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Looking Like a State : Techniques of Persistent Failure in State Capability for Implementation

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Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation[1]

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Abstract: In many nations today the state has little capability to carry out even basic functions like security, policing, regulation or core service delivery. Enhancing this capability, especially in fragile states, is a long-term task: countries like Haiti or Liberia will take many decades to reach even a moderate capability country like India, and millennia to reach the capability of Singapore. Short-term programmatic efforts to build administrative capability in these countries are thus unlikely to be able to demonstrate actual success, yet billions of dollars continue to be spent on such activities. What techniques enable states to "buy time" to enable reforms to work, to mask non-accomplishment, or to actively resist or deflect the internal and external pressures for improvement? How do donor and recipient countries manage to engage in the logics of "development" for so long and yet consistently acquire so little administrative capability? We document two such techniques: (a) systemic isomorphic mimicry, wherein the outward *forms* (appearances, structures) of functional states and organizations elsewhere are adopted to camouflage a persistent lack of *function*; and (b) premature load bearing, in which indigenous learning, the legitimacy of change and the support of key political constituencies are undercut by the routine placement of highly unrealistic expectations on fledging systems. We conclude with some suggestions for sabotaging these techniques.

I. Introduction

Successful implementation of most governmental endeavors requires capable organizations that induce and support productive day-to-day practices by large numbers of individuals: teachers must teach, policemen must police, engineers must engineer, regulators must regulate, tax collectors must collect taxes. The expansion of state capability through the creation and promotion of efficacy in public sector organizations is one component of the historical "modernization" of nation-states (Bayly 2004, Lindert 2004). State administrative capability for implementation is a distinct component of any definition of national development.

But the weak implementation capability of the organizations of the state in developing countries manifests itself at the micro level in many ways: ubiquitous corruption of state officials, large gaps between the law and actual practice in business regulation, workers who do not even show up, doctors that do not doctor, teachers who do not teach. This weak implementation capacity affects outputs and outcomes in areas as diverse as public sector budgeting and procurement to justice systems and education. Consequently, as we show below, cross-national measures of state capability in components of "governance" indices show many countries with levels of capability that are both absolutely very low and progressing very slowly.[2] Short-term programmatic efforts to build administrative capability in these countries are thus unlikely to be able to demonstrate actual success, yet billions of dollars continue to be spent on such activities. What techniques enable states to "buy time" to enable reforms to work, to mask non-accomplishment, or to actively resist or deflect the internal and external pressures for improvement? How do donor and recipient countries manage to engage in the logics of "development" for so long and yet consistently acquire so little administrative capability?

We answer these questions in five sections. Following this Introduction, Section II frames the development process as transformation across four dimensions: the polity, the economy, social relations, and public administration. Explicitly eschewing the assumptions and Hegelian teleology of classic modernization theory, our concern, rather, is with enhancing functionality (or performance levels) pragmatically, achieving it via whatever means enjoys domestic political legitimacy and cultural resonance in the contexts wherein such change is being undertaken. We distinguish between institutional form (what institutions "look like") and function (what they actually "do"), and argue that their conflation has been one of the most ubiquitous but pernicious mistakes of development policy over the last sixty years, and is manifest most clearly in widespread implementation failure. The nature and extent of this failure is documented empirically in Section III.

Section IV outlines an explanatory framework comprising *agents*, *organizations* and *systems*, in which systems can create incentives for organizations and agents (leaders and front-line workers) to engage in isomorphic mimicry—that is, adopting the camouflage of organizational forms that are deemed successful elsewhere to hide their actual dysfunction. When isomorphic mimicry is a sustainable, if not optimal, organizational strategy it can result in what we call a "capability trap", in which the appearance of development activity masks the lack of functional development activity. Such a trap emerges when agents of development inadvertently promote and solidify isomorphic mimicry by rewarding organizations that adopt "modern" or "best practice" forms or notional policies, even when these are not followed up by, or are even consistent with, actual functional performance in the context of a given

organization's actual capability for policy implementation. These carbon-copy organizations are then asked to perform tasks that are too complex and too burdensome, too soon and too often, a process we call premature load bearing.

In Section V we conclude by integrating the analytics and the empirics to lay out a research agenda for exploring alternative strategies for unblocking capability traps, and its implications for guiding the actions of development agents and organizations, elements of which are often the very opposite of the current systemic arrangement.

II. What is Development? Four Great Transformations in the Functional Space

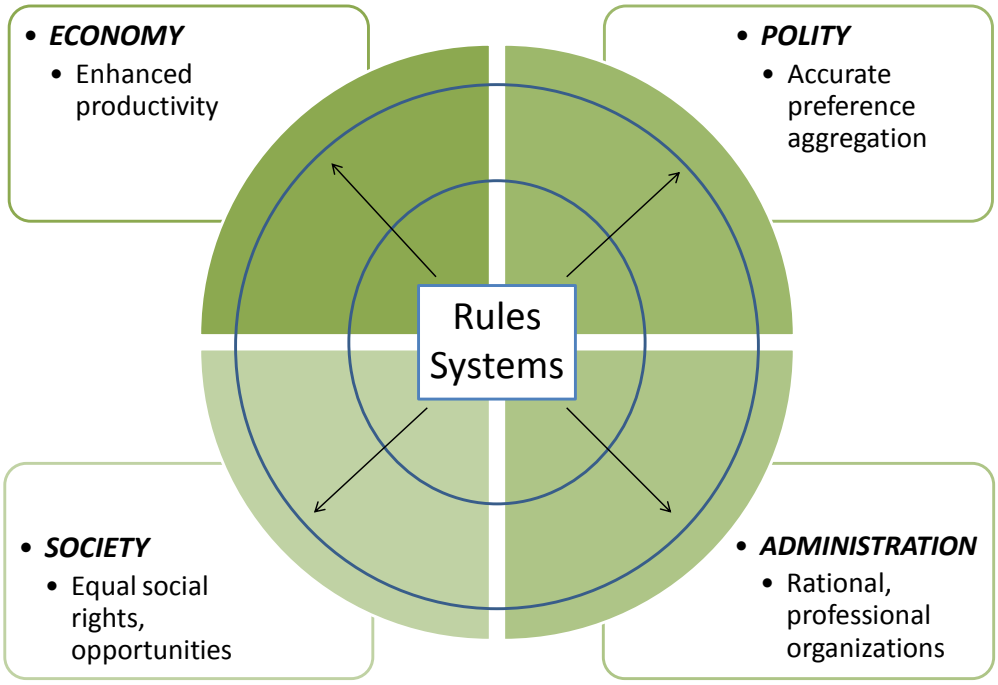
In order to better understand and respond to implementation failure, it is instructive to start with a big-picture summary of what we think most people believe 'development' to be, and on this basis consider the broad avenues of actions pursued to bring it about.

