Rank the policy from low to high in terms of its complexity: the number of policy objectives, the amount of change involved, the ease of predicting and measuring what will result, the number of separate tasks, the level of conflict associated with the policy, the geographic scope.

5. Knowledge about how to implement

How much is known about implementing similar policies?

How certain can we be about the best way to implement the policy?

B. Mapping the Environment

1. Beneficiaries

Who are the intended beneficiaries?

What are their characteristics, and how do they differ?

What different approaches have they taken to deal with the policy problem?

2. Stakeholders

Which other groups have a stake in the policy or can influence it?

What assets can they provide the implementing unit?

3. Relevant trends.

What norms exist in the community relevant to the policy?

What are the economic trends in terms of resources and

balance of payments?  
 How much political support is there for this policy?  
 How politically stable is the regime?  
 How much political opposition is there among organized groups to this policy?  
 What trends are there in relevant technical know-how?  
 What environmental trends are evident?

4. Legal setting.

What is the legal setting?  
 What are the existing regulations in this area?

C. Mapping Organizational Capacity.

1. Implementing organization.

What analytic and managerial skills exist in the organization?  
 What training and staff development is offered?  
 What procedures exist to involve community members and lower level staff in decisions?  
 What procedures exist for recruiting qualified staff?  
 What kinds of data collection systems are in place?  
 Are the data used to make management decisions?  
 Is performance monitored?  
 Are rewards linked to performance?

2. Bureaucratic setting.

How much autonomy does the unit have?  
 How is it linked to the ministry?  
 Does it share responsibilities with other ministries?  
 What mechanisms exist for coordinating the unit with others?  
 To what extent is responsibility delegated to lower levels in the organization such as field units?  
 What control procedures exist?

3. Institutional setting.

What other organizations are involved in implementing a policy?  
 What are their respective roles?  
 What incentives exist for them to cooperate in promoting the policy?  
 What mechanisms exist for joint planning and feedback?

**STEP 3: IDENTIFY STRATEGIC ISSUES**

Many designs for strategic approaches move directly from mapping to designing an implementation strategy. Others recommend an intermediary step in which participants identify those

particular issues that appear to be most critical and which they intend to tackle first. There are four reasons for including this step.

One it encourages selectivity. Since managers cannot do everything, they need to prioritize issues for the short and long range.

Second, it insures that managers focus on problems and not answers. Answers are proposed during the next step, when strategies are developed. This step insures that the strategies are chosen to deal with specific problems rather than because they are easy or because someone has a vested interest in them. A focus on problems assumes that implementors are not only motivated by their self interests; they are also motivated to overcome problems or improve situations.

Third, it encourages learning by doing or action research. This term suggests that managers have a greater chance of improving implementation if they work on actual problems that are immediate to them. Case studies of interventions to improve development management emphasize the need to identify specific problems and agree on specific objectives as part of the action research process.<sup>89</sup>

Fourth, it encourages areas of common agreement. Much of the literature on implementation emphasizes the need to agree on a set of goals and objectives. This may be not possible, but even so it should be easier to agree on problems that need to be dealt with. Some, with a little more realism, prefer to talk about situations to be improved, rather than problems to be solved.

The outcome of this step depends on the content of the policy being implemented and the degree of discretion that the implementors have. Assuming they have some autonomy, implementors can apply three criteria in selecting the issues or problems they intend to focus on: identify major problems, select areas where managers can make a difference, look for opportunities to be proactive, where leadership and innovation can change the situation. Some of these may be chosen as preliminary steps (or sub-objectives) that need to be taken before a policy can be tackled directly.

#### 1. Evident problems.

On the assumption that the policy, environment and organizational capacity need to be fitting to each other, review the earlier mapping exercises and identify where the greatest tension points or incompatibilities lie in order to carry out a policy. Problems such as "performance gaps" can focus peoples' energies and demonstrate the need for and the urgency of change.<sup>90</sup> A study of education policy changes found that

different units are more apt to cooperate in implementing a policy if they agreed there was a problem to be solved. Such agreement turned out to be even more important than the capacity to solve the problem or rewards for cooperating.<sup>91</sup>

An analysis of financial management procedures in the agricultural ministry in Guinea produced the following set of critical issues that need to be dealt with to implement policy changes: the system of multiple and conflicting budgets needs to be simplified, financial allocations need to be made on the basis of budget requests, and not only available revenue, budgeting skills are severely lacking, there are extreme delays in disbursements, personnel records are very inadequate so that managers cannot measure or reward performance, and there is a lack of basic office equipment. <sup>92</sup> Note that these examples involve a general capacity in the organization and are not unique to a specific policy. They are nevertheless critical capacities if any agricultural ministry is going to implement policies to improve production.

## 2. Make a difference.

Identify issues where a manager or organization can expect to have some influence or control. For example, implementors can ask whether the content of the policy can be adjusted, or what opportunities there are for developing new organizational units. <sup>93</sup> If implementors can identify a few areas where they can be certain of making a difference early in the process, they may be able to use these experiences to tackle more difficult issues later.

## 3. Opportunities to bring about change.

Implementors need to consider opportunities to change or alter the setting, to be proactive, rather than simply adapt to changes. For example, if intended beneficiaries are not interested in a particular policy change, the important issue may be changing their minds or learning more about their needs, rather than simply adapting to their lack of interest. <sup>94</sup> This third criterion may appear to contradict the second, but it does not. It simply says that managers should look for opportunities to exert some leadership and make changes rather than accept the prevailing conditions, but they should look for opportunities where they can expect to have some influence. The growing literature on leadership in Third World settings can be a useful resource. <sup>95</sup>

### Techniques for Carrying Out Step 3

The most appropriate technique is to build on the earlier mapping discussions and the analyses of existing problems and

situations. Brainstorming and group process techniques described earlier can be helpful at this stage.

