CAPACITY BUILDING IN PUBLIC MANAGEMENT IN THE TIMES OF ECONOMIC UNCERTAINTY AND SOCIAL STRESS

Alexander Kotchegura and L. R. Jones

ABSTRACT

The roles and functions of the state in contemporary societies, cultures and economies have expanded to respond to numerous present-day challenges including that of coping with fiscal stress, economic recession and instability. These challenges have accelerated the need for development of more effective, and in some cases less costly, state and public institutional management capacity to recognize, plan, decide and implement workable and politically feasible solutions. Capacity building and development of core public management systems is needed to strengthen the ability of the state to generate methodologies, strategies, and actions to assist public and private sector organizations, communities and individuals in improving performance in the design and delivery of a wide variety of assistance programs and services. This has required and will require in the future enhanced leadership on the part of public officials, increased accountability of public managers and management systems and greater focus on the integrity of governance, economic and social institutions. Recent events clearly demonstrate that development of public management system capacity must be based on a clearer awareness of the growing complexity of global economies and the need for carefully coordinated strategies and innovative approaches to cope with the challenges at hand.

Keywords - Fiscal stress, fiscal crisis, capacity building

INTRODUCTION

The roles and functions of the state in contemporary societies, cultures and economies have expanded to respond to numerous present-day challenges including that of coping with fiscal stress, economic recession and instability. These challenges have accelerated the need for development of more effective, and in some cases less costly, state and public institutional management capacity to recognize, plan, decide and implement workable and politically feasible solutions.
Capacity building and development of core public management systems is needed to strengthen the ability of the state to generate methodologies, strategies, and actions to assist public and private sector organizations, communities and individuals in improving performance in the design and delivery of a wide variety of assistance programs and services. This has required and will require in the future enhanced leadership on the part of public officials, increased accountability of public managers and management systems and greater focus on the integrity of governance, economic and social institutions. Recent events clearly demonstrate that development of public management system capacity must be based on a clearer awareness of the growing complexity of global economies and the need for carefully coordinated strategies and innovative approaches to cope with the challenges at hand. There is significant need within the field of public management for academics and practitioners to explore how state and public institutions at all levels of government, and in some cases private sector organizations, are enhancing their capacities in a variety of areas (e.g., human resources education and training, information technology, management control, supply chain management and process engineering, logistics and others) to better cope with increased demands ranging from improved strategic vision to more effective provision of services of all types. This is occurring at a time when the financial resources available to make organizations more efficient and effective have been diminished as a result of worldwide economic recession since late 2008. As a result, the need for cardinal improvement of core public management capabilities has become more evident than ever.

**IPMN 2011 MOSCOW CONFERENCE AND ST. PETERSBURG WORKSHOP**

A highly successful international conference, both academically and socially, was convened by the International Public Management Network (IPMN) in Moscow, Russian Federation from June 30 through July 2, 2011. The conference was hosted by the Russian Academy of National Economy and Civil Service (RANECS) – a major institution in Russia for education of mid and top level civil servants and for the conduct of research in the area of public management.

The conference was devoted to a highly topical theme, “Capacity Development in Public Management: Responding to the Challenges of Fiscal, Economic and Social Stress”. Event participants were invited to explore how state and public institutions at all levels of government and the private sector are attempting to enhance their capacity to cope with a wide variety of problems and issues during a period of economic and fiscal stress, as noted above.

IPMN and host institution event organizers gave priority to selection of conference papers and presentations on topics related to the theme, and established the following criteria for the types of proposals desired for presentation at the conference (more than fifty proposals were received and reviewed for presentation):

- Theoretical investigations of the concepts of public management "capacity" and "capacity building";
b. Empirical analyses, including analysis of case studies, of techniques and processes employed in development and implementation of public management capacity building policies, strategies and programs;

c. Empirical analyses, including analysis of case studies, of the role of private sector organizations in public sector capacity building and development;

d. Theoretical and applied studies of the impact of social structure and cultural values on capacity building and resultant effects that improve public management methods and practices in public sector organizations;

e. Theoretical and applied research on fiscal, economic and social stress and the development of strategies to enhance the capacity of governance systems, economies and society to cope with dysfunctional responses to threat and social instability that worsen rather than improve the welfare of citizens;

f. Analysis of capacity building policies, practices and other measures, including assessment of the value of assistance programs provided by international organizations, to help developing countries strengthen their institutions to achieve their own development objectives.

