How Government is Learning to Deliver

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Uncertainty as a goad to learning

- Government at all scales—local, national, international—and in countries at all levels of development increasingly faces "wicked" problems.

- Requiring novel forms of coordination among formally independent entities (silos), and between them and civil society actors (for instance via public-private partnerships),

- To provide solutions customized to the needs of diverse groups and sectors

- Faced with these challenges public officials increasingly sense the limits of familiar problem-solving strategies—more market or more state—and

- More inclined to experiment with institutions that foster collaborative exploration of novel solutions to persistently intractable problems, and thereby

- Induce re-structuring of government—silo busting—and the re-definition of the problems it faces

- **Maryland's StateStat/GDU and the Malaysian PERMANDU are promising prototypes of experimentalist governance that enables such learning**

How experimentalist governance works

- initial reflection and discussion among actors with a broadly shared perception of a common problem, resulting in

- articulation of a framework understanding with open-ended goals.

- Implementation of these broadly framed goals by "lower-level" or contextually situated actors with local knowledge and discretion to adapt the norms accordingly. There is

- reporting and monitoring across a range of contexts, with outcomes subject to peer review. Finally,

- goals and practices are periodically and routinely re-evaluated in light of the results of the peer review, and the shared purposes

The Penalty Default

- But actors often have conflicting interests, or may disagree too much on goals to put themselves at risk by collaboration and deliberation

- So experimentalist governance regimes frequently operate in the shadow of a "penalty default" that

- sanctions non-cooperation, typically by substantially reducing the parties' control over their fate through the imposition of an alternative regime or outcome, and thus

- inducing re-evaluation of the relative benefits of joint efforts.

- Penalty defaults include

  – Dissolving persistently failing units (schools that don't improve)

  – Taking decisions out of the hands of the disputing parties

  – Imposing solutions that remain in effect until a superior alternative is proposed

So the role of "new" center in experimentalist organizations is to

- (help) frame broad goals
- Pool and guide evaluations of experience in implementing them
- Invoke penalty defaults when the lower level actors are at an impasse
- But NOT to resolve disputes conclusively, by reaching decisions with precedential effects
- NOTE: the new center is NOT a traditional final decider on the model of chief administrator in a multi-unit system or a highest court in a federal system

This is a form of anarcho-federalism

- It resembles federalism insofar as it authorizes yet limits diversity
- It resembles anarchism—and the market—insofar as it does away with an ultimately authoritative center;
- but it is a novel form of each precisely because of its resemblance to the other.

StateStat and PERMANDU trace their origins (misleadingly) to
NYC Compstat and Blair's PM's Delivery Unit:

- Compstat collects and distributes police performance data
- "to focus the organization on specific objectives, usually involving crime reduction,
- by holding a subset of managers accountable or using organizational resources appropriately in pursuit of these objectives"
- **BUT** "Compstat is more likely to generate reactive crime control responses, such as flooding a problem area with patrol officers (putting' cops on the dots'), rather than …addressing the conditions that cause crime problems to recur (Bond and Braga, '13)
- Experience with PM delivery unit was similar

In StateStat and PERMANDU.
In contrast

- Key goals fixed in consultation with stakeholders (not set in stone by superiors)

- Progress continuously monitored in regular meetings with responsible officials (heads of department, etc)

- BUT the monitoring is problem-solving or diagnostic: goal of the meeting is not punish or reward officials for successes or failures.

- Purpose instead is to surface problems in implementation, especially conflicts or overlaps in jurisdiction, requiring new forms of inter-agency coordination, and inclusion of new actors and resources or to redefine problems or identify new ones

- Authority of chief executive is available to impose penalty defaults

Maryland StateStat

- A "performance-measurement and management tool" implemented by Governor Martin O'Malley in 2007, modeled on the CitiStat program he introduced as mayor of Baltimore in 2000 (in turn inspired by NYC CitiStat)

- State managers meet with StateStaff staff and the governor at bi-weekly meetings, to answer questions on agency performance.

- StateStat staff prepare lead questions after close review of performance data and circulate them in advance of the session

- StateStat began with the Department of Juvenile Services, The Department of Public Safety and Correctional Services, Human Resources, and Health and Mental Hygiene. Later expanded to other agencies.

