Politics & Governance

The technical is political

why understanding the political implications of technical characteristics can help improve service delivery

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Methods and resources

What are the political implications of technical characteristics?

Why do different services encounter particular constraints and opportunities in their delivery?

In this brief, we explain why and how technical characteristics of particular sectors influence the incentives for politicians, service providers and service users, and the relationships between these groups. While sector experts often intuitively understand specific blockages in their sector, the approach presented here structures this understanding in a way that allows for comparisons across sectors, highlighting important differences and similarities between them. The aim is to help practitioners understand why different sectors might attract different forms of politics even in the same macro political environment, and to provide a stronger foundation for coordination between governance and sector specialists seeking to understand why certain blockages persist and how to address them.

The characteristics of sectors have largely been considered technicalities, but new analysis illustrates why they also have political implications. Mcloughlin with Batley (2012) identify an initial set of four types of technical characteristics observed to be influencing the politics of service delivery within and across sectors (see Box 1).

Thinking about sector characteristics means asking some straightforward but key questions, such as:

- How easily can non-payers be excluded from benefiting from the service?

- Do investment costs and economies of scale make it difficult for alternative suppliers to compete?
- In what ways are users less informed than providers (or vice versa) about the quality of the services?
- How visible are the service outputs to citizens/users and to government?
- Do frontline staff have autonomy to determine how they perform certain tasks?
- What is the level of demand for the service?
- How politically salient is the service?

Combinations of these technical characteristics will have a number of political implications, particularly in relation to three types of relationships (Mcloughlin with Batley, 2012), summarised in Table 1:

The incentives of politicians and providers to commit to providing resources for service delivery and to be accountable to citizens for this. This will be shaped by the nature of the particular good or service, specifically its political salience, its visibility and the extent to which it is targetable to particular groups, as well as whether citizens can attribute credit or blame to politicians for what is delivered. The latter may depend on the degree of information asymmetry, visibility and service complexity;

The balance of power between policymakers and other actors involved in service delivery (including provider compacts). For example, issues of measurability and

Box 1: Four types of sector characteristics

1. The nature of the good or service: The extent to which a particular service is considered rival (i.e. if one person's use diminishes the availability of the service for others) and/or excludable (whether it is possible to prevent a person from benefiting from the service);

2. Market failure characteristics: The extent to which sectors or components of service delivery display monopoly tendencies (where high investment costs or economies of scale mean monopoly by particular suppliers or providers is likely, and regulation is needed to ensure service costs are not set too high or the service remains of a good standard); positive or negative externalities (in which the benefits or costs associated with provision accrue to or are borne by those other than the service user); information asymmetries (in which either the service provider or the service user has information that the other does not); and 'merit' qualities (where potential users fail to understand or act in accordance with the

value of the service in question, for individual service users or for the wider public);

3. Task-related characteristics: The measurability and visibility of outputs, the level of discretion afforded to frontline staff, the transaction intensity of the service (the extent to which the task requires frequent, iterative contact), variability (the degree to which services need to be tailored to meet the needs of users) and the degree of professionalisation among providers;

4. Demand characteristics: How service users access and experience services and how they voice their preferences over services. This includes variation in the frequency and predictability with which users access services, the extent to which services are provided to territorially defined groups and variation in the political salience of services in different sectors.

Table 1: Sector characteristics with effects on key relationships in service delivery

Relationship between...	Is affected by...
Policymakers and service users (political accountability)	Nature of the particular good Political salience Visibility Targetablility Degree of information asymmetry Service complexity
Policymakers and service providers (organisational accountability)	Measurability Visibility Distribution of positive and negative externalities Monopolies of supply Territoriality Political salience
Service providers and service users (direct user accountability)	Heterogeneity of need Transaction intensity Political salience Information asymmetry Frequency of use Predictability of use Territoriality

Source: Mcloughlin with Batley (2012).

visibility may affect the capacity of the state to incentivise and control provider performance. Where there are monopoly tendencies, there may be reduced incentives for oversight and reduced pressures to improve performance (owing to limited competition). Service providers may have more power to assert their own interests where they can form professional groups or can unionise. Territoriality and political salience may explain why some sectors and functions particularly attract 'command and control' approaches to regulation;

Whether and how citizens mobilise collectively to make demands for service delivery and on delivery organisations. This will be shaped by the heterogeneity of need and transaction intensity, which, where high, can act as logistical drivers of co-production. Political salience and information asymmetry can also affect how social accountability mechanisms operate. Control by citizens and clients over provider organisations is generally greater where they can organise themselves, and this may depend on frequency and predictability of use, as well as territoriality (i.e. whether a service is

Comparing across sectors

area-based).

