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Widening the Lens: what can the UK learn from public service reform in the developing world?

2020
Public Services Hub
at the **RSA**



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The 2020PSH is a research and policy development hub based at the RSA, created from the legacy of the 2020 Public Services Trust, the charity which convened and supported the Commission between December 2008 and its final report in September 2010. 2020PSH specialises in developing practice-based research on social productivity in public services. Based at the RSA, the Hub works collaboratively with local public service organisations, national sector leaders and other national partners to develop social value and social productivity thinking into local and national practice. The pressures on public services are many and varied – spending cuts, future demands, and the challenge of engaging more effectively and creatively with citizens and communities. Within this context, the 2020PSH seeks to apply a long-term, strategic perspective and develop socially productive responses in collaboration with its partners.

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About the Public Services Academy

The Public Services Academy serves as the Knowledge Exchange hub for the University of Sheffield's Faculty of Social Sciences. The PSA forms a bridge between public, private and third sector organisations and the Faculty, matching the needs of external partners with research expertise from across the social sciences to create diverse and sustainable relationships for collaborative working. The Public Services Academy facilitates and promotes knowledge exchange by offering the following services:

- » Identifying knowledge exchange funding opportunities from regional, national and international sources and facilitating access to this funding
- » Developing and supporting local and national collaborations and networks
- » Hosting events to tackle specialist issues and foster knowledge exchange

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Introduction

The UK's Public services are entering a period of acute pressure. Faced with a 'triple crisis' – of social demand, variable productivity and fiscal constraint – policymakers are scrambling to balance crisis management with future planning and innovation. Councils and departments across the country face a daunting set of dilemmas: such as how to hold together fragile public sector confidence and local delivery partnerships, whilst at the same time thinking about generating efficiencies and cutting costs.; and how to plan for a potentially extended period of fiscal austerity, whilst at the same time embracing the mantras of creativity and policy innovation.

Research for the 2020 Public Services Hub by Professor Howard Glennerster estimates that, by 2030, the attendant costs of an ageing population will have added almost 4% of GDP onto public expenditure demands.¹ A slow economic recovery means that growth alone will not cover this. UK unemployment is over 2.5 million and rising. And living standards will be squeezed at least into 2013, according to the Office of Budget Responsibility's wage and inflation projections.²

The landscape of public services is in flux. The Coalition government has attempted to hit the ground running, pushing for radical reform across a range of areas including healthcare, education, welfare and the relationship between local and central government. There is uncertainty about the potential impact of much of this reform at the local level. Several mandated measures of performance and benchmarking have been removed, and councils are feeling both the opportunity and pressure of greater autonomy through measures set out in the Localism Act, the Open Public Services White Paper and (potentially in) the forthcoming local government Resource Review.

The 2020 Public Services Hub has argued elsewhere that this combination of policy flux and 'triple crisis' must be met with an approach based

¹ Glennerster, H. 'Financing the UK's Welfare States' in Kippin, H. & Stoker, G. (eds) *The Future of Public Service Reform*, Bloomsbury Academic Press (forthcoming, 2012)

² See Office of Budget Responsibility (2011) 'Economic and Fiscal Outlook: March 2011' online at http://budgetresponsibility.independent.gov.uk/wordpress/docs/economic_and_fiscal_outlook_23032011.pdf

on long-term, coherent principle. We have set out our own framework for public services, which we call ‘social productivity’. This is a concept developed by the Commission on 2020 Public Services that denotes an analysis of public services based on the quality of the relationship between citizen and service. In practice, this points to a set of reform principles based on integration, collaboration and co-production – creating new partnerships between public, private and social stakeholders at a local and national level.

Widening the Innovation Lens

Public service innovation is fundamental to this approach. Without providing space for new ideas, policy creativity and citizen-driven change, policymakers risk creating closed shops for reform, and narrowing the options available to them at a time when exactly the opposite is needed. This is why we argue for ‘widening the lens’. At a time when creativity and innovation are critical, we should be looking beyond our usual boundaries for stories of ‘what works’ in dealing with debt and budget constraint at a local level, how communities can be mobilised to ‘co-produce’ public services, and how public services can better work with the grain of livelihoods, institutions and social networks within localities.

