



Analysing the politics of public services: a service characteristics approach

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Key messages

- The service characteristics approach, described here, was developed as a tool to explain the political dynamics of particular services. It has been tested and elaborated in discussion with specialists in health, education, water and sanitation, focusing on current debates in each sector.
- We find that service characteristics may reinforce each others' effects on the likelihood of competitive provision, on access to and exclusion from services, on monitorability by policymakers and managers, on users' capacity to organise demands and, ultimately, on the political salience or significance of services.
- Specific clusters of characteristics may influence the incentives and accountability of the actors (elected politicians, policymakers, providers, potential and actual users) in service provision.
- Additional characteristics proposed by sector specialists include the feasibility of co-production, 'lootability' (opportunities for rent seeking) and the duration and durability of chronic conditions and services.
- The approach identifies not only differences but also similarities between services, indicating the possibility of sharing experience and practices between them. Such analysis can generate change both by making actors more aware of structural problems and by identifying specific organisational reforms and policies.
- This approach can add value to collaboration between specialists in different sectors and between governance and sector specialists, including in the context of country programming.

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1 Analysing what is common and what is distinct in the politics of public services

Analysis of service characteristics has been made possible through an Overseas Development Institute (ODI) flagship programme on the ‘politics of service delivery’, which explores how a range of political and governance factors affect the delivery of public goods and services, including incentives, behaviour and institutional features. The programme has looked at these dynamics through two lenses: analysis of *common* constraints and incentives in the broader governance environment (Wild et al., 2012) and assessment of those *specific* problems and opportunities that the intrinsic nature or characteristics of individual services may present (McCloughlin with Batley, 2012). Together, these serve to highlight that the politico-institutional context affects all services but may do so differently (Foresti et al., 2013), and that services may generate specific political issues. These are complementary perspectives; each is incomplete without the other. Thus, the service characteristics approach is a lens for perceiving the issues of governance and politics that are attributable to the intrinsic nature of the service, but needs to be matched by broader political economy analysis in particular contexts.

While always recognising the importance of context, this synthesis paper focuses on the contribution that can be made by recognising the service-specific elements of political analysis. It synthesises not only what we have gleaned from the literature but also what we have learnt from consultations with sector and governance specialists about this approach.

2 Developing a service characteristic approach

The first step in the analysis of the nature of specific services was to review the literature that distinguishes between services on the basis of their characteristics rather than treating them in the aggregate. The review (McLoughlin with Batley, 2012) found that, although most of the literature ignores the effect of service characteristics, there were enough sources to allow us to piece together some common descriptors, as listed in Table 1. Most widely used (for example by the World Bank, 2003) are the economic characteristics listed in the first two columns: these define whether there can be competitive provision and why there might be public intervention. Less widely and systematically applied are the characteristics listed in Columns 3 and 4; we derived these from a combination of management and social science literature. Those in Column 3 are described as ‘task-related’; they define how service delivery is performed and how this affects the level of control by providers (as opposed to policymakers and users). Those in Column 4 are grouped as ‘demand-related’ because they define the interaction between providers and users, how this affects (potential) users’ capacity to organise their demand and politicians’ and providers’ capacity to manage it. A significant contribution of our approach was to draw these characteristics into a systematic structure.

Table 1: Service characteristics as initially stated

Nature of the good: public or private	Market failure characteristics	Task-related characteristics	Demand-related characteristics
Rivalry	Monopoly tendency	Measurability and visibility of outputs	Frequency and predictability of use
Excludability	Positive or negative externalities	Discretion of frontline staff	Territoriality
	Information asymmetry	Transaction intensity	Targetability
	Merit good	Variability of treatment	Choice
		Professional autonomy	Political salience

The characteristics set out in Table 1 have traditionally been used for technical or managerial purposes: to identify the respective roles of state and market or problems of managerial control. However, they have a political significance too, because they influence the power and incentives of stakeholders, and the relations of accountability, collaboration and control between them. For example:

- **Nature of the good being produced:** Can a service be delivered by the market or does it require public intervention? Can users choose between providers? Is the service for private or collective benefit? Can beneficiaries be excluded and targeted?
- **Market failure characteristics:** Why might market provision limit access to services? What is the rationale for public intervention? Does public provision counter or reproduce failures of inclusion?