These characteristics will vary across sectors and will help us understand the similarities and differences between them:

- **In education,** the primary market failure might relate to the delivery of quality public provision, given challenges of regulating dispersed schools that are not subject to strong user demand. School construction is likely to be prioritised over quality because of the greater visibility and targetability of construction. As a result, political and organisational accountability may be more difficult to exercise, in part because of high information asymmetries, but direct user accountability could be strengthened.
- **In preventative public health,** national programmes are visible but not targetable, which means incentives to improve provision can be undermined by low public awareness, and direct user accountability is likely to be challenging.
- **In sanitation,** the organisational complexities of the sector, weak professionalism and low public awareness can reduce visibility and incentives to provide services. There may be high negative externalities, given low user awareness and a lack of coordination, but opportunities to facilitate greater collec-

tive action.

- **In water supply,** there may be monopolies of supply, resulting in a lack of choice and competition, which in turn reduces organisational accountability. The visibility and targetability of water supply (e.g. tapstands, boreholes) may incentivise construction over attention to quality. This may also be used tos strengthen political and direct user accountability.

What about the wider politics in a country?

As we can see, revealing some of the key features of different sectors, and around different activities helps indicate what sorts of political dynamics are likely to occur. But for a fully rounded perspective on sector politics, we also need to look at the key underlying features of the political system and governance environment and see how these interact with sector characteristics (see Box 2). In some cases the relationship is fairly straightforward, for example where the prevalence of rents in a sector is magnified because of the role rents play in the wider political system, and politicians' attempts to gain and maintain power. In others it may be less so, for instance where high measurability and low professionalisation in a sector facilitate strong organisational accountability despite a political context where accountability more broadly remains weak.

> Box 2: Underlying governance factors influencing service delivery across sectors
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> A complementary brief highlights an initial set of six underlying governance factors that seem to influence service delivery across sectors. These include:
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> - The presence or absence of 'moral hazard' or other information asymmetries at a systemic level;
> - The types and distribution of 'rents' available (such as political lobbying or monopoly privileges), and their role in the political system;
> - The strength of oversight systems, including for performance monitoring;
> - The presence or absence of coherent policies and processes for implementation;
> - The capacities for groups to work together on common problems;
> - The credibility of political commitments.
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> Source: Harris and Wild (2013).

Explaining sector politics from the inside out

To refine these concepts and better understand how they operate and shape incentives for service delivery, we applied them in a number of case studies. These include problem-focused analysis addressing chronic stock-outs of essential medicines in Malawi (Wild and Cammack, 2013), addressing health worker allocations in Nepal (Harris et al., 2013) and analysis of significant progress in the provision of water supply and sanitation services in Colombo, Sri Lanka (Mcloughlin and Harris, 2013). In all these cases, we aimed to explain the realities and political dynamics within the sector by looking at both their technical characteristics and how the wider political economy environment mediates these characteristics.

Chronic stock-outs of essential medicines in Malawi

Despite a formal policy commitment to free essential medicines in Malawi, on average 75% of facilities are thought to have experienced significant drugs stock-outs in recent years (Ministry of Health Malawi, 2011). In recent years, reform pressures have focused on strengthening the Central Medical Store, but key bottlenecks remain. A range of technical characteristics influence this problem (Wild and Cammack, 2013):

- There are reduced incentives to improve performance and accountability challenges where the centralisation of the supply of medicines has generated monopoly dynamics, and because medicines themselves are mobile and often lucrative (so more prone to leakage).
- Challenges are also apparent in the supply-side monitoring of curative care, as it needs to be necessarily responsive to changing disease burdens that might vary substantially across territorial areas.
- User accountability may be weak, as it is hard for users to exert collective pressure where individual needs for curative care are episodic and unpredictable.
- There may be limited effectiveness of forms of bottom-up monitoring where the level of technical knowledge needed – for instance to understand whether the correct medicines have been prescribed – undermines users' ability to make choices based on evaluations of quality or efficiency.

These characteristics do not exist in a vacuum, as key features of the broader governance environment also shape the problem of chronic medicine stock-outs. For example, the lucrative nature of medicines is politically salient, because of the centrality of patron–client relationships in the awarding of contracts and staff appointments, including in the health sector; the use of state resources to promote the ruling party; and the centralisation of power around the president. It is further complicated by policy incoherence, with unclear lines of decision making and a lack of defined roles and responsibilities across sectors and administrative boundaries. Understanding how these underlying governance constraints interact with the above characteristics is key.

Poor access to qualified health workers in rural areas in Nepal

The challenge of ensuring access to qualified health workers in remote rural areas of Nepal has been widely recognised as a constraint to sector performance. Human resource issues have attracted significant attention from the policy community, including both domestic policymakers and international development partners, as an area where improvements should be a priority. Yet significant distributional challenges remain, with understaffing, vacant posts and inappropriate or inefficient skills mixes in rural areas alongside a concentration of health professionals in the Kathmandu Valley (Harris et al., 2013).

In this case, a number of sector characteristics were found to contribute to governance challenges in the sector. For example, while the empowerment of service users is often a strategy to improve the performance of service providers, in this case information asymmetries contributed to a 'dark side of empowerment' in which health workers are subject to violent discontent over failings in rural health clinics. Where patients or their families lack the specialist knowledge necessary to judge the appropriateness of care, health workers may be blamed for death or injury that was inevitable at any level of care, or given the lack of necessary equipment and support staff. As patients' levels of experience with health care systems tend to be lower in rural areas and expectations higher relative to a realistic assessment of capacity to delivery, this dynamic provides a disincentive for health workers to take up posts in rural areas (Harris et al., 2013).