Seeking innovation in public services is hardly a new task. Organisations such as the Young Foundation, NESTA and the RSA have track records of discovering, incubating and catalysing micro innovations within the UK’s communities, and pointing to some of the best European and U.S. examples of social innovation and local public service reform. The 2020 Hub already draws on this work during its own work with local authorities and public services sector bodies; and the PSA has been active in the types of fora that enable transfer of knowledge and skills between academic, social and public institutions within the region of South Yorkshire.

Yet as a policy community we should be asking ourselves: are we looking as widely as possible? Can we generate new insights into policy design and delivery through broadening our perspective? And as the UK begins to deal with a relatively new set of social and economic circumstances, is there value to be found in widening the lens? We believe there is. In this paper we make the case for a new ‘shared space’: a space where the UK academic and policy communities can share insights and with the development policy arena, and learn from a rich body of evidence, argument, successes and failures of public service reform in a variety of contexts.

So how can this be done? By first laying the groundwork – by developing a framework for analysis and the basis for an ongoing programme of collaborative research and analysis. Four strands form the basis of this framework:

Strand 1 – Understanding Local Networks & Resources

A recent initiative from the African Power and Politics programme at the ODI³ has asked: what would it look like to build public provision around the grain of existing livelihoods, social patterns, civic life and public institutions in Africa? As the UK government looks to embed the idea of a Big Society, it is asking similar questions – with a view to utilising hidden citizens’ resources and to mobilise collective action. We know that, where poverty and social exclusion is marked, this will be more difficult and will require different roles from social and public actors. Yet have we assessed the evidence from countries in which this has been tried and tested? What kind of policies might ‘working with the grain’ imply? Are there wider lessons to be learned?

Strand 2 – Delivering Local Public Services

Political and public sector decentralisation has been a central plank of governance reform in developing countries, especially as part of World Bank-sponsored reform programmes.⁴ Much of this has been carried out within a context of resource constraint and fragmented public (and political) engagement. What are the lessons to be learned from these processes of decentralisation as the UK enters a period of local leadership flux? How have they impacted upon the allocation of rights and resources, and the mechanisms through which citizens hold public services to account? In the context of extreme poverty, have such reforms provided better mechanisms for citizen redress or the allocation of public goods? And in transitional economies, how have economic imbalances and inequalities been managed?

Strand 3 – Models of Local Public Service Accountability

As resources become more constrained in the West, donor countries are increasingly concerned with the efficacy of development spending – moving

³ Booth, D. (2011) ‘Aid, Institutions and Governance: what have we learned?’ and Kelsall, T. (2011) ‘Going with the Grain in African Development?’ in a special issue of *Development Policy Review* (29) on ‘Aid, Institutions and Governance’.

⁴ See for example Harrison, G. (2004) *The World Bank and Africa: the construction of governance states* London, Routledge

towards outcome commissioning and payment-by-results models in some cases.⁵ In some countries, public services are being built or reconstructed from a low base, leading to innovative patterns of provision reflecting the contemporary needs of citizens rather than existing institutional organisation. Rather than a focus only on supply of services by the state, combinations and approaches which fuse state and non-state provision have been developed. These have not always been successful at improving outcomes but they do offer a body of learning and evidence on the range of potential mechanisms for delivering services. What relevant lessons might there be for the UK from these approaches? Where have governments built new institutions and networks around the grain of citizens' livelihoods, and what do they look like? As local authorities in the UK enter a period of swingeing cuts, what evidence can they draw about the creative use of scarce resources and citizens' networks?

Strand 4 – Dealing with Debt

The UK is undergoing an unprecedented and self-imposed fiscal correction to deal with a deep fiscal crisis. Such action is forcing the UK and many other developed nations to re-evaluate the sustainability of their welfare models.⁶ Yet in this context, are we drawing on all the available evidence to inform our decisions about spending consolidation? What have the economic and social consequences been when developing nations have radically cut spending? What have been the localised consequences of macroeconomic correction and public sector austerity?