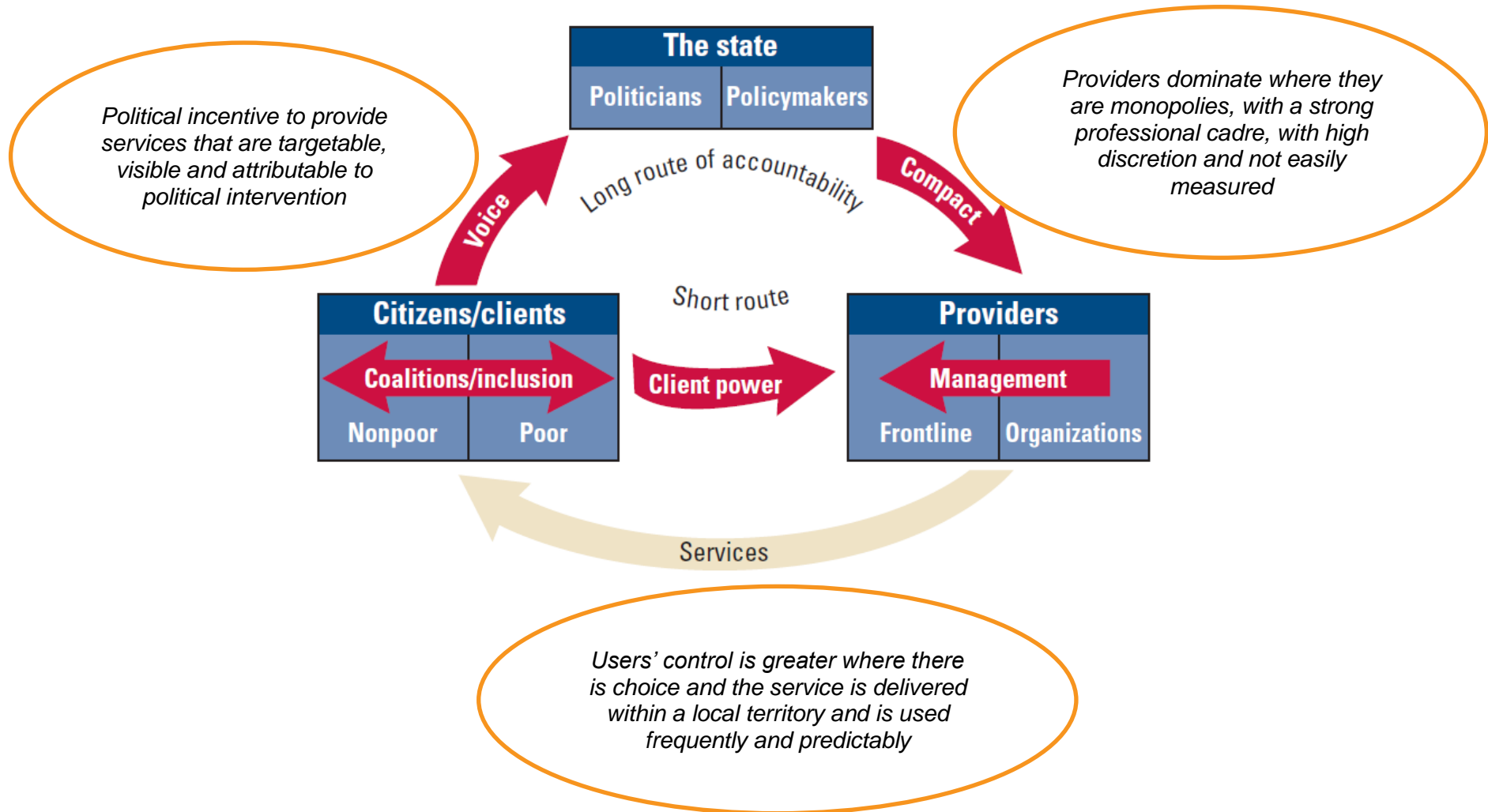
(Though known as market failures, the same failures may also be replicated in government provision.)

- **Task-related characteristics:** How does the way a service is produced and delivered affect relationships of control and accountability between policymakers, providers and users?
- **Demand characteristics:** How does the nature of the service provided affect the capacity and forms of user demand and provider control?

McLoughlin and Batley's review mapped the evidence onto the accountability framework of the World Bank's 2004 World Development Report, showing how service characteristics might influence the incentives, power and accountability of politicians, policymakers, providers and users. Figure 1 exemplifies the effects, but it should be noted that any of the characteristics listed in Table 1 may also have an effect at any other point in the diagram.

Service characteristics can have an effect on the politics of relationships between stakeholders in at least two main ways. They may affect how principals (politicians and citizen users) *control* agents. They may also affect opportunities for collective action (that is, *collaboration*) between stakeholders. These are not entirely distinct, as the degree to which principals can organise is likely to have an impact on their ability to pursue their goals and to ensure agents act on their behalf. However, it is nevertheless useful to think both about the relationships between these types of stakeholders and relationships *within* these groups.

Figure 1: How service characteristics map onto the accountability framework



3 The sector consultations: objectives and approach

The second step in the development of the service characteristics approach was to test its utility as a way of understanding and addressing the political dynamics of service provision. For each of four service sectors – education, water, sanitation and health – we invited groups of between 10 and 20 UK-based practitioners, policymakers and researchers to consultative meetings. The aim was to refine the approach, document cases that exemplified particular characteristics, consider the implications for the development of tailored organisational and policy responses and explore the potential of this approach to facilitate improved dialogue and shared learning, between sector and governance specialists and across as well as within sectors.

