POLITICAL SOFTWARE:

UNDERSTANDING WHAT WORKS

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ABSTRACT

Public Administration (PA) is no longer considered as essential as it once was for students from developing countries. In regard to both PA and Public Management (PM), much of the difficulty stems from a lack of an acceptable overarching theory. This is the objective of Political Elasticity (PE) Theory, as here introduced, including the concept of “political software” (referring to the social relationships essential for effective governance). The usefulness of the theory is suggested by a series of American and Less Developed Country (LDC) urban case studies. At the conclusion, the analytical and foreign aid implications of using PE theory (emphasizing political software) are presented.

INTRODUCTION

Dennis Rondinelli, a leading expert on foreign aid, pointed out in his 1987 book (p. 23) that, during the 1950s and 1960s, there was great optimism "that successful methods, techniques, and ways of solving problems and delivering services in the United States or other economically advanced countries would prove equally successful in developing countries." Institutes of public administration (PA) offering courses in accounting, budgeting, statistics, office management, and other technical subjects were set up in many countries, and more than 7,000 students from developing countries were brought to the United States to study PA under the auspices of international funding agencies.

By the early 1970s, confidence in the transferability of U.S. administrative technology had largely disappeared. The Ford Foundation, in its evaluations of expensive PA programs in countries, such as Nigeria and Zaire, doubted the usefulness of this expenditure. And Congressional critics of U.S. Agency for International Development (USAID) programs in Vietnam and Latin America considered PA programs to be useless, if not counterproductive (Rondinelli, 1987: 52-53). At the same time, funding for the work of the Comparative Administration Group (CAG) of the American Society of Public Administration significantly declined.

This malaise affecting comparative administration seems to me to go deeper than simply the failure of US-sponsored PA programs. It arises from the loss of confidence in the scientific validity of PA. Kettl (1990: 411-412) points out that the intellectual challenge to PA has come from three directions in the decades after World War Two: from those critical of weak PA
implementation; from those seeking practical guidance; and from those denying PA's "claim to prescriptions for effective management." Wamsley (1990: 20) concludes: "The landscape of public administration theory has thus been markedly bleak." Jeffrey Pfeffer (2006: 458) makes the same point in his review of The Oxford Handbook of Public Management, noting that the Public Management (PM) literature lacks much theory, adding: "public management needs theory to guide its inquiries and to help it achieve its aims of making public organization and their leadership more effective."

In this article, I will be looking at the weakness of both PA and PM from my own vantage point, as a student of comparative urban studies. For every success story in the American urban literature, there seems to be an equal and opposite failure story. Thus, there is much cynicism and pessimism regarding possibilities of improving living conditions in the inner city. "It has recently been fashionable to deny that we can do much about these conditions through deliberate social policy," Currie (1985: 225) points out. He goes on to cite evaluations of different approaches to handling troubled youth in New York, indicating that, without "a fundamental change in opportunities and intergroup relations," none appear successful. James Q. Wilson (1994: 410) reaches a similar conclusion regarding welfare reform programs to strengthen troubled families, noting that "we must now face the fact that we don't know what to do about the problem."

On the basis of "nothing works," a number of effective rehabilitation efforts were discontinued in American prisons during the 1970s, disregarding the factors undermining the less successful programs (Kerr, 1993). Likewise, American governmental programs in support of enterprise zones, urban rehabilitation, child care, job training, and youth employment efforts, among others, have been curtailed or terminated because of simplistic evaluations. The contradictory evaluations of the Urban Development Action Grant has led some critics to consider them more ideological than meaningful (Barnekov and Hart, 1993).

POLITICAL ELASTICITY (PE) THEORY

As noted earlier, both PM and PA have been accused of being "atheoretical" (Rhodes, 1991: 540). If we accept theory to mean nothing more than "a conception of reality," such an assertion is nonsensical. Even a child, after his first day of school, has a "conception" of how that school operates. As that child grows up to earn a Ph.D. in educational administration, his conception will, of course, change as he recognizes the complexity of reality. It is more appropriate to suggest that both PA and PM are multitheoretical, with the theory of what is best (e.g., scientific management or humanistic management) so conflicting as to cause utter confusion. Looking at the New Public Management (NPM) literature, M. Shamsul Haque (2007: 179) reaches a similar conclusion, with the result that “discussion of NPM has often been fragmented, inconsistent, and uncritical.”

My understanding of theory as "a conception of reality" seems to be supported by Paul DiMaggio (1995: 391-2) in which he presents three theories about administration: that it describes the world as we see (or measure it), that it is a device for enlightenment; and that it
attempts to account for “how the actions of real humans could produce the associations predicted or observed.” The object of Political Elasticity (PE) theory, as here presented, is to facilitate the conceptualization process by linking meaningful metaphors in ways that are easy to understand, commonsensical, and explanatory. While the theory is untestable and tautological, it rests upon commonsensical assertions, each of which is also untestable and tautological.

PE theory arose out of graduate work during the early 1960s under Professor Dwight Waldo at the University of California/Berkeley. Waldo (1980: 82) was particularly interested in reconciling bureaucracy and democracy (the “two major forces shaping the twentieth century”). What makes this problem extremely difficult is that bureaucracy is linked to the values of scientific management (including the Weberian characteristics of hierarchy, expertise, discipline, obedience, loyalty, control of communication, efficiency, legalistic and formalistic procedures, and impersonal relationships) and democracy to the opposite values of humanistic management (including equality, liberty, human rights, free expression, free association, widespread debate, enthusiastic participation, representation, and opportunity for opposition and dissent).