One study suggests the following procedure.<sup>96</sup> Individuals begin by writing answers to three questions:

What is the issue?

What factors make it a strategic issue?

What are the consequences of failing to deal with it?

Participants are given time to identify these, perhaps as much as a week, after which they come together in a joint planning session. The separate issues are posted visibly for all to see and discuss. A two-by-two matrix can be used to compare them, using SWOT analysis, with strengths and weaknesses on one dimension and opportunities and threats on the other.

Strengths

Weaknesses

Opportunities

Threats

Members use the matrix to analyze and compare the issues. Those with many items under strengths and opportunities can be tentatively proposed as the strategic issues and then discussed further.

#### QUESTIONS TO ASK TO CARRY OUT STEP 3:

What are the major tensions or problems?

Where can implementors have an influence?

What opportunities exist to make changes?

#### **STEP 4: DESIGN AN IMPLEMENTATION STRATEGY**

An appropriate strategy specifies how to deal with the strategic issues identified in step 3. According to contingency theory, implementors should adjust the content of the policy, the constraints and opportunities in the environment, and the capacity of the organization and management approaches so that they are appropriate to each other. For example, if a policy is designed for diverse groups of beneficiaries, and is fairly complex, the implementing strategy needs to allow for participation by different groups and for the delegation of some authority to field units and local organizations.

Section II noted that the organizational design literature and public choice theory offer specific guidelines about strategies for achieving such a match. Although most of their propositions are hypotheses rather than tested theory, they pose

some useful questions and offer theoretically based categories to explore. The framework suggests that implementors consider making changes in the content of the policy, in the environment, or in the capacity of the organization and management procedures. Specifically they need to ask which changes would best deal with the problems or issues identified in step 3. Which are more feasible and deal with areas over which implementors can have some influence? The following sections are organized around the categories used during mapping process.

#### A. Policy Content

##### 1. Goals and objectives of the policy.

Often adjustments can be made in the content of the policy. The major contribution that implementors can make in this regard is to encourage policy makers to take information about implementation into account when they initially design policies. Many policy changes are made using economic analysis and little attention is paid to the process or feasibility of implementing them. This issue leads participants to ask whether the knowledge they have about implementation can be used to adjust or alter the goals of the policy.

##### 2. Compatibility of the policy with implementing unit's norms and sense of mission.

Many policy changes require organizations to pay much more attention to consumer demands or community inputs than they are used to. When this is the case a strategy will be needed to stimulate organization members to be more open to community or market demands. David Korten suggests that direct links with community groups may be the best way to alter ones sense of mission or operating norms.<sup>97</sup> Studies on making agricultural research more relevant confirm that direct linkages with communities are often necessary to make changes in this area.<sup>98</sup>

##### 3. Nature of the service or activity, the benefits it should produce and intended beneficiaries.

A number of strategies have been proposed for altering the ways in which services are designed or delivered. Public choice theory is a useful device for analyzing the demand characteristics of different policies and proposing ways to adapt to those characteristics. Generally they propose altering policies so that the benefits are "divisible" and "exclusionary." In such cases individuals will be motivated to purchase only that amount they want, to contribute to their purchase, and to maintain them. Some of the following strategies can be used to

make benefits more "private:" user charges, assisted self-help, in-kind contributions, co-production.<sup>99</sup> A study of policy changes to promote decentralization lists the following options for financing activities which draw on the resources of different levels of government: general revenue, special levies, intergovernmental transfers, user charges, co-production, assisted self-help, in-kind contributions, revenue from productive activities, cooperative savings and credit, community fund raising.<sup>100</sup>

#### 4. Complexity of the policy product.

Complexity refers to the degree of change than a policy is trying to engender, the number of different steps that need to be taken, whether they need to be carefully sequenced and timed, and the number of different parties involved in the process. Policies can be made less complex in several ways: the range of benefits or services can be reduced, they can be sequenced, or they can be targeted to one or two areas originally and then replicated elsewhere.<sup>101</sup>

#### 5. Degree of knowledge about how to implement.

When it is not clear how to implement an activity, managers can design the policy as a series of experiments. The point is to be willing to make mistakes, even to "embrace error," and to systematically learn from ones experiences. David Korten proposes a series of steps that promote organizational learning: develop a pilot project, improve its efficiency, then replicate it elsewhere.<sup>102</sup> In a more recent study he proposes that smaller, non-governmental units may be useful in experimenting with different implementation strategies and then communicating that learning to government agencies.<sup>103</sup>

### B. The Environment

#### 1. Beneficiaries.

Recall that beneficiary is defined broadly as any group that may benefit from a policy. Economic theory tells us that broad groups of consumers may be unwilling to contribute to policies even if they benefit from them, and hence special strategies may be needed to mobilize them. Recent studies on implementation emphasize the importance of looking for opportunities to educate and persuade beneficiaries. This approach contrasts with traditional economic models that accept preferences as given and try to match supply and demand. The recent thinking urges openness to opportunities for learning and for interacting with others to expand ones information and alter ones preferences.