The conference hosted an impressive “team” of presenters and speakers including internationally prominent scholars Christopher Hood (Oxford, UK), Per Legraid (Norway), Larry Jones (USA), Helmut Wollmann (Germany), Steven Kelman (USA), Riccardo Mussari (Italy), Douglas Besharov (USA), Walter Kickert (Netherlands), Ilan Vertinsky (Canada) and Nancy Roberts (USA). The conference also was attended by some top level representatives of the Russian Federation government, representatives from some of leading Russian higher education institutions, and officials and staff from a variety of international organizations including the World Bank and the European Commission.

The two and one-half day conference provided considerable opportunity for intensive discussions of the papers presented, which resulted in highly informative and enjoyable exchanges of opinions and experiences that, at times, evolved into rather intensive brain storming sessions. Apart from the academic sessions participants took pleasure in a variety of cultural activities incorporated into the program including a visit to the Kremlin museums, several impressive Russian ballets and, during the St. Petersburg workshop described below, visits to the world famous Hermitage museum of art and the Peterhof palace and park grounds.

IPMN convened a workshop on the theme "Visions for the Future of Public Management" on July 4th and 5th at the regional offices of the host sponsor, the Russian Academy of National Economy and Civil Service (RANEC), in St. Petersburg following the end of the Moscow conference. The workshop was chaired by IPMN President Mussari and was attended by a select group of scholars whom had attended the Moscow conference. No papers were delivered at the workshop; the entire period of time of the workshop was devoted to open dialogue on the topic. Needless to say, participants in this workshop were rewarded by the discussions and the experience of visiting St. Petersburg.
The papers delivered at the Moscow conference covered a wide range of topics related to the theme of the conference. The opening keynote address on the morning of the first day of panels and paper presentations was delivered by Professor Christopher Hood, University of Oxford, titled “A Model of Cost-Cutting in Government? The Great Management Revolution in UK Central Government Reconsidered.” Professor Hood’s plenary address was followed by a lively questions and answers session and then, over the rest of this first day and the day that followed, by the presentations indicated below:

- Per Lægreid (Norway) “Administrative Reform and Central Government Capacity Development”;
- Nancy Roberts (USA) “Web-Enabled Coordination in Organizations and Networks”;
- Steven Kelman (USA) “Are There Managerial Practices Associated with Service Delivery Collaboration Success? Evidence from British Crime and Disorder Reduction Partnerships”.
- Lourdes Torres, (Spain), Takami Matsu (Japan) and Vincente Pina (Spain) “Voluntary Implementation of Performance Measures in Bureaucratic Public Administration Styles: An Investigation into Spanish and Japanese Local Governments”
- M. Pryadilnikov (Head of the Civil Service Department, Moscow Government, Russian Federation) “Improving the Performance of the Russian civil service: Challenges of Capacity Building and Repeated Attempts of Reform”
- Walter Kickert (Netherlands) “States managing financial crisis. An international comparison”
- Mikhail Dmitriev (President, Center for Strategic Research, Russia) “Crisis Planning: Lessons from Emerging Europe and Central Asia”;
- Helmut Wollmann (Germany) “From public sector-based to privatized service provision – and reverse? Service provision in European countries between State, local government and market”
- Ilan Vertinsky (Canada) “Building Community Resilience and Response Capabilities to Disasters through Public-Private Partnerships (PPP)”
- Alexander Kotchegura (Russia) “Successes and failures of preventing corruption risk in legislation: Evidence from Russia, Moldova and Kazakhstan”
- Michael Weber (Austria) “Triple-helix and determinants of public sector innovations: the example of capacity development in public procurement”
- Gregory (Reg) Urbanowski (Canada) “A model to identify the holistic research needs in the provision of human services”;
- Riccardo Mussari and Pasquale Ruggiero (Italy) “Agglomeration for capacity or capacity for agglomeration: a tale of merging municipalities”.