⁵ See for example Birdsall, N. (2009) *Cash on Delivery: a new approach to foreign aid* Washington DC, Centre for Global Development and Sturgess, G. et al (2011) *Payment by Outcome: a commissioners toolkit* London, 2020PST

⁶ See for example Liddle, R. (2009) 'After the Crisis: a new socioeconomic settlement for the EU' Policy Network online at http://www.policy-network.net/publications_detail.aspx?ID=3338

Why Widen the Lens?

As the UK government looks to consolidate public spending, manage its debt crisis and protect social outcomes whilst reforming the state, its prescriptive policy mix must feel very familiar in parts of Africa, Asia and Latin America. In these settings, over twenty years of systematic public service reform has taken place in very different contexts, but has consistently attempted to deal with a similar need to balance fiscal, social and political imperatives at a time of economic constraint and sustained demand. From the experience of structural adjustment (SAP) for example, countries such as Uganda, Tanzania and Malawi could warn us of the impacts of rolling out public sector liberalisation whilst simultaneously servicing a huge debt burden and a needy population. Countries such as China and India can offer us examples of how the state can be mobilised to catalyse rapid growth within a short timeframe. And in Brazil, Chile or South Africa, we could learn from some success in efforts to reduce damaging inequality and the alienation of communities from the political process.

We know that the confluence of certain macroeconomic factors – Tony Payne has argued, for example, that we could all be seen as developing countries now in some senses – does not itself make the case for policy transfer to the UK. And we also know – as the result of an expert policy roundtable held in summer 2011 – about the folly of ‘shopping trolley’ reform, and the pitfalls of comparative analysis at a surface level. But the fact remains that the UK already imports selected innovations from a developing world context, alongside its more obvious influence upon approaches to economic governance and public sector reform promulgated through development doctrines such as the ‘Washington Consensus’ and ‘Good Governance’ agenda.⁷

For example, the capabilities framework adopted by the Equality and Human Rights Commission and explored as a public service delivery model by figures in the previous Labour government originates in Amartya Sen’s pioneering research in India. Participatory approaches, rapid area

⁷ See for example Thorbecke, E. (2006) ‘The Evolution of the Development Doctrine, 1950-2005’ UN University Research Paper 2006/155

appraisals and randomised control trials are currently *de rigueur* within development policy circles, and are now methodologies being increasingly explored as the UK's local authorities look for ways to identify and build on social capacity and community resource.

And as public managers increasingly seek new and more effective ways of targeting increasingly scarce resources, insights such as those from Abhjit Banerjee & Esther Duflo's work on 'Poor Economics' are increasingly being explored. Meanwhile advocates of the Big Society and community engagement have long pointed to the experiences of participatory budgeting and community health councils in Brazil, or citizens' report cards in India as comparative examples of good practice.

This over-arching narrative is, nevertheless, relatively unacknowledged – and hitherto relatively unexplored.

The UK and the Global South: Go Compare?

The UK is usually compared and contrasted with other developed nations – the ‘usual suspects’ including the European Union, US, OECD, ‘anglosphere’ of English-speaking market economies. The exact parameters often differ, but the emphasis is the same: comparative analysis is drawn from a relatively limited sphere of similar policies, which are often themselves cross-fertilised during the design stage. There are good reasons for this, given the sophisticated data resources made accessible by bodies like the OECD or Eurostat. But there are also dangers of narrowing perspective at a time when a wide lens is needed.

The immediate politics surrounding public service reform at a time of fiscal consolidation has made it clear that there are few good comparators or precedents within developed nations. As developed nations look to each other for inspiration they seem to find only deeper crisis: the epidemic loss of confidence through the Eurozone, for example, seems to show the risks of this kind of inward looking. This means that the main comparators have been historical rather than current, with a strong focus on the 1930s and 1970s as potential explicators.

