

There is nothing like evidence based governance

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The main question to be answered in this speech is how you need to read this title.

Does it suggest that evidence-based governance and policy making resulting in reforms is superior to other kinds of reforms

or

does it imply that there is no such thing as evidence-based policy making?

Three definitions of evidence-based governance?

- That government is aware of the effects of its decisions, and takes these into account before taking decisions
- That all decisions of government are based on a weighing off of the merits thereof, in which the expectations are based on outcomes of empirical research and theories that are collaborated on such research
- That government is acting in such a way that people and international researchers tell about that government that it is effective, efficient, rational and legitimate

1. Problems in first definition

That government is aware of the effects of its decisions, and takes these into account before making decisions

- Often government is not aware of the effects:
 - Reforms
 - Centralization and decentralization
 - Policy making
 - Choosing the right instruments
- Implementation
 - Who should do it
 - What is needed to make it work

Last decades have witnessed enormous and repeated reforms

Most magnificent aims

- to make government work better,
- to save money,
- to enhance power,
- to address a pressing problem
- to improve service delivery,
- to strengthen and to create a better society,
- to achieve better transparency and leadership,
- to reduce corruption,
- to engage public sector clients,
- to reinvent government,
- to achieve good governance,
- for establishing deregulation, decentralization, and devolution,
- to reduce overlap and duplication between programs
- to enforce cooperation,
- to improve employee satisfaction and performance

Merits of decentralization

- Tailor made policies flexibility
- Efficiency
- less bureaucracy
- Short lines between service provider and client
- More knowledge about local context
- Increased participation
- Democratic legitimacy
- Effectiveness
- Learning by diversity
- Less redundancy
- Equality before the law
- Neglect instead of efficiency
- No keen eye for complexity
- Participation at local level is just as meager
- Less knowledge about the larger picture
- More ad hoc policies
- Less allocative efficiency
- Meer kans op free riders

We don't even know how to measure decentralization

- Is it given in the level that makes regulations
- Is it measured by expenditures at each level?
- Is it measured by formal authority?
- Is it measured by actual authority?

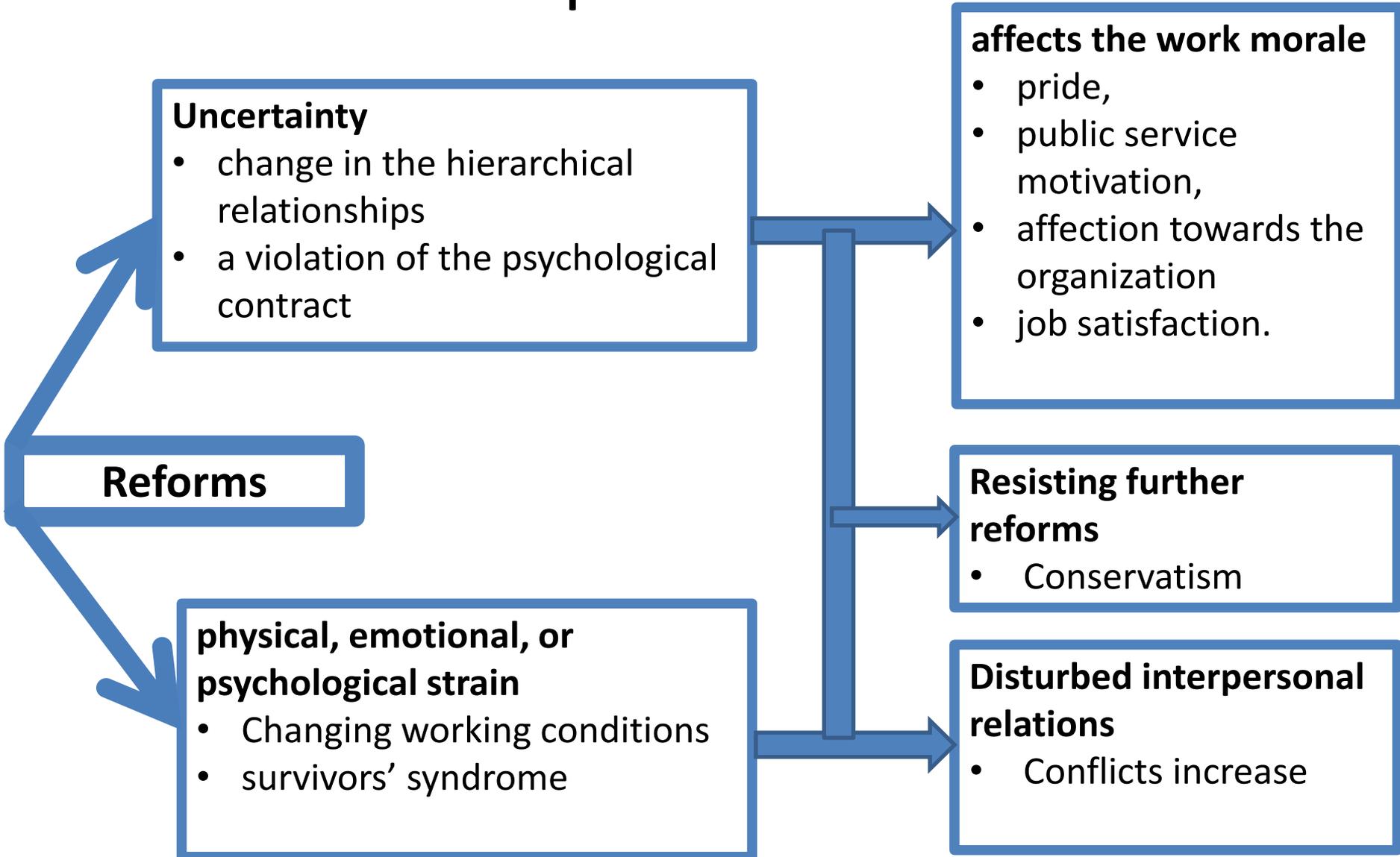
- The way in which one measures decentralization determines whether and what kind of effects one finds thereof

