

The legacy of the New Public Management in developing countries

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Introduction

'New Public Management' is now a somewhat dated label. It was always a complex and far from consistent set of ideas, and from the first spotting of the trend it was often derided as a useful model for developing countries to follow. The conflicting mix of suspicion and enthusiasm that surrounded the NPM debate in the 1980s and early 1990s (see, for example, Spann, 1981; Osborne and Gaebler 1992) gave way to a more thoughtful skepticism in the late 1990s about its generalized applicability (Schick, 1998; Allen, 1999; Sutch, 1999). Probably, doubt has now won out. It is certainly commonplace for weary consultants and development agency staff to maintain that there is little in the NPM technical/managerial amalgam that is appropriate for the politicized public sectors in many developing countries. After over 20 years of living with NPM, we should be able to address three substantial questions.

The first key question is: Has NPM become the way of thinking about public management in developing, and developed, countries? NPM made some big claims, both about its effectiveness in improving government performance and about its inevitable dominance as a school of managerial thought. Did NPM win in its battle with the old public management approaches?

Second, whether or not it removed other possibilities, to the extent that it was implemented did NPM work? Did it deliver on its promises to improve operational efficiency and the responsiveness of bureaucratic agents to their political principals?

Finally, did it win enough, and did it work enough, to matter? Overall, what is the legacy of NPM — in a fashion-prone industry does it stand out from the other relatively minor twists and turns of public management?

This article argues that the victory of NPM was very partial. It changed the debate but did not silence other public management voices and certainly did not take us to the end of managerial history. In looking at whether it worked, we are

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forced to draw some conclusions from an eerie silence from the evaluators. It seems probable that the direct contribution of NPM to public sector responsiveness or efficiency outside of the OECD has been slight at best, and it has possibly been positively harmful in some settings. Any damage caused by NPM should not be overstated though. As it did not win as resoundingly as it hoped, NPM has in practice not been applied extensively outside of its native OECD/Commonwealth habitat. It has certainly been applied less often than the frequency with which the label has been used.

Does it matter? Although the direct application of NPM has been limited and has achieved little in the developing world, the reaction to the claims associated with it has significantly altered the public management debate for governments and for development agencies. It has broadened the menu of managerial choice within the public sector. More significantly, those claims and the subsequent failures to deliver, have highlighted that the underlying development task is that of creating meaningful public expectations and public sector disciplines. These generate motive and capability respectively for reform in government. In that way NPM has opened up some interesting, albeit untested, possibilities. We were perhaps lucky that the excessive claims of NPM did little damage in the long run, and certainly fortunate if it turns out that its lack of success has inspired some much-needed fresh thinking.

The 'New Public Management' menu

NPM is a slippery term, doubtless connected with its mixed parentage and the contributions of managerialism and new institutional economics.¹ Any consideration of NPM in developing countries must commence unashamedly with some assessment of what it claimed to offer in its home territory of OECD, and very particularly Commonwealth OECD, countries (James and Manning, 1996). Its early pattern suggests that since the NPM is about getting things done better, in some sense or other, then it can be distinguished from a New Public Policy with which it is often associated and which was concerned with doing different (and fewer) things. The New Public Policy of the 1980s in those early NPM countries reflected a preoccupation with slowing down or reversing government growth, and very particularly with privatizing previously publicly provided services. This was not driven by a rational program review. In fact, Schick (1999: 7) points out that in the OECD countries '[j]ust about every country that tried to build a formal program analysis and review system in the 1960–1990 period failed'. However, in all the OECD settings where NPM was introduced in the 1980s the fundamental political decision had been squarely made that government could stop doing so many things and a clear signal had been sent to the electorate that government was prepared to act on that decision.²

NPM provides a menu of choices rather than a single option, and distinguishing it from the New Public Policy emphasizes that the dishes on offer are largely quasi-contractual and attitudinal. Many authors have summarized these offerings (Hood, 1991; Pollitt, 1993; Dunleavy and Hood, 1994; Hood, 1995; Common-

wealth Secretariat, 1996; Minogue, 1998; Kernaghan, 2000) and generally the items listed begin with a management culture and orientation that emphasize the centrality of the citizen or customer, and accountability for results. Then there are some structural or organizational choices that reflect decentralized authority and control, with a wide variety of alternative service delivery mechanisms including quasi-markets with newly separated service providers competing for resourcing from the policy-makers and funders. The market orientation is further shown in the emphasis on cost recovery and in the competition between public and private agencies for the contract to deliver services.³