- There is a BayStat for monitoring the cleanup of the Chesapeake Bay and an EdStat for public school reform

- specialized units such as Governor's Office of Crime Control and Prevention, Governor's Office of Homeland Security, the Maryland Energy Administration support/review departments/Statestat coordination.

Problem solving in StateStat meetings

- mid-level staff with operating responsibilities from different departments take an active part

- When problems of data collection or pooling are indentified, responsibilities and a timetable for addressing them are assigned on the spot

- Special attention is devoted to indentifying hotspots—especially low or high performing units or localities—and exploring, or agreeing to explore the causes of the exceptional results

- The best performing agencies typically have internal problem-solving procedures like those of StateStat

- Participants draw on deep knowledge of innovation in other states and abroad—Maryland is not an isolated laboratory or democracy,

- Innovation is to create an executive structure that combines, in a mutually re-enforcing way, affine innovations that allow learning from the bottom-up and the top down, across jurisdictions

For example: housing, solid waste and public works in Baltimore

I always used to say at City Hall, the data are hooked to a deeper conversation..., you've got four work crews, they've each got a truck and four guys. And somebody's doing really, really well and somebody's doing really, really bad. [Did] these guys go to work that day? Or these guys lied on their report? If not, something's going on. There's a problem in one. And there's probably something really, really good about the other one. And sometimes it's just that they have a great manager and we need to promote this guy up to middle management.

But sometimes it's that they have a process or a system...that's way better than the other guy's. And it's amazing in City Hall to watch these housing guys, these solid waste guys, public works guys, nobody cared about them. They never went to City Hall. And they were terrified to do it. But, you're like hey, Mr. Smith, you are the best person at boarding houses that we have ever seen. This is amazing. How are you doing it? Well, you know, I've got the nails in this compartment, I've got the boards in this compartment and you know, I take my guys out to lunch once a week and we're a team.

BayState

- Created by executive order as a joint project of the Departments of Agriculture, the Environment, Natural Resources, and Planning

- Replaces 10-year goals (never met, always extended) by 2-year goals monitored in monthly meetings of the four agencies

- Goals and monitoring broken down to the tributary level

- Focus is reduction of nutrient loads from agricultural, household runoff, storm runoff, to restore sub-aquatic grasses, etc.

- Penalty default: Maryland and other states on the Chesapeake submit plans to the federal Environmental Protection Agency for reducing the total maximum daily load of pollutants into tributaries and other water bodies. The EPA must approve plans and can stop economic development affecting water bodies that do not meet targets.

Executive Order 13508 of May 12, 2009
Chesapeake Bay Protection and Restoration

Sec. 203. Strategy for Protecting and Restoring the Chesapeake Bay. The Committee shall prepare and publish a strategy for coordinated implementation of existing programs and projects to guide efforts to protect and restore the Chesapeake Bay. The strategy shall, to the extent permitted by law:
(a) define environmental goals for the Chesapeake Bay and describe milestones for making progress toward attainment of these goals;
(b) identify key measureable indicators of environmental condition and changes that are critical to effective Federal leadership;
(c) describe the specific programs and strategies to be implemented, including the programs and strategies described in draft reports developed under section 202 of this order;
(d) identify the mechanisms that will assure that governmental and other activities, including data collection and distribution, are coordinated and effective, relying on existing mechanisms where appropriate; and
(e) describe a process for the implementation of adaptive management principles, including a periodic evaluation of protection and restoration Activities.