Following a brief presentation, participants then explored the above themes, reflecting on their own experiences. Because the intention of the research team was to listen and learn, no attempt was made to create boundaries for the discussion, for example by focusing on a particular service within the sector. Indeed, the variation between subsectors within each service became an important theme in each of the consultations, as an opportunity to make comparisons within each service sector. For example, discussion in all sectors covered primary, secondary and tertiary provision; health included curative health care and public or preventative health; water and sanitation included urban piped as well as rural or peri-urban non-networked services, and the containment as well as the disposal of waste; education included classroom learning at all levels, tutoring and formal and informal schooling. Non-state as well as state provision entered into all discussions. Briefing notes were published following each consultation; these picked up issues raised, explored and elaborated by reference to academic and practitioner literature and examples for each sector. These are all available online (see Box 1).

Box 1: Sector-specific reports

Harris, D., Batley, R., McLoughlin, C. and Wales, J. (2013) 'Understanding the Political Implications of Sector Characteristics for Education Service Delivery'. London: ODI: <http://bit.ly/1c2j0HB>

Harris, D., Batley, R. and Wales, J. (2014) 'Understanding the Political Implications of Sector Characteristics for Health Service Delivery'. London: ODI: <http://bit.ly/1fGBcpm>

Mason, N., Harris, D. and Batley, R. (2013) 'Understanding the Political Implications of Sector Characteristics for the Delivery of Drinking Water Services'. London: ODI: <http://bit.ly/1dqExo9>

Mason, N., Batley, R. and Harris, D. (2014) 'Understanding the Political Implications of Sector Characteristics for the Delivery of Sanitation Services'. London: ODI: <http://bit.ly/1dATQQZ>

4 Lessons from the process of consultation

The consultations were the principal source of ideas about the service characteristics approach, with additional learning opportunities emerging through the preparation and follow-up reporting. A number of practical issues and insights arose in the consultations. These included the following:

Some raised questions as to whether and how to use **concepts that had their origin in academic literature** in which they have a specific meaning, some of which might seem unduly obscure – for example rivalry, excludability, externalities, information asymmetry, transaction intensity and territoriality. In the consultations and reports, we tried to bridge this gap by preserving the original terms and meanings but presenting them in alternative ways and with examples. In some cases, however, the terminology used had other meanings within the sector, creating some confusion. For example, in the water and sanitation consultations, some participants felt the term ‘technical characteristics’ would bring to mind pipe diameters, pressures and flow rates rather than those features of service delivery indicated in Tables 1 (above) and 2 (below). Other examples include the use of the term ‘variability’ in the water consultation to refer not just to differentiation between users (as in the education report) but also to response to environmental factors (e.g. soil types in the case of water harvesting).

Participants’ response was often to relate the discussion to policy issues, and there was appetite for understanding the implications for policy and practice. This is reflected in the follow-up sector reports, in which the service characteristics framework was not applied rigidly but rather was used to discuss current debates and key challenges faced in each sector. This enabled fresh perspectives to be brought to these pressing policy debates. For example, in the water sector, major issues raised were the types of political dynamics that might sustain improvements in sector outcomes and economic views on efficiency versus the extensive rights-based discourse prevalent in the sector. In health, issues included the changing nature of the global disease burden and the potential for user-based accountability mechanisms; in education, the political dynamics that are generated with respect to access and quality across levels of education; in sanitation, how to leverage collective and individual action among sanitation users. This approach, focusing the analytic tools on addressing current debates, has parallels with the shift towards problem-driven approaches to political economy analysis (Fritz et al., 2009).

The sector reports demonstrate which of the service characteristics were found to be most useful and how they needed to be nuanced and elaborated to enable an understanding of current policy debates in each sector; cases were documented from participants’ own experience and from the literature. There was in practice little scope to facilitate dialogue between governance and sector specialists as part of these consultations, as participants were less often from donor agencies and more often from non-governmental organisations (NGOs), think-tanks and academia, where the idea that there might be a gap between sector and governance specialists was not obvious. However, there was also a view that the gap was at least as much *within* service organisations: between staff who think along strictly technical lines and others who think of governance and politics as core features of the sector. While the focus of each sector consultation was on the application of the approach to the sector and on sector-specific policies, comparison between as well as within sectors was an important way of clarifying the meaning of terms. The test of the utility of the approach is, of course, whether it can be extended into practice, so as to enable sector specialists to analyse cases, make structured comparisons and derive policy and organisational responses, possibly drawing on the relevant experience of other sectors.