When people speak of the 'development' of societies[3] most people refer, implicitly or explicitly, to a cumulative historical process whereby economies grow through enhanced productivity[4], prevailing political systems represent the aggregate preferences of citizens[5], rights and opportunities are extended to all social groups[6], and organizations function according to meritocratic standards and professional norms (thereby becoming capable of administering larger numbers of more technically and logistically complex tasks).[7] In and through such processes, a given society undergoes a four-fold transformation in its functional capacity to manage its economy, polity, society and public administration, becoming, in time, 'developed' (see Figure 1).[8] When in everyday speech people say that France—as an ontologically distinct category and not merely as an aggregation of the people living in France—is 'more developed' than Congo, or Denmark more developed than Nepal they mean, *inter alia*, that France has undergone more of this four-fold functional transformation than the Congo, and Denmark than Nepal. Policy implementation failures can of course have multiple 'causes'; it is our contention, however, that the modernization of administrative life is a key, but often neglected, aspect of the development process in general and policy implementation in particular, and is thus the primary focus of our analysis in this paper. The overwhelming majority of scholarly and policy attention in development is given to the modernization of the economy, polity and society, and to the ex ante design and ex post evaluation of policies, yet our collective understanding of the administrative dynamics shaping the capability for (and quality of) implementation of these policies is conspicuously thin.

The central premise of the development enterprise is that today's "less" developed countries can, should, and eventually will undergo their own four-fold transformation and thereby become "more" developed. The task of the development project and its promoters (domestic and foreign) is to accelerate this transformation, to 'speed up' a process that, left to its own devices, would occur, but too slowly or haphazardly. Development agencies, for instance, are structured on the premise that how these transformations unfold is known (or at least knowable)—that is, they believe, though they may not explicitly articulate it in such terms, that there is a common underlying structure characterizing these transformations—and that as such their primary objective is to facilitate (via the deployment of their resources and staff through

instruments known as ‘projects’) this ongoing transformational process, the better to bring it about in a faster and/or more equitable manner. As befits a system believed to have oversight over a common underlying structure, professional skills acquired in a given development sector and setting (say, agricultural extension in Pakistan) are non-problematically regarded as being readily transferable to another (social development in Egypt). The common, if completely hidden, foundation to development agents, agencies, and agendas is modernization, which, for lack of anything else, everyone still relies on as bedrock.

Figure 1: Development as a four-fold modernization process



In the last four decades, however, a fundamental paradox has emerged at the heart of development theory and practice. The paradox is that *everyone and no-one believes in modernization*. If everybody (explicitly or implicitly) still believes that development entails the modernization of economic, political, social and administrative life, no-one (for all intents and purposes) now believes modernization *theory*.[9] It was not always thus; what gave modernization theory such widespread potency in its prime in the 1950s and 60s was that both the hard right and hard left believed that history was unfolding according to some inevitable Hegelian teleology, and that the culmination of this process—capitalism (for the right) or communism (for the left)—would be a convergence of institutional forms.[10] Thus the fastest and most expedient route to modernity was to adopt the ‘forms’ of those countries further along this path, and to do so via a ‘great push’. But if asked, few contemporary development practitioners would espouse this view. Development discourse is now replete with anti-modernization-theory aphorisms: ‘one

size doesn't fit all,' 'there are no silver bullets,' 'context matters.' Most development professionals are extraordinarily well traveled and are acutely conscious of, and actively celebrate, cultural difference. Nearly all would agree that low-income countries "should be in the driver's seat" when it comes to determining the content, direction and speed of their development policies, and hence (implicitly) reject modernization theory.

Rejection of modernization theory in principle, however, has not dislodged modernization theory in practice, greatly undermining the coherence of efforts to enhance implementation effectiveness. For present purposes, we contend that the *idea* of development (as a four-fold modernization process of economy, polity, society and administration) and the *business* of development (as a loosely linked movement/industry structured to disseminate standardized solutions) are conjointly underpinned by a theory of change that conspires against serious engagement with complex implementation issues. This theory of change can be fairly characterized as "accelerated modernization via transplanted best practice". In other words, the abiding theory of change that underpins the actions of most large development agencies, national and international, is one that seeks to modernize institutions by intensifying a process of reform via the importing of methods and designs deemed effective elsewhere. Such an approach, we should acknowledge, can be entirely appropriate for those development problems that do indeed have a universal technical solution, where there genuinely is no need to "reinvent the wheel". Effective low-cost vaccines should of course be made available to all; there are only so many tools for combating hyperinflation. For many central aspects of political, administrative and legal reform, however, and for the delivery of key public services—especially health and education, which require enormous numbers of discretionary face-to-face transactions (Pritchett and Woolcock (2004)—reform via cut-and-paste borrowings from a foreign setting is no reform at all. In such instances, much of the wheel must be reinvented, each and every time. For large development agencies, however, organizational imperatives overwhelmingly favor tackling problems, or those aspects of problems, that lend themselves to a technical, universal answer.

Accelerated Modernization is the modus operandi of the dominant paradigm we might call Big Development. For at least the last four decades, however, a counter-narrative has long recognized many of these problems, arguing for similar development objectives but seeking to attain them via alternative modalities.[11] As the most famous expression of this approach puts it, 'small is beautiful': the entry point for effective development should not be grand plans designed by technocrats in capital cities, but local initiatives that tap into context-specific knowledge—what Scott (1998) calls 'metis'—and that work incrementally to improve human welfare. For adherents of (what we might call) Small Development, a core principle is sustainability, the imperative to be able to continue functioning once external support is withdrawn.[12] In principle, Small Development has much to commend it, but in terms of the framework of development outlined above—the four-fold modernization of economic, political, social and administrative life—it is hard to argue that it achieves this. Put differently, for all the many local successes that can doubtless be attributed to Small Development, few have scaled up to effect systemic change. Famous cases such as Grameen Bank, for example, have not fundamentally altered the financial *system* in Bangladesh, even as one can duly recognize the many accomplishments it has achieved for its members (and, by extension, for those people elsewhere in the world who have joined similar programs).[13] (Alternatively, we could note that Grameen Bank achieves what it does precisely because it has figured out, unlike the government, how to run a large, effective and

dispersed—but ultimately very *modern*—administrative apparatus to serve the rural poor.) We stress here that we are broadly supportive of what many of these types of programs are trying to accomplish; for present purposes, however, where our focus in on implementation issues and the emergence of modern institutions, Small Development typically falls short in that its net systemic transformational effects are often, well, small.

Both Big and Small Development, then, can do certain things well, but can also be complicit in long-run development stagnation. Before proceeding further with the analytical framework that underpins our explanation of (and positive response to) implementation failure, it is helpful to ground these discussions in concrete cases and broader empirical evidence documenting the nature and scale of the challenge.[14]

III. Documenting Implementation Failure: Specific and General Evidence

Why do we need a theory of implementation failure? Because although state administrative capacity has expanded in some countries, in many others—in spite of enormous effort and apparent engagement in "reform"—it has not. What does implementation failure look like in practice? Consider these three vignettes.