While studying under Waldo, I was also studying under Sheldon Wolin. If Waldo can be considered America's leading 20th Century administrative theorist, Wolin can be considered America’s leading political theorist. Wolin, in the final chapter of Politics and Vision (1960), points out that organizational theorists had "sublimated politics" in trying to make the science of administration value-free: "where the symbol of community was fraternity, the symbol of organization was power" (p. 364). In attacking politics, these theorists were forgetting what political theory was all about (p. 434): "that form of knowledge which deals with what is general and integrative to men, a life of common involvements."

Emerging from my rereading of Wolin during the 1990s, I noticed two definitions of politics (pp. 10-11, 434): the struggle for competitive advantage (partisanship, in other words) and the struggle for consensus (essentially, statesmanship). While partisanship is dangerous for organizational effectiveness (though also important for motivation), statesmanship is essential, if political software is to be effectively developed. Using these two definitions, I came up with a distinction between primary and secondary democracy (or liberal and classical democracy). Whereas primary democracy refers to elections, majority rule, empowerment, confrontation, conflict, and dissent, secondary democracy refers to continuous discussion, persuasion, consensus-building, reconciliation, and the "reaching out" of leaders for popular approval.

My emphasis on secondary democracy suggests that successful bureaucracy need not be as undemocratic as Weberian theory would indicate. This is because of Weber's simplistic conception of legitimacy as resting on its "lawfulness" (with a definite and fixed quality), rather than on its "persuasiveness." Consequently, for Weber and the later "scientific management" theorists, politics seems of little interest inasmuch as "obedience to commands is expected to be prompt, automatic, and unquestioning" (Thompson, 1961: 11).

Political elasticity theory, as I have now formulated it, contains the following propositions:

1. The more governments or those in authority can integrate and alternate soft forms of political power (linking incentives to persuasion) with hard forms of power (including disincentives and coercion), the more effective they will be.
2. As leaders integrate and alternate soft and hard forms of power, their political power takes on "rubber band" and "balloon" characteristics, allowing them (a) to decentralize or delegate power in various ways without losing control and (b) to expand their influence, reliably and predictably affecting the behavior of wider circles of citizens, participants, and subordinates. They thereby generate social energy.

3. Political elasticity depends partly on the selection of appropriate political hardware (including "objective" forms of organization, regulation, procedure, and technology) but mostly on political software (which has to do with the "subjective" quality of relationships between leaders and followers).

4. The effectiveness of political software is directly proportional to the leader’s success in establishing acceptable goals, hiring qualified personnel, encouraging training, delegating responsibility, stimulating motivation and competition, paying attention to morale, expanding two-way flows of communication, promoting legitimacy, maintaining supervision, cultivating contractors, protecting independent spheres of authority, and developing conflict resolution procedures. Inasmuch as a leader or organization fails to do any of these commonsensical requirements (with appropriate variations), its efforts to form both micro- and macro-administration are going to be problematic. Yet, progress can be measured on the basis of steps taken to improve any aspect of these requirements.

5. The enhancement of political software requires a balancing of Wolin's two meanings of political power: the struggle for competitive advantage and the struggle for consensus. Within the framework of his overarching definition of politics (the relationship of leadership to followership for the purpose of governance), measures taken to increase advantage may be considered “primary politics” (i.e., partisanship) and measures taken to build consensus may be considered “secondary politics” (i.e., statesmanship).

Political elasticity theory enables us to defend Waldo's assertion (1980: 1) that civilization always has been and still is "intricately and intimately joined" to administration. The attack on bureaucracy has come from several directions in recent years. On the right, we have conservative, anti-government economists, "with an abiding faith in, rather than scientific demonstration of, the superiority of market outcomes over all types of government controls" (Amsden, 1994: 96). On the left, we find the New Development Administration which seems to reflect three interrelated viewpoints: (a) a benevolent view of communities; (b) a hostile view of bureaucracies; and (c) a favorable view of participatory and humanistic management, as against scientific and coercive administration (see Esman, 1988). Somehow, we need to find room for legality, authority, hierarchy, accountability, control, responsibility, expertise, and judicial neutrality to give credibility to decentralization, empowerment, choice, participation, community development, and the other concepts favored by the proponents of what Peters (1994) calls "the hollow state:" the shifting of responsibility for public services away from the central government to local governments, communities, and the private sector.

Institutional arrangements (as noted in Proposition 3) are comparable to the physical parts of a computer and, as such, might be referred to as "political hardware." Yet, it is obvious that even the best computer is useless unless it is properly programmed or instructed and skillfully handled so that the physical parts do what we want them to do. I have therefore introduced the concept of
"political software" to refer to the quality of relationships between leaders and followers essential for the components of political hardware (rules, procedures, technology, organizational arrangements, authorizations, etc.) to be respected.

In looking at Caiden's list of administrative malpractices (1991: 492), including such bureaucratic pathologies as abuse of authority, bias, inaction, indifference, and carelessness, I see weaknesses in political software more at fault than political hardware deficiencies. Political software refers to nothing more than the psychological predispositions which organization theorists have long been aware of and concerned about (Harmon and Mayer, 1986). Yet, perhaps out of the growing demand for scientifically justified conclusions in both PA and PM, the subjective side of the discipline has come to be deemphasized and even ignored.