5 Lessons about the development of the service characteristics approach

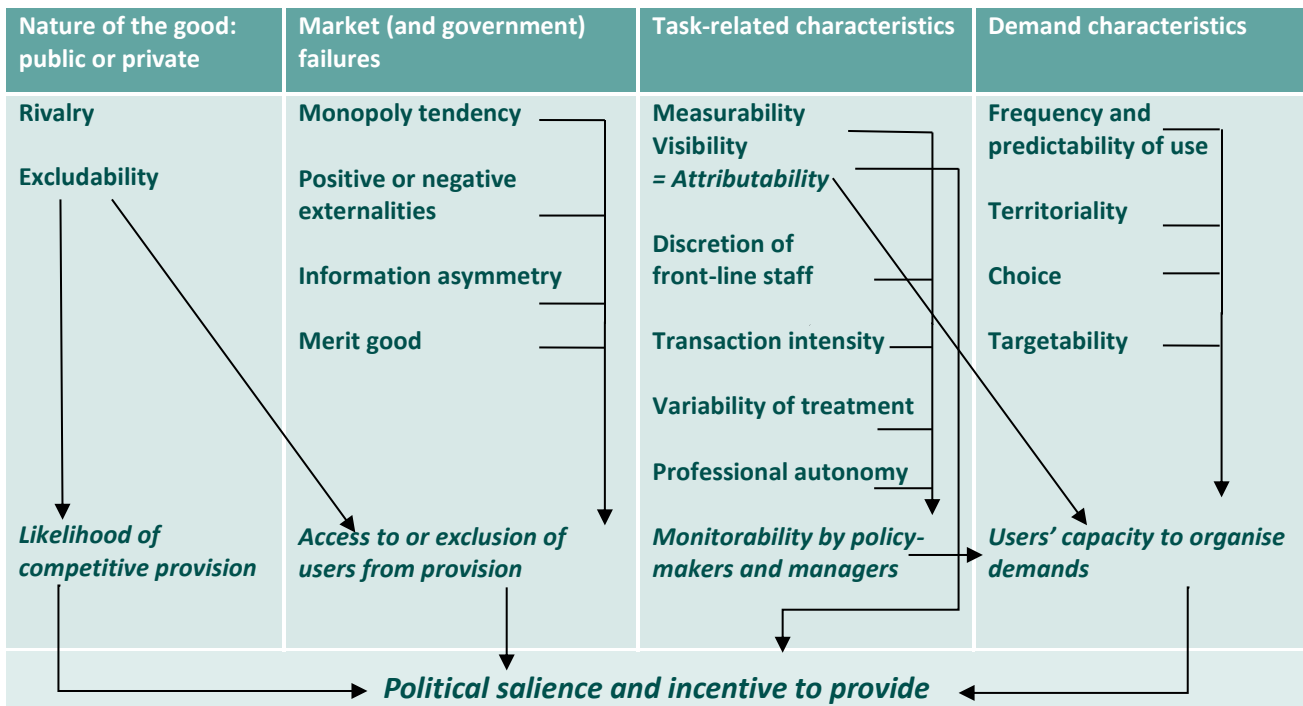
This section highlights some of the potential lessons emerging from this approach as refined through the consultations. These include how service characteristics may reinforce each other, combine and interact; how they can contribute to the identification of similarities as well as differences between sectors; identification of those issues presented by services that are cross-sectoral in nature; and suggestions for new characteristics or about variations in their implications.

5.1 Characteristics may reinforce each other to have combined effects

The consultations helped us understand better that characteristics were less isolated than Table 1 implies, but interact and affect each other as illustrated in Table 2. **Combined effects may be the sum of all the characteristics in one category:** the *likelihood of competitive provision* and therefore choice may be a product of the nature of the good (public or private); *access to or exclusion from services* may arise from the decisions of monopoly providers, and from disregard of those affected by externalities or who are ill-informed; *monitorability* by policymakers and managers of the performance of providers is dependent on whether the task is measurable, transaction-intensive, discretionary and variable; *users' capacity to organise demands* is affected by the availability of choice, the degree to which the service can be targeted at particular people, groups or localities, the frequency with which they use the service and can meet other users and whether their usage is predictable or unplanned and perhaps a response to crisis.

Moreover, **the combination of links may go beyond a particular category of characteristic.** The capacity of *users (or excluded non-users) to organise demands* for services depends not only on demand characteristics but also on the degree to which it is possible for policymakers and users to monitor the performance of providers and to which politicians feel provision will be attributable to their efforts. Ultimately, practically all the characteristics may combine to affect the *political salience* of the provision of a service to all or some in a locality; in that sense, it is a summation of characteristics. If we understand 'political salience' to mean there is an incentive for political leaders to provide services to those able to offer political (e.g. electoral) returns, it is probably the foremost determinant of provision (McCloughlin and Batley, 2012). While political salience will also arise from contextual factors (political settlements and interests, crises and scarcities), the service characteristics approach suggests it is, at least partly, a product of the service itself.

Table 2: Service characteristics and their *combined effects*



5.2 Characteristics may combine to affect relations of accountability

The combinations described above run through Table 2, connecting characteristics **vertically and mainly within the same category**. Another way of thinking about combinations of characteristics is from the perspective of actors (elected politicians, unelected policymakers, providers, potential and actual users of services), their incentives, and their accountability to and control of each other. **Actors are affected by all or some of the characteristics running horizontally across Table 2, as shown in Figure 2.**

Incentives, power and control are aspects of the accountability relationships between actors. The characteristics that incentivise politicians, give influence or power to users and allow managers to control providers (or agents) are presented in Figure 2 for illustrative purposes. They indicate likely tendencies or conditioning factors, which differ by context and can be countered by policies and organisational reforms.