One particular set of reforms that illustrates many of the NPM choices is the creation of semi-autonomous agencies for service delivery (Aucoin, 1990, 1996). The NPM argument for agencies is that service providers should concentrate on efficient production of quality services, with the distractions of evaluating alternative policies removed. In OECD reforms, the discussion of the creation of 'executive agencies' in the UK and the similar developments in Australia, Canada, France, Iceland, New Zealand and Norway has been replete with references to clear, well-defined targets which allow providers to concentrate on their core business. Similarly, policy-making is seen to be more focused, more rigorous and sometimes even more adventurous if it can be made without the undertow of concern for the existing service providers. The argument, put simply, is that policy-making and service delivery are distinct tasks and that each benefits from the additional attention it receives if it is not competing for management time with the other. In addition, of course, once purchasing has been detached from policy-making, there are opportunities for creating contract-like arrangements to provide performance incentives.

In recognizing autonomization as part of NPM, it is important to note that NPM was conceived as a device for improving efficiency and responsiveness to political principals. Its origins were in parliamentary democracies with curiously strong executive powers, centralized governments, and little administrative law.⁴ New Zealand is said to be an exceptional case because of its remarkable reliance on contractual arrangements within government (Schick, 1996). But in its other homelands, NPM seems to embody the idea of a cascading chain of contracts leading to a single (usually ministerial) principal who is interested in getting better results within a sector portfolio over which he or she has significant and relatively unchallenged authority.

Success for NPM can therefore be judged both by the degree to which it delivered on its promises to improve operational efficiency and by the responsiveness of bureaucratic agents to that political principal.⁵

Did it win?

The agnosticism about the preferred service delivery mechanisms that NPM is said to have provided (Kettl, 1996) is strongly guided. In the late 1980s and early 1990s NPM presented itself unambiguously as the first best model for policy implementation — 'a public management for all seasons' (Hood, 1991) or the

'one-best way' (Gendron et al., 1999). Many managerial innovations are well packaged, but NPM was distinctive in that it carried overtones of the end of history, suggesting that we were lucky to be in public management at a time when the truth had been discovered (Osborne and Gaebler, 1992). The NPM menu was no dietary supplement — it was seemingly to replace the previous managerial fare.

It would be a little harsh to expect NPM to have introduced unbroken chains of explicitly contractual relationships, linking principals to their agent, in all settings. Identifying a single principal is somewhat harder in presidential regimes than in the NPM parliamentary homelands, and can even be difficult in non-Commonwealth OECD parliamentary regimes (Lindquist, 1999). Social Funds and similar autonomous agencies have been created in many regions to provide a vehicle for donor resources to target particular development concerns. These are outside of any direct chain of accountability to a minister and although they may have strongly managerialist internal cultures, they cannot realistically be termed NPM developments. They should really be judged against the needs of the donors to disburse funds in a targeted way. Other autonomous agencies have been created that do fit the single-principal model but still seem tangential to NPM. The success of autonomous agencies established by a frustrated president to operate in parallel with a highly politicized ministry is probably better judged by the degree to which it catalyzes longer-term reforms than by narrow notions of operational efficiency.

However, measured against its self-proclaimed universal relevance, NPM has undoubtedly not become the only public management paradigm in developing countries. Any review of public management developments in any developing country in any region demonstrates beyond doubt that hierarchical bureaucracies have not been substantially replaced by chains of interlinked contracts. For sure there have been very significant reforms, particularly in the water and health sectors, that have drawn from the NPM menu (Minogue et al., 1998; Batley, 1999). But most government functions remain performed by vertically integrated bureaucracies functioning pretty much as Weber might have intended. NPM has, in this sense, not 'won'. However, it has undoubtedly left its mark.

Did it work?

If there is relatively little NPM to be found in developing countries compared to the early predictions, then there is even less evaluation. Polidano (1999) points out that most critiques have been based on a priori reasoning about what seems to be suitable for the developing world, rather than on any empirical assessment of what has worked. As he points out, the logic generally has been that these developments should not work therefore they have not. There has been no systematic evaluation of outcomes. At best, we have a few anecdotal views on improvements in outputs and more often we only have best guesses about which way the reforms seem to be headed. Some general conclusions have to be pieced together from relatively few sources, although there is an overarching sense that

like the dog that didn't bark (Conan Doyle, 1892), there is some significance to the lack of evaluated success stories.