According to Wamsley (1990: 19), "public administration theory has been trapped in an intellectual cul-de-sac created by behavioralism...." However, the appeal of behavioralism lingers on in PA/PM, assuming that we agree with the criticism of Whicker, Strickland and Olshfski (1993: 532) that PA has "remained largely unquantitative and unscientific." This conclusion is supported by Van Wart and Cayer (1990: 245), in regard to comparative PA/PM, suggesting that there "are not enough theory-testing articles," based upon quantification.

Those who demand "testable hypotheses" in PA or PM are misleading and possibly disingenuous, if we accept the argument of the English linguistic analyst Weldon (1953) that political words are imprecise, subjective, and appraisive (ascriptive as well as descriptive). Compare, for example, the technical word "tall," with the political word, "trustworthy" in the following two sentences: "President Clinton is tall" and "President Clinton is trustworthy." While an assertion about Clinton's tallness (if we mean only much above average height) is likely to be noncontroversial, describing him as trustworthy without further explanation would be baffling. We need to know, not only how the word "trustworthy," is being used, but also the political and moralistic orientation of the person making this value judgment.

However, one does not have to be a political scientist to use political language meaningfully. If historians or journalists clarify their use of the word, "trustworthy," and present evidence from many points of view about Clinton's trustworthiness, they can possibly reach a "multidimensional" conclusion, instead of the confusion emerging from quantification efforts using a typical public opinion poll.

The linkages between political software and political hardware within PA/PM are so interconnected that, as with a computer, it is sometimes hard to determine the source of a particular problem. For example, in Ibadan (Nigeria's second largest city), the solid waste management agency needed at least ten times more funds than it was getting from local sources (Werlin 2005: 82). However, was the problem due to inadequate property taxes and user fees (a political hardware problem) or inept collection (a political software problem)? Both were obviously at fault. While new legislation was clearly needed, political software at all levels of government also needed to be greatly improved. Likewise, in New York, it is difficult to determine the relationship of rent control to inadequate enforcement of legal requirements in accounting for the poor maintenance of low-income apartment buildings.
Despite the problems of analyzing political software, the failure to do so inevitably undermines the conclusions of PA/PM literature. To illustrate the importance of political software, I will begin with some American urban studies before turning to Less Developed Country (LDC) urban studies. The objective, as noted earlier, is to provide a theoretical framework useful for studying administrative problems generally.

AMERICAN URBAN STUDIES

By focusing on political software, it may be possible to overcome the problems of the experimental design methodology and similar efforts to reach blanket conclusions about "what works." Some of these conclusions have been, not only misleading, but also counterproductive in undermining or threatening such potentially useful programs as the following:

PUBLIC HOUSING

American public housing, which has become a repository for poor, minority, single-parent families exemplifies the consequences of neglecting political software considerations. The deterioration of Chicago's Robert Taylor Homes, as described by Lemann (1991), shows what can happen when commonsensical bureaucratic requirements are violated.

From this experience with public housing, the conclusion that it should be avoided is understandable. According to Massey and Kanaiaupuni (1993: 120), public housing "represents a federally funded, physically permanent institution for the isolation of black families by race and class, and it must be considered an important structural cause of concentrated poverty in U.S. cities." Lauber (1991: 68) adds that mixed communities "should also do their best to persuade public housing authorities not to build additional public housing...."

Yet, public housing is common in most MDCs, including a wide variety of governmental subsidies and arrangements for construction, maintenance, and management. In France, for example, 13.5 percent of all housing (as against only 1.6 percent in the U.S.) is within this category (Schwartz 1991: 188). To prevent the stigmatization of public housing, French projects originally included a diversity of socio-economic levels, and, as such, remain popular in many communities despite increasing problems of ethnic, racial, and religious segregation and tension.

Looking back at the 1937-1950 period, residents of American public housing were selected on the basis of strict criteria, with preference given to two-parent families with a good credit rating and control over their children (Brown, 1990). However, by starving public housing of funds for maintenance and security and discouraging anyone but the very poor from using it, the government made it no longer politically viable (Atlas and Drier, 1993). During the 1980s, only 150,000 public housing units were constructed, despite long waiting lists and the general satisfaction of tenants in smaller cities and low-rise projects (NAHRO, 1990).

In an article comparing New York's public housing with Newark's, DePalma (1989: E23) points out that New York has been far more successful because it has more carefully selected tenants,
integrated different races and income levels, nurtured a core of professional managers, and
developed good relations with tenants. Newark's troubled experience with public housing has
caused it (along with many other cities) to promote private non-profit housing sponsored by
community organizations, churches, unions, and tenant groups; but this also requires good
political software to be successful.

Newark's New Community Corporation is an example of what is needed. It places a heavy
emphasis on security, creating an economic mix of tenants, screening prospective tenants, and
outsting those who commit crimes or otherwise break the rules (Lemann. 1994).

HEAD START

Barnett (1992) summarizes more than 100 studies on the effects of compensatory preschool
education on disadvantaged children. While these "meta-analyses" generally find that the effects
of American preschool programs, measured by Intelligence (IQ) tests, disappear within three or
four years, they seldom take into account the typical problems of these preschools: poor funding,
low salaries, excessive numbers of children, poor physical conditions, etc.