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The conference was opened by IPMN President Riccardo Mussari, who in his opening comments emphasized the importance of the theme and the high quality of papers to be delivered. He also outlined some of the future directions in the development of the International Public Management Network. Discussion of the papers was appropriately channeled and enriched by the conference chair-persons and discussants, all of whom made valuable contributions to the high level of relevance and intellectual usefulness of the event. Panel chairs and discussants included (in order of appearance in the program) Larry Jones (USA), Riccardo Mussari (Italy), Per Lægreid (Norway), Christopher Hood (UK), Steven Kelman (USA), Clay Wescott (USA), Ilan Vertinsky (Canada), Walter Kickert (Netherlands), Alexander Kotchegura (Russia), Nancy Roberts (USA), Pasquale Ruggiero (Italy), Kenneth Apfel (USA), Humberto Martins (Brasil), Helmut Wollmann (Germany) and Michael Weber (Austria).

CONFERENCE PAPERS SUMMARY

The following section provides a brief summary of a selection of the papers delivered at the IPMN Moscow conference:


Authors: Prof. Christopher Hood (University of Oxford, UK) and Dr. Ruth Dixon (University of Oxford, UK)

This paper explores to what extent the New Public Management, originally targeting cost-cutting and efficiency issues in government succeeded in achieving these cost reduction aims. Focusing on the experience of the UK (often claimed to be one of the leading cases of NPM) and using a ‘consilience’ approach of comparing four different sources of administrative data for central government departments and agencies (for running costs, productivity in tax and welfare benefits administration, pay bill costs and staffing data), the paper does not find much evidence of cost cutting and efficiency gains during the early NPM era.

The interpretative implication is that on the figures analyzed in the paper, NPM developments over much of central government’s operations seem to have had little dramatic

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long-term effect even in the area for which the strongest claims were made by both advocates and critics about its likely impacts, (i.e., cost reduction and efficiency improvement) and even in the country often said to be the originator of NPM and certainly one of its most enthusiastic cheerleaders.

The policy implication is that UK NPM experience, even of its early period when it is commonly said to have been single-mindedly focused on efficiency and cost reduction, does not provide a model for the sort of quantum efficiency gains in the operation of government and public services that are being looked for in the current policy context of severe fiscal stringency. Indeed, even the long-term reduction in tax collection costs reflects huge IT investment that may be very difficult to finance in a climate of real financial stringency. The conclusion for the academic study of NPM is that something more than a minor revision of the received view of NPM as a cost-cutting movement is needed to explain the data considered in this study.

“Administrative reform and central government capacity development”

Author: Prof. Per Lægreid, University of Bergen, Norway

The paper examines how the New Public Management (NPM) reform movement and the reforms in the aftermath of NPM such as Whole-of-Government reform initiatives have addressed the challenge of capacity building in central government. Priority is given to the study of the issues of coordination, coherence and a return to the centre. Administrative reforms have to be assessed both in relation to the governance representativity and to the governance capacity. The first concern is closely related to political accountability and focusing on measures designed to strengthen representation of citizens’ beliefs, attitudes, and opinions in the policy-making process. This question relates to what should be done, citizens’ effectiveness, user participation and influence and has an external focus. The second refers to administrative accountability, efficiency and to what degree developments in society are affected by government decisions and public policy programs. This involves steering capability and public sector institutions’ capacity to act and has a stronger internal focus.

The argument is that NPM reforms have eroded central government capacity by agentification and structural devolution. These organizational rearrangements have led to proliferation and fragmentation of the government apparatus. They have enhanced the capacity to handle tasks that can easily be located within separate, semi-autonomous organizations, but they have reduced the capacity to handle ‘wicked issues’ that are transcending organizational boarders and administrative levels. In the aftermath of NPM we face an increasing demand for innovative collaborative arrangements that are able to handle cross-border challenges and coordination challenges. The main challenge is to find organizational forms that enhance both governance representativeness and governance capacity. Often there is a trade-off between the two. Reforms that are intended to enhance one aspect tend to harm the other aspect. The big question is if it is possible to design reforms that can strengthen both governance representativity and governance capacity. Successful administrative reforms in representative democracies have to take both features into account.
“Beyond Smokestacks and Silos: Open-Source, Web-Enabled Coordination in Organizations and Networks?”

Author: Prof. Nancy Roberts, Naval Postgraduate School, Monterey, USA.

Many mechanisms of coordination in both organizations and networks exist, yet despite their widespread use, coordination challenges persist. Some believe they are growing even more serious. One answer lies in understanding that coordination is not a free good. It is expensive in terms of time, effort and attention, or what economists call transaction and administrative costs. An alternative to improving coordination is to reduce its costs, yet there is little guidance in the literature to help managers and researchers calculate coordination costs or make design decisions based on cost reductions.