A pressing question

- What do such reforms imply for the people working in the public sector?
- Until now, most scholars only addressed the institutional and macro effects of reforms, i.e. the changing performance of the organization or the public sector as a whole.
- What are the micro-effects of public sector reforms, i.e. the impact on public officials' morale.



Conceptual model



Outcomes are disappointing

- In the 1990s Thomas (1993) called the empirical evidence of effects of reorganizations complicated.
- Cuban (1997) labeled reorganizations as “tinkering towards utopia”,
- Savoie (2010) asked the question whether the capacity of the public sector, their decision-making ability and its efficiency have increased because of the sequence of reforms and reorganizations. His answer is a clear “No”



The obvious

- All this suggests that public sector reforms can be seen as gambles in which officials working within the public sector are put at stake.
- If the reform succeeds, there is added value, but if it doesn't there will be a loss, probably even higher than the expected gains from reforms.
- Statistical reasoning on gambling recommends “Don't do it”.



2. Problems in second definition

- *That all decisions of government are based on a weighing off of the merits thereof, in which the expectations are based on outcomes of empirical research and theories that are collaborated on such research, for instance based on performance indicators*
- This is an impossible demand and would pose an enormous research agenda for public administration
- The number of decisions is too large
 - Regarding policy problems
 - Regarding the causal model
 - Regarding the possible goals to be chosen
 - Regarding the instruments opted for
 - Regarding the implementation

Problems with performance measures

In general performance measures are criticized for being:

- A-contextual
- A-historical
- Relation between ratio's and policies is unclear
- The impossibility to measure outcomes
- Difficulty to identify best practices on the basis of such measures

Problems with performance measures

- A-contextual
- A-historical
- Relation between ratio's and policies is unclear
- The intention is to measure outcomes, but outcomes of what?
- Difficult to identify best practices on the basis of such measures

Measuring performance

- We do measure inputs and outputs
- We hardly measure process and outcomes

The distribution of crimes per capita in the Netherlands

- The number of crimes per capita over all Dutch municipalities is a fairly normal distributed variable
- somewhat skewed with a mean of 55.3 and a median value of 51.9 crimes per 1000 inhabitants in which
- 95% of all municipalities score between 53 and 57.5.