Both of these seismic events affected UK capitalism profoundly and forced a transformation in the state and public services. Our emergence from the current financial crisis may be equally transformative, but how far previous experiences can predict these likely reconfigurations is a contested question. Of these, the Great Depression has been the most used comparator for current events, featuring endlessly in newspaper headlines – but also in much high-quality economic analysis, on the crises’ similar origins.⁸ The experiences of the 1930s undoubtedly conditioned initial policy responses, but may be less instructive during the coming years.

The consequences of the immediate reactions to the crisis – nationalising the banks – has generated budgetary repercussions that would arguably

⁸ See for example Crafts, N. (2011) ‘Delivering Growth while Reducing Deficits: lessons from the 1930s’ ESRC CAGE Research Centre working paper online at http://www.dodsmonitoring.com/downloads%5C2011/Delivering_growth_CentreForum.pdf

render the expansionist solutions of the early 1930s politically impossible. It now seems likely that Western nations will experience a full-scale re-envisioning of the role of the state in delivering public services – some advocating a latter-day version of Anthony King’s ‘overload thesis’, which suggested that government was failing as a result of trying to absorb too many policy competences during the 1970s.⁹ So if public services in the UK are indeed at a ‘moment of discontinuity’, then it is the right time to begin looking beyond the traditional US-European tableau.

So what might this widening of the lens tell us? Published research on public sector reform in countries across the global South has tended to focus on failures rather than successes. As Schacter suggests, ‘the stark truth... is that we know much more about what hasn’t worked in the past than what is likely to work in the future’.¹⁰ But this picture is changing. The upward trajectory of BRIC economies is, of course, well known. And ‘development success’¹¹ stories in countries such as Bangladesh, Ghana, Thailand and Vietnam highlighted by the ODI and others are offering a new perspective on what kind of policies get results in challenging social and economic circumstances. Experts tell that policy transfer between these contexts and the UK is difficult, and this must surely ward against any notion of cherry picking or ‘shopping trolley reform’. Nonetheless, awareness of how innovators from the global South and beyond are negotiating their own challenges can provide food for thought for the UK policy community. Below we show where this could be the case.

⁹ King, A. ‘Overload: problems of governing in the 1970s’ *Political Studies* 23(2-3)

¹⁰ Schacter, M. (2000) ‘Public Sector Reform in Developing Countries: issues, lessons and future directions’ paper prepared for the Canadian International Development Agency online at <http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan017800.pdf> p.8

¹¹ See www.developmentprogress.org

Dealing with Austerity: the 2020 Commission Perspective on the UK

Despite early fears of instability and paralysis, the Coalition has proved to be a robust government. It has embarked on a clear and coherent deficit reduction strategy. It has been ambitious and far reaching in its public service reforms and has sought to develop long term answers to big social policy questions such as the future of adult care, welfare and pensions. And it has recognised the importance of rebalancing power, away from the centre and towards localities.

Yet as well as achievements, (the Commission) also found problems, enduring tensions and challenges un-addressed. Last year (it) argued for a new settlement between citizens, communities and the by engaging all of us in sharing the responsibility for achieving better social outcomes. Reformed public services would foster a new spirit of social citizenship, characterised by social responsibility, reciprocity and resilience. Forging them would require fundamental and long term change, developed – critically – in open dialogue with citizens.

Today, we hear echoes of the Commission's analysis and aspirations in some aspects of Coalition policy – for example, in the promotion of open data as a way of catalysing social innovation. But we fear that its central message has gone largely unheeded. Fundamental change has yet to take root; citizens are only sporadically engaged; some feel increasingly excluded.

We believe that progress depends on stronger, more sustainable policy and strategy development. Action and analysis have too often been out of step – even where the analysis has been promising and should have been supported forcefully by coherent implementation. Early intervention is one example of where policy has been insufficiently joined up. Deep cuts in council spending on voluntary groups working with marginalised and disadvantaged families are one consequence of this.