As the public demands and expects to be more engaged in the issues it deems important, coordination costs will increase. Public officials need to consider these costs as they decide which forms of organizing, mechanisms of coordination, and information processing design options are appropriate for the work they do. Most importantly, they need to be aware that “newly capable groups are assembling, and they are working without the managerial imperative and outside the previous strictures that bounded their effectiveness”.

To begin the discussion and analysis, the paper explores two cases (Peer-to-Patent and the online Haitian Relief Effort) to illustrate the advantages as well as the constraints of using Web 2.0 technology as a mechanism of coordination and a tool for cost reduction. Lessons learned from these two cases may offer practitioners and researchers a way out of our “silos” and “smokestacks.”

“Are There Managerial Practices Associated with Service Delivery Collaboration Success? Evidence from British Crime and Disorder Reduction Partnerships”.

Authors: Steven Kelman, Harvard University, John F. Kennedy School of Government, USA; Sounman Hong, Harvard University, John F. Kennedy School of Government, USA; Irwin Turbitt, University of Warwick, Warwick Business School, UK.

Little empirical work exists measuring if interagency collaborations delivering public services produce better outcomes, and none looking inside the black box at collaboration management practices. The paper examines whether there are collaboration management practices associated with improved performance of Crime and Disorder Reduction Partnerships, and cross-agency collaboration in England and Wales. These exist in every local authority in England and Wales, so there are enough of them to permit quantitative analysis. And their aim is crime reduction, and crime data over time are available, allowing actual results (rather than perceptions or self-reports) to be analyzed longitudinally. The conducted analysis demonstrates that there are management practices associated with greater success at reducing crime, mostly exhibited through interaction effects such that the practice in question is effective in some circumstances but not others. The findings support the arguments of those claiming that effective management of collaborations is associated with tools for managing any organization, not ones unique to managing collaborations: if you want to be a good collaboration manager, you should be a good manager.
“Voluntary Implementation of Performance Measures in Bureaucratic Public Administration Styles: An Investigation into Spanish and Japanese Local Governments”

Prof. Lourdes Torres (University of Zaragoza, Spain), Prof. Takami Matsuo (Kobe University, Japan) and Prof. Vicente Pina (University of Zaragoza, Spain)

The paper aims to identify the drivers of performance measure implementation in local governments where it is not mandatory. The authors argue that, even though performance measures are not compulsory in some countries, there is normative environmental pressure for their adoption which comes from the globalization of NPM doctrine. In these cases, one may wonder to what extent the implementation of performance measures is real or rhetorical. The paper studies performance measure implementation in the biggest cities of two countries, Japan and Spain, located in different contexts but with a common bureaucratic public administration style based on the French and German models. This paper demonstrates the difficulty of comparing developments of performance measurement systems when adoption is non-mandatory, because of the lack of actual results against which to assess the impact of each implementation process and because of the heterogeneity of experiences between countries and within each country. The results show that the symbolic or institutional image value of making decisions under rational decision-making models is the primary driver of implementation processes in the Japanese and Spanish bureaucratic public administration styles.


Author: Douglas Besharov, School of Public Policy, University of Maryland, USA.

Many government programs do not seem to achieve their objectives, most objectively evidenced by the results of high-quality impact evaluations which often find that they have little or no effects. This paper argues that the key to using performance management to improve public and private programs is to manage toward a program’s “outcomes,” not just its “outputs” or “impacts.” This requires the use of performance measures that can accurately gauge the outcomes attributable to program participation, which, in turn, requires a comparison with non-participants, that is, the “counterfactual.” Carefully applied, a measured outcome coupled with a logic model’s theory of change (often buttressed by other evidence) can serve as a timely and more useful performance measure than a formal evaluation of long-term impacts.

“Improving the Performance of the Russian Civil Service: Challenges of Capacity Building and Repeated Attempts of Reform”

Author: Dr. Michael Pryadilnikov, Head of Department, Moscow Government, Russia

Presentation only; no summary available as of the date of this writing.

“States Managing Financial Crisis in Britain, Germany and the Netherlands: An International Comparison”

Author: Prof. Walter Kickert (Erasmus University, Netherlands)
The global financial, economic and fiscal crisis is the most important and urgent issue that Western states face today and will continue to be a challenging issue for many more years. The research question of this study is how governments, politics and administrations are managing the global fiscal crisis and what impact will the global financial and economic crisis have on governments and governance?