A recent study of the Child Care Action Campaign, based upon evaluations in four states,
concluded that only one in seven child day centers could be considered really good (Chira, 1995:
A12). In regard to Head Start, Zigler, Styfco, and Gilman (1993: 31) point out that per-child
funding significantly declined during the 1980s, reaching a level of only half that considered
desirable. Teachers tend to be poorly trained and paid. Although the programs expanded in
number and enrollment during the 1980s, only one in five of them was monitored in 1988.

Focusing, however, on a more successful program (the Perry Preschool Project in Ypsilanti,
Michigan), where there were experienced and qualified teachers in addition to adequate
direction, planning, discussion, in-service training, and other requirements, Barnett (1992:
299-300) found much more positive results. At age 19, those who had attended this Head Start
program, in comparison to a control group, achieved, not only better academic results, but also
greater economic success and social adjustment (including less teen pregnancy and need for
welfare assistance).

What is necessary, Barnett (1992: 306-307) concludes, is, instead of a simplistic concentration
upon IQ tests, to take into account "the effects of program characteristics, population
characteristics, and the environment (e.g., peer pressures, later educational quality and practices)
on program outcomes." This conclusion is supported by Zigler, Styfco, and Gilman (1993: 24),
who point out that, until the quality of Head Start programs is carefully assessed, "expansion will
proceed without specific information about which program features work best and for whom."

THE JOB CORPS

Since its establishment in 1964, the Job Corps has received mixed reviews, some concluding that
those enrolled in it were not significantly more successful in finding employment or increasing
earnings than comparable control groups. With the costs amounting (as of fiscal 1991) to more
than $15,000 per student for a combination of vocational, academic, and social components,
cost-benefit analyses showing only modest improvement in the basic skills of Job Corps
graduates are quite discouraging. There have also been reports of violence, gang activity, and drug abuse at some of the centers (Anderson and Binstein, 1995: B23).

Levitan and Johnston (1975: 99-100) are critical of these cost-benefit analyses, noting the following problems: estimating benefits, setting program costs, treating foregone earnings and the value of work projects, and finding a truly random control group. Nevertheless, they conclude that enrollees who remained for the duration of Job Corps programs did considerably better in the labor market than non-participants. However, in reaching this conclusion Levitan and Johnston go beyond typical pseudo-scientific evaluations.

Not all the Job Corps Centers were successful, Levitan and Johnson point out, adding: "Staff morale and administrative quality were crucial to the success of centers" (p. 31). What is essential is an enthusiastic staff, hard work, an orderly atmosphere, and an environment conducive to education and training. While linkage to unions and careful screening and placement proved to be useful, "the key factors influencing the quality of individual programs seem to have been the direction given them by their management..." (p. 105). This assertion underscores the argument here presented, that unless political software aspects are taken into account, we cannot effectively evaluate public administration or public management programs.

A similar conclusion is reached by Levin and Ferman (1985) in their evaluation of nine programs established under the 1977 Youth Employment and Demonstration Project. They emphasize the importance of a talented executive, experienced staff, incrementalism, and the ability to detect and correct errors. Among their conclusions (p. 104) is that "the role of the schools' staffs, as shaped by the program executive..., is much more important in achieving improved academic performance and improved behavior than educational innovations ... and new facilities."

**LDC URBAN STUDIES**

Let us assume that our ideal of what we want to achieve in public administration/public management conforms to the "reinvented government" described by Osborne and Gaebler (1993): community-owned, results-oriented, enterprising, decentralized, and market-oriented. For this to work requires the high quality of political software that is absent in much of the world, particularly in LDCs. Yet, those sent out to improve public administration in LDCs often ignore this fact, introducing new training, technology, organization, and operational procedures that do not get to the fundamental problems in these countries. Woodward (2006) describes such a situation in which coalition training efforts are constantly being undermined by political divisions and confusion within the Iraqi civil service, military, and police. The truth is, it is easier and faster to send in better computers or suggest technical improvements than to get at the underlying political software weaknesses.

To illustrate the importance of political software, I will turn to reports of the World Bank's Operations Evaluation Department (OED), which I worked for on several occasions during the 1980s. Because OED reports are confidential, I will refer to them by geographical area, rather
than particular city or country. However, since these OED reports may be available by request (or in on-line summaries), I have indicated their report numbers and publication year:

**LACK OF COMMITMENT**

In a South American Country (SAC), the country's Minister of Planning agreed to a World Bank loan for slum upgrading and self-help construction ("sites and services") that was not fully supported by top officials of the National Housing Bank, which was primarily responsible for these projects (Report No. 7581, 1989). Because these officials were busy with their own projects, they considered the World Bank loan too small to justify the required changes in their operational procedures.

Some of these officials also felt that the World Bank's refusal to provide more than infrastructure to sites and services beneficiaries was impractical inasmuch as it forced poor families to pay simultaneously for their current accommodation, their project lot, and the cost of building a house on this lot. Thus, World Bank-supported programs were not adequately promoted until there was a change in administration in SAC and a willingness of the part of the World Bank to amend its loan criteria.

In an East African Country (EAC), top officials agreed to a World Bank urban development project because of their need for financial assistance rather than their agreement with the objectives of the project: low-cost shelter for impoverished residents, administrative decentralization, and cost recovery (Report No. 9730, 1991). While top officials paid lip-service to affordable housing, they were more interested in "dignified housing," particularly rental units for middle class families. Instead of slum upgrading, provided for by the project, officials continued to promote slum demolitions, resulting in 50,000 homeless in less than a month.