[Commission on 2020 Public Services: a progress report, online at <http://2020psh.org/wp-content/uploads/2011/10/2020PSH-progress-report-2011.pdf>]

The impacts of managing for debt & austerity

The spectre of public debt shapes public service reform strategy in the UK as never before. Having taken the reins during a period of real economic uncertainty, the Coalition government has responded by maintaining deficit reduction as the sine qua non of government policy, and the baseline from which social policy must be designed. The uncertainty trajectory of the ‘Big Society’ and competing narratives within the Open Public Services White Paper arguably strengthen this perception; and recent calls for a ‘plan B’ have seemingly been resisted.

Such immovable spending constraints are unusual for UK policymakers, but have been a reality for their equivalents in parts of the developing world, many of whom have become adept at working within the conditionality frameworks of structural adjustment plans (SAPs) and, latterly and more collaboratively, Poverty Reduction Strategy Papers (PRSPs). So what are the lessons we can learn? At the coalface, we know that the impact can be harsh on those parts of the population for whom unemployment, social deprivation and poverty are already a reality – illustrated starkly by Zambia’s bread riots in the mid-1980s as an indirect result of subsidy removal on agricultural inputs.¹² On social outcomes, the balance sheet also shows that health and wellbeing can suffer when social provision is stripped back to facilitate public sector retrenchment and fiscal consolidation. According to the World Health Organisation, ‘studies have shown that SAP policies have slowed down improvements in, or worsened, the health status of people in countries implementing them. The results reported included worse nutritional status of children, increased incidence of infectious diseases, and higher infant and maternal mortality rates.’¹³

¹² See for example Sano, H-O. (1988) ‘The IMF and Zambia: the contradictions of exchange rate auctioning and de-subsidisation of agriculture’ *African Affairs* 87(349) and Walton, J. & Seddon, D. (1994) *Free Markets and Food Riots: the politics of global adjustment* Cambridge, MA & Oxford, Blackwell Publishers

¹³ <http://www.who.int/trade/glossary/story084/en/index.html>

“We should be looking at the successes, but also asking what have been the costs and the losses along the way”¹⁴

The politics of adjustment, conditionality and debt has, of course, evolved since the first structural adjustment packages were implemented in the early-mid 1980s. Adjustment ‘with a human face’ is now represented by collaboratively generated PRSPs, within which medium term plans for economic stability and growth generation, public sector reform and social provision balance the roles of private, public and international actors. Graham Harrison has dubbed this shift one from conditionality to ‘post-conditionality’, whereby internal and external interests become increasingly difficult to distinguish, and the ‘national-international boundary has been rendered so much more porous by a historically embedded ‘mutual assimilation’ of donor and state power and ideas’.¹⁵ Much of this has been encapsulated under the rubric of ‘good governance’, which has promoted transparency, accountability, political decentralisation and, in a general sense, patchily implemented ‘New Public Management’ – style administrative reform across much of the developing world.¹⁶

Whilst it would be foolish to attempt comparisons, we can see many of the same dynamics at work in the UK today, both in terms of

- » *the trajectory of reform* – debt repayment trumping social spending; administrative prudence re-shaping government organisation and services; and
- » *its potential impacts* – social impacts felt most keenly by those already at the bottom end of the socioeconomic scale; national fiscal policy shaped by international financial dynamics

Of course, the flipside of spending cuts and social unrest is a set of reforms that can help stabilise economies and increase investor confidence, though

¹⁴ Quote from expert roundtable, RSA Summer 2011

¹⁵ Harrison, G. (2001) ‘Post-Conditionality Politics and Administrative Reform: reflections on the cases of Uganda and Tanzania’ *Development and Change* 32(4)

¹⁶ See for example Manning, N. (2001) ‘The Legacy of New Public Management in Developing Countries’ *International Review of Administrative Sciences*, 67

on this, the picture is inevitably mixed.¹⁷ What the UK government must hope is that its austerity plan is robust enough to withstand continuing international economic turmoil, whilst leaving enough room to cope with its potentially negative social impacts and, perhaps most presciently, the fallout from significant public sector restructuring. On this, policymakers have a wealth of both positive and negative lessons from the Global South.