Managers and field staff may be an important resource to carry out this educative strategy.<sup>104</sup>

## 2. Stakeholders

Strategies can be designed to mobilize stakeholders and gain their support, or to build coalitions among political interests. They can include compensating opponents, diverting the opposition to some other issue, coopting the leadership, sequencing or timing activities to blunt the opposition.<sup>105</sup>

## 3. Relevant trends

If implementors find that political and technological trends may affect their activities, they may choose to design a strategy for scanning events so that they can anticipate problems that will arise. Weekly or monthly visits with individuals in a particular organization, for example, may provide important, up-to-date insights into changes in other sectors. They may establish advisory groups that draw on needed expertise, or maintain close contact with local research institutes.

## 4. Legal setting

Again public choice theory can provide a useful model to analyze different strategies for encouraging certain behavior and discouraging others. Consider policy changes in the environmental policy arena. Traditional regulatory approaches are often criticized because they discourage innovation and they require implementors or regulators to collect and analyze extensive amounts of information. Alternative strategies have been proposed that set targets and then allow organizations to decide how to achieve them, or that apply market forces to choosing among different ways to protect the environment. Other studies on regulation indicate that often the problem is not wilful abuse, but simply a lack of information. In those cases, it may be more useful for the government to design a strategy to bring different parties together and provide up-to-date information on the technological improvements.<sup>106</sup>

## C. Organizational Capacity

### 1. Implementing organization

The literature on organizational design generally describes two kinds of organizations -- a mechanistic, hierarchical arrangement and a more open-ended, organic, learning model. The argument is that certain activities are best carried out by one kind of organization or procedures, while other policy tasks are

best carried out by the other. Kiggundu, for example, describes how strategic planning requires very flexible procedures, while service delivery may involve a fairly routinized, pre-planned set of activities.<sup>107</sup> A strategic approach to implementation, therefore, needs to identify the procedures appropriate for different tasks and design the organization accordingly.<sup>108</sup> Others who follow this same line of thinking add that often a combination of these two models is appropriate, one that provides some broad guidance, but allows more flexibility at the operational level.<sup>109</sup>

## 2. Bureaucratic setting

A number of strategies have been proposed to make changes in the relationships among different units within the government. Responsibilities can be divided up according to different functions, or around products or clients. Responsibilities can be assigned to autonomous units if they need to be protected from antagonisms within the bureaucracy. A final option is to design a matrix organization in which an implementing unit may be accountable to different lines of authority according to the function they were performing.

Public choice theory offers some useful guidelines for managers. In general it recommends arrangements in which management and service delivery are decentralized so that services can be closely tailored to local preferences. It proposes that those designing strategies examine the following options: privatization, deregulation of services provision, devolution to local governments, delegation to public or regulated enterprises, deconcentration of central government bureaucracy.<sup>110</sup>

## 3. Institutional setting

Public choice theory also suggests that managers consider delegating services to alternative institutions throughout the system. One list includes the following options: private businesses, informal sector enterprises, contracting arrangements, private voluntary organizations, membership organizations, public enterprises, self-help groups, and market surrogates.<sup>111</sup> Delegating services and responsibilities to other units has increased substantially in the past decade and most observers agree that it changes the role of government significantly. Much more energy needs to be spent facilitating and monitoring these other units and thus managers need to develop new strategies for working with other organizations who share responsibility for a policy with them. Delegation of authority can make implementation more complex by making it difficult to hold other units accountable for policy goals. At

the same time it can greatly improve the information available to managers, if the other units are seen as opportunities for learning and providing feedback about policy results. 112

#### Techniques for Carrying out Step 4.

Most of the process techniques suggested for the other steps can be used in the process of designing strategies. Participants will need to brainstorm, to collect a variety of views, and prioritize them in some fashion. Structured process techniques can be helpful in doing this.

The framework implies that techniques are also needed to incorporate substantive research and theories into the discussion. There are several alternatives: Involve substance matter specialists who can describe options. Arrange for a presentation of a relevant theory such as public choice theory and then use it throughout the strategy planning process to pose options. Lectures and assigned readings may also be used to explore some of the options.

#### QUESTIONS TO ASK TO CARRY OUT STEP 4

##### A. Policy Content

- What opportunities exist to simplify the policy objectives?
- Is it possible to divide the policy into a sequence of steps?
- Is it useful to plan a workshop in which implementors review their mission and norms? Should outside policy experts be included in this session?
- Can the policy be divided into a set of services that would then be offered one by one, or initially in a smaller target area?
- Could the policy benefits be simplified in any way?
- Do other units have relevant experience in implementing the policy that we should learn about?
- Who has the relevant knowledge?
- Can user fees be applied?

##### B. The Environment

- Do beneficiaries need more information about the benefits?
- Do the implementors need to involve the beneficiaries more directly in planning and implementing the policy themselves?
- Are there stakeholders who could be mobilized to support the policy more directly?
- What strategies could be used to compensate potential opponents?
- Do political officials need more information about

implementation problems?  
 How can we make the legal setting more predictable?  
 What changes in regulations need to be made?

C. Organizational Capacity

Does the implementing organization have the discretion to hire appropriate staff?  
 What changes need to be made in the financial management system?  
 Is it necessary to organize local groups?  
 What incentives can be offered to encourage other organizations to contribute to the policy?  
 What task forces or coordinating mechanisms should be established to encourage cooperation?  
 Do other units lack important information that the public sector could provide?  
 Are there additional sources of resources to be tapped?