Under colonial rule and for some years thereafter, municipalities in EAC had relied on a progressive personal tax. Because Central Government officials here distrusted municipal officials, they disallowed this tax, with the promise of grants instead. However, as these grants were phased out, they were never replaced by anything else, leaving the municipalities bankrupt and demoralized. The World Bank therefore insisted on a revaluation and an increase of property tax rates to enable municipalities to pay for the project. The opposition initially of property owners and then by the cabinet to higher taxes caused the project to be drastically scaled down. Thus, the situation persisted of Central Government being indebted to municipalities and vice-versa. In the process, the project's objectives were increasingly lost sight of by everyone.

In a South East Asian Country (SEAC), the Prime Minister wanted a World Bank loan to reduce traffic congestion in the capital city, but his interest was not shared by the Minister of Interior, who was in charge of project implementation, and by the leading executing agencies (Report No. 7068, 1988). Because of their ignorance of the situation, World Bank staff failed to realize that they could not "take the word of the Prime Minister and assume that an expression by him of special concern about a problem was equivalent to a willingness to adopt radical measures towards its solution."

The success of this project required strict enforcement of traffic regulations and coordination of about 15 agencies responsible for different aspects of urban transport. Better enforcement of
regulations and inter-agency coordination proved extremely difficult to achieve, particularly when there was also strong popular opposition. Yet, World Bank staff and their host country counterparts continued to treat these problems as "technical," rather than "political and managerial with dimensions large enough to induce inaction."

LOW MORALE

In a Middle Eastern Country (MEC), recruitment and retention of competent staff were difficult because of low salaries paid by the public sector (Report No. 6561, 1987). The salaries of beginning engineers, for example, were at least twice as high in the private sector as in the public sector; and the disparity increased tremendously for experienced professionals. Similarly, in EAC, the lack of adequate salaries caused 40 percent of professionals in a city council to be vacant.

In EAC, a special department was set up to handle a housing project in the capital city, but this led to conflict between it and the regular city department responsible for housing. The resulting splintering of the city's engineering department undermined the morale of this department. Since funding for urban projects was dependent upon the central government, local governments in this country were unwilling to take responsibility for these projects. In one city, the treasurer was completely unable to pay contractors and could only pay municipal workers by "borrowing" from the Water Supply Department's accounts.

Low pay and poor supervision undoubtedly increased mismanagement. In EAC, plot allocation in a sites and services project (providing infrastructure and foundations for self-help housing construction) was affected by major political interference. A number of senior officials were arrested for corruption, and several of the city councils were dissolved. Eventually, most of the regular senior staff running the project were either encouraged or forced to go on leave. Personnel changes, however, could not prevent the project from gentrification - i.e., being taken over by a much wealthier clientele than originally intended - because of building requirements and market forces, as well as corruption and policy disputes.

COMMUNICATION BREAKDOWN

In SAC, the first phase of a project was delayed because federal funding was withheld as a reprisal for the State Governor's support of the opposition candidate for president (Report No. 9490, 1991). In a Latin American Country (LAC), the executing agency had difficulty monitoring local activities because its headquarters was in the capital, 800 kilometers away from where the project was being implemented (Report No. 7007, 1987). In MEC, extensive reorganization following administrative decentralization meant that policy making and technical teams that prepared the project were broken up, with the personnel generally confused about their role.

In EAC, many problems emerged when World Bank staff failed to explain adequately to government officials the importance of linking the elements required for low-cost housing: reduced standards, building credits, secure land tenure, cost recovery, and, above all, community involvement. Of course, such communication is difficult when there is a contradiction between the need for cost-recovery and the desire to target shelter to the lowest income groups. The
poorest are inevitably excluded when the costs of construction and land are included. In MEC, however, problems emerged simply because few of the World Bank staff spoke Arabic, and few of the local staff were fluent in English.

Politicians have a tendency everywhere to promise a great many benefits, without pointing to the costs and requirements involved. Thus, in EAC, politicians were unwilling to evict recipients of housing loans. This caused a situation in which 30 percent of borrowers were in arrears of six months or more. In SAC, the same situation led to agencies providing subsidized grants to a selected few rather than implementing cost recovery policies to help the majority of the population.

When, however, in one sites and services project, 66 families who had not made the required down-payment were forced to give up their plots to others, the performance of the project improved considerably (Report No. 7032, 1987). In SAC, as municipalities were given more local responsibility, local leaders were more willing to discuss cost recovery and improved financial management (Report No. 9490, 1991).

There is also a natural tendency to ignore difficult problems to "get on" with a project. Consequently, World Bank staff proved too receptive of EAC government assurances that tribal trust properties could be easily and cheaply purchased. Although these properties were eventually expropriated, the former owners returned to squat or reclaim their land, claiming that they had been "illegally" forced off their land and inadequately compensated.

When two-way flows of communication were used, it was sometimes possible to get good results. In one EAC city, local authorities were involved in project preparation to a much larger extent than was usually the case. Consequently, the family planning and nutrition programs here appeared to be unusually successful.