A) Vignettes of implementation reform in practice

Education in India

In 1996 the Indian activist and economist Jean Dreze led a team of researchers to document the conditions of schools in selected states of India and produced the justly famous Public Report on Basic Education (PROBE), which documented in detail the very sorry state of teaching and learning of government-provided basic education. One of the shocking figures to emerge was that, in the rural areas of the states they surveyed, absences among teachers were a staggering 48 percent. In response, the government of India in 2001 launched the nation-wide *Sarva Shiksha Abhiyan (SSA)* program in which the central government provided support to states to improve the quality of government-produced primary education.

Drawing on the government's previous experiences with education initiatives and world-wide experts, the SSA expanded budgets for schools, infrastructure improvements, teacher hiring, teacher training and an array of other pedagogical improvements. As enrollments rates increased and many of the quantitative indicators of schooling improved, many regarded SSA as a major success. In 2008 PROBE went back into the field. They did find higher enrollments and many instances of better physical conditions. Their (still very preliminary) finding on teachers absence rates: 48 percent. Tracking the learning achievement nation-wide, district by district, the ASER exercise has found no systematic increases in the actual basic literacy and mathematics competencies children possess (ASER 2010).

Public Financial Management in Mozambique

Mozambique emerged from conflict nearly two decades ago, and has effected far-reaching changes to its governance systems ever since. The country's progress is impressive, reflected in

multiple peaceful elections and transitions in top leadership, for example, and reforms to public financial management (PFM) processes that have resulted in a system which compares favorably with African peers. Mozambique's PFM system comes out as stronger than all African countries apart from South Africa and Mauritius when assessed using the donor-defined criteria of good PFM, the Public Expenditure and Financial Accountability (PEFA) assessment framework (Andrews 2009). It has revised PFM laws and introduced a state-of-the art information system, e-sistafe, through which money now flows more efficiently than ever before.

But there are some problems, as reflected in the PEFA measures and in self-assessments by government officials. Budget processes are strong and budget documents are exemplary, but execution largely remains a black box. Information about execution risks is poor, with deficiencies in internal controls and internal audit and in-year monitoring systems, and weak or unheard of reporting from service delivery units and the politically powerful, high-spending state owned enterprises. Perhaps unsurprisingly, there are many questions about the extent and quality of implementation of the new laws and systems, and of what really happens in the day-to-day functionality in the PFM system. The questions emerge most clearly when considering that PEFA indicators reflecting *de jure* changes in form average a B while PEFA dimensions reflecting *de facto* implementation and functional adjustment average a C. When asked about this, officials in line ministries, departments and agencies note that the new laws and systems are part of the problem. They may look impressive, but are often poorly fitted to the needs of those using them, requiring management capacities they do not have, institutionalizing organizational scripts and allocation modalities that reflect international best practice but not political and organizational realities on the ground. These officials note that they were never asked about the kind of system they needed, and while recognizing the impressive nature of the new PFM system they lament the missed opportunity to craft a system that works to solve their specific needs (Andrews, Grinsted, Nucifora and Selligman 2010).

Legal Reform in Melanesia

Practitioners and scholars alike have long recognized that 'building the rule of law' is a key development objective. After all, as we noted above, a defining feature of modern systems is that authority, trade and service delivery are mediated not by the whims of powerful individuals, the obligations of kinship or the dictates of custom but impartially enforced, universal rules. During the colonial period and thereafter, strategies to enhance the quality of legal systems in developing countries—manifest most prominently in the 'law and development' movement—overtly adopted a strategy of accelerated modernization: if modern (Western) legal systems were characterized by certain structural features, then the optimal development approach in low-income nations was to simply introduce those features. This was certainly the experience in the various countries of Melanesia, where "[i]n the decades before independence, systems of 'native administration' began to be replaced by centralized bureaucratic forms of governance. Standardised Western models of justice, administration and representation were imported for this purpose" (Dinnen, Porter and Sage 2010: 3).

To their credit, the early champions of the law and development movement publically conceded that their efforts had fallen far short of expectations (Trubeck and Galanter 1974). A parade of writers since then have also stressed that accelerated modernization is an entirely inappropriate strategy for building legitimate, effective legal systems (e.g., Haggard et al 2008). Yet the imperatives to continue adopting this approach are resilient, powerful and ubiquitous.

For example, in the Solomon Islands, which continues to recover from a violent series of 'tensions' in the early 2000s, the showcase products of a major international assistance mission to restore security and justice are a state-of-the-art jail and courthouse, both costing millions of dollars; unfortunately, however, the courthouse has been used twice in its first year and the jail has but a handful of inmates, while a backlog of 800 cases only rises, magistrates visit infrequently and officials are paid as funds are available. These new facilities unambiguously look like a modern rule-of-law system; regrettably, they have done little to enhance the functionality of the actual justice system. They absorb financial resources and professional expertise in seemingly laudable, measurable, attractive ways, but barely engage in any substantive sense with the prevailing justice problems that most Solomon Islanders encounter most of the time.

What do these three cases in three different countries in three different sectors have in common? First, they all deal with functions widely regarded as core government responsibilities: governments must assume responsibility for basic education, governments must control their budgets and expenditures, governments must sustain systems of justice and security; there is no debate about whether governments have responsibilities for these tasks.[15] Second, they are activities in which success in reaching objectives requires not just "good policy" but also transaction intensive policy *implementation*: student learning at a national scale requires millions of effective learner-teacher experiences every day; budgetary systems must handle millions of individual transactions; disputes over land and inheritance must be adjudicated between parties with contrasting claims and sources of evidence. Third, they are all examples of attempts at promoting development through "accelerated modernization through transplanted best practice" which is the *de facto*, if not consciously articulated, mainstream strategy of governments, international organizations (e.g., the UN) and all major external assistance agencies (both bilateral and multi-lateral).[16]

B) Cross-national data

But of course these are just three vignettes, drawn from examples with which the authors have deep familiarity. In companion pieces to the present work (Andrews, Pritchett, and Woolcock 2010, Pritchett and de Weijer 2010) we analyze the available cross-national data on *functional* state capability (not economic progress, not polity, not social or human development indicators) from four different sources. We avoid indicators that build into their measure of performance a particular view about the "right" policy or which are based on norms about desirable *forms* of government, but rather focus on subjectively assessed performance of overall state capability. The difficulty is to argue for a capability "trap" which is explicitly about dynamics when reliable time series on indicators are scarce. We address this challenge by using two different methods.