Figure 2: The effects of service characteristics on stakeholders' control and accountability

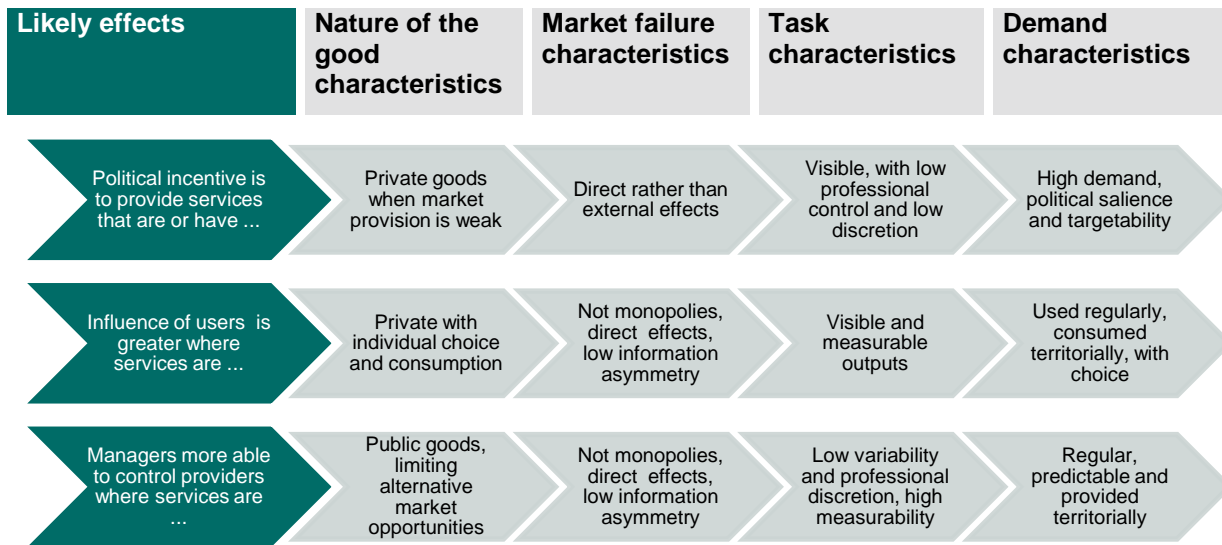


Figure 2 suggests the political incentive to provide or improve a service is greatest where it offers private over public benefits (e.g. household water connections versus mains sewerage), where it benefits users directly rather than through external effects (e.g. water supply rather than disease vector control), where it is monopolistic and therefore maximises patronage opportunities (e.g. urban water supply over decentralised rural systems), where it is visible and therefore attributable (e.g. construction of schools or clinics rather than improving maintenance) and where there is high demand and provision can be targeted at selected populations.

Similar effects can be seen for the influence of users and accountability to them, and for determining whether policymakers and managers can monitor and oversee (i.e. control) service providers. For instance, users' capacity to organise may be higher where a service is used regularly, predictably and within a limited territory (e.g. primary schooling versus hospital health care), allowing the formation of user opinion and demands. Managers and policymakers will be more able to monitor and oversee performance of providers where there are lower information asymmetries and low levels of professional discretion and where tasks are easily monitored (e.g. vaccinations).

5.3 The approach identifies not only difference but also similarity between services

Undertaking consultations across four service sectors made it clear that, in differentiating between services, we can also identify similarities between them. This is not something new – others have sought to group services into similar categories, using only a few of the characteristics we have identified. For instance, James Q. Wilson's formative analysis in 1989 grouped them, on the basis of the observability and measurability of outputs and outcomes, into production, procedural, craft and coping organisations. Pollitt (2006) adds political salience and budget weight to observability and measurability, to identify the degree to which agencies attract political attention or interference. Pritchett (2012) groups services into five basic tasks and categorises them by the information requirements to perform them and the accountability implications of their transaction intensity, the level of discretion, the stakes and the requirement for innovation.

Identifying similarity as well as difference suggests the possibility of sharing experience, transferring practices and perhaps sharing elements of the service where services can learn from each other or even work together. This may be possible not only for different sectors that have some services that operate in similar ways (e.g. client-oriented services like health centres and schools) but also for services within the same broad sector where there are complementarities: for example, environmental health, a public good, may be promoted and support-groups developed through health centres and hospitals offering 'private' services.

5.4 Is the approach applicable where services cross sectors?

The consultations raised the question of the applicability of the approach where a service is made up of contributions from multiple sectors. Community-led total sanitation emerged as a classic case, where the service comprises inputs of an educational, environmental health and infrastructural nature; obesity may similarly call for educational, dietary and surgical inputs. To some extent, cross-sectorality may apply to many services.

While this does not obviate the service characteristics approach, it does make the analysis more complex. More importantly, cross-sectoral services raise problems of organisational networks, coordination and culture. In such cases, there are multiple components and policy responses that are the product of multiple actors from different service sectors. These can be seen as so-called ‘wicked problems’ or ‘wicked issues’ in which networks of actors are involved, with tenuous agreement about the nature of the problem, creating difficulties in achieving collective action. The wicked issues question is discussed in a wide range of fields including social planning, policy on climate change, environmental management and software development (e.g. Rethmeyer and Hatmaker, 2008; Rittel and Webber, 1973; Roberts, 2000; van Beuren et al., 2003). The specificity of sectoral politics can thus be understood not only as a matter of service characteristics but also as one of how networks within organisational fields operate within and across national boundaries (Greenwood et al., 2008; Scott, 2014).