Top 10 municipalities number of crimes per 1000 capita

Most unsafe municipalities

1) Utrecht	147.5
2) Amsterdam	143.6
3) Eindhoven	125.5
4) Maastricht	121.1
5) Ouder-Amstel	120.1
6) Roermond	119.0
7) Nijmegen	119.0
8) Rotterdam	118.0
9) Hertogenbosch	116.1
10) Arnhem	112.6

Most safe municipalities

1) Ferwerderadiel	18.2
2) Littenseradiel	19.1
3) Leeuwarderadeel	19.6
4) Liesveld	19.8
5) Opsterland	21.0
6) Ten Boer	21.4
7) Graafstroom	21.9
8) Menaldumadeel	22.0
9) het Bildt	22.2
10) Ouderkerk	23.2

My proposal: a five step procedure

1. The construction of a basic causal (regression) model relating the policy problem to its causes found in the context.
2. The testing of this model using statistical data and multivariate analysis
3. The addition of policy outputs to the model
4. Benchmarking based on the residues.
5. Doing a content analysis on the policies of those countries in which the residue is largest

Step 1. A theoretical analysis of crime rates in the Netherlands

Recent scholarly research shows that crime rates are influenced by

- Urbanization
- Poverty
- Cultural diversity

Such contextual factors can hardly be tackled by public policies

Crime rate may be influenced by

- risk of being caught

This factor can be influenced by public policies

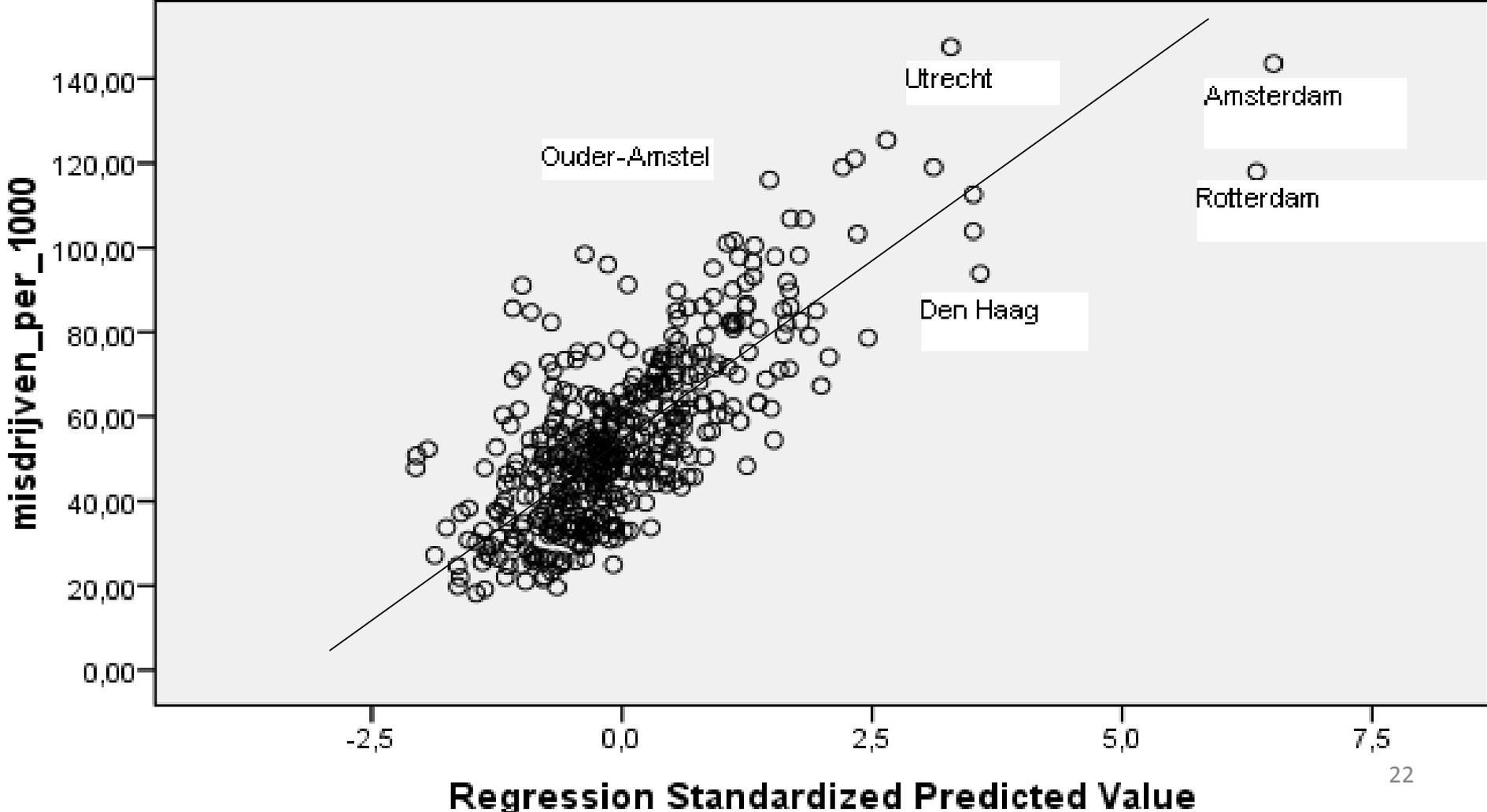
Step 2: Adapting the performance to the context