In studying the reasons for the World Bank's neglect of political software considerations, Michael Cernea's point (1991: 45-46) about the prevailing influence of technical experts needs to be recognized, together with his assertion that they "lack understanding of what social science and social engineering could bring to their own efforts." Because these experts "are often being trained today as though people did not matter for the solution of technical issues," they use social scientists as an "after thought" or on a "pro-forma" basis, dismissing their advice as irrelevant.

In considering the implications of our political software analysis, two conclusions would be inappropriate: (1) that political hardware (e.g., rules, organization, and procedures) are unimportant and (2) that quantitative forms of evaluation are unnecessary. The problem-solving capacity of bureaucracies in MDCs depends upon careful monitoring and evaluation, including cost-benefit studies.

In the Netherlands, for example, extensive research is continuously undertaken on facilitating public understanding of tax obligations. Based on this, a fleet of "tax buses" was introduced, allowing public servants to help clients free of charge with their tax problems, using the motto: "We will help you to pay no more than you have to pay" (OECD 1987, 104). In LDCs, on the other hand, officials neglect and even oppose monitoring and evaluation, with the result that useful reform is accidental and rare (Ahmed and Bamberger, 1991).
If I have made my point about the importance of political software, PA and PM may be able to escape their overemphasis upon political hardware. Two articles in Public Administration Review (Poister and Streib, 1995 and Berman and West, 1995), surveying American municipal managers about their use of Management by Objectives (MBO) and Total Quality Management (TQM), underscore this point.

Both MBO and TQM were found to be useful only if and when they included such political software factors as: top management commitment and participation; two-way flows of communication; monitoring worker satisfaction; employee empowerment; recognizing and rewarding achievement; and appropriate training and information-gathering. Both approaches could easily be undermined by the failure to address emerging fears, criticisms, and forms of resistance.

In regard to LDCs (as earlier mentioned about American urban studies) there has also been a tendency to jump to conclusions about "what works." Yet, as the following examples show, when the political software is good, these conclusions often turn out to be bad:

- **Sites and Services Projects.**

The World Bank seems to have become discouraged by the problems of doing urban development noted in the previous section. Consequently, according to Baken and Van Der Linden (1993: 3), the Bank has mistakenly shifted to emphasizing market efficiency, a reduced role for the government, and "some sort of trickling down mechanism." In other words, Bank loans are to go less for governmental urban projects and more for reducing constraints on urban productivity and for better access to infrastructure, credit, and social services.

The Bank has been particularly unhappy with its experience doing sites and services projects, failing to recognize that its problems result primarily, not from defective political hardware (the approach itself), as from political software weaknesses. This is clear from a review of El Salvador's FUNDASAL, which may be considered as the Bank's most outstanding urban "success story" during the period (1977-83) that I edited the Bank's newsletter, The Urban Edge. (I visited this project in 1978 to see for myself the reasons for its success.) It was also one of its first attempts to finance low-cost housing projects on a large scale (Deneke and Silva 1982).

The FUNDASAL program goes back to 1968 when Padre Ibanez, together with a group of concerned citizens, relocated 69 families left homeless after a flood in the eastern section of San Salvador. Its mode of operation was to organize poor people into mutual help groups to build the infrastructure and lay the foundations for low-income housing. After contributing about 30 weekends of labor, each family gained tenure and services and then the opportunity to expand its own house over time. Using this method, FUNDASAL's units of housing were from one-half to one-third the cost of government built public housing. Thus, its early projects provided the only housing accessible to the poorest 50 percent of the population.

Because FUNDASAL's "site and service" approach was in accord with the policies then advocated by the World Bank, it received Bank funding in 1974. By the late 1970s, FUNDASAL's production of housing units represented almost half of the total annual number of new formal housing units in El Salvador's urban areas (Schmidt 1993). All FUNDASAL
communities had by then completed construction of community centers, schools, cooperatives, parks or gardens, and pedestrian pathways and taken over responsibility for garbage collection and other services.

A number of factors contributed to FUNDASAL's high quality of political software, enabling it to provide 1,000 housing units annually during the worst years (the 1980s) of El Salvador's civil war. It was managed by a twelve-member Board of Directors, consisting of eminent Salvadoreans from a broad range of occupations. Members of the Board were elected by a General Assembly of participating households. This assembly, which met annually, was also responsible for approving the Board's budget.

FUNDASAL's staff (numbering about 200, as of 1980) was highly respected, developing innovative methods to enhance the attractiveness of the layout and to reduce infrastructure costs. Participating families were carefully selected, based on income, capacity to pay mortgages and service charges, residency, and commitment; and, after selection, were required to attend orientation and training sessions. They also had to assist with the preparation of infrastructure and foundations. Particular attention was paid to FUNDASAL's social goals, enabling the development of viable community organizations, assisted by teams of social promoters (one for every 25 families).

The high quality of FUNDASAL's political software meant that it could integrate soft and hard forms of power in "politically elastic" ways. For example, the Delinquency Section of its Finance Division seldom needed to obtain from the courts judicial sanctions against those failing to meet mortgage payments. First of all, it attempted to get beneficiaries to recognize the importance of punctual mortgage payments. Secondly, when families got behind in their payments by more than a month, it did an investigation.

Based on mutual respect, FUNDASAL attempted to reach an agreement with delinquent families on some sort of repayment program or schedule. These families were then periodically revisited by social workers until the problem was resolved. Finally, to encourage punctual payments, some of the risk reserve (amounting to a five percent surcharge) was returned to those who maintained their payments up-to-date via a lottery, which also boosted morale.