In this international comparative study the author explores how several European states up till now managed the fiscal crisis. The countries chosen for the study are Germany, as it is leading in Europe in monetary and financial problem solving, Great Britain, as its political system allegedly is capable of swifter and more fundamental decision-making, and The Netherlands as a small and consensual-corporatist state. Priority is given to the analysis of the differences and similarities among these countries in the process of decision making at the level of central government in response to the crisis.

The preliminary results of the research show that the crisis was managed in all countries in three stages, that is, first the banking crisis that lead to a global financial crisis, secondly the economic crisis that followed the banking crisis, and thirdly the fiscal crisis of huge state debts and budget deficits resulting from the financial and economic crisis. However, methods and approaches used to deal with the economic and financial challenges to a considerable extent varied.

“Building Community Resilience and Response Capabilities to Disasters through Public-Private Partnerships (PPP)”

Author: Justine Chen, Ted Chen, Chansoo Park, and Prof. Ilan Vertinsky University of British Columbia, Canada.

Among the most difficult challenges that many governments currently face is the accelerated need to increase the resilience of communities and systems to disasters and the ability to respond effectively to them when they occur. The failure of governments to cope effectively with large scale disasters to a considerable extent stems from the lack of collaborative networks that led to the inability to collaborate effectively.

There is a clear need to create effective collaborative arrangements to ensure the development of resilient communities that are less prone to large scale disasters, as well as governance institutions that can manage resource constrained, complex and fragmented disaster response systems, and geographically dispersed coping resources. The overarching question this paper investigates is how to form and sustain such collaborations.

The paper aims to develop a grounded theoretical framework that helps predict the consequences of different attributes of collaborative arrangements. The authors examine the performance of different collaborative arrangements when contextual variables related to both the nature of the disaster and social and physical systems in which resilience development and disaster response activities take place vary. Their hypotheses are derived from case studies. Each of the selected case studies serves as a distinct experiment in which a particular form of collaboration is used to intervene to increase resilience towards, to respond to, or to facilitate recovery from a particular disaster type in a particular social and physical environment. Examined together, the series of case studies provides for replication, contrasts, and extensions to an emergent theoretical framework.
The selected case studies are situated mainly in the U.S. context (due to data limitations). These include the experiences of successful and failed collaborations during and after Katrina between private sectors organizations (for profit and non-profit organizations, communities and community based organizations) and governments.

“Crisis Planning: Lessons from Emerging Europe and Central Asia”

Author: Dr. Michael Dmitriev, President of the Center for Strategic Research, Russia

This paper follows the phases of the current economic crisis. Policy lessons from the region of Emerging Europe and Central Asia (ECA) are identified on case by case basis. In this way the author tries to better understand, how and why policy frameworks are so different throughout the economic policy cycle. The author also considers what lessons can be taken from those phases of the crisis which have already been reflected in the planning experience during the last three years.

Seven untested policy lessons from the crisis have been proposed:

Lesson 1. We will never learn enough from the past crisis to be ready for the next one.
Lesson 2. Do not over-invest in crisis prevention after the crisis.
Lesson 3. The best prevention is vigilance: it needs to be institutionalized
Lesson 4. Institutional fundamentalism is a good defence from the next crisis.
Lesson 5. Crisis ends, but problems remain.
Lesson 6. Social policy needs compassion in downturn, and boldness in recovery.
Lesson 7. Adjust pre-crisis market innovations to post-crisis realities, but do not blame them alone for the past crisis.

“From Public Sector-based to Privatized Service Provision – and Reverse? Service Provision in European Countries between State, Local Government and Market”

Author: Prof. Helmut Wollmann, Humboldt University, Germany

The paper aims at discussing the institutional development which the provision of social and public services has undergone since its early beginnings in the 19th century and the advances of the national welfare state climaxing in the 1960s unto the institutional changes service provision has experienced since the 1980s under the impact of internationally prevalent neo-liberal policy and New Public Management concepts as well as European Union market liberalization policy. In analysing the different phases of this development the paper is meant to identify cross-country institutional commonalities and variance and the factors that have impinged upon such convergent or divergent country-specific trajectories.