¹⁷ Imam, P. (2007) 'Effect of Structural Adjustment Programs on Expectations: the case of transition economies' International Monetary Fund working paper WP/07/261 online at <http://www.imf.org/external/pubs/ft/wp/2007/wp07261.pdf>

Learning from public service innovation in the Global South

Public service thinktanks and policy institutes behave like magpies – looking for ideas, prototypes and comparative initiatives that might stick within a UK context. Sometimes these ideas can be extrapolated and re-shaped. Two recent examples include the Coalition’s free schools initiative, which draws from the experience of U.S. Charter Schools, and Sweden’s own ‘free’ schools experiment which allowed anyone to set up a school and access state funding;¹⁸ and pension legislation, which draws on the experience of Swedish and US financial services reform that introduces automatic enrolment and state ‘default’ funds for savers.¹⁹ We have argued that it is time for these magpies to look further abroad – implying that the global South has lessons to offer in terms of policy innovation even within often very different circumstances. Our aim is to explore these innovations more systematically through a programme of research that would touch upon some of the following emerging themes and examples:

Reshaping service design by ‘working with the grain’

“We are seeing a shift away from best practice and towards best fit approaches in development policy.”²⁰

In a development context, this builds on a recent body of research from the African Power and Politics Programme hosted by ODI and from the Centre for the Future State at the Institute for Development Studies to find out how ‘looking more systematically at the nature of informal, neo-patrimonial power (in this case) in Africa’ can create new paradigms for policymaking that build on existing institutions, networks and social norms.

¹⁸ <http://news.bbc.co.uk/1/hi/education/7103636.stm>

¹⁹ See for example Thaler, R. & Sunstein, C. (2008) *Nudge: improving decisions about health, wealth and happiness* New Haven, Yale University Press

²⁰ Quote from expert roundtable, RSA, Summer 2011

In the UK, one might point to similarly-focused initiatives such as the RSA's Connected Communities and Social Brain projects,²¹ which are blending research into social networks and decision-making to ask how more intelligent policy interventions that work with the grain of peoples' lives could be envisaged. As one contributor at our roundtable noted, 'providing health and social care services in, say, the back of a bar, is also a way of building community networks'. Drawing the social value from these sometimes unlikely links in local communities and the local public ecosystem should be a key agenda for research.

Harnessing leapfrogging technologies

"The new models for what will be mainstream throughout the world are being incubated here..."²²

East Africa offers some nascent examples of how governments and civil society can use new technologies to leapfrog expensive infrastructure development, and deliver public and private services to people in creative new ways. For example, Kenyan mobile phone company SafariCom's M-Pesa initiative is a 'branchless banking service' using mobile phone technology that was developed to reduce the transaction costs of accessing microfinance for citizens without formal bank accounts. The country's Open Data Portal (the first in Africa) is releasing government datasets for citizens, driving local internet usage, and the development of new 'apps' via institutions such as Nairobi's iHub.²³ In Tanzania, the Twaweza project has created an online platform for citizens to collaborate, monitor public services and hold government to account.²⁴ In this sense, Kenya and Tanzania are following the lead of India – another southern state that has embraced the power of new technology to drive rapid growth.

²¹ See for example Rowson, J. (2011) 'Transforming Behaviour Change: beyond nudge and neuromania' RSA Projects

²² Mobile technology industry leader, quoted in 'Kenya's Banking Revolution' in Time Magazine, 21.01.11 online at <http://www.time.com/time/magazine/article/0,9171,2043329,00.html>

²³ See for example <http://ihub.co.ke/pages/home.php> and https://www.mckinseyquarterly.com/Public_Sector/Management/Innovation_in_government_Kenya_and_Georgia_2865

²⁴ <http://www.twaweza.org/>

The challenge for those harnessing this potential is to blend this potential for growth with governance and regulatory strategies that can utilise new technologies to meet social need and build social capacity.