- The regression of the indicators for the contextual factors on crime rates, results in an explanatory model that explains 41% of the variance in the crime rates over municipalities ($R^2 = .41$).
- The percentage of children living in deprived families is the most important explanatory factor, with a “slope” of 3.43 (stand. $\beta = .49$, $p < .000$).
- All the contextual factors have the expected and significant effect on crime rates (N=442 municipalities, $p < .05$).

Step 3: Adding policy features

- In a second model we add the factor “risk of being caught” that is the number of solved crimes. The explained variance, R^2 , increases to 55%.
- This implies an increase of the explanatory power by this one factor of 14%.
- It is important to notice that the risk of being caught does have a direct effect on diminishing crime rate; however, it hardly diminishes the influence of the contextual factors on crime rates.
- The impact of urbanization, poverty and cultural diversity hardly diminishes. Hence, policies aimed at an increased risk of being caught are unable to break through the causal relation between contextual factors and the size of the problem. Hence, solving more crimes is in itself unable to control the impact of the context on the problem.

Figure 1. Actual crime rates in 2006 and predicted values based on the regression analysis



Step 4. An analysis of residues

- The position of the city of Rotterdam is outstanding.
- The actual crime rate in this city is almost 30% lower than one would expect on the basis of urbanization density, poverty, cultural diversity and the risk of being caught.
- Normally one could see Rotterdam as an outlier and remove it from the analysis.
- However, given our five step model, we assume that there is a high probability that Rotterdam conducts a best practice in fighting crime.
- This is not necessarily the case, but we assume the analysis provides a search light, in this case pointing to Rotterdam.
- If there are specific policies conducted which are especially effective in reducing the crime rate it is likely that these are to be found in the city of Rotterdam.

Step 5. a content analysis

- Did Rotterdam indeed conduct something like a best practice trying to cut the link between context and problem?
- The security policies in Rotterdam have changed significantly during the last couple of years.
- Dominant are phrases such as 'zero-tolerance'.

This does seem to be effective

Zero tolerance

- A tough approach against what are even in official policy documents called “shitheads”.
- A tight policy on social housing in order to keep the troublemakers out of certain neighborhoods
- A social security policy in which the principle “work first” is central
- People, of whom it is expected that they abuse social security, or of whom it is known they cause nuisance, are forced to work at the garbage collection service. It is the so-called ‘coercion and urge’ approach.
- The city developed the plan to get the 700 drugs users causing most nuisances off the streets.

3. Problems in third definition

That government is acting in such a way that people and international researchers tell about that government that it is effective, efficient, rational and legitimate

- This is the easiest
- Just give the impression you are democratic
- Ensure political stability
- Be transparent
- Make sure private sector sees it as easy to do business in your country
- Give the impression of regulatory quality
- Live up to the rule of law
- Combat corruption