First, we use three cross national indicators of measures of state capability in 2008. One is the 2008 value of the Kaufmann, Kraay, and Mastruzzi (2009) indicator of "Government Effectivenesss" from the World Governance Indicators published by the World Bank. A second is the component of the Bertelsmann Transformation Index that measures a government's "Resource Efficiency" which is intended not as whether a government is pursuing the "right"

policies but by their efficacy in implementation. Finally, from the Failed State Index we use just the indicator for "progressive deterioration in public services" as a measure of state capability.

For each of those three indicators we calculate the implied *maximum* the long-run rate of progress in state capability could have been since a given country's political independence simply by calculating the current gap between the country's measure of state capability and no state capability, and then dividing by the number of years since independence. This calculation just relies on the notion that the current level is the result of the entire historical process and, while the pace could have been positive and then negative or very fast then very slow, the *average* rate of the change of the entire period cannot have been faster than the rate that took them from zero to the level they have today (it might have been slower if they began at independence with state capability but since we are arguing that this pace is slow, our calculation biases the rates against our argument). We then calculate how long at that annual pace it would take for the country to reach the level of state capability of Singapore. This makes the different indicators comparable as we make each scale into Singapore to Somalia units as it does not matter whether original rankings were 0 to 1 or 1 to 6 or 1 to 100.[17]

Table 1 illustrates what a "capability trap" means—that at their average historical pace it would take hundreds, if not thousands, of years for the currently low capability countries to reach high capability. For the average of the countries in 2008 in the bottom 15 it would take 672 years. That's a long time. For the countries just above those, ranked 15th to 30th, it would take over 209 years at their historical pace—roughly since US independence—to reach the capability of Singapore. While this is perhaps not complete stagnation, neither it is what anyone imagined as "accelerated" modernization.

{Table 1 about here}

The second method to illustrate a capability trap is to use time series data of measures of state capability to assess how long, at the recently observed pace, it would take countries to reach high state capability. We use the International Country Risk Guide (ICRG) indicators of "bureaucratic quality" and "corruption" as indicators of state capability. This data is much clearer about "capability traps" in general because the *median* rate of country improvement for both indicators is *zero*. Table 2 shows the time it would take for the bottom 30 countries to reach Singapore's level of measured bureaucratic quality or lack of corruption at either the countries own measured pace of change or at the country average pace of change. If anything these numbers are more striking as nearly all of the bottom 30 countries have had *negative* rates of change of bureaucratic quality and corruption over this whole period and hence the estimated time is *infinity* (it takes forever to get somewhere if you go in the opposite direction). But even if the bottom thirty countries by current bureaucratic quality were to improve to the *average* pace of improvement in the countries measured, it would still take hundreds of years (since these numbers are discrete the numbers are "lumpy"). Since with corruption the *average* pace is negative it would take forever at that pace for all countries.

{Table 2 about here}

By both of these measures we show that many countries are in what we call a *capability trap*—they have a negative or near zero rate of improvement in state capability such that, if they persisted at only their current pace of progress it would take a very, very, long time for them to reach high levels of capability.

Table 1: Years that it would take selected countries to reach high state capability (Singapore's current level) at their estimated rate of progress since political independence

Countries:	KKM government effectiveness	Bertelsmann Transformation Index: Resource Efficiency	Failed State Index: Progressive deterioration of public services	Average of the three
Average bottom 15 countries in the average of the three indicators	325	488	1204	672
Average of the countries ranked 15th to 30th	140	181	305	209
Selected countries				
Afghanistan	834	1501	1931	1,422
Pakistan	112	104	153	123
Nepal	159	170	201	177
Haiti	640	583	4080	1,768
Bolivia	357	364	513	411
Nicaragua	384	183	510	359
Cambodia	108	193	176	159
Myanmar	302	750	500	517
Nigeria	111	82	400	198
Cote d'Ivoire	168	600	164	311
Sierra Leone	124	134	282	180

Source: Authors' calculations.

Table 2: Years for country to achieve high bureaucratic quality or low corruption (Singapore's level) at either their own observed rate of progress since 1985 or at the average pace of all countries					
Bureaucratic Quality			Lack of Corruption		
Worst 30 countries in current level	At own past pace (if negative then infinity)	At the average pace of improvement for all countries, 1985-2009	Worst 30 countries in current level	At own past pace (if negative then infinity)	At the average pace of improvement for all countries, 1985-2009
Cote D'Ivoire	Infinity	503	Zimbabwe	Infinity	Infinity
North Korea	Infinity	503	Kenya	Infinity	Infinity
Sierra Leone	Infinity	503	North Korea	Infinity	Infinity
Somalia	Infinity	503	Somalia	Infinity	Infinity
Togo	Infinity	503	Lebanon	Infinity	Infinity
Zaire	Infinity	503	Papua New Guinea	Infinity	Infinity
Haiti	Infinity	503	Venezuela	Infinity	Infinity
Liberia	Infinity	503	Sudan	Infinity	Infinity
Mali	Infinity	503	Paraguay	Infinity	Infinity
Russia	Infinity	377	Haiti	84	Infinity
Yemen	Infinity	377	DRC	65	Infinity
Burkina Faso	Infinity	377	Iraq	Infinity	Infinity
	Infinity	377	Albania	Infinity	Infinity
Madagascar	Infinity	377	Algeria	Infinity	Infinity
Mozambique	Infinity	377	Malawi	Infinity	Infinity
Senegal	Infinity	377	Niger	Infinity	Infinity
Venezuela	Infinity	377	Libya	Infinity	Infinity
Congo	Infinity	377	Ghana	Infinity	Infinity
Libya	Infinity	377	Jamaica	Infinity	Infinity
Nigeria	Infinity	377	Myanmar	Infinity	Infinity
Nicaragua	Infinity	377	Nigeria	Infinity	Infinity
Zambia	Infinity	377	Togo	Infinity	Infinity
Myanmar	72	377	Sierra Leone	Infinity	Infinity
Paraguay	72	377	Costa Rica	Infinity	Infinity
Romania	72	377	Russia	Infinity	Infinity
Sudan	72	377	Mongolia	Infinity	Infinity
Tanzania	72	377	Burkina Faso	Infinity	Infinity
Gabon	Infinity	377	Bulgaria	Infinity	Infinity
Cameroon	Infinity	314	Mozambique	Infinity	Infinity
Niger	Infinity	314	Greece	Infinity	Infinity
Zimbabwe	Infinity	314	Yemen	Infinity	Infinity
Source: Authors' calculations with PRS ICRG data. The "bottom 30" include countries' ties.					

IV. How Do Capability Traps Emerge and Endure? A Framework

To better understand and respond to this "capability trap"—countries progressing at a very slow pace in the expansion of state capability even in the contemporary world—we need better conceptual models. That is, it is obvious that the development of high levels of state capability we observe today in the rich countries took millennia to evolve, and there are major debates about the factors that initiated this sustained rise (e.g., Tilly 1990, Bayly 2004, Fukuyama 2011). But development thinking, following modernization theory, believed that once initiated and demonstrated as a possibility, high capability states would inevitably diffuse to all countries. Moreover, many countries are in capability trap in spite of both self-conscious efforts to accelerate modernization by domestic actors and wide scale (if not large) external assistance promoting development.