Yet focusing exclusively on sector characteristics would fail to capture the underlying governance dynamics that further undermine systems intended to ensure staff rotation to remote rural postings. Given demand among health professionals for urban posts, control over access to preferred postings via the appointment and transfer systems allows those with discretion over deployment to generate rents in the form of financial resources and/or political loyalty. In the current context of multiparty competition and a blurred distinction between the personal wealth of politicians and the funding of political parties, the expensive nature of electoral competition represents a powerful driver of rent-seeking behaviour, further weakening management of human resources for health.

Progress in water supply and sanitation services in Colombo, Sri Lanka

At the aggregate level, Sri Lanka has made impressive progress over the past two decades in ensuring access to an improved water supply, with an increase in coverage from 67% in 1990 to 91% in 2010 (WHO/UNICEF, 2012, in Mcloughlin and Harris, 2013). Rates of progress in sanitation have been similarly impressive, increasing from 70% to 90% of the population over the same period (ibid.). Progress specifically in urban areas has also been documented in both sectors at the national level (though more significantly in water) and in the country's major urban centre, Colombo.

Recent progress in the delivery of water supply and sanitation services in urban Colombo is in part the product of the political dynamics generated by the particular characteristics of these sectors. Between water supply and sanitation there are important differences in visibility, in opportunities for (limited) rents (e.g. given the small size of plot-level investments in sanitation infrastructure) and in levels of political salience (e.g. because of the politically sensitive nature of charging tariffs for water resources). These help to explain why the central state has considered its role differently between the two sectors, as well as its willingness to devolve responsibility to lower levels of government (Mcloughlin and Harris, 2013).

Progress is also underpinned by the nature of the national political economy context. Key features of the Sri Lankan context include historical legacies of service provision in these sectors, by a technically competent

centralised state. This has facilitated forms of policy coherence and autonomy within sectors. In turn, it has meant generally high expectations for (the majority of) citizens, which have helped to underpin the credibility of subsequent political promises for water and sanitation.

What did we learn?

The examples above reveal how underlying features of the political economy context interact with sector-specific technical characteristics to produce particular political dynamics around service delivery. These factors and characteristics should not be seen as a fixed blueprint, however, but rather as a 'toolbox' that suggests some of the likely dynamics around these characteristics. The country examples above also highlight some additional characteristics we need to pay attention to:

- **The availability of rents in the sector(s).** The availability of rents can be shaped by the broader national political economy environment, but may also be mediated by sector technical characteristics. Improved understanding of the types of rents available, their distribution and the mechanisms in place for their management can add significantly to any understanding of the way a sector operates.
- **The dominant organisational arrangements.** The organisational arrangements – sometimes called 'modes of provision' – within a sector will also have political implications. Organisational arrangements refer to 'who does what' in relation to delivering a particular service. They often vary in different countries, for example between highly centralised provision by the state to decentralised provision, where the state plays only a regulatory role. The nature of these organisational arrangements is important because it can reveal something about the state's incentives for provision and the political salience of the sector, as well as shaping the relative influence of different stakeholders.
- **Understanding relationships.** The cases reinforced the need to revisit our initial framing of the politics of service delivery, which emphasised the various accountability relationships involved in service provision, to one that draws on a wider range of relationships, including those within 'user', 'provider' and 'government' groups.

What does this mean for what we do differently on Monday morning?

Better understanding of how political and governance dynamics play out in relation to service delivery, from particular types of activities to sector-specific technical features to the broader governance environment, has at least three key implications for policy and programming:

- First, identifying how the nature of the sector interacts with the wider governance environment allows us to **better identify the entry points for reform.** Some issues may be resolved by reforms or support aimed at the particular activity, or sector; others may require broader, more systemic changes, and new partnerships or forms of engagement that go beyond the sector in question. In either case, programming will benefit from a common language and set of concepts to help bridge the gap between those working on issues of governance and sector specialists.
- Second, sector characteristics open up opportunities for **more cross-sector dialogue and lesson learning.** For instance, they can highlight recurring problems of bias towards visibility (often leading to a prioritisation of construction over quality) across sectors, or shared challenges of information asymmetry undermining user accountability and barriers to collective action.
- Third, this approach allows us **to better tailor policy responses to the enabling (or constraining) environment.** For example, the provision of information to service users may be less effective where user demand is low (e.g. in the case of merit goods) or where information asymmetries are unlikely to be overcome (e.g. where specialist technical knowledge is required). In such cases, alternative approaches, such as the strengthening of monitoring by professional associations, may be more effective. Building the evidence base further, to identify where characteristics that hinder effective accountability relationships have been successfully addressed, will be a key priority of our future work agenda in 2013.

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