5.5 New characteristics and variations on the ones proposed

In the consultations, suggestions were made for the addition of characteristics or for their modification in particular sector cases. Sometimes, these seemed to be explained at least partly by combinations of existing characteristics; sometimes, they were more related to context than to the sector *per se*. The following seem to us to be additional:

The feasibility of co-production occurred as an issue in the water, sanitation and education consultations. By co-production, we mean situations where the division between the supply side and the demand side breaks down and the consumer participates in the production of the service. Elinor Ostrom (1996; 1997), the initiator of the concept of co-production, recognised that its feasibility (or necessity) was partly a product of the nature of goods and services (their production and consumption characteristics), so for example, the production of cars does not require inputs by the consumer but education and health do. She raised an additional factor that may be partly contextual: ‘the possibility of citizen organization around particular services at local level’. Some of our existing characteristics would contribute to this possibility: territoriality, frequency and predictability of use. Transaction intensity, which may have negative effects in making the relation between provider and user individualised and opaque, may, on the other hand, create conditions for co-production (e.g. the patient learns that she needs to participate in her treatment).

Opportunities for rent seeking, or ‘lootability’ as it was described in the health sector consultation, may be another task-related characteristic. This can be seen in two ways. On the one hand, there are services that create opportunities for the supply of *inputs to the service*, especially in the form of large contracts (e.g. in infrastructural work, as described in the water report) and jobs (in the case of education or health). On the other hand, there are cases where the service itself may be the target of rent seeking – for example privileged access to the private benefits of education in the best state schools – as described in the education report. These opportunities relate to some of our existing characteristics: opportunities are enhanced in the case of private goods, monopoly provision, professional autonomy and targetability.

Chronicity, a term used in the health consultation, distinguishes conditions lasting for a long period of time or marked by frequent recurrence. It distinguishes the illnesses that require repeated treatment (e.g. kidney failure) and, as a consequence, repeat interventions, from those that require short-term, critical interventions (for injuries). This is, to some extent, captured by the ‘predictability’ and ‘frequency’ characteristics, the key feature of which is that services received predictably and frequently may enable the development of collective action between users and, perhaps, with the service providers they encounter. Chronicity implies two additional features with uncertain effects on user empowerment: the condition and the service are experienced over a long duration, but they imply a continued state of user dependence.

There are also many examples where we discovered subtle variations in the effects of a characteristic. These highlight the need for a sensitive interpretation of the significance of characteristics in the particular case; inevitably, a summary account of their significance will tend towards undue generalisation. For example, variations in the significance of characteristics may occur with **changes of technology**: the effect of online education by international suppliers may make it less rivalrous and less territorial. The relative strength of characteristics' effects may **vary by service**: the sanitation consultation suggested that territoriality, predictability and frequency of use were less likely to be incentives for community organisation in sanitation than in water supply because of the negative social norms associated with the former. A **characteristic's effects may vary over time**: the water report shows how user groups formed around common experience of a service may become active only when seasonal scarcity heightens their awareness of service shortfalls. Political elites may also manipulate a service to make users periodically more aware of their needs and of political efforts to satisfy them.

Service characteristics are 'amoral' in that they can have both positive and negative effects for services. For example, there is no certainty about the distributive effects of 'political salience'. It may be positive in driving provision, but can also take on a divisive function. For example, in a post-conflict situation, education may become an instrument for the assertion of an exclusive view of national identity, and teachers may become arbiters of linguistic and ethnic inclusion. More commonly, the political salience of drinking water is an important driver of the extension of supply but may also motivate politically directed access to unequal subsidy.

6 Policy and organisational responses

The service characteristics approach provides a framework for understanding the structural problems that need to be addressed in order to bring about change. The process of analysis should be useful in its own right: it can alert policymakers, providers, citizens, service users and activists to problems and opportunities, help explain why these occur, and enable incremental adjustments in practice. For example, in most sectors, providers have opportunities to use their technical knowledge, discretion and organisation to assert control over politicians, managers and users – but awareness of this risk might also enable its avoidance. Campaigning organisations may become more aware of the incentivising effects of giving politicians more credit for achievement in the delivery of ‘soft services’ than more easily attributable capital investment. Users might become more aware of their opportunity to influence territorially based services through neighbourhood offices.

This approach also provides the basis for more systematic responses. These might be strictly organisational – for example a proposal to include user representatives on the board of a delivery organisation. Or they might take the form of policies with non-organisational aspects. These are summarised in Table 3 below, which sets out a range of options for policy responses to these characteristics. It highlights some of the main questions to be asked and some of the possible policy responses. For example:

With regard to the nature of goods, questions need to be asked about how political and managerial processes prioritise demands for different types of goods. Organisational and policy responses might be to encourage citizen demand for collective benefits, strengthen oversight of access to public goods, charge for private goods and support user group involvement in co-production of common pool goods.