How do countries remain mired in a capability trap? While there are obviously many deep, structural and inter-related *causes* (political, social, economic) of *why* countries fail, we are interested in *how* countries fail—that is, in the techniques that allow and facilitate state failure in a "modern" world, including a modern world in which many agencies promote the expansion of state capability. One technique that facilitates persistent failure, we argue, is "isomorphic mimicry": the ability of organizations to sustain legitimacy through the imitation of the forms of modern institutions but without functionality.[18] Another is that external engagement can actively hinder the emergence of domestic, organically-evolved functional organizations by, paradoxically, pushing too hard too soon, thereby creating a situation we call *pre-mature load bearing* in which stresses exceed capability. To account for these factors, we need a basic theoretical framework.

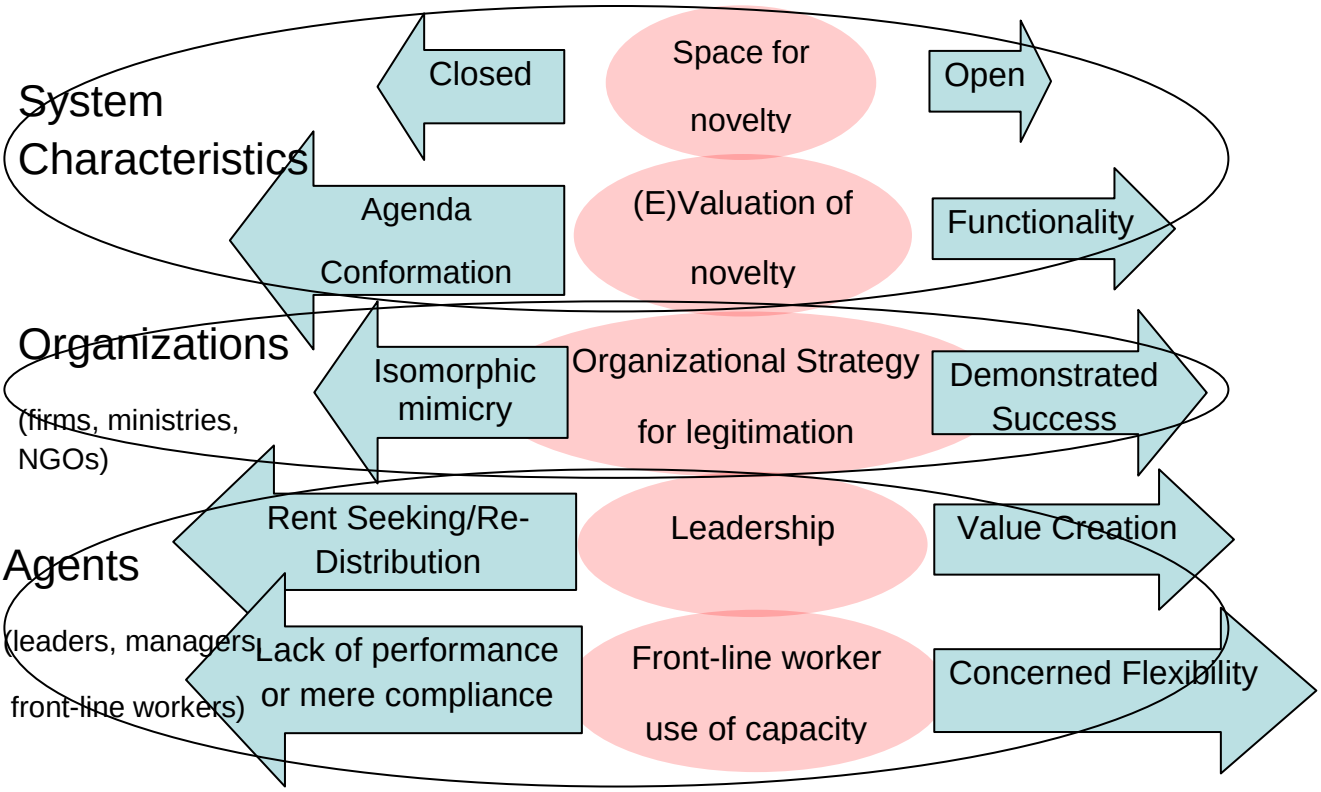
A. Agents, Organizations, Systems: A Framework of Isomorphic Mimicry

The dynamics of enacting a given project or policy can be construed as occurring within an ecological space comprising three constituent elements: agents (leaders, managers and front-line staff); organizations (firms, NGOs, line ministries); and systems (the broader administrative and political apparatus under whose jurisdiction the activity falls) (Figure 2).

Such an ecological space is not static, but rather one that must engage with multiple, ongoing tensions (imperatives and incentives) that characterize this space and that either reward or inhibit innovation. Front-line workers, for example, have certain levels of training and experience ("capacity"), but their professional energy can be expended in a range of activities from malfeasance to mere compliance with rules to working within the spirit of the rules to customize responses to the particular needs of clients. Similarly, the managers of front-line workers ("leaders") can use the resources and rents over which they have responsibility to further their own purposes ("elite capture") or to enhance broader wealth creation. For development to occur it is clearly preferable that such agents pursue the latter alternatives, but whether or not they do so is less a function of their individual talents and proclivities than the incentives they face and normative expectations that characterize their work environment.

Agents work within organizations: governmental line ministries, parastatal organizations, NGOs, firms or international agencies. These organizations have actual or inferred administrative mandates to address particular sectoral issues, but the legitimacy of their actions—which often entail making hard trade-offs, bearing responsibility for controversial outcomes and continuing to function in difficult, uncertain or under-resourced circumstances—rests on two primary sources: (i) demonstrated accomplishment (credibility and confidence is earned through providing services in a minimally effective and equitable manner) and/or (ii) appeal to external policies and programs that have been deemed to work elsewhere ("we can legitimately perform this complex task in this way in this place because it seems to have achieved the desired result 'over there'; moreover, these international experts have even declared it a 'global best practice'").