The most comprehensive overview of NPM-type reforms is offered by Batley summarizing the conclusions from a five-year review of 'the changing role of government in adjusting economies' (Batley, 1999). He summarizes the policy-relevant conclusions that have emerged from a range of new approaches to service delivery, including NPM-type reforms, in South Asia, Sub-Saharan Africa and South America. His conclusion is that the effect has been mixed at best with some improvements in efficiency and mixed effects on equity. On the downside, he notes, in relation to the move to autonomize service delivery agencies, that the transaction costs of radical reforms tend to outweigh the efficiency gains of unbundling, and that reforms that pursue the separation of purchasers from providers may have decreased accountability — and that, consequently, inequity has grown.

Autonomization stories are common, but success seems relatively rare. Extensive creation of arm's length agencies is reported by Mukherjee and Wilkins (1999) although the conceptual problems in determining what constitutes autonomy are formidable (Matsuda and Manning, 2000). Particular problems are reported in Central and Eastern Europe, and the former Soviet Union including Kazakhstan, and the use of autonomy as an attempt to escape inevitable closure rather than as a device for improving efficiency is reported in Africa (Ives, 1998; Mukherjee and Wilkins, 1999; Vintar, 1999). The successes of autonomization in the health sector seem to be more predicted than found, although clearly there are some successes (Castaneda, 1997; Harding and Preker, 1999). Case studies of the autonomization of agricultural research organizations in Africa, Asia and Latin America found 'serious problems in achieving the desired goals' (Nickel, 1998).

On balance it is hard to disagree with Polidano's conclusion that the evidence on the impact of NPM is 'perplexingly equivocal' (Polidano, 1999). He emphasizes the importance of contingency factors, arguing that there are few generalizations possible about NPM.

Why was the impact so modest?

There seem to be three likely explanations for why NPM has delivered less in developing countries than initially claimed.

First, public expectations of government in developing countries are fundamentally different to those found in the OECD. Hood notes that the most plausible explanation of the rise of NPM in its OECD breeding ground concerns the social changes that were observable in the late 1980s. These were producing a more white-collar and more socially heterogeneous population (Hood, 1991: 7). These New Public Expectations of citizens towards their government were partly driven by improving experiences as consumers in other sectors. The epidemic of charters of one sort or another at that time in European administrations built on the growing experience of citizens as angry customers.⁶ They have impact to

the degree that shame or acclaim, publicly provided to agencies on the basis of performance, matters.

Broad NPM programs could draw on public concern about the standards to be expected from government in general — including, but not restricted to, concern about quality of local public goods such as health services or education. One of the ideas that powered NPM was not just that consumers could be motivated to complain about a local service — they could also feel that it was worthwhile getting heated about a national service such as the provision of passports or customs control. In practice this may well have been more symbolic than real (Flynn and Pickard, 1996; Miller, 1996) but the New Public Expectations could be nurtured politically as a continuing source of pressure for public sector performance improvements (Romzek, 2000). Additionally, since many providers remained in the public sector alongside their purchasers, and since in consequence there was little or no chance of judicial intervention to resolve disputes, many NPM ‘contracts’ were intrinsically flimsy and needed the support of a watchful public with expectations of government performance to sustain them.⁷

It would not be too cynical to suggest that public expectations of service quality from government in many developing countries are justifiably low, with the consequence that citizens are unlikely to feel that complaints are worth the effort. From the government side, the sound of any nascent consumer discontent other than at the local level is drowned out by the far louder noise of donor conditionalities. The New Public Expectations in many developing countries seem likely to remain modest, and sidelined by the realities of aid.⁸

Second, the NPM debate stirred up anxieties that some rather nebulous notions of the ‘public service ethos’ or the ‘civil service culture’ might unravel over time, without the continuing discipline of compliance management. This suggests that some Old Public Disciplines remained important in the NPM era. Hood captures well the concern that traditional public service values may be eroded if lower trust raises the cost of transactions substantially (Dunleavy and Hood, 1994). As Schick (1998) noted, the NPM discussions of performance contracts and decentralized authority all assumed a formal world. In particular, NPM assumed that the budget on paper counted for something; that it operated as the defining statement of mutual expectations between the central agencies and the line departments. Whether or not expressed in performance terms, the assumption was that the budget constrained line departments to a particular business area, while holding the central agencies to the provision of a certain level of funding. Similarly, the NPM debate assumed that staff — although prone to self-interest and often scheming to capture the policy process — were largely constrained by some clear standards of behavior. It also assumed that policy was authoritative and, for example, that streams of conflicting or inconsistent ministerial decrees did not undermine the credibility of government policy. NPM proponents did not see the need to spell out how these good things had come about — but clearly relied on them to continue as foundations for their reforms.