Among market failures, questions can be asked about how monopolies are constructed, operate and are monitored. Organisational and policy responses could be to separate oversight from the supply of a service, develop independent regulation, compare performance between local monopolies, represent users in delivery organisations and increase awareness of alternative providers.

On task characteristics, questions need to be asked about the monitoring of sectors that are less measurable and involve high levels of discretion. Organisational and policy responses could be to set a framework of limits on discretion, monitor output or outcome goals rather than multiple input requirements, support expression of (or survey of) user satisfaction where outcomes are intangible, and support user co-production of discretionary and transaction-intensive services.

With regard to demand characteristics, questions can be asked about how political and managerial processes may privilege targetable goods. Organisational and policy responses could be to use the budgetary process to create a counter-balance in favour of less targetable goods, restrict political involvement in detailed allocative decisions, support campaigns that create awareness of neglected services and publish expenditure commitments and strengthen user monitoring of them.

Applying this to particular services, we can take the case of curative health (a primary health centre or a hospital) where accountability of providers to policymakers, managers and users is difficult to maintain owing to problems of information asymmetry and of performance monitoring, and where professional staff have a high degree of discretion about how they treat patients and what treatments they offer. The level of accountability may be raised through the decentralisation or contracting-out of service delivery, the strengthening of user engagement in local clinics, publishing comparative information on performance, and supporting alternative providers.

Or, take the case of urban piped water supply, where politicians and professional (engineering) staff may favour the visible, attributable and targetable installation of subsidised private household connections, at the cost of failure to extend a basic service to wider populations, to undertake system maintenance or to undertake public goods functions (cost recovery, sewage disposal etc.). Politicised monopoly control can be challenged by splitting purchaser from provider (where government retains responsibility for ensuring the service is provided while a public or private agency supplies the water), and by ensuring the public reporting of expenditure priorities, commitments and performance. Public goods functions can be protected in the budget. Water user groups can be encouraged, especially in areas of under-provision, with information on the rights and costs of water use. Poorer households can be targeted by subsidising connections rather than water consumption.

Table 3: Possible policy responses to accountability risks and opportunities

Organisational and policy responses under three levels of accountability			
Political accountability to citizens		Provider accountability to organisational hierarchy	Delivery agency accountability to direct users
Nature of good – Rivalry and Excludability			
Questions about organisational arrangements	How do citizens' and political organisations process demands and prioritise, publicise and commit to provision of non-private goods?	How effective are structures to formulate, budget, manage, monitor and enforce commitment to provision of non-private goods?	Are user groups capable of organising and articulating demands for non-private goods?
Possible organisational and policy responses	<ul style="list-style-type: none"> • Support independent regulation and public information on performance of non-private goods • Encourage citizen awareness of and demand for public goods and collective benefits • Promote cross-boundary collaboration in public goods provision 	<ul style="list-style-type: none"> • Support oversight of access to public and common pool goods • Consider charging private and toll goods • Consolidate commitment to non-private goods by assessing cost/benefits of provision, and implications for budgets and taxation • Create competition for market by contracting delivery of non-private goods 	<ul style="list-style-type: none"> • Enhance user choice where possible • Activate user organisation and accountability with regard to non-private goods • Support user group involvement in co-production of public and common pool goods
Market failures – Monopoly, Externalities, Information asymmetry, Merit goods			
Questions about organisational arrangements	<ul style="list-style-type: none"> • Are monopolies natural or politically constructed? Are they centralised or localised? • Do adequate judicial and independent regulatory arrangements exist to challenge rent seeking by politicians? • Are political systems capable of revealing the needs of those without information and awareness? 	<ul style="list-style-type: none"> • Do organisational arrangements seek to redress the effects of monopoly? • Do judicial, regulatory and internal audit systems exist to challenge monopolistic behaviour and rent seeking, and hold provider organisations to account? • Are provider organisations structured to take into account the needs of the uninformed and indirectly affected? 	<ul style="list-style-type: none"> • Are delivery organisations structured to take into account the preferences of the uninformed and indirectly affected? • Are delivery organisations structured to redress monopolistic behaviour? • Do provider organisations and government inform users about entitlements? • Are those affected by externalities organised to effect redress?
Possible organisational and policy responses	<ul style="list-style-type: none"> • Unbundle monopolies (vertically and horizontally) where possible • Establish independent judicial review and regulation • Promote political and public awareness of general benefits from meeting the needs of the excluded 	<ul style="list-style-type: none"> • Strengthen performance assessment in situations of monopoly • Monitor and publicise comparative performance of local monopolies • Promote public information on external effects and merit goods • Tap professional and public interest in take-up of external benefits and merit goods 	<ul style="list-style-type: none"> • High externalities, information asymmetry and merit goods can be the basis for public campaigns for awareness raising, collective action and inclusion • Create user representation on delivery organisation boards where there is monopoly and information asymmetry • Increase awareness of alternative providers