Figure 2: Constituent Elements of an Ecology of Implementation



The actions of agents are fundamentally concerned with upholding the legitimacy of their organization, but it is thus crucial which form this legitimacy—demonstrated accomplishment or mimicry—takes. If their organization's legitimacy stems from accomplishment, agents will face incentives that reward innovation and 'bureaucratic entrepreneurial' behavior; if from mimicry, they will just follow the rules, even more so as conditions deteriorate and uncertainty rises. All this, of course, raises the question of the conditions under which a given organization's

legitimacy stems from accomplishment or mimicry. Our framework points to broader system characteristics, in particular the proclivity of the system to require, recognize and reward novelty.[19]

In a canonical open market system, for example, effective regulation and the quest for profit maximization does all three: it requires novelty (to develop superior products and services); it recognizes novelty (i.e., is able to distinguish genuine from trivial innovation); and it rewards it (via compensation, prestige, promotion). Under the worst forms of socialism, at the other extreme, novelty was actively suppressed, with constituent organizations and agents acting almost entirely to uphold rules (at best), and dealing with contingencies by creating yet more rules.[20] Agents pretended to work and organizations pretended to pay them because that is what the system's characteristics decreed. It could perform certain tasks for a short time period, but was utterly inflexible.

Understood as a process of sustaining processes of genuine innovation, development is about moving the ecological equilibrium from the left to the right in Figure 2. Put differently, 'modernization' that works is an ongoing process of discovering and encouraging which of the diverse context-specific institutional *forms* will lead to higher *functionality*. Characteristically, however, responses to project/policy failure (or explanations of success, for that matter) focus only on individual elements of this ecology (capacity building for front-line staff, concern that 'best practices' are not being followed, etc) that are 'legible' to and actionable by external actors; we argue that it is the broader fitness environment of this ecology for its constituent elements that primarily shapes observed outcomes.

Some clarifications

Some key clarifications are in order before proceeding further. First, in expressing deep concerns about the dangers of isomorphic mimicry (or what Evans 2004 calls "institutional monocropping") and its associated quest for 'global best practice' solutions to development problems, we stress again that certain *types* of problems can and should be addressed in this manner. If a cure for cancer or a low-cost procedure for desalinating water is ever invented, the more rapidly it can be made available to everyone, the better. Our concern, building on an earlier formulation (Pritchett and Woolcock 2004), is that for certain development problems the quest for *the* solution is itself the problem, and this is especially so in matters pertaining to political, legal and organizational reform, where combinations of high discretionary decision-making and numerous face-to-face transactions are required to craft supportable solutions (plural).

Second, in stressing the virtues of ecological learning and of encouraging multiple paths to high institutional performance, we are pushing back against—though not failing to appreciate the importance of—the Weberian ideal of a professionalized bureaucracy as the preferred mode of delivering core services. If Weberian organizations underpin modern economic and political life in high-income countries, isn't this the goal to which low-income countries should aspire, and move as quickly as possible? If we know what effective organizations look like—if they constitute, in effect, a 'global best practice'—isn't it just efficient, even ethically desirable, to introduce them as soon as possible? Has anyone actually 'developed' without them?

Our response to these concerns takes several forms. For starters, appearances can be deceiving. The education system in the Netherlands, for example, produces students who

perform at (or slightly above) the OECD average, and from a distance the structure that presides over this may appear 'Weberian'. Closer scrutiny, however, reveals a system that is in many respects qualitatively different to its counterparts elsewhere in Europe and North America, in that it essentially funds students to attend a school of their choosing. That is, Dutch education is not a large, centralized, service-providing line ministry as it is elsewhere in the OECD, but rather a flat organizational structure that funds a highly decentralized ecology of different educational organizations. For present purposes we make no normative judgment as to which system is 'better'; our key point is that high standards of education demonstrably can be attained by a system that varies significantly from the canonical Weberian ideal.[21] A similar argument emerges from a close examination of countries with high 'governance' scores (Andrews 2008). Far from having identical Weberian characteristics, the administrative structures that underpin such countries instead exhibit an extraordinary variety of organization forms, some of them classically Weberian but many of them significantly different (e.g., the relationship between banks and states in Japan versus the United Kingdom). Again, we make this point not to attack Weberian structures per se or to axiomatically celebrate alternatives, but rather to stress that the Weberian ideal isn't inherently the gold standard to which everyone should aspire and against which alternatives should be assessed. In short, a variety of organizational forms can deliver similar institutional performance levels, just as identical organizational forms (as in the colonial period) can give rise to diverse performance levels. Finally, even in the most celebrated cases of Weberian effectiveness, such as Japan's Ministry of International Trade and Industry (MITI) (Johnson 1982), it is not clear that its effectiveness was achieved because of, or in spite of, its 'Weberian-ness'.

The more vexing questions which our framework must confront center on strategies for recognizing and rewarding innovation in organizations that have a 'natural' monopoly (for whatever reason). There should only be one police force, for example, so pressures that may facilitate innovation in competitive markets cannot really be harnessed; we don't want rival police forces. Similarly, for relatively routine (though clearly important) activities such as issuing drivers licenses, there is likely to be a clear limit to how much innovation is actually desirable or possible. If the prevailing system works reasonably well, only the most marginal improvements need be sought. Another set of issues turn on the question of how to overcome the classic 'Peter Principle' problem: if organizations are inherently dysfunctional because (a) everyone rises to their level of incompetence and (b) promotion turns on achieving yesterday's core objectives rather than envisioning and realizing tomorrow's innovation, how can this logic be broken?

Finally, our framework must illuminate how genuinely useful innovative can be more reliably distinguished in real time from innovation for its own sake or from merely imitating "best practice." Personal computers, for example, completely altered the world of computing, replacing mainframes as the dominant way in which everyday computing was conducted. At the time (1980s) it was obvious that PCs were a decidedly inferior technology to the existing mainframes. As Christensen (1997) details, PCs were a *disruptive* innovation in that they were an inferior technology—one that was dismissed by engineers at the "best" firms as a mere toy for hobbyists. But as the PC came to meet the actual functional objectives of the mass of users better than mainframes it was the "excellent" firms that were left by the wayside. Had the profession of computer engineering itself been in a position of choosing innovation, the PC could have never emerged—but markets had a space for novelty and a way of evaluating novelty so that

consumers could vote with their keyboards (and dollars) for the new. Within development agencies, one hears frequent reference to the quest for "cutting edge thinking" and the importance of taking "innovative approaches", but how can such agencies enhance the likelihood that PCs, rather than just new-and-improved mainframes, will emerge?

B. Responses to Ecological Failure

Providing answers to these questions requires an examination of how responses to failure, as and when it occurs, are pursued within the prevailing development architecture. When policies or programs fail because of implementation failure, there are many good bad response options:

(a) Adopt a "better" policy. One obvious response to failure is to assume that the reason for failure was that the policy, even if it had been faithfully implemented, would not have accomplished the objective anyway and hence failure requires a new policy. However, even if the new policy is *demonstrably* better—in the sense that when implemented it leads to better outcomes—if it is equally (or more) organizationally stress-inducing in implementation, this will lead, after a number of intervening years, to further failure.