In terms of regional coverage the article focuses on Germany, France, Italy, UK and Norway. On the basis of conducted analysis a number of lessons for the countries in Central and Eastern Europe are derived.

“Successes and Failures of Preventing Corruption Risk in Legislation: Evidence from Russia, Moldova and Kazakhstan”
It is widely acknowledged that corruption undermines capacity of governments to pursue effective policies, provide high quality services and maintain genuine accountability and responsiveness to citizens and society at large. No less important is the fact that corruption affects trust of citizens in the government and the latter’s legitimacy in a very negative way. The detrimental implications of corrupt practices are particularly notable at the times of economic uncertainty and social tension as corruption considerably reduces capacity of public management systems to effectively cope with complexities of today’s globalized world and challenges of economic recession.

Corruption risk assessment (CRA) of laws and other normative acts is a relatively new instrument in modern approaches towards effective prevention of cases of corruption, fraud and embezzlement in the public sector. Its practical application is becoming an important element of overall anti-corruption strategies in the developed nations, transitional countries and developing world. In connection with this any practical experience accumulated in this area presents obvious interest. The analysis of such experience may allow identify what works and what does not work in introducing the practices of corruption proofing expertise of draft legal and other normative acts in various environments and settings, as well as contribute to dissemination of respective best practices in the countries of the region and elsewhere.

The paper provides analysis and demonstrates successes and failures of practical implementation of corruption risk examination of draft and existing legislation in the countries concerned, problems encountered and solutions identified. The analysis focuses on the factors and conditions which contribute to the achievement of the ultimate goal of the above mentioned exercise – eventual removal or modification of clauses in the examined legal and normative acts which either create favorable ground for corrupt practices or comprise uncertainty and ambiguity that could provoke unethical conduct. The paper relies on a mix of documentary and interview-based research and uses a process tracing method for both analyzing the respective evidence and experience and searching for causal mechanisms that allow interpret and explain the derived findings.

“The triple-helix and determinants of public sector innovations: the example of capacity development in public procurement”.

Author: Prof. Dr. Nils Otter, Carinthia University of Applied Sciences, Austria; Michael Weber, Fraunhofer Institute for Open Communication Systems, Germany

This paper surveys key developments in the theory of innovation and provides a theoretical concept for the analysis of innovative behaviour inside the system of public administration. In a nutshell, the research questions to be answered read as follows: Which factors can be identified for the examination of innovative behaviour? On what terms are civil servants ready to act in an innovative way?

The conducted research explores three determinants of innovative action, (1) property rights, (2) capabilities and (3) motivation, in the light of public management. Based on this analysis the authors evaluate the influence of public administration on the national innovation system and develop recommendation to strengthen innovation capacities.
within public entities. They also focus on public procurement and draw conclusions concerning innovation enabling governance structures in this field of application.

While the connection between innovation, growth and social development is usually analysed with relation to the private sector of an economy, e.g. enterprises, the innovation ability of other social subsystems has also moved in the point of view during the last years. Consequently, the public sector and public management capabilities can be seen as an important element of economic progress. Moreover, in a setting of global competition for mobile factors of production, an effective as well as efficient public administration can be seen as a highly relevant locational factor. Therefore, one should deal not only with the relevance of innovation in general, but with the determinants of innovative behaviour, including the non-private sectors in an economy like public administration or NGO’s.

The primary concept in the paper is based on the so-called "Triple-Helix-Model" that puts forward the idea that a successful national system of innovation needs to incorporate the complexity of three social subsystems: private sector economy, governmental system and science. However, each subsystem works differently, thereby showing other ways of interaction as well as alternatives principles of selection or forms of incentives.

“A model to identify the holistic research needs in the provision of human services”.

Author: Gregory Urbanowski, Ministry of Advanced Education, Employment and Immigration, Saskatchewan, Canada

This paper outlines a method to consider capacity building issues that arise between government and its significant partners in the provision of human services. Cultural, social and economic factors provide an environment of increasing complexity and intensity. In times of policy stress, these factors place a strain on government-provided human services, community agencies and institutions, which are sometimes vested with a transfer of role and responsibility. During these times managerial techniques must be adapted and assimilated into the repertoire of government behavior if the system is to develop a resiliency to meet the new demands of the citizenry brought about by economic or social distress.