**STEP 5: DESIGN A PROCESS FOR MONITORING RESULTS AND MAKING ONGOING ADJUSTMENTS**

In this final stage in the framework participants design and carry out procedures for learning from their experiences and insuring that the information is fed into and used by managers throughout the system. There are four choices to be made:

First, can the implementation process be designed as a series of pilots and experiments?

Second, whether or not implementation is broken down into a series of experimental steps, procedures need to be designed to collect and use data. Selecting performance measures can be a very critical step and needs to be done in close consultation with those responsible for carrying out an activity. The important question is to determine the information managers need to make adjustments in the course of carrying out a policy.

Third, policy makers also need to learn about the results of the policy and encouraged to review the goals and objectives periodically. Implementors need to have a strategy for collecting information that will be useful and relevant to the concerns that policy makers have. This may vary considerably from the information that implementors need on a daily basis, but it can critically important for longer range adjustments in policy goals.

Fourth, improve the procedures for reporting and using the information, for linking it to management processes and to decisions that need to be made. 113

#### QUESTIONS TO ASK TO CARRY OUT STEP 5

- Can the policy be broken down into a series of steps and carried out sequentially so adjustments can be made?
- Can the policy be tried in one or a few areas so that it can be adjusted before being applied elsewhere?
- What information do field level staff and mid-level managers need to make adjustments?
- What information do policy makers need to review the policy goals and purposes?
- What are the critical decisions points when information is needed if it is to make a difference?
- Who will be using the information so that reports can be tailored to their needs?

#### IV. RESEARCH ON IMPLEMENTING POLICY CHANGES

The Framework presented in Part III is grounded in current research and a wide variety of experiences within the development community on implementing development activities. The framework can be used to carry out two kinds of research:

Action Research. Those offering technical assistance and those responsible for implementation activities can jointly carry out "action research" on their implementation experiences. The major beneficiaries of this research will be those implementing a particular policy change. It should provide feedback to the implementing organization and encourage them to make ongoing adjustments as they learn from experience. It should also help the implementing organization develop skills in evaluating their own performance so that these become part of their standard operating procedures.

Comparative Case Studies. The framework also provides an opportunity to conduct comparable and systematic research about the implementation process. Implementors can develop case studies of their implementation experiences. The framework allows them to design the cases to cover comparable questions. This logic in turn should allow them to propose and examine hypotheses about the best way to proceed with implementation.

This section discusses these two approaches to research in more detail.

##### A. Action research.

Action research directs participants to review their activities on an ongoing basis, reflect on them, and make

changes.

Action research has a purposive aspect and "embraces error." Implementors do not simply collect information about impacts and make adjustments. They identify ahead of time what they need to learn more about, and design their activities as experiments from which they can learn. For example, if a policy change involves stimulating private sector activity in marketing, the implementing agency could identify two or three different strategies. They would implement each of them on a pilot basis, monitor and reflect on the results. Presumably one or another would prove to be more effective. Thus managers know they are going to make some "errors," but that is intentional.

Clients and researchers collaborate in observing, reporting, and reflecting on activities. Descriptions are more important than comparisons of results with planned goals, as is done in traditional evaluation.<sup>114</sup> One technique that is commonly used is called "process documentation," which is supposed to provide continuous information about activities. Its purpose is to provide "how to" information, and reflect on implementation problems, so that others trying to replicate or learn from the process could anticipate problems that would arise.<sup>115</sup>

David Korten and his associates working on a strategic management process in the Philippines, have extensively documented their use of action research. They assigned researchers to document what happened, to observe what meetings were held, to record what decisions were made, and so forth. Researchers relied on direct observation and unstructured interviews. Monthly reports were produced at most of the field sites, shown to the field staff and then sent to the agency to provide a narrative of problems and issues. The reports were not diaries but were built around issues raised by the project and defined by state-of-the-art knowledge about irrigation.<sup>116</sup>

#### B. Comparative case studies.

The framework stresses that implementation has to be appropriate to the particular setting and the opportunities present in a situation. As stated in Section II it has to take "time and place information" into account. The framework also emphasizes that those doing the implementation need to be closely involved in designing and learning from it. Case studies are the most appropriate way to conduct research on implementation because they stress contextual information and processes. The problem is that it is difficult to deduce more general learnings from cases. A common framework, however, allows the researcher to ask comparable questions, and to explore some general hypotheses.

The focus of the research will be on implementation experiences. Below are a series of specific research questions. The central methodology to address the questions will be workshops that will be held once a year for the implementing teams. Specific research questions include the following:

1. An appropriate framework.

Presumably those involved in applying the framework will make adjustments in it. Some parts will work better in some situations than in others. Some groups may respond better to a process approach than others. Some groups will succeed in focussing the process to define a few critical problems, while others may have to work harder to avoid being overwhelmed by complexity. It is necessary to review the framework, to systematically collect information on which parts work better than others, and under what conditions. One result of this research may be a compilation of several versions of the framework. Another may be a presentation of the framework, annotated according to adaptations made under different situations.

An appropriate methodology for conducting this kind of research would include periodic workshops that bring implementors (consultants plus LDC officials) together to review their experiences and agree on common questions. For example, they may report that mapping exercises seem to be working well in most situations, but that some groups are having trouble focusing on critical problems. In that case the implementors need to concentrate on that portion of the framework where problems arise - should it be altered, when does it work well, what intervention techniques seem to be most useful? Alternatively they may find that the framework works well in helping a single organization develop an implementation strategy, but it works less well when several organizations are involved. Then participants need to use their experiences to propose changes in the framework for inter-organizational settings.