(b) Engage in "capacity building". One attractive and obvious response to policy implementation failure is to assume that the problem was that the individual implementing agents lacked "capacity", in the sense that they could not have implemented the policy even had they wanted to. This is nearly always plausible, as policy implementation requires agents to successfully recognize states of the world and know what to do in each instance (e.g., a nurse mandated to do community nutrition outreach has to be able to recognize a variety of symptoms and know which to treat, which to inform parents about how they should respond, which to refer, etc). What could be a more obvious response of public sector failure in sector X (health, education, procurement, policing, regulation, justice) than to "train" health workers, teachers, procurement officers, policemen, regulators, lawyers—particularly as it will be demonstrably the case that "ideal capability" (i.e., the organizational capability if all individuals worked to capacity) is low?[22] However, if the organization is under excessive stress due to the attempt to implement over-ambitious policies, the achievable increments to ideal capability may neither (i) augment the "robustness" of the organization and hence be irrelevant in practice, nor (ii) shift the entire capacity frontier outward far enough to actually avoid the low level equilibrium. (In Figure 2 even substantial outward shifts in the "low" capability case would still lead to the equilibrium of zero implementation.)

(c) Cocoon particular projects/programs/sectors. Another reaction to implementation failure, particularly when external assistance agencies (whether donors or NGOs) are involved, is to ensure "their" project succeeds in a low capability environment by creating parallel systems. These parallel systems come in many varieties, from project implementation units to "bottom up" channels in which funds are channeled directly to "communities." The common difficulty with cocooning is that there is often no coherent plan as to how the cocooned success will scale to become (or replace) the routine practice. In fact, the cocooned implementation modes are often so resource intensive (in either scarce human capital resources "donated" by NGOs or financial resources) that they are not scalable. Again, cocooning is a valuable technique of persistent failure as one can have long strings of demonstrably successful projects while a sector itself never improves.

(d) Throw more resources into it. It is easy to see how 'isomorphic mimicry" and premature load bearing make a powerful partnership. When governments are carrying out necessary and desirable goals (e.g., building roads, educating children, maintaining law and order) *and* are doing so by pursuing demonstrably successful policies (that is, policies whose effectiveness as a mapping from inputs to outcomes has been shown to achieve results when implemented) *and* are doing so through isomorphic organizational structures (e.g., police forces or education ministries whose organizational charts and *de jure* operational manuals are identical to those in functional countries) then doubling down the bet seems the only viable strategy. After all, this is *known* to work: it works in Denmark. Because most places with low state capability also have low productivity and hence governments are working with few resources, it is hard to not believe that simply applying more resources to achieve good goals by implementing good policies through good organizations is not the obvious, if not only, strategy.

Not only are there many good bad response options but some potentially good options are bad options, on the part of both clients and donors.[23]

- Scaling policies to the available implementation capability is often professionally and normatively unattractive.

- Expanding capability in ways that are perhaps more "robust" but which do not expand the "ideal" are often decidedly unattractive to development actors who prefer options that are "modern" and technically state-of-the-art.

- Attacking organizational failure is unattractive, as once an organization's goals have been inverted to rent collection these are often subsequently capitalized into the political system in ways that eliminate potential constituencies for organizational "reform."

As techniques that can both produce and allow persistent failure, the dangers of "isomorphic mimicry" and "premature load bearing" are pervasive precisely because they are attractive to domestic reformers. But paradoxically, external agents, whose presence is justified by the need to promote (and fund) progress, also play a strong role in generating and sustaining failure. Development agencies, both multi-lateral and bi-lateral, have very strong proclivities towards promoting isomorphic mimicry—e.g., encouraging governments to adopt the right policies and organization charts and to pursue "best practice" reforms—without actually creating the conditions in which true novelty can emerge, be evaluated, and scaled. It is much more attractive for donors to measure their success as either inputs provided, training sessions held, or "reforms" undertaken and in process-compliance in project implementation; all of these are laudable activities that can be readily justified and attractively presented at year's end, yet can lead to zero actual improvement in a system's demonstrated performance.

C. Alternatives

Even so, more and more people now recognize that the problem of aid effectiveness is not a problem that can be solved without a new "theory of change." One such example is a new form of foreign aid, "Cash on Delivery" (Birdsall and Savedoff 2010), in which, instead of donors delivering inputs into pre-specified projects in accordance with predetermined 'conditions', donors and countries would agree on a set of performance targets; countries would then be allowed to pursue the target in any way they chose, with financial support following demonstrated success (and verification by a third party). This is a bold attempt to stand isomorphic mimicry on its head. In order to implement COD aid there has to be a goal, and progress against the goal has to be measured *at the system level* (not just "evaluating" the project). This already is a huge improvement over a great deal of external assistance, as it pushes the system away from isomorphic mimicry towards the conditions in which innovation, including "disruptive" innovation, is possible. While the current fad in development projects is towards more rigorous measurement of project outputs and rigorous output evaluation of the project itself, there is no attention to creating an *overall* measure of progress against which all novelty can be assessed, and hence no positive theory of how this information about project performance would lead organizations to adopt new ideas at scale.[24] It remains to be seen whether COD aid can overcome the organizational risk aversion of external actors who prefer to disburse against "best practice" rather than risk being perceived as having supported failure.

V. Conclusion

There are multiple dimensions to "development", one of which is the acquisition of administrative capability, which in the standard characterization of the modernization process is the acquisition of state capability. As documented above, however, even at the most optimistically estimated long-run pace, many countries will take centuries (if not millennia) to teach high levels of state capability. Our concern in this paper has been with explaining how (as opposed to why) developing countries and international agencies sustain a dynamic enabling both parties to engage in the business of reform while rarely actually achieving it. How do governments manage to persistently fail to acquire the capability to implement while at the same time engage for decades in the domestic and international logics of development and its rhetoric of "progress"?

We propose two techniques that enable countries to succeed at failing. The first technique is *isomorphic mimicry*, which allows organizations (and states) to maintain legitimacy by adopting the forms of successful organizations and states even without their functions. Societal structures and institutional imperatives can create an ecosystem in which isomorphic mimicry is actually the optimal strategy for state organizations and, by extension, their leaders and managers. The second technique is *premature load bearing*, which allows failure to exist while creating the illusion of implementing developmental policies; it proves a robust technique of failure by providing many seemingly attractive options that nonetheless allow failure to continue.

This analysis gives rise to a policy research agenda focused on better understanding the conditions under which political space is created for nurturing the endogenous learning and indigenous debate necessary to create context-specific institutions and incremental reform processes.[25] For development agencies, particularly external agencies, the key questions should

focus on how they can facilitate such processes, and resist their own internal imperatives to perpetuate isomorphic mimicry in those sectors (especially political and legal reform) where imported 'blueprints' are themselves too often part of the problem. More generally, a key challenge emerging from this analysis is how partnerships between international and domestic agencies can set and support—and meaningfully assess progress towards—realistic expectations regarding overall organizational performance. If the goal of development is ultimately one of building institutional (and especially state) capability, and of facilitating ecological-level learning, then the key issue for researchers is less discovering which individual development projects "work" (as important as this is on its own terms) and more one of contributing to an alternative theory of change, one that forges a 'middle way' between the virtues and limits of both Big and Small Development—that is, supports the emergence of platforms (such as 'Cash on Delivery' Aid) that are simultaneously capable of effecting systemic change, at scale, while retaining flexibility and adaptability in the face of contextual idiosyncrasies and in response to local accountability norms.