Wrap-around Coordination
The Violence Protection Initiative (VPI)

- ***Objective: To identify the small core group of offenders most likely to engage in violent crime, and to effectively manage and supervise those offenders in a community-based setting.***
- the Department of Juvenile Services (DJS) created its own VPI, to target juvenile homicides and non-fatal shootings. Started in Baltimore City in January 2008, Juvenile VPI is an innovative and collaborative approach that provides increased supervision and prevention services for Maryland's most at-risk youth
- Services were integrated into that process. Through program partners, each youth has a Treatment Services Plan (TSP) that identifies strengths and needs and ensured access to critical services. These services include:
  - Case management
  - Crisis intervention and safety planning
  - Mental health treatment
  - Substance abuse treatment
  - Family therapy
  - Education
  - Career development and employment counseling Anger management
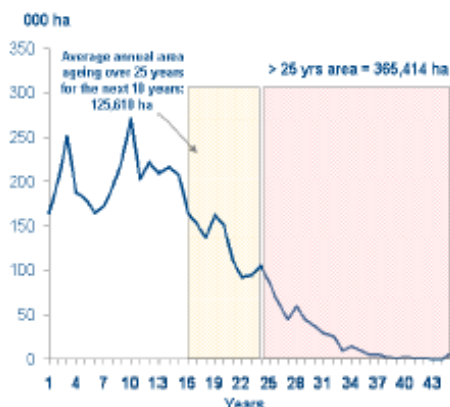 - Victim awareness
  - Gang intervention

Performance Management & Delivery Unit (PERMANDU)

- Established 2009 as a unit under the PM's Department
- To oversee the implementation, assess the progress, facilitate as well as support the delivery and drive the progress of the Government Transformation Program (GTP) and the Economic Transformation Program (ETP), and
- catalyze bold changes in public and private sector delivery, support the ministries in the delivery planning process and provide an independent view of performance and progress to the PM and ministers
- facilitating the implementation of the Entry Point Projects (EPPs) and Business Opportunities (BOs) that have been identified to ensure that Malaysia is transformed into a high-income nation by 2020.
- To allow PEMANDU to carry out its responsibilities effectively, it combines the best talent from both the civil service and private sector" (http://www.pemandu.gov.my/about.aspx)

EPP 1: Aims at implementing an accelerated replanting policy to clear the backlog of old low yielding palms across Malaysia

Key issues

- Cash flow considerations of individual companies and smallholders have held up the replanting rate of old and low yielding palms

000 ha

350

Average annual area ageing over 25 years for the next 10 years: 125,618 ha

> 25 yrs area = 365,414 ha

300

250

200

150

100

50

0

1 4 7 10 13 16 19 22 25 28 31 34 37 40 43

Years

Recommendations

Implement replanting policy for plantations and smallholders

- If the current replanting is not accelerated, it would take 14 years to clear the current backlog of trees over 25 years.

- 2 strict replanting criteria for smallholders:
  - No trees above 25 years, &
  - Plot average yield for past 3 years <13 MT/Ha/year (*) for organised smallholders, <10 MT/Ha/year (*) for independent smallholders.

- A strict replanting criterion for plantations:
  - Trees above 25 years and yielding less than 16 MT/Ha/year (*) for the past 3 years must not exceed 5% of total planted area

- New higher yielding planting material will be introduced in the plantations and smallholders (e.g.: clonal material)

- Expected time to clear backlog is 3 years

Key challenges

- Secure buy in of plantations and smallholders for mandatory criteria

- Ensure full collaboration between public and private sector R&D to ensure fast availability of high yielding new planting material

(*) If necessary, this will be updated by MPOB during implementation

EPP 2: Focuses on increasing the national FFB yield from a current 21 MT/ha/year to 26 MT/ha/year by 2020

Key issues

- Low yield of independent smallholders (600.000 hectares or 12% of total palm oil areas in Malaysia)

- Lack of access to best practices and small average size of independent smallholders dilutes average FFB output performance

- The three reference Code of Practices are not applied even by all plantations, which drags down average yield

Recommendations

COP

- Enforce mandatory implementation of one of the 3 reference Codes of Practice or company best practice for plantations and organised smallholders
- MPOB/SIRIM to conduct regular audits to ensure full implementation

Cluster independent smallholders into cooperatives

- Take stock of all independent smallholders and group into cooperatives (2010-2013)
- Cooperative membership to become mandatory for ALL smallholders after 2013
- At least 1 of the reference Codes of Practice is mandatory for cooperatives

Key challenges

- Ensure adequate resources for MPOB's TUNAS and implementation of one reference Codes of Practice or company best practice equal or better than COP

- Prevent potential issues with formation of cooperatives (corruption, mismanagement etc.)