At a minimum, managerial techniques commonly employed to manage inter-organizational relationships center around developing relationships, analysis of costs and benefits of coordinating or control functions employed in identifying the boundaries of those relations. Given the multitude of factors facing government managers today the inventory of techniques need to expand to include environmental analysis, future visioning, expertise in the use of influence, coordinating opportunity creation and supporting the execution of those opportunities. To achieve that requires the development of a research capacity that not only defines and measures inputs, outputs, outcomes and impacts, but also the interrelationships between them. To add to the complexity in the case of human services that are ‘contracted out to third parties’ this must be accomplished under the rubric of inter-organizational relations. Achieving this in a robust fashion is best done using theory-driven research. However, there is no one over-arching theoretical framework that can claim to account for all that is revealed in the analysis of these factors.
This paper proposes a model that seeks to identify the intersection points of three theories that will help to provide a holistic perspective on the efficacy of capacity building. Conditions on the use of the model will be outlined. The method used to develop the model will be described and the applications of the model will be highlighted and discussed. Lastly, the notion of salience in inter-organizational relations will be used to describe methodology to be used to consider price, value and meaning.

“Agglomeration for capacity or capacity for agglomeration: a tale of merging municipalities”.

Authors: Prof. Riccardo Mussari, Dr. Pasquale Ruggiero, University of Siena, Italy

This paper aims to analyse the process of agglomeration between some Italian local public administrations from a capacity building perspective. In particular, the paper analyses the process that would have led to the establishment of two new municipalities by merging the existing ones in the territory of reference. The study will be realised by a case study regarding the merging initiative between ten municipalities located in the Valdarno area in the Tuscany region (Italy).

The dimension of public administrations in terms of territory and inhabitants is considered one of the variables affecting their level of efficiency and effectiveness in providing public services. For this reason in many countries the agglomeration of public administrations, be it cooperation or merger of municipalities, is considered a policy able to increase the political and managerial capacity of public administration. Therefore, in accordance with the literature on capacity building any agglomeration policy needs to be managed taking into consideration different aspects. Among the many important aspects to be managed are the human resources affected by the policy. Human resources cannot be identified just with public employees but many times, as in merging process initiatives, they have to be primarily identified in the citizens of the different municipalities participating in the process. From this point of view the construction of the self of the citizens as part of the discourse relative to the merging process is fundamental for the implementation of the agglomeration policy as a capacity building initiative. To this end three different kinds of technologies are available but each of them gives a different role, active or passive, to the people participating in the construction process of the self. For example, the dialogue technology give an active role to both subjects interacting in the construction process of the self while the listening give an active/powerful role, at least at the beginning, to the maestro more than to the listener. Furthermore, the maestro can concentrate his thinking and speaking on some specific issues, for example in our case study on political and economic issue, and not on all the aspects affected by the typology of discourse he is participating in the construction of.

In summary, the non-efficient and effective use of the technology of the self and the lack of consideration of all the kinds of limitation, internal and external, operating along the construction process of any discourse could lead to the production of a self and of a discourse not coherent with the other discourses operating at the moment in the realm, hampering the implementation of any kind of capacity building initiative.
“Reflective communications of strategic subjects as a condition of successful working out and implementation of strategy of territory development”

Author: Dr. Viacheslav Maracha, Academy of National Economy and Public Administration, Russia

The government regional development policy is a field where the need for cardinal improvement of core public management capacity and capabilities has become more evident than ever. Capability in relation to which this conclusion is most relevant is readiness and ability of the state for elaboration and implementation of strategies for development of its own territories.

In a context of the future development of Russia the presence of a strategic challenge of “a new regionalization” and the complex of problems generated by it define the necessity to increase efficiency of the government regional development policy. In particular, the policy of «reduction of distinctions» and «alignments of a level of development» among regions has met some serious difficulties that force discussion of the necessity of transition to the strategic planning considering macro-regional contexts and federal priorities. Elaboration of strategy is a communicative process, which requires to consider all significant subjects and factors as well as to discuss various positions concerning strategic development of territory and to carry out a mutual reflection of the basis of their positions and to aspire to search overlapping of interests and true partnership.

The paper is devoted to the analysis of the basic forms and tools needed to organize similar communications providing successful and effective process of elaboration as well as the subsequent implementation of regional development strategy.