In many NPM-like reforms in developing countries, the Old Public Disciplines

were absent. This is not a ‘stages of development’ argument in which a long period of tighter control from the central agencies is the prescription (see, for example, Polidano, 1999). It is an empirical observation that predictable resourcing, credible regulation of staff and credible policy are prerequisites for effective contract-like arrangements. Perhaps there are some quick ways to get those disciplines in place — in which case leapfrogging is a very sensible maneuver. However they are introduced, these disciplines are fundamental to any conception of performance and without them there are few reforms that can gain traction (Manning et al., 2000).

A third reason for the underperformance of NPM in developing countries is the marginal nature of its impact under any circumstances. Even in New Zealand, it is very difficult to assert exactly what has improved as a result of the systemic changes (Boston, 2000). Similar nuanced findings are reported in the UK (Pollitt et al., 1998). To the extent that NPM is significantly a set of efficiency devices, then it seems at best to be bringing home about 3 percent year on year efficiency savings in the running costs (example of the UK quoted in Scott and Taylor, 2000). Given that running costs are small relative to program costs, this is a distinctly modest saving. The big money was, of course, associated with privatization and the associated New Public Policy. In many developing countries, running costs represent a larger proportion of budgetary expenditures than in the OECD, and so if this 3 percent were achieved it would represent a greater saving. Nevertheless, it is possible that the gains are below any level at which they can be detected.

The legacy of NPM

Reviews of reform experiences in the Africa region in the World Bank (Girishankar, 2000), and a battery of empirical evidence marshaled by the Europe and Central Asia region (World Bank, 2000a) expose the heroism of the NPM claim that it could offer something to everyone. In fact, it was no more able than old public administration to provide governments with the incentives and the capacity to address poverty and provide better services.⁹

That emerging World Bank evidence is consistent with the proposition that it is only where the New Public Expectations have generated the motive, and where the Old Public Disciplines have provided the capability, that any broad, multi-sector public management improvements have been worthwhile — NPM-style or otherwise.

Public expectations motivate governments when binding constraints on the executive enable citizens, particularly the poor, to express their preferences (or ‘have their voices heard’) and to hold public officials accountable for translating these preferences into results.¹⁰ These arrangements include fair and transparent electoral process (with power-sharing arrangements to protect minority groups) as well as mechanisms for incorporating civil society and local governments within the policy-making process. In those situations, the core state institutions that constrain the executive have not been ‘captured’ to any significant degree

(World Bank, 2000a). This means that individuals, groups or firms both in the public and private sectors have few opportunities through bribing or otherwise for providing incentives to public officials to influence the formation of laws, regulations, decrees and other government policies to their own advantage.¹¹ Survey evidence cited in World Bank (2000a) identifies a number of components of state capture, including: the ‘sale’ of parliamentary votes and presidential decrees to private interests; the sale of civil and criminal court decisions to private interests; corrupt mishandling of Central Bank funds; and illegal contributions by private actors to political parties.

In other words, the New Public Expectations can be made to matter when there is a prospect that citizen preferences lead to substantive change — that it is worthwhile for citizens to press for improvements in a national public service as policy has not already been pre-purchased by an elite.

On a different axis, whether or not they have motivation to reform, governments may or may not have the capability. Even if they do not face demanding public expectations, core public management elements may be in place (Girishankar, 2000). For such governments, administrative systems governing policy-making and budgeting, basic service provision, and economic regulation might be inefficient, but are essentially present. They face only modest administrative corruption so there are relatively few intentional distortions in the implementation of existing laws, rules and regulations in order to provide advantages to either state or non-state actors. Bribes to inspectors who will otherwise find infractions of existing regulations, ‘grease payments’ to gain licenses, to smooth customs procedures, to win public procurement contracts or to be given priority in the provision of a variety of other government services, are moderate (World Bank, 2000a).