- And you will score high on the World Bank World Governance Indicator index

The WGI: Worldwide Governance Index

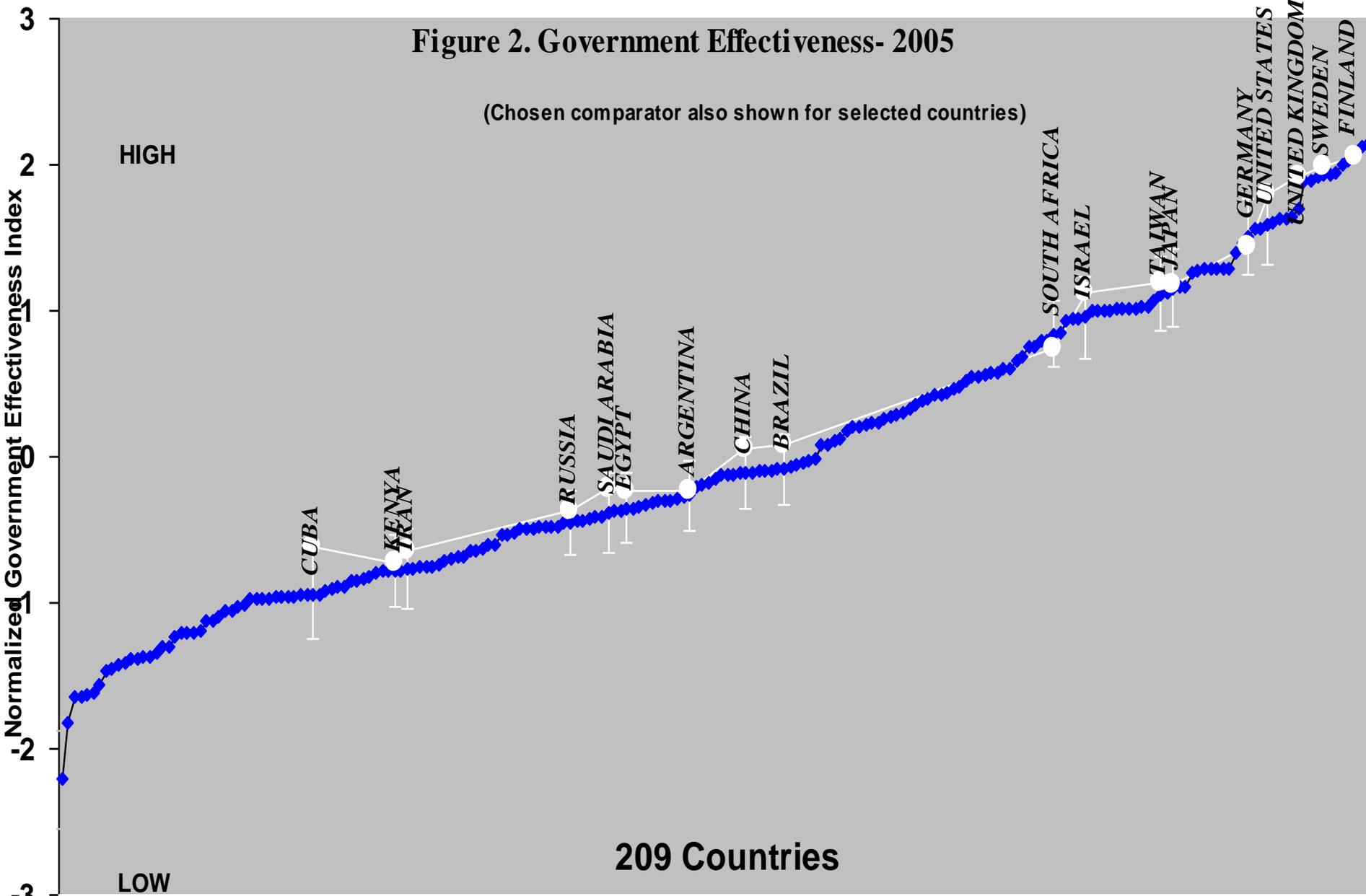
- Compiled by the World Bank
- To rank countries according to good governance
- Six indicators
- Measures from 1996 onwards
- Numerous files aggregated into composite scores
- Each country gets ranked
- Most of the data are based on opinions

Six indicators

- Voice and Accountability
- Political Stability and Absence of Violence
- Government Effectiveness
- Regulatory Quality
- Rule of Law
- Control of Corruption

Figure 2. Government Effectiveness- 2005

(Chosen comparator also shown for selected countries)



209 Countries

Source: "Governance Matters V: Governance Indicators for 1996-2005 " by Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi.