FUNDASAL also earmarked donations for very needy families who could not meet mortgage payments. Consequently, to an extent unusual in World Bank projects, FUNDASAL was highly successful in recovering costs from beneficiaries, using accumulated surpluses to finance additional housing programs.

- **Subsidized Credit Programs**

In considering the question, should credit programs for low-income beneficiaries be subsidized, we also find the literature distorted because of a failure to consider the relevance of political software. Von Pischke (1991), writing for the World Bank, pointed out the many problematic consequences of subsidized credit, including: (1) distorting the supply or allocation of credit; (2) generating excessive borrowing and debt; (3) discouraging savings and efficient use of funds; (4) undermining the linkage between saving and credit; (5) excessively subsidizing large borrowers; (6) eroding the capital of lending institutions; (7) increasing transaction costs and inefficiency;
(8) promoting inflation; (9) encouraging reckless investments and expenditure; and (10) intensifying corruption and mismanagement.

Yet, Bangladesh's Grameen Bank (for which its founder, Mohammad Yunus won the 2006 Nobel Peace Prize) operates a successful subsidized credit program, using a group-lending model. Under this model, individuals wishing a loan must join a small group, with the group as a whole responsible for repayment when members cannot manage their debts. By 1994, this Bank had reached nearly half of the country's villages, providing more than $ US 160 million annually to about two million members.

From 198l to 1993, Grameen Bank received more than U.S. $150 million in funds (mostly grants) from foreign donors for the expansion of its efforts to help impoverished rural women (Hubbard, 1994: 6-7). With this assistance, it was able to keep the effective cost to its borrowers at about 25 percent less than other financial institutions would have had to charge, assuming a desire to compete for this risky business (Thillairajah, 1993: 68-69). However, its high administrative costs could not be covered by its 20 percent interest rate on loans.

The Grameen Bank's 97 percent repayment rate (as against the country's commercial bank recovery rate of between 15 and 45 percent) would not be possible without an intensive client-oriented approach to program delivery, a committed and highly motivated bank staff, decentralization of operations, careful monitoring and supervision, rapid response to problems, experimentation and learning by doing, quick detection and punishment of malfeasance, accessibility of senior staff, and an informal but highly developed communication system (Holcombe, 1993; Hubbard, 1994).

The Grameen Bank prides itself on employing highly qualified staff (terminating about a fourth of trainees lacking adequate skills or commitment), and then training employees to fully understand the problems of women borrowers. It also prides itself on the transparency and efficiency of its operations.

As a result of its high quality of political software, borrowers, as well as staff, see the Grameen Bank, not simply as a source of credit but as a "poverty alleviation organization" (Holcombe, 1993: 11). Thus, all work together to deal with common problems (e.g., animal diseases, agricultural marketing, and theft by husbands) and to pressure local leaders and bureaucrats for a positive response to community development needs.

My emphasis on political software also suggests that what works comes from the capacity to "fine-tune" whatever political hardware is selected. In the case of Sweden's child care centers, Kahn and Kamerman (1975: 44-45) point out that there is constant debate and discussion as to every aspect of the program, with persistent testing of new arrangements. In regard to France's publicly supported housing associations, this process takes the form of changing programs to make funds from major financial institutions more or less available on shifting terms (Schwartz 1991: 228-229). Without such a process, perverse consequences can rapidly emerge, so that, as happened in the case of American federal government education loans, a potentially useful policy eventually promoted a number of useless or fraudulent schools or colleges.
PROMOTING POLITICAL SOFTWARE

In emphasizing political software, I see the study of political science (PS) as essential for an understanding of PA or PM, and vice-versa. Indeed, my definition of politics presented earlier (the relationship of leadership to followership for the purpose of governance) prevents PA/PM from being excluded from the study of PS. This is because PA/PM should be defined as "the art and science of governance" (gubernare - to guide or steer, going back to its original Latin meaning).

As it is, political scientists too often see PA and PM as dull technical subjects; and PA/PM specialists want to keep politics out of the subject altogether. In many universities, the departments are completely separated. The tendency of both is to misunderstand the relationship between the two fields. In the concept of political software, as here presented, I hope we can find that fundamental linkage. In other words, the art and science of governance (which is another way of defining PA and PM) requires the felicitous linking of political software to political hardware.

CONCLUSIONS (2): FOREIGN AID IMPLICATIONS

Two June, 2006, newspaper announcements made this an extraordinary month for those concerned with the global fight against the diseases that primarily affect the world’s poor countries. The first (June 16, New York Times) reported that Bill Gates will retire in two years from active leadership of Microsoft to devote himself to giving away $1.5 billion annually for his charitable work. The second (June 27, Washington Post) reported that Warren Buffett will be almost doubling the amount that will be annually available from the Bill and Melinda Gates Foundation to improve health conditions in impoverished countries. The opportunity presented by these two great philanthropists is undoubtedly unprecedented. Yet it also brings to mind the wonderful line in F. Scott Fitzgerald’s autobiographical essay, “The Crack-Up,” in which he declares that “the test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the same time and still retain the ability to function.”