When the Old Public Discipline prevails, the regulation of the public sector is such that formal rules are not disconnected from practical realities. The budget on paper is to be taken seriously, and staffs are constrained within some clear standards of behavior.

Motive and capability for public management reform combine in four ideal type situations facing governments reflected in Figure 1. The limited evaluation evidence available suggests that for governments in cell A, incapable and unmotivated with high state capture and administrative corruption, and with little administrative competence and non-participatory governance, ‘technocratic’ public management reforms offer little promise as a way forward. For governments in cell B that are incapable but motivated, the watching public can be engaged through basic administrative reforms, including budget transparency and financial accountability mechanisms. Governments in cell C that are capable, even if unmotivated, have capacity that can be used to deconcentrate economic interests and raise public expectations of service delivery.

For capable and motivated governments in cell D, NPM is indeed useful — but then so are traditional administrative reforms. Those settings where, for example, autonomous agencies established for managerial reasons have delivered

FIGURE 1
Motive and capability for public management reform

		<i>the executive constrained so</i> that 'New Public Expectations' matter 	
		unmotivated government	motivated government
<i>the executive made capable through the 'Old Public Discipline'</i> 	incapable government	incapable and unmotivated characteristics: <ul style="list-style-type: none"> • high state capture • high administrative corruption • little administrative competence • non-participatory governance way forward: 'technocratic' public management reforms are doomed	incapable but motivated characteristics: <ul style="list-style-type: none"> • medium state capture • high administrative corruption • little administrative competence • participatory governance way forward: there is a public watching — so basic administrative reforms, including budget transparency and financial accountability, are relevant
	capable government	capable but unmotivated characteristics: <ul style="list-style-type: none"> • high state capture • medium administrative corruption • basic administrative competence • non-participatory governance way forward: capacity can be used to deconcentrate economic interests and raise public expectations of service delivery	capable and motivated characteristics: <ul style="list-style-type: none"> • medium state capture • medium administrative corruption • participatory governance • administrative competence way forward: NPM useful — but then so are traditional administrative reforms

Note: This table is adapted from comparable tables in Girishankar (2000) and World Bank (2000a). The idea that the executive is motivated and given direction by binding constraints and that this is a separate dimension to that of the capability of the executive to take action is not new. World Bank (1997) set out the distinction between state capability and restraints to arbitrary action in some detail. Hood (1995) made a similar distinction between motive and opportunity in explaining the erratic impact of the new public management.

significant efficiency improvements are probably the settings where traditional organizational reform in service-providing ministries would also produce results.

In drawing attention to those instances where any form of public management reform has paid off, NPM has in the process drawn attention to those other settings where public management is not seemingly a useful point of entry. So although the direct application of NPM has been limited and has achieved little in the developing world, the reaction to the claims associated with it has significantly altered the public management debate both for governments and for development agencies.