2. Introducing a process approach.

The framework engages participants in a problem-solving process. On the basis of the discussion of typical LDC organizations and management styles reviewed in Section I, it is obvious that most managers in the Third World do not practice this kind of approach to management, and indeed that it is alien to much of the existing culture and norms in their organizations. They are constrained both by different models of management in their systems, and by a lack of process skills. At the same time, the framework assumes that managers need to be more engaged in diagnosing their situations and designing strategies. A critical

question for research, therefore, is how to introduce what is apt to be a fairly radical approach.

First, research needs to provide descriptive information about the reasons why some managers find a strategic process approach comfortable or potentially useful. Conceptually there are several theories of management behavior. In a cognitive model people respond to new ideas and new information and are motivated by agreeing on a definition of common problems. In an economic model people respond to incentives, both positive and negative. In a participatory model people are motivated to action when they have participated in shaping a strategy. Because the framework assumes that individuals have a variety of motives, research can try to identify the circumstances when one of these models may be more useful than another.

The second question asks the implementors to compare the best way to introduce a process approach. Methods for introducing a strategic process include:

- having consultants carry out initial interviews and then present the results in a workshop;
- holding an initial workshop for top level administrators;
- working with individual managers who have been exposed to these ideas in out-of-country training events;
- using "arms-length" institutions to initially present the ideas and to conduct brainstorming sessions.

Comparative research needs to be done on the relative merits of these different approaches.

An appropriate methodology would be for the consultants and implementing officials to review these questions in a workshop. They could develop a matrix to organize their findings such as the following:

## Techniques for Introducing a Strategic Process

### Problems to be dealt with

Inhibitions of managers	Constraints in organiza- tion proce- dures, norms	Constraints in the inter- organizational arena	Motives they appealed to (cog- nitive, economic, partici- patory
----------------------------	--	---	---

### Techniques

- 1.
- 2.
- 3.

Researchers would systematically compare different techniques for introducing a strategic process according to their ability to deal with the problems identified in the matrix.

### 3. Learning When Organizations Will Cooperate

Policy changes frequently involve working with and through several organizations. Yet it is a well established maxim of organization theory that members of one organization find it difficult to cooperate with others. According to one recent study, "Agencies must be pushed or pulled into cooperation; they cannot be expected to embrace it naturally."<sup>117</sup> Research on the conditions under which organizations do work together would be very useful. Much of the literature relies on exchange theory and says that organizations will cooperate in order to gain benefits, such as additional resources or influence.<sup>118</sup> Another model proposes that organizations cooperate in order to improve their ability to solve specific problems, that common problems often draw managers to cooperate and that problem solving is more apt to induce cooperation than a cost-benefit approach.<sup>119</sup> The experiences with implementing policy changes provides an opportunity for pursuing this research further.

A recent study illustrates a methodology that the implementing teams could use to study this issue. The author identified clusters of organizations with a common mandate that would presumably benefit from working together. She visited them and simply asked them whether they cooperated and why. She then organized her findings and found that four factors had to be present for cooperation to occur: they had to perceive a problem

that could be handled cooperatively, there had to be resources to enable them to work together, they needed organizational procedures to encourage cooperation, and there needed to be some external impetus such as a crisis.

The implementing teams could use a workshop format to examine their own experiences with getting organizations to cooperate. Do their experiences confirm this model or is another one more accurate?

#### 4. Generating Feedback from Field Settings

Many policy changes require managers to gather first hand information about client or community preferences and needs and strengths. Studies of agricultural productivity, for example, emphasize that managers and researchers need to have first hand information about local farming systems. The fourth step in the framework specifically asks implementors to design procedures for collecting and analyzing information about the impacts of policy changes. Since most LDC organizations are structured around top down controls, rather than bottom up feedback procedures, this step will probably require a number of innovations. Research is needed on the kinds of procedures that can readily be put into place and which seem to work well.

Methodologically, implementing teams need to come together in a workshop, review this issue together, and organize their experiences into some meaningful matrix. A sample matrix is included below:

Kinds of Information Needed for Implementation	Information Bottlenecks	Organizations Involved
---	----------------------------	---------------------------

Feedback  
Strategies  
Used:

1

2

3

The question is how each strategy dealt with specific issues, what problems arose, and how successful they were.

#### 5. Ownership of Process by LDC Officials

One of the core issues for implementing policy changes is that LDC officials often feel the changes are being imposed on them. One of the purposes of a strategic process is to involve them in planning an implementation strategy that will not only make better use of their expertise, but will commit them to the policy changes. Consultants are usually needed to carry out a process approach. One problem is insuring that client groups, in this case LDC officials, understand and have an ownership of the process. Research is needed to better understand how ownership is developed and to explore ways to insure that clients have a major role in determining what happens.

Consultant teams will need to collect responses from LDC officials about these issues. Methodologically it would be appropriate to schedule a workshop for LDC officials from several implementing teams to review, compare and assess the ways in which the framework was adapted to their situation, and how they perceived their role. It would be important for the officials to feel free to express their feelings in such a session, thus the workshop should be run by an external party rather than by the consultants involved.

#### 6. Incorporating Public Choice Theory into a Strategic Process

Public choice theory proposes a number of ways to deliver services more efficiently. The framework suggests that the theory be introduced to implementing teams to stimulate them to consider alternative ways of providing services. Research is needed on the most effective way to introduce this theory. The consultants need to keep records of what steps they used to introduce the concepts and whether they succeeded in engaging the participants. These experiences should be compared during the workshops.