In thinking about Fitzgerald’s “two opposed ideas,” we might look at the July/August 2006 issue of Foreign Policy, in which Erika Check points out that pharmaceutical companies avoid such “neglected diseases” as hookworm, lymphatic filariasis, malaria, and Guinea worm because they are considered to be “unprofitable.” Consequently, only “10 percent of the world’s research dollars are spent on the problems that affect 90 percent of the world’s population.” This is where Bill Gates has already been very useful. With the assistance of his foundation, eight or nine new drugs are expected to be available to fight the “neglected diseases” - “almost as many as in the previous 25 years in less than half the time.”

In the same issue of Foreign Policy, Maureen Lewis notes that in many countries of the world, much of the budgeted funds never reach the intended health providers. Consequently, “going to public health clinics means long waits, repeat visits, and large gaps between diagnosis and treatment.” When medical equipment breaks down, there is no money to replace it: “Drugs sit in warehouses because delivery truck drivers can’t afford to fill their gas tanks.” In the case of
Uganda, Celia Dugger (2006) explains, incompetence and corruption have undermined efforts to provide nets, insecticides, medicines, and other commodities necessary for malaria control. While resources have been available from the Global Fund to Fight AIDS, Tuberculosis and Malaria, “the Uganda government has not yet bought the nets the fund approved more than two years ago.”

Next to the *New York Times* article reporting Bill Gates’s decision to gradually shift his attention from his business to his foundation is an article by Sharon LaFraniere on a cholera epidemic in oil-rich Angola where already in 2006 more than 43,000 people living in Luanda’s slums have been affected by this disease with more than 1,600 reported dead. Corruption and mismanagement, according to a report of Doctors Without Borders, has prevented the government (with access to more than $1 billion a month in oil revenue) from doing anything about this horrible situation. The government was willing to allocate only $5 million since the epidemic began to fight it. While all water tankers are supposed to carry chlorinated water, only about one in ten do so, with truckers often selling the chlorine crystals provided for this purpose.

We have to wish Bill Gates and Warren Buffett “good luck” in regard to their inspirational efforts to improve health conditions in Africa and other impoverished parts of the world. However, if their approach is only “technical,” “scientific,” or “charitable,” their money will largely be wasted. The truth is, it must also be “political” and “motivational,” recognizing the importance of political software. The reason why has to do with the nature of political power in Africa. While African governments appear to be highly authoritarian, they actually lack authority to improve living conditions.

Political power is often viewed as a resource (a product of wealth, status, or coercive capacity) rather than as a relationship. Yet, “the power-money analogy can conceal as much or more than it reveals,” to quote David Baldwin (1989: 44). This effort to equate political power to purchasing power comes up against the fact that the effectiveness of political power (giving it “social energy”) depends on political software considerations. We pay property taxes, for example, largely because of the trustworthiness of institutions responsible for registering our property, communicating with us, determining value and amount, transferring funds, enforcing payments, preventing misuse of public funds, etc. With corruption comes a low quality of political software, which accounts for the “political inelasticity” apparent in most authoritarian regimes.

There is a saying that the more impoverished a country (or individual) is, the more tightly closed is the door to reform, with the lock having to be opened from the inside. While I believe that a heavy-handed approach would be counterproductive, I suggest that the following approaches might be experimented with: (1) requiring prior reform - making sure, for example, that a country has the capacity and willingness to repair old roads before new roads are financed; (2) intensifying pressure in various ways - terminating ineffective projects following the dissemination of explanatory reports and the holding of public hearings which the press would be encouraged to cover; and (3) promoting competition - getting countries (or communities) at similar levels of per-capita income to compete for project support, based upon the quality of governance.
In suggesting that Bill Gates’s primary challenge will be “political illness,” rather than “medical illness,” we might turn to a recent book by Robert Calderisi (2006), who brings to his analysis of foreign aid in Africa more than thirty years of work, mostly for the World Bank, but also for the Canadian International Development Agency and the Organization for International Cooperation and Development. Based upon this experience, he concludes that the foreign aid record in Africa (amounting to half of all foreign aid) “has been deeply disappointing,” adding: “Successes have been small, ephemeral, or too expensive to reproduce on a larger scale” (p. 163). Everything has been tried (supporting state-owned industries, promoting private investment, offering lines of credit, funding special administrative units, giving trade preferences, etc.); nothing has worked. While promoting educational opportunities in Europe and North America seems to have been most useful, it has been undermined by the annual departure of an estimated 70,000 skilled graduates.

According to Calderisi, money is “not the major obstacle to progress in Africa” (p. 225). After all, he points out, if there were financial opportunities in Africa, Africans themselves could finance their own development instead of keeping 40 percent of their savings abroad. Consequently, giving aid to Africa “is like giving money to a drunkard down the street expecting him to spend it on food” (p. 220). For foreign aid to be more effective, according to Calderisi, is going to require a much tougher approach than has been so far taken, including: (a) the international supervision of elections; (b) the termination of foreign aid to governments that imprison, kill, or mistreat independent journalists and judges; (c) the support of independent citizen review groups to oversee government officials and international agreements; (d) the outside supervision of primary education and HIV/AIDS programs; and (e) the centering of aid on countries that seem to be serious about development.

Bill Gates will discover (if he already hasn’t) that his charity cannot build the institutions (civil service, police, judiciary, etc.) essential for better health care. This requires political software considerations and an “enabling environment,” which can be fostered but not bought or imposed. Although foreign aid can be helpful, it is ultimately up to African governments to generate enough social energy to improve the health conditions of their people.

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