Conclusion and some ways forward

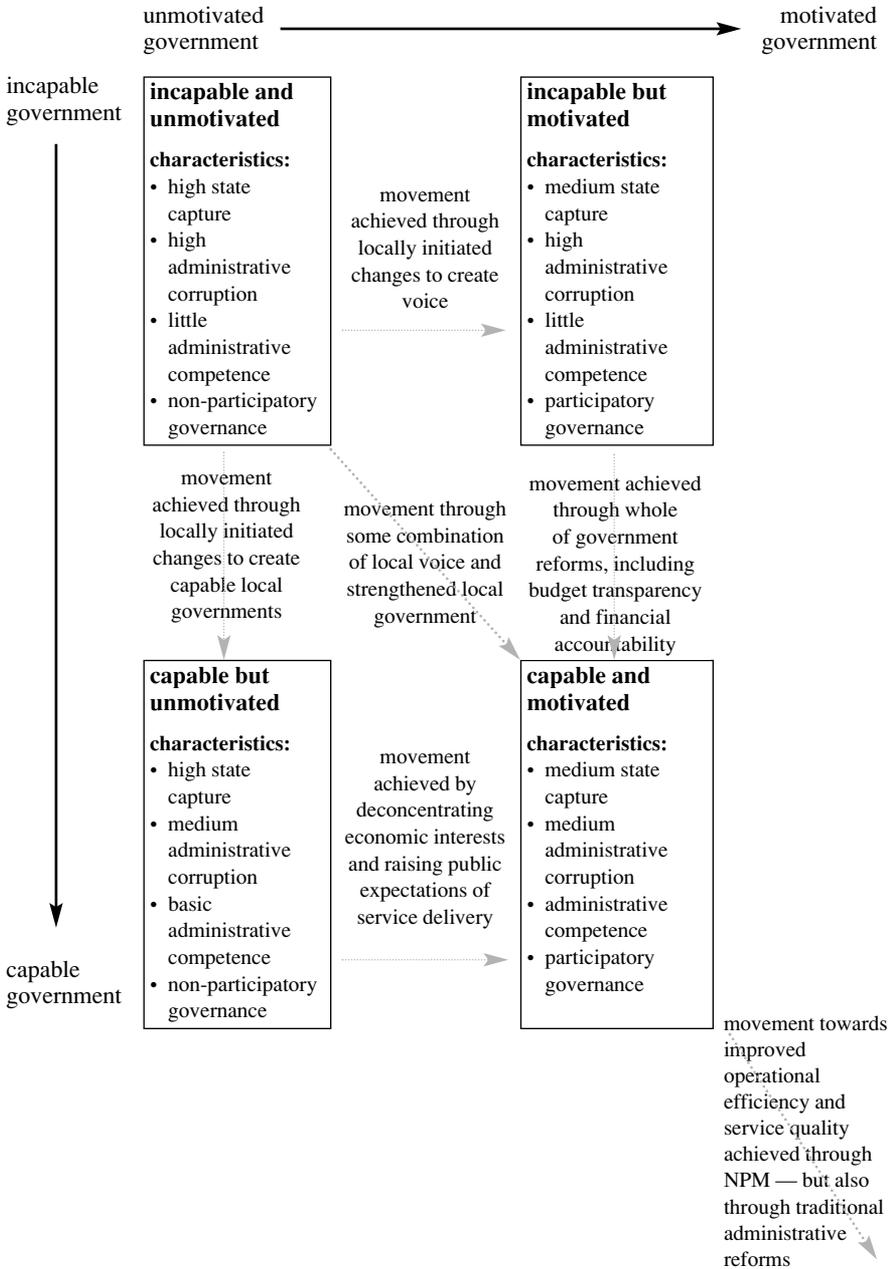
Did NPM win in the sense that it swept all else before it? Clearly not. Did it work in its own terms — in improving operational efficiency and the responsiveness of bureaucratic agents to their political principals? Probably not — or at least not much.

Did it matter? Has it left a legacy that helps? Probably yes. It has broadened the menu of managerial choice within the public sector and, more substantially, it has pointed out that the real agenda is constraining the executive to ensure that public expectations provide motive, and building basic public sector disciplines to provide capability. The fall out from the comparative failure of NPM has opened up some interesting, if as yet untested, possibilities as summarized in Figure 2.

For ‘incapable but motivated’ governments, movement might best be facilitated by increasingly sophisticated mechanisms for providing a watchful public with information on the government budget. Innovative work in South Africa and India (Mistry, 1999; Krafchik, 2000) is showing that where there is potentially a large group of concerned citizens then analysis of government’s policy intentions and actual behavior, as evidenced through the budget, can be a powerful point of entry. The recent flurry of work on meaningful indicators of government effectiveness also holds promise for movement out of this cell. A series of eye-catching measures that matter to the public, to NGOs and the media, and to other stakeholders (donors in the case of many developing countries) might provide the traction through which public expectations can have some impact on government performance (Knack and Manning, 2000; World Bank, 2000b).

For ‘capable but unmotivated’ governments such as some with high state capture in the former Soviet Union (World Bank, 2000a), significant restructuring of monopolistic economic interests (World Bank, 2000a) will be necessary in order to provide the public with any sense that expectations of government concern for their welfare are worth holding. However, it is also possible that the long-discredited notion of enclaving might be worth a fresh look. The problem historically with enclaved approaches has been that they have been so scorned by public management aficionados that no substantial attention has been paid to the exit strategy. Work in Guinea and other settings under the rubric of ‘Community Driven Development’ (World Bank, 1999) is revisiting how public expectations

FIGURE 2
Pathways to change



Note: This figure has benefited from discussions with Brian Levy and Navin Girishankar in the World Bank. It draws from Levy (1999), Girishankar (2000) and World Bank (2000a).

are created around the delivery of local services. The trick here will be to manage the gradual alignment between the enclave and the wider environment.