#### 7. Comparative Case Studies and Action Research

The proposed methodology for dealing with each of the above research questions is to structure a workshop in which implementing teams come together, share their experiences, and try to organize it conceptually to provide some general conclusions or hypotheses for further testing.

The same workshops can also be used to contribute to the action research component. Assuming that workshops are held periodically during the implementation process, a final session during each workshop could be devoted to having each implementation team meet as a group and reflect on what they have learned from other teams that might lead them to make adjustments in their activities. Have any of the other teams had experiences

that a given team should consider experimenting with? What do the teams want to learn more about, and would it be possible to add some innovations to their ongoing work in order to gain this information?

### 8. Integrating Implementation and Policy Planning

A central assumption of the strategic management literature and of the PMP project is that implementation problems need to be raised during the policy planning stage. Research is needed on ways to promote this integrated approach to policy planning. Each implementation team needs to assign someone to review this issue, to contact those involved in policy planning to assess what opportunities there are for a more integrated process in the future. Again, these results could be shared during the workshops, conclusions drawn, and some strategies proposed for improving the process in the future.

#### NOTES

1. Joan Nelson, "The Political Context of Implementing Policy Reform," Comments at a Workshop on Implementing Policy Reforms, S&T, Agency for International Development, May 17, 1989. See also her edited collection, Fragile Coalitions, Washington D.C.: Overseas Development Council, 1989.
2. Louise White, "Implementing Economic Policy Reforms," World Development Vol. 18, No. 1 (January 1990). These kinds of problems overwhelmed the efforts to introduce an auction into Zambia, although some charged that a few officials never wanted the auction to work in the first place.
3. Adjustment Lending: An Evaluation of Ten Years of Experience. Washington D.C.: World Bank, 1988.
4. Richard Sandbrook, "The State and Economic Stagnation in Tropical Africa," World Development, Vol. 14, No. 3, 319-332 (1986) p. 320. He bases this list on studies of actions taken by public sectors in the newly industrializing countries (NICs). The complexities of implementing policies to stimulate the private sector were stressed in a 1988 study by the Office of Technology Assessment of foreign assistance in Africa. "Important to private sector assistance will be opening the marketplace to multiple private sector enterprises and not just the conversion of non-viable public monopolies and their replacement with private ones. In some cases the public sector may continue to be necessary to serve resource-poor farmers and herders in commercially unprofitable and geographically isolated locations. Private sector assistance needs to be monitored and evaluated as to whether benefits are captured primarily by larger enterprises." Office of Technology Assessment, Enhancing Agriculture in Africa, OYA-F-356. Washington D.C.: Government Printing Office, 1988, pp. 139-140.

5. See fn.1.
6. Thomas Callaghy, "Lost Between State and Market," Comments at a Workshop on Implementing Policy Reforms, S&T, Agency for International Development, May 24, 1989. See also his essay in Fragile Coalitions, ed. Joan Nelson, Washington D.C.: Overseas Development Council, 1989.
7. Callaghy, ibid. He refers to the review of policy reforms by the World Bank in 1988 cited in fn. 3.
8. Peter Nicholas, The World Bank's Lending for Adjustment. Washington D.C.: World Bank, 1988, x.
9. Louise White, Creating Opportunities for Change, Boulder: Rienner, 1987, Ch. 1.
10. Office of Technology Assessment, see fn. 4, p. 148.
11. Samuel Paul, "Institutional Reforms in Sector Adjustment Operations," Washington D.C.: World Bank, mimeo, March 1989; Patricia Vondal, "A Review of Social and Institutional Analyses on Non-Project Assistance," Bureau for Africa, Office of Development and Planning. Washington D.C.: USAID.
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13. Office of Technology Assessment, p. 152; see fn. 4.
14. Thomas Callaghy, see cites, fn. 6. See also White, fn. 2.
15. Richard Nelson, "On Technological Capabilities and Their Acquisition," Paper delivered at Conference on Science and Technology Policy sponsored by the Economic Growth Center, Yale University, March 1989.
16. Norman Nicholson and Edward Connerley describe the imperatives of rent seeking, "The Impending Crisis in Development Administration," International Journal of Public Administration Vol. 12, 1989, 385-425.
17. Marc Lindenberg, "Winners and Losers," Policy Sciences, forthcoming.
18. Thomas Dichter, Development Management: Plain or Fancy? Sorting Out Some Muddles. Norwalk Conn.: Technoserve, 1987.
19. Richard Sandbrook, "The State and Economic Stagnation in Tropical Africa," World Development Vol. 14, No. 3 (1986), p. 321.
20. Goren Hyden, No Shortcuts to Progress. Berkeley: University of California Press, 1983, p. 77.
21. Sandbrook, "The State and Economic Stagnation," p. 330.
22. Goren Hyden notes that in many African countries the government is an irrelevance to large numbers of the populace. No Shortcuts to Progress, see fn. 20.
23. These characteristics are documented in many cases. See, for example the analysis of government organizations in Guinea reported by Aliou Diallo, Mamadou Kante and E. Philip Morgan, "Organization Development and Management Improvement," Washington D.C.: NASPAA, 1988; the study of the need for incentives in Haiti by Derick Brinkerhoff and Arthur Goldsmith, "The Challenge of Administrative Reform in Haiti," International Review of Administrative Sciences, Vol. 54, No. 1, 1988, pp. 89-114; and

the cases cited by Robert Klitgaard, "Incentive Myopia," World Development Vol. 17, no. 4, 1989, pp. 447-459.