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[2] See also Pritchett, Woolcock and Andrews (2010), Pritchett and de Weijer (2010), and the broader discussion in World Bank (2011).

[3] There is a fundamental distinction between "development" as the improved well-being of the individuals in a given society and "development" as a process affecting "societies" and/or nation-states. Debates abound about the appropriate normative criteria to be used in evaluating the well-being of individuals (e.g., the role of individual income versus other sources of well-being or philosophical debates about individual utility versus broader metrics), and hence how one should assess the well-being of the citizens/residents of a given region. But this is ontologically distinct from the notion of "development" in which the entity experiencing the development is not an individual but instead a society. Normatively, one may wish to only privilege one—perhaps human development—and evaluate social development only as an "input" to expanded human development, but they are nevertheless conceptually different uses of the term "development."

[4] The classic definition here is that of Simon Kuznets (1966), who argued that modern economic growth was a product of enhanced productivity (as opposed to, say, rents from natural resource extraction). Thus even though Slovenia and Saudi Arabia have roughly comparable levels of per capita wealth, in the former it is a product of modern economic growth ('development') whereas in the latter it is merely a result of exporting oil.

[5] Note that this may or may not manifest itself in a democracy. For our purposes, *modern* polities are polities that reflect the aggregate preferences of the population (whatever those preferences happen to be).

[6] That is, rights and opportunities are incrementally afforded to people irrespective of their race, health status, ethnicity, gender, religion or other social/demographic category. Thus Saudi Arabia and Indonesia, both predominantly Islamic counties, differ with respect to how modern their views are regarding the status of women. See also Bayly (2011: 51), who forcefully argues that "[f]or development to occur people need to have the belief that they can succeed and that their own societies are essentially benign."

[7] So understood, most of the vociferous critics of 'development' raise objections to the *means* by which (and/or through whom) it is brought about, not the *ends* as articulated here. Even when criticizing a focus on economic growth, most such critics are not calling for a return to a pre-industrial economy or pre-modern health care.

[8] As Figure 1 imperfectly shows, an additional feature of modernity is that it 'separates' these four realms into discrete entities, requiring people to move between qualitatively different roles as (say) consumer, citizen, employee and parishioner. This was the essence of Karl Polanyi's (1944) classis thesis on the 'great transformation', in which he argued that, as a result of the development process, "the economy" became increasingly dis-embedded from

"society" and both thereby became subject to a different set of logics, rules, expectations and power relations. In those countries or communities at the center of Figure 1 these four realms remain essentially one and the same: religious, political, judicial, commercial and civic leadership, for example, is exercised as a single entity. A defining feature of modernity, on the other hand, is the *separation* of church and state, the *separation* of powers, of science and religion, of media and state (a 'free press'), of knowledge into professional 'disciplines', etc., a process that has usually been accompanied by great conflict.

[9] The enduring power and resonance of Scott (1998) resides in large part on his documenting of how fully, in the middle decades of the twentieth century, both the political left/right and the global north/south bought into bureaucratic high-modernism as the preferred "scheme" for "improving the human condition".

[10] Hence Frances Fukuyama could declare the "end of history" in 1989 because, with the collapse of Communism as a viable alternative economic system and the triumph of (big D) Democracy as a political system, history had fulfilled its teleological objectives of converging into the peak forms; all that was left was a bit of little h historical tidying up not worthy of a big H transformational effort.

[11] See Cowen and Shenton (1996) for a broader discussion on the various 'doctrines of development' that have influenced policy and practice.

[12] On the ubiquity of the 'sustainability doctrine' see Swidler and Watkins (2009).

[13] In this regard Bangladesh is actually an unusual but instructive case in the developing world, since the sheer number of Small Development actors (i.e., NGOs) in the context of a highly fragmented and compromised state, means that they comprise, in effect, the primary service delivery vehicle for the rural poor. The long-run (big D) *development* objective, however, must be to facilitate the emergence of a modern polity and administrative state apparatus capable of delivering on what is its clear mandate.

[14] Our approach throughout this paper is in the spirit of several parallel efforts stressing the importance of local innovation and context specificity is the design of effective organizations for development. See, among others, Rondinelli (1993) on 'projects as policy experiments', Grindle (2004, 2010) on 'good enough governance', van de Walle (2007) on 'paths from neo-patrimonialism', Rodrik (2008) on 'second-best institutions', Adler, Sage and Woolcock (2009) on the importance of 'good struggles' for political and legal reform, and Levy and Fukuyama (2010) on 'just enough governance'.

[15] Governments, of course, do not necessarily have to *provide* education (or health care or energy), but in virtually all countries they are ultimately responsible for it assuring its provision at some minimal and coherent standard.

[16] We are of course keenly aware that key development indicators such as life expectancy, years of schooling and income have risen at historically unprecedented rates for many people in many poor countries (see Kenny 2011). Our concern here is with those intentional programmatic efforts to enhance human welfare that have clearly and repeatedly failed (in the manner of Scott 1998).

[17] To illustrate the simple calculation, take Myanmar. On the "Government Effectiveness" scale normed so that Somalia is a 1 (the minimum) and Singapore is a 10 (the maximum) Myanmar is rated a 2.5 so the total progress since independence in 1948 is (2.5-1) = 1.5 in sixty years for an annualized rate of 1.5/60=.025 units per year. Since its current deficit from Singapore is 10-2.5=7.5 it would take 7.5/.025=300 years to reach Singapore at that pace.

[18] This concept and term draws on scholarship from the sociology of organizations, which describes isomorphic mimicry as an organizational strategy and discuss the types of mimicry—mimetic, normative, and coercive—each of which is in play in development. The classic references are DiMaggio and Powell (1983) and Powell and DiMaggio (1991), with an ever-mounting body of evidence and theory accumulating since (e.g., Mahoney and Thelen 2010).

[19] This discussion of "novelty" and its evaluation draws again on sociologists of organization who discuss how organizations (as a particular system itself) balance the need for "confirmatory" signals to generate organizational coherence and order with the need for "novelty" and means of evaluating novelty (see Carlile and Lakhani 2007).

[20] This contrast is merely illustrative; for present purposes (and as we qualify in more detail below) we are *not* brazenly claiming that all development systems would work better if only they adopted market principles. The point is that system characteristics, of all kinds, shape the actions of organizations and agents.

[21] How such a system emerged historically is crucial to