The dashed hopes of NPM have at least told us that public management reforms offer no way out for the hard cases, 'incapable and unmotivated governments that have high state capture, comprehensively weak governance and poor administrations. These will require a novel approach. Some combination of strengthening local voice and local government is perhaps the best bet.

In summary, if the excessive claims of NPM did little damage in the long run, this was more by luck than by judgment. One lesson from the NPM adventure is fundamental: there are no silver bullets. However, the relative failure of NPM has opened up some interesting, albeit untested, possibilities. We will certainly be fortunate if it turns out that its lack of success has inspired some much-needed fresh thinking.

Notes

1. Hood (1991) at an early stage in the NPM debate pointed out that the managerialist and NIE streams of ideas within NPM were marching behind rather different banners. "Free to manage" is a rather different slogan from "free to choose", Hood (1991: 6).

2. See Kelly and Wanna (2000, Table 1) for an excellent summary of the dominant influences driving NPM in the UK, Australia, New Zealand, US and Canada and very particularly of the various articulations of the New Public Policy that were associated with these NPM agendas. This distinction between NPM as the source of new incentives for efficiency and effectiveness, and the prior policy choice to restrict government's role in economic management and service provision is consistent with the argument provided by Batley (1999). Savoie (1995) also makes this distinction when he argues that the emphasis of NPM on operational efficiency and responsiveness is a problem since it takes attention away from the ability to make the prior policy choices.

3. Pollitt's slightly caustic characterization of the form of NPM emphasized in the 1990 Major administration in the UK provides a succinct example of the menu (Pollitt, 1993). He notes that the four main elements of NPM could be unbundled to display a series of possibilities ranging from elaborate funding formulae as components of quasi-markets, through creation of new agencies for decentralized service provision, to Charters that codified what citizens had a right to expect. Few UK reforms of that period embodied all these components, but very few were introduced without having a fair smattering of them. Schick points out that the menu is changing when, in describing the New Zealand reforms, he notes that 'a large number of the practices that now distinguish New Zealand's public management were not in the first tranche of state sector reforms . . . The constant in New Zealand's reform has been the purpose of change, not the toolkit of management practices' (Schick, 1999: 3).

4. Wright (1994) explains vividly how the absence of constitutional or statutory constraints in the UK, and the lack of developed judicial review, enabled reforms in the UK to take hold more deeply than in other reforming Western European countries. See also (Peters, 1996, 1998). Hood takes this point further in contrasting 'a country like Switzerland . . . [where] there is effectively no difference between constitutional reform and administrative reform . . . [and] countries like the UK where there is no constitutional check to administrative reform and politicians at the centre can change the entire system . . .' (Hood, 1995: 105).

5. See for example the description of 'the problem' that NPM sought to fix in Peters and Savoie (1994).

6. These included: Belgium (Charte de l'Utilisateur des Services Publics); France (La Charte des Services Publics); Portugal (The Public Service Quality Charter); and the UK (Citizen's Charter) (Löffler, 1996).

7. Schick makes the related point that expectations of standards of conduct migrate between the private and public sectors — low expectations of business conduct translates into low expectations of government performance (Schick, 1998).

8. Knack (2000) summarizes eloquently the theoretically ambiguous relationship between foreign aid and the quality of governance, including its impact on government accountability — and notes that the empirical evidence strongly supports pessimistic predictions regarding aid's impact.

9. The contrast between the heroic claims and the somber reality is captured in recent reviews of World Bank effectiveness at public sector reform (World Bank, 2000c).

10. Girishankar (2000) refers to these constraints as 'participatory governance institutions'. Although more accurate, the risk in identifying 'constraints on the executive' as the object of study is that it so easily translates into assumptions about the importance of the complete separation of powers — to the justified exasperation of practitioners and others in Parliamentary regimes. Constraints on the executive should be understood as all binding restrictions on arbitrary executive action. The comparative political economy dimensions of this are being explored in Gurr and Jagers (1998) and Beck et al. (2000).

11. There are many nuances to the notion of capture and the legislature, the executive, the judiciary, or regulatory agencies can be captured in different ways by private firms, political leaders, and narrow interest groups (World Bank, 2000a).

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