24. See Dennis Rondinelli's useful review of the history of foreign assistance, Development Administration and U.S. Foreign Aid Policy, Boulder: Rienner, 1987; see also Milton Esman, "The Maturing of Developing Administration," Public Administration and Development, Vol. 8, 1989, pp. 125-134.

25. See references to Callaghy in fn. 6; Hyden in fn. 20; and Sandbrook in fn. 19, all of whom represent this perspective.

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27. Richard Elmore, "Graduate Education in Public Management: Working the Seams of Government," Journal of Policy Analysis and Management, Vol. 6, No. 1, 69-83 (1986).

28. Samuel Paul, Managing Development Programs, Boulder: Westview, 1982.

29. See the collection of articles in Vincent Ostrom, David Feeny, and Hartmut Picht, eds., Rethinking Institutional Analysis and Development, San Francisco: International Center for Economic Growth, 1988; also see Nicholson and Connerley article cited in fn 16.

30. This literature is reviewed in Rondinelli, see fn. 24 and White, see fn. 9.

31. This argument is made in a number of publications by DPMC staff; see for example, Merlyn Kettering, Microcomputer Based Information Systems for Public Financial Management in Kenya, Alexandria, VA: Thunder and Associates, 1987.

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33. A recent discussion of bounded rationality is found in Herbert Simon, "Human Nature in Politics," American Political Science Review, Vol. 79, 1985.

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35. Simon, see fn. 33, p. 303.

36. Martin Landau, "On Decision Strategies and Management Structures," Committee on the Study of Public Organizations, University of California, Berkeley, 1986; Paul Healy, "Interpretive Policy Inquiry," Policy Sciences, Vol. 19, 1986, pp. 382-296; and Douglas Torgerson, "Between Knowledge and Politics," Policy Sciences, Vol. 19, pp. 33-59.

37. F. A. Hayek, "The Use of Knowledge in Society," The American Economic Review, Vol. 35, no. 4, (September) 1945, pp. 519-530.
38. Michael Patton, Utilization-Focused Evaluation, 2nd ed. Beverly Hills: Sage, 1986; Ian Mitroff and J. Emshoff, "On Strategic-Assumption Making," Academy of Management Review, Vol. 4, no.1 (1979), pp. 1-12.
39. Louise White, "Policy Reforms in Sub-Saharan Africa: Conditions for Establishing a Dialogue," Studies in Comparative International Development, 1990, forthcoming. See also Healy and Torgerson, see fn. 36.
40. Many of these issues were raised at a conference on Technology Transfer, sponsored by AID and conducted by the Economic Growth Center, Yale University, March 1989. See especially the paper by Richard Nelson, cited in fn. 15.
41. David Korten presented a similar breakdown in an article on the merits of strategic organizations, "Strategic Organization for People Centered Development," Public Administration Review, Vol. 44, no. 4, 1984, pp. 341-352.
42. For example, see D.C. Eadie and R. Steinbacher, "Strategic Agenda Management: A Marriage of Organization Development and Strategic Planning," Public Administration Review, Vol. 45, no. 3, pp. 424-432.
43. Elmore, "Working the Seams of Government," see fn. 27.
44. The Development Project Management Center (DPMC) located in the Department of Agriculture (USDA) and the International Development Management Center (IDMC) located at the University of Maryland have been particularly important in documenting and promoting workshops. Among their many publications see Merlyn Kettering, Action-Training for Development Management: Learning to Do and Doing to Learn for Stronger Development Programs, Washington D.C.: USDA / DPMC, June 1985. See also Donald Mickelwait, Technical Assistance for Integrated Rural Development: A Management Team Approach, IRD Working Paper, No. 3. Washington D.C.: Development Alternatives, Inc., 1980.
45. Jerry Silverman, Merlyn Kettering, and Terry Schmidt, Action-Planning Workshops for Development Management, World Bank Technical Paper Number 56, Washington D.C.: World Bank, 1986.
46. Paul, 1982, p. 234, see fn. 28.
47. Louise White, "Institution Building to Improve Agricultural Research and Education," CDIE, Washington D.C.: Agency for International Development, 1988.
48. James Austin and John Ickis, "Management, Managers, and Revolution," World Development, Vol. 14, no. 7, 1986, pp. 775-790.
49. These include John Bryson, Strategic Planning for Public and Non-Profit Organizations, San Francisco: Jossey-Bass, 1988; Korten, 1980, see fn. 41; Samuel Paul, Strategic Management of Development Programmes, Geneva: International Labor Organization, 1983; Dennis Rondinelli and Middleton, "Decentralization Policies in Developing Countries," 1988; Dennis Rondinelli et.al., "Contingency Planning for Innovative Projects," Journal of the

American Planning Association, Vol. 55, no. 1, 1989, pp. 454-57; Derick Brinkerhoff and Richard Hopkins, "Institutional Dimensions of Education Sector Lending," Population and Human Resources Department, Washington D.C.: World Bank, 1989; Andrea Jones and Wayne Clyma, "An Approach to Management Improvement for Irrigated Agriculture: The Management Training and Planning Program for Command Water Management, Pakistan," Water Management Review, Spring 1986. The approaches also vary somewhat. Some are fairly exhaustive in the categories they include; others are more selective. Some are designed for particular kinds of policies or decisions, others are more generic. In general, their strength lies in helping officials sort out the variety of influences on policy implementation and gain some agreement among themselves. They are usually less successful in showing officials exactly how to develop appropriate strategies or what criteria to use to select among different views.