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EPP 1: Increasing the number of Large Format Stores

Objective
- **To drive large format retailer growth** (e.g. hypermarket and super stores) as part of the retail modernization

Rationale
- Large Format Growth Stores are targeted to provide the following:
  - able to leverage their size for economies of scale, **guaranteeing low prices for consumers**
  - **providing a one-stop solution** for all their retail needs.
  - **provide better quality and wider choice** of products at lower cost

Approach
- Increasing available retail floor space by 50% from the current base of **1.4 million square meters**.
- Ministry to work with foreign players like Tesco, Giant and Carrefour as well as home-grown champions Mydin, Tunas Manja, Econsave and TF Value Mart.

2020 Targets
- **GNI : RM 8.5 Billion**
- **Investment: 17.4 Billion**
- **Jobs Creation : 68,600**
- **61 Hyperstores**
- **163 Superstores**
- **356 Supermarkets**

As of August 2013:
- **20 Hyper-stores built**
- **18 Superstores built**

Private sector participants include:

TESCO

Giant

MYDIN

ECONSAVE

TUNAS MANJA 100% MALAYSIA

ÆON BIG

EPP 2: the Small Retailer Transformation Programme (TUKAR Programme)

Objective
- To **modernize the traditional provision shops** to generate stronger revenue growth
- To **increase supply chain efficiency**
- To **prepare sundry shops for the implementation of GST**

Rationale
- Practices applied by small retailers need to be enhanced to ensure future sustainability
- To also enable traditional provision shops to cater to the needs and demands of "modern" consumers

Approach
- Major retailers to act as consultants
- **Funding is via a soft loan** offered by Bank Rakyat and selected Co-operatives.
- Distribution Centers will also be set up to support the TUKAR stores

2020 Targets
- **GNI : RM5.6 Billion**
- **Investment: RM5.2 Billion**
- **Job creation : 51,540**
- **5,000 stores**
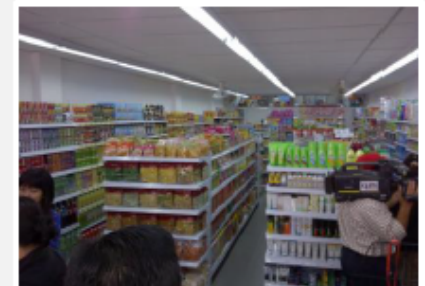
Operative Roles of PERMANDU

- Monitor and support the stakeholder committees that do the actual problem solving and innovation—for instance, the sub task forces addressing port-specific issues and developing local initiatives in tourism
- Register and help establish fora for resolving jurisdictional conflicts—for instance networking and providing power to CCTV cameras across many local jurisdictions
- Establish bump-up procedures—a kind of penalty default—that bring deadlocked parties before the PM—and so induce them to avoid this embarrassment by agreeing to a settlement.
- Establish (elaborate) procedures for officially altering the formal goals of ministers—formality helps ensure that high-level politics is not used to escape accountability
- Start new consultation procedures (labs or mini-labs) when agreed strategies show signs of failure—for example in the electronics sector
- Use weekly and other periodic reporting obligations as early-warnings signs of possible difficulties.

What (New) Delivery Units are not

- **Not** parallel or substitute governments. StateStat succeeds by inducing the departments with which it cooperates to introduce similar problem solving processes—to do StateStat by themselves. PREMANDU pursues of sophisticated policy of cooperating with and co-opting key civil servants within ministers (and employing others in PERMANDU itself)

- **Not** primarily an oversight mechanism by which principles can hold agents to account—both entities combine learning with monitoring: they use monitoring as an occasion for learning via problem solving

- **Not** a device for putting experts in charge of decision making—both assume that experts need to learn, from other experts, from front-line workers, and from stakeholders

What (New) Delivery Units are

• fora in which an open circle of stakeholders can formulate broad goals,

• and learn through continuous and rigorous monitoring of efforts to implement them,

• how best to redirect their efforts and refine their understanding of their purposes.

• By doing that they help reconstruct government

• busting silos while introducing new forms of cooperation among operating units

• while creating new forms of accountability and reconnecting government to stakeholder citizens in ways that can reshape democracy