Organisational and policy responses under three levels of accountability

	Political accountability to citizens	Provider accountability to organisational hierarchy	Delivery agency accountability to direct users
Nature of task – Visibility and measurability of outputs, Discretion of frontline staff, Transaction intensity, Variability of response, Professionalisation			
Questions about organisational arrangements	<ul style="list-style-type: none"> • How far does the political role go beyond setting of budgets to detailed decisions on expenditure? • Does political involvement in policymaking and implementation favour visible services? • Do judicial and regulatory arrangements challenge rent seeking? 	<ul style="list-style-type: none"> • Is the monitoring by the provider organisation capable of assessing complex services? • Does management set a framework within which professional discretion operates? • How does provider maintain managerial control, monitoring/audit in centralised, decentralised and contracted services and infrastructure? 	<ul style="list-style-type: none"> • Do providers and delivery agencies give users information for choice and accountability? • Are users and user groups organised and capable of expressing preferences and assessing performance? • Are there arrangements for co-production or collaboration between users and delivery agencies?
Possible organisational and policy responses	<ul style="list-style-type: none"> • Separate politicians from direct expenditure decisions to focus on setting and enforcing the policy framework • Publish information showing relation between capital and recurrent expenditure and encourage citizen/press monitoring 	<ul style="list-style-type: none"> • Link (visible) capital and (non-visible) recurrent costs in budgets and medium-term expenditure frameworks • Monitor coordination of capital/recurrent expenditure • Strengthen monitoring by provider with few output or outcome measures rather than multiple input measures • Decentralise or contract delivery of outputs • Standardise delivery agency reporting 	<ul style="list-style-type: none"> • Enhance user choice where possible • Support user satisfaction surveys where outcomes are not tangible • Support user involvement and co-production, especially in discretionary and transaction-intensive services • Question self-regulation of professions and introduce user representation • Encourage user monitoring of expenditure
Demand characteristics – Frequency of use, Predictability of use, Territoriality, Targetability, Political salience			
Questions about organisational arrangements	<ul style="list-style-type: none"> • Do political decision making and influence privilege targetable goods and services? • How does the political process award ‘salience’ to sectors and sub-sectors and how is it maintained? 	<ul style="list-style-type: none"> • Are targetable services privileged in budgetary allocations and expenditure? • Is salience associated with political intervention in policymaking and management? • How do providers accommodate expectations of politicians/managers with those of delivery organisations and users? 	<ul style="list-style-type: none"> • In what aspects of service delivery does user organisation occur? • Do demand characteristics affect the incentive to organisation and engage with delivery organisations? • (How) do users engage with delivery organisations and front-line staff and transmit their expectations?
Possible organisational and policy responses	<ul style="list-style-type: none"> • Press for focus on services with high public goods and positive externalities but low political salience and targetability • Restrict political involvement in detailed allocative decisions • Support independent regulation and monitoring of targetable goods 	<ul style="list-style-type: none"> • Use the budgetary process to redress tendency to focus on targetable goods • Support complementarity between top-down direction of a sector and user monitoring 	<ul style="list-style-type: none"> • Support questioning by user organisations of politicians’ perceptions of salience, lifting the status of regular, predictable and chronic conditions • Publish expenditure commitments and strengthen user monitoring of them • Support campaigns that create awareness of crisis in neglected services (e.g. sanitation)

7 Conclusion

This report argues that an understanding of the political implications of service characteristics offers important insights into the challenges of service delivery, and builds on our previous contributions to this theme. These characteristics help us understand some of the factors that explain the continued prevalence of gaps in access to and quality in the provision of services, such as health, education, water supply and sanitation, even where seemingly adequate technical knowledge exists. Consultation with specialists in each of these sectors has confirmed that these issues do matter, not only as explanatory factors but also, crucially, to enable thinking about the types of intervention that are likely to improve service delivery for poor people. In particular, the approach offers a new route to the identification of organisational and policy responses that might help address critical breakdowns in collective action and accountability relationships. It suggests a set of core questions to ask, in order to diagnose service delivery failures, and suggests ways of responding through policy and organisational reforms. This is a framework that can be applied by a wide range of stakeholders – funders, policymakers, service providers, users, civil society and others – in different sectors and countries.

To take this further, there are a number of future options.

First, there is potential to use this approach to help improve dialogue between sector and governance specialists. The focus in this round of engagement was largely on refining the approach in light of the experience of those with deep knowledge across a number of service sectors. This can form the basis for bringing together sector and governance specialists within organisations where organisational and professional siloes are an observed challenge, as is the case with many of the larger donor organisations with established specialist professional cadres.

Second, having drawn together experts in specific sectors in this round of consultations, there is an opportunity to further explore the comparative aspects of the approach. This could involve bringing together specialists from different sectors around specific issues to identify opportunities for cross-sector lesson learning in a more structured way.

Third, having tested this approach through consultation and some piloting in-country work (McLoughlin and Harris, 2012; O'Neil et al., 2014 forthcoming), there is now potential to apply it to a particular country programme where multiple sector specialists and governance specialists could work through the approach in a given context. Its practical application in this way would help refine the approach further, as well as providing further case studies and examples of how diagnosis can facilitate the development of practical policy responses.

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