Problems in data collection

Based on

- **perceptions.**
- **Other databases**
(Asian Development Bank, UN, Transparency international)
- **Intrapolation**
(f.i data absent for Africa regarding corruption, but present for government effectiveness. Look how corruption and effectiveness correlate in Asia and insert data on corruption for Africa based on that regression analysis)

Criticism

- Often only 4 or 5 experts
- The database, consisting mainly of perception-based-cross-country measures of governance, would be flawed and that halo effects are present in which the wealth of countries and political ideology result in a biased ranking of countries on this governance scale. (Kurz and Shrank,2006)
- All these databases refer to one another
- A country can do nothing to improve its own governance in this respect.
- It is assumed that because effectiveness and corruption correlate in Asia they must be related in Africa

Problems in data analysis

Method

- All indicators correlating highly must refer to the same dimension of governance

Criticism

- The database is a complex, a-theoretical and yet poorly articulated hypothesis for which no evidence has been advanced. (Thomas, 2006)
- The stability that was found among nations may well be an artifact of the method used.
- Aggregating a multitude of indicators in one performance measure automatically results in stability

For instance:

Government effectiveness

Is measured by subjective ratings of the:

- administrative and technical skills of the country's civil service
- efficiency of the country's national bureaucracies overall.
- efficiency of the country's local-level government bureaucracies overall.
- effectiveness of coordination between the central government and local-level government organizations.
- state's ability to formulate and implement national policy initiatives.
- state's effectiveness at collecting taxes or other forms of government revenue.
- Does the central government produce a national budget in a timely manner?
- Do local governments produce budgets in a timely manner?
- state's ability to monitor socioeconomic trends
- state's ability to create, deliver, and maintain vital national infrastructure.
- state's ability to respond effectively to domestic economic problems.
- state's ability to respond effectively to natural disasters.

But also by:

- Competence of public sector personnel
- Quality of general infrastructure
- Quality of public schools
- Time spent by senior management dealing with government officials
- Trust in Police

Concluding

These data

- lack validity,
- May well have a Western bias
- Result in the artificial conclusion of stability of bad governance and the near impossibility to improve
- Confuse theoretical terms like effectiveness, efficiency, and ability
- Blur explaining factors, indicators and impacts of governance

My suggestion

- The work done by the World Bank should be done and is important
 - For distinguishing between good and bad governance
 - For understanding the problems of governance
 - For explaining the problems behind governance
 - For targeting one's solution
 - And for improving the state of states
- But we run the risk that the comparative approach ends the same way as the comparative public administration research movement ended in the 1960s and 1970s, namely in disappointment
- That is because there are severe problems and one should not use these data without caution

Conclusions

- If one wants evidence based governance there is a huge task for Public Administration, Sociology, Political science, and psychology
- According to my evidence, if you want to improve governance, policies, the public sector in general, it is best to abstain from reforms, from reorganizations, from innovation.
- Perhaps that would be much more effective in bringing about the public sector we desire.

Nonetheless

- It would be nice if public policies and Public sector reforms were better thought through
- Instead of flipping the coin
- Nudging
- Based on evaluations
- Based on best practices

However, there are some problems

- In decision making
 - Conservatism bias → can be nudged
 - Confirmation bias → need to consider the opposite
 - Naive realism → education
 - Not decision ready → fatigue, demoralized
 - Lack of self control → type of decision maker is important

If you still want changes...

- Conduct ex ante evaluations, impact assessments
- Establish think tanks: Independent and simultaneously committed organizations that perform interdisciplinary research, consultancy and advocacy and train people regarding policies, reforms, innovations, best practices, new technologies
- Join in (inter)national cooperation in terms of conferences, training, advice, assistance in order to present, debate, and
- Hire science brokers translating evidence from different scholarly disciplines such as sociology, history, political science, law, psychology, bio-medical sciences, et cetera, and from evaluations in new policy designs. This involves also a new role for universities and especially for Public Administration curricula
- Join in capacity building of policy makers, managers and leaders in order to make them decision-ready, open-minded, having common sense, and having learned how to learn
- Conduct meta-evaluations

Thank you for your attention