It should be noted that, as is the practice for IPMN events, at least 15 minutes was devoted in the program for discussant comments after the presentation of each paper, and this was followed by open group dialogue. Regrettably, it is not possible to summarize the vigorous dialogues and exchanges of views that followed each paper presentation and panel.

In terms of organization of the conference its success resulted largely from the long-term and consistent efforts undertaken by the members of the IPMN core group chaired by President Riccardo Mussari and conference co-chair Alexander Kotchegura, Clay Wescott, Larry Jones and Steve Kelman and the valuable contribution in support of the event made by a dedicated team of professionals from the RANECS Department of International Cooperation.

IPMN 2012 HAWAII CONFERENCE

The next IPMN conference is scheduled to take place at the East-West Center in Honolulu, Hawaii from June 27 to 29, 2012. The IPMN Hawaii conference, organized in partnership with the East-West Center, will focus on the topical theme “Innovations in Public Management for Combating Corruption.”

A summary of the thematic focus of the 2012 IPMN Hawaii conference follows.
The effort to combat corruption has moved to the center of the debate about improving governance, economic growth and poverty reduction. The impetus behind this move has come from many sources. Increasing flows of aid and foreign investment have increased the temptations for gatekeepers. Donor country fatigue has placed increasing pressure upon foreign assistance agencies to demonstrate that they are delivering maximum value for the money. The negative example of a handful of “kleptocratic” regimes in the Middle East and other regions has underscored the danger of political and social collapse if widespread corruption is allowed to fester unchecked.

The global financial and economic crisis beginning in 2008 was in part precipitated by pent-up structural weaknesses, including a combination of financial market, corporate and governance problems. There was outward tolerance of the deterioration of public/private co-operation into closed circles of influence and privilege. Further, there was obliviousness to the mounting, and largely invisible, economic costs deriving from the lack of transparency and accountability and the shrugging acceptance of corruption. Indeed, there was even a benevolent view of rent-seeking and private collusion as necessary lubricants for the system. The weaknesses were not limited to the government or to lax supervision of the banking system, but included grave problems of corporate governance in the private sector itself, stemming from a lack of transparency and absence of strong competitive checks and balances.

Citizens have served notice that they are no longer willing to tolerate such gross abuses of the public trust for private gain. The liberalization of the press in many countries has enabled journalists to write more freely about official indiscretions. Improvements in education and increased information flow between countries have made their public more aware of anticorruption efforts in other countries and less willing to tolerate systematic abuses at home. The rise of new global nongovernmental organizations (NGOs) dedicated to fighting corruption has helped to bring and keep the issue in the spotlight. Foreign investors are also favoring countries that make concrete progress in their structural reforms.

Against this background, the key research question is whether innovations in public management are helping to reduce levels of corruption. Reforms in financial management, human resources and audit, combined with structural improvements, strengthening of regulatory and oversight functions, and greater transparency, all set out to enhance public sector effectiveness and reduce corruption. What is the evidence that this is in fact the case? Are there examples where such reforms have made corruption worse? What needs to be done to improve our success in combating corruption?

Information about the 2012 IPMN Hawaii conference may be found at http://ipmn.net/index.php/conferences-a-workshops. IPMN welcomes paper proposals for this event from scholars around the world. Proposals should be submitted electronically on or before December 15, 2011 to conference co-chairs Dr. Clay Wescott at clay.wescott@gmail.com and Dr. Professor Riccardo Mussari at mussari@unisi.it or r_mussari@yahoo.it. Please copy your submission to IPMnet@aol.com. Early submissions are encouraged. We hope to see many of our IPMN colleagues at this event but we also stress that it is not necessary for those who submit proposals to be affiliated in any
way with IPMN or to have attended any previous IPMN conference or workshop. The 2012 IPMN conference is open to all, as was the Moscow conference.

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IPMR  The International Public Management Review (IPMR) is the electronic journal of the International Public Management Network (IPMN). All work published in IPMR is double blind reviewed according to standard academic journal procedures.

The purpose of the International Public Management Review is to publish manuscripts reporting original, creative research in the field of public management. Theoretical, empirical and applied work including case studies of individual nations and governments, and comparative studies are given equal weight for publication consideration.

IPMN  The mission of the International Public Management Network is to provide a forum for sharing ideas, concepts and results of research and practice in the field of public management, and to stimulate critical thinking about alternative approaches to problem solving and decision making in the public sector.

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