Targeting Limited Resources

“The question is: how does government help achieve (its) wider aims in the age of austerity? The answer is: by delivering more with less.”²⁵

As ‘more for less’ becomes the mantra for public service leaders within central and local government in the UK, some excitement has been generated around the potential to learn from Latin American initiatives that have targeted welfare provision, and linked cash transfers to improved social outcomes within particular neighbourhoods and communities.

Mexico’s Oportunidades and Brazil’s Bolsa Familia initiatives are examples of this type of policy. Both are centred around conditional cash transfers (CCTs) as a way of incentivising behaviour change and preventative interventions – giving children, parents and communities and families an incentive to effectively help ‘co-produce’ local public services. As the WHO has commented, Oportunidades introduces the idea of ‘co-responsibility’ to people who rarely think of going to the doctor or wait until its too late’.²⁶ The Economist reports that Brazil’s Bolsa Familia has been ‘wildly popular’, contributing to the country making ‘huge strides’ in reducing poverty²⁷ – though the scheme is not without its critics and fallibilities. As the UK’s Coalition government looks to increasingly target welfare spending, policymakers will increasingly need to think about the transferability or desirability of initiatives like these, and the long-term evidence about their impact.

²⁵ David Cameron (then leader of the opposition), quoted in a speech in Cheltenham, 26.04.09 online at http://www.conservatives.com/News/Speeches/2009/04/The_age_of_austerity_speech_to_the_2009_Spring_Forum.aspx

²⁶ http://www.scielo.org/scielo.php?script=sci_arttext&pid=S0042-96862006000800004&lng=pt&nrm=iso&tlng=en

²⁷ ‘How to get children out of jobs and into school’ The Economist, 29.07.10

Realigning Policy around Outcomes

“The payment by results agenda is fraught with challenges, but there is a big push from the donor and international community.”²⁸

Payment by results is a key plank of Coalition reform in several areas, most obviously in public safety where a social finance model is currently being trialled in Peterborough. Advocates argue for extension of the principle – if not the specific mechanisms – into other policy areas, and here they could learn from experiences in the development industry. Some of these were summarised in a recent 2020 report on the subject, which highlighted research by Nancy Birdsall for the Centre for Global Development on the potential of a ‘cash on delivery’ model for foreign aid, and a DfID/World Bank pilot initiative centred on conditional cash payments for school or health clinic attendance. The attractions of this model for donors and funders is obvious – yet the very scarcity of existing and established models (if not policy thinking)²⁹ illustrates the difficulty of implementing what are inevitably a complex set of financial, social and political incentives. The 2020 Hub is currently exploring some of these issues in a UK context as part of a forthcoming research programme.

Creating a Robust Evidence Base for Policy

“Civil servants learn from their colleagues that certainty is more useful than accuracy, and action is better than contradiction...”³⁰

The case for evidence-based policy development is being re-evaluated in the UK, US and in the development studies field. In the UK for example, NESTA’s ‘Alliance for Evidence’ follows the lead of the US Coalition

²⁸ Quote from expert roundtable, RSA, Summer 2011

²⁹ See for example Savedoff, W.D. (2011) ‘Incentive Proliferation? Making sense of a new wave of development programmes’ Centre for Global Development online at http://www.cgdev.org/files/1425405_file_Savedoff_Incentive_Proliferation_FINAL.pdf