50. Silverman, et. al., Action-Planning Workshops, p. 5.

51. Jerald Hage and Kurt Finsterbusch, Organizational Change as a Developmental Strategy, Boulder: Rienner, 1987.

52. For some policies the concept of policy arena may be useful. Often implementation involves a variety of different parties and organizations. In these cases it may be more fitting to think of a "policy arena" or "policy network" than a single organization. The purpose is to involve individuals from various parts of the network in any planning strategy. If it seems that such a step will unduly complicate the process, it may be more useful to consider this broader set of groups later in the process, by mapping their role and by identifying specific strategies for working with other groups. See essays in Kenneth Hanf and Theo Toonen, eds. Policy Implementation in Federal and Unitary Systems, Boston: Martinus Nijhoff, 1985.

53. Jones and Clyma, 29-30, see fn. 49. This work was sponsored by Colorado State University and the University Of Maryland, and is part of the Performance Management Project, funded by AID. \*\*\* cite their original report also, p. 24.

54. Jones and Clyma, p. 24, see fn. 49 and 53.

55. Report on Introductory Workshop on Program and Budget Planning, Ministry of Agriculture and Animal Resources, Conakry, Republic of Guinea, May 26, 1989.

56. Paul, 1989, Vondal, 1987, see fn. 11.

57. This is the core of the learning approach, best described by David Korten, "Community Organization and Rural Development," Public Administration Review, Vol. 40, no. 5, 1980, pp.480-511.

58. See discussion in Bryson, see cite in fn. 49.

59. Bryson, fn. 49.

60. Matrices as stimulants to creative thinking are described in Michael Patton, Creative Evaluation, Beverly Hills: Sage, 1981; and in Matthew Miles and A. Michael Huberman, Qualitative Data Analysis, Beverly Hills: Sage, 1984.

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62. Samuel Paul emphasizes the importance of degrees of discretion, Managing Development Programs: The Lessons of Success. Boulder: Westview, 1982.
63. See Austin and Ickis study of Nicaragua for an example, cited in fn. 48.
64. For example, see R. Heaver, Bureaucratic Politics and Incentives in the Management of Rural Development, World Bank Staff Working Paper no. 537, Washington D.C.: World Bank, 1982.
65. See Paul's discussion of beneficiaries, 1983, cited in fn. 49.
66. Derick Brinkerhoff and Richard L. Hopkins, "Institutional Dimensions of Education Sector Lending: Guidelines for Management and Sustainability Assessment," for Population and Human Resources Department. Washington D.C.: World Bank, 1989, p.23.
67. Samuel Paul, "Institutional Reforms in Sector Adjustment Operations," Washington D.C.: World Bank, 1989, p. 22.
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69. Louise G. White, "Institution Building to Improve Agricultural Research and Education," CDII, Washington D.C.: AID, 1988.
70. This point was made most graphically by R. Chambers, Rural Poverty Unperceived, World Bank Staff Working Paper, no. 400. Washington D.C.: World Bank, 1980.
71. Jones and Clyma, 1986, p. 19, see fn. 49.
72. Judith Tendler, Turning Private Voluntary Organizations into Development Agencies, AID Program Evaluation Discussion Paper, no. 12, Washington D.C.: AID, 1982; Milton Esman, Landlessness and Near Landlessness, Ithaca: Cornell, 1978.
73. David Korten and George Carner, "Planning Frameworks for People-Centered Development," in David Korten and Rudi Klaus, eds. People Centered Development, Hartford, Kumarian, 1984. Patton also discusses the value of asset analysis in Creative Evaluation, see fn. 60.
74. Brinkerhoff and Hopkins, cited in fn. 66.
75. Austin and Ickis describe how the private sector was viewed as an asset by the socialist regime in Nicaragua, cited in fn.48.
76. See the study by Diallo et al cited in fn. 23; Kettering's discussion of financial procedures cited in fn 31; and Paul's discussion, cited in fn. 49.
77. Klitgaard, cited in fn. 23.
78. Dichter, cited in fn. 18.
79. Diallo, Kante and Morgan, cited in fn. 23.
80. For example see Edwin Connerley's study on rural roads in Bangladesh and other reports associated with AID's Decentralization: Finance and Management Project, funded by Office of Rural and Institutional Development.
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85. Patton, cited in fn. 38.
86. See Chambers, cited in fn. 70 and Patton, cited in fn. 38.
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90. Hage and Finsterbusch, cited in fn. 51.
91. Janet Weiss, "Pathways to Cooperation Among Public Agencies," Journal of Policy Analysis and Management, Vol. 7, no. 1, 1987, pp. 94-117.
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93. Smith, Lethem and Thoolen, cited in fn. 68.
94. Paul, 1983, cited in fn. 49.
95. David Leonard, "The Political Realities of African Management," World Development, Vol. 15, no. 7, 1987, pp. 899-910.
96. Bryson, p. 149 ff, cited in fn. 49.
97. Korten, cited in fn. 57.
98. See White, cited in fn. 47; See also Rondinelli and Middleton, 1988, cited in fn. 49; Korten, cited in fn. 57; Milton Esman and Norman Uphoff, Local Organizations, Ithaca: Cornell University, 1984.
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100. Rondinelli and Middleton, 1988, p. 65, cited in fn. 49.
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