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### “Summary of article by Judith Tendler: Good Government in the Tropics: Introduction”

We know much more about *bad* government in developing countries than we do about good government, thanks to a litany of stories and complaints. These include the familiar charges that public officials are out for private gain, governments overspend and overhire, clientelism trumps merit, public sector workers are poorly trained, and poorly designed programs lead to bribery instead of public service. Economists and social scientists have built their theories based on these richly chronicled behaviors, producing policy prescriptions designed to reduce the size of the public sector. This book, the introduction of which is summarized here, draws on a detailed look at effective government in one Brazilian state to identify the flaws in mainstream thinking and the elements that can contribute to the development of good government in developing countries.

#### **Flawed Theories, Failing Policies**

The mainstream donor community, which includes bilateral and multilateral donor institutions, North American and Western European governments, and aid-giving nongovernmental organizations (NGOs), has a common set of prescriptions for the failings of governments in developing countries. They generally fall into three categories:

- Reducing the size of government through layoffs of “excess” workers, privatization, decentralization, and contracting out for services;
- Ending many of the programs most susceptible to bribery and other forms of malfeasance, such as import and export licensing;
- Putting market-like pressures on government agencies and managers to perform, in part by allowing users to express their preferences and dissatisfactions directly.

The consensus on these issues goes well beyond advocates of neoliberalism. For example, many NGOs concur that government in developing countries is overbearing and that the private sector – including NGOs – could do a better job providing many services. Yet such approaches have led to a consistently flawed set of policies, in a number of respects:

1. Such advice is based on literature that looks principally at poor performance. This has given valuable insights, but not when it comes to understanding what can lead governments to perform well.

2. Where the mainstream development community has looked at “best practices,” it has drawn too heavily on imported ideas from industrialized countries (especially Australia, New Zealand, Britain, and the United States) and recently industrialized countries, particularly those of East Asia. Such an approach leads to incorrect interpretations of good performance, as well as the failure to identify examples of good government that do not fit the preconceived mold.
3. The development literature tends to label entire countries or groups of countries as good or bad. While this derives from the 1980s preoccupation with macrolevel problems, it leads to little curiosity about the variations between good and bad government within a given country. This leads to advice to bad performers to be more like good performers somewhere else in the world. One example of this is the cottage industry proffering advice to Latin American countries about how to be more like East Asia.
4. “[T]he mainstream development community often filters what it sees through the lens of a strong belief in the superiority of the market mechanism for solving many problems of government, economic stagnation, and poverty.” (4) Again, East Asia is a classic example. Until 1993, the donor community wrongly attributed the region’s economic success to minimal government intervention, when in fact the contrary was true. The highly interventionist policies that led to such success were considered wrong by the donor community.
5. Many of the prevailing views on the causes of poor performance ignore or contradict the lessons from the emerging literature on industrial performance and workplace transformation (IPWT). This field, which originally focused on private firms but now deals with public institutions as well, focuses on innovative practices to increase worker dedication. This involves increasing worker discretion, greater labor-management cooperation, improving trust between workers and their customers, as well as workers and managers. Yet the development community still “starts with the assumption that civil servants are self-interested, rent-seeking, and venal unless proven otherwise.” (5) In stark contrast to the IPWT literature, the donor community prescribes reducing the discretion of civil servants, decreasing the size of government without restructuring it to increase worker performance, and eschewing measures to reorganize work in ways that can increase worker commitment.
6. While it is a notable advance for the development community to advocate decentralization, attention to user needs and preferences, and strengthening a civil society capable of demanding accountability, it places excessive faith in such actions. Missing from the prescriptions are measures necessary to build trusting relationships between users and public servants.
7. The development community has shown little interest in the emerging IPWT literature on more flexible labor-management practices despite its consistent complaints that public sector unions are stifling needed reforms. Instead, unions and professional associations are cast as villains in the reform effort, to be undermined or circumvented. “Ironically, this vilification of public-sector employee associations has occurred at a time when the donor community has been celebrating all other forms of associationalism and civil society, including business associations. ... [W]hile the development community consistently describes public employee associations as the ultimate in *self*-interest, it views all other forms of associationalism – in a serious lapse of

consistency – as wholesome expressions of the *public* interest.” (7) There is some literature that suggests that public sector unions can be key leaders in reform efforts, but there is a strange lack of research into this important area.

### **Good Government in Northeast Brazil**

The purpose of this book is to focus on cases of good government in order to build an argument for thinking differently about public sector reform. I focused on four case studies from the state of Ceara in Northeast Brazil, the poorest region of the country and an area known for clientelistic government and poor public administration. Since 1987, reformist governors from the Brazilian Social Democratic Party have received much credit and attention for turning the government around, streamlining a bloated government payroll while introducing innovative and effective new programs. Four of these programs were the subject of this study, including: a rural preventive health initiative; a program of business extension and public procurement from informal-sector producers; an employment-creating public works construction and emergency relief program following the 1987 drought; and a program focused on agricultural extension and small farmers.

Five themes emerged from these cases. “Something happened in all of these programs – sometimes unintentionally – that structured the work environment differently from the normal and, in certain cases, from the way experts think such services should be organized.” (13)

First, government workers showed unusual dedication to their jobs. Workers reported greater job satisfaction derived from a sense they were more appreciated by their clients and the community. Clients’ comments suggested a high degree of trust, which was reminiscent of the IPWT literature on customer service.

Second, the state government created a high level of recognition for these programs and the workers in them through public information campaigns and prizes for good performance. It also created a sense of mission, screening new recruits carefully and providing thorough orientation programs.

Third, workers undertook a wider variety of work than usual, often voluntarily. They were given greater discretion and autonomy, which allowed them to respond to what they thought their clients needed.

Fourth, while it would seem that supervision of such “self-enlarged” jobs would be difficult and could easily lead to rent-seeking activities, this did not happen because, on the one hand, workers wanted to live up to the highly public trust being placed in them and, on the other, their actions were carefully scrutinized by a public armed with new information about its right to public services.

Fifth, contrary to the simple and fashionable models of civil society holding local governments accountable as the central government steps aside, an activist central (state) government devolved some functions to local governments while also taking some traditional powers away from those governments. Moreover, the state government encouraged the organization of civic

associations, then worked through them as they turned around and demanded better performance from government. In the end, “both the improvement of municipal government and the strengthening of civil society ... were in many ways the result of a new activism by central government, rather than of its retreat.” (16)

“All of this suggests a path to improved local government that is different, or at least more complex, than the current thinking about decentralization and civil society.” (16)