³⁰ Professor Alex Stevens quoted in the LSE’s ‘Impact of Social Science’ blog online at <http://blogs.lse.ac.uk/impactofsocialsciences/2011/04/20/in-whitehall-academic-research-is-far-more-likely-to-be-used-if-it-fits-with-the-story-already-being-told/>

for Evidence Based Policy in offering a forum for evidence-sharing and systematic policy analysis, with the underlying implication that this is not an imperative necessarily shared across the whole of government. NESTA's agenda dovetails with that of researchers at MIT's Abdul Lateef Jameel Poverty Action Lab (J-PAL), which has incubated celebrated new research by Esther Duflo and Ahmit Banerjee on the value of randomised evaluations as a means to assessing the effectiveness of development interventions. As the authors argue, 'it is possible to make very significant progress against the biggest problem in the world through the accumulation of a set of small steps, each well thought out, carefully tested, and judiciously implemented'.³¹ In this sense, openness of policymakers to evidence and opinion from the front-line is essential. As one roundtable participant put it, it is the ability to ingest and respond constructively to 'stropy knowledge' from service providers and civil society organisations that helps create a robust evidence base that is both systematic and bottom-up. Borrowing from Deaton (2010), it is vital that this culture openness recognises the strengths and limitations of different approaches.³²

Exploring Partnership Models for Funding and Providing Services

“Where we saw partnerships between government and NGOs working, we saw more mutual agreements – with shared concerns and sometimes shared resources”³³

As the UK's Coalition government looks to diversify the public services supply side and engage civil society more centrally in the delivery of public services, issues of scale, capability and accountability can often be in tension. Asking how these tensions impact on commissioning and

³¹ Banerjee, A.V. & Duflo, E. (2011) *Poor Economics: a radical rethinking of the way to fight global poverty* New York, Public Affairs Publishing p.15

³² Deaton, A. (2010) 'Instruments, Randomization and Learning about Development' *Journal of Economic Literature*, 48. The author argues that randomised control trials can suffer from an overly 'narrow' and 'local' focus, which can undermine more holistic understanding of 'what works' in development policy.

³³ Quote from expert roundtable, RSA, summer 2011


procurement processes is instructive. Open, competitive tendering can disadvantage smaller NGOs or civil society organisations. But at the same time, transparency and openness is vital to public confidence, accountability and long-term resource sustainability. As participants at our expert roundtable debated, there is a need for new thinking about the way public service partnerships are negotiated – developing formal agreements that retain a ‘relational’ basis; and seeing diverse service provision as an evolutionary process in which economic and social trade-offs can be negotiated in an open and deliberative way. As Richard Batley has found during research in South Asia, ‘mechanical competitive tendering’ often stifles the ability of smaller players to compete. Yet it is possible for more ‘evolutionary, mutual approaches’ to be developed, and for relationships to be ‘collaborative when they are locally negotiated’.

Next Steps: Developing a shared learning space

We have argued in this paper that – at a point of tentative policy convergence – there is much to be gained from policymakers ‘widening the lens’: from looking across the different worlds of public service design, delivery and reform in the UK and the global south, and drawing out some areas in which lessons for each could be learned. Our commitment is to developing a shared space within which this conversation can continue.

- » The Public Services Academy and the Sheffield International Development Network will host a seminar series and explore the potential of a journal special edition exploring links in public service policy and practice between the UK and the global south.
- » The 2020 Public Services Hub will continue to develop policy networks and begin to shape a shared virtual space to disseminate comparative lessons, and draw out practicable innovations for policymakers and practitioners at the coalface of reform in the UK.
- » The Overseas Development Institute, one of the leading international development think tanks in the UK, will continue to develop innovative new findings including on issues of public sector reform, accountability and citizen engagement and service delivery in developing countries. Where possible, it will look for opportunities to share these lessons with the PSA and RSA and to continue to contribute to this agenda.

As we develop this shared agenda we welcome the involvement of organisations and individuals engaged in public service reform agendas in the UK and the developing world. To discuss ‘widening the lens’ and for more information on our work, please contact Jess McEwen at the Public Services Academy on j.mcewen@sheffield.ac.uk, and Henry Kippin at the RSA 2020 Public Services Hub on henry@2020psh.org.



The 2020 Public Services Hub is a research and policy development hub created from the legacy of the 2020 Public Services Trust in early 2011. It specialises in developing practice-based research on social productivity in public services. Based at the RSA, the Hub works collaboratively with local public service organisations, national sector leaders and other national partners to develop social value and social productivity thinking into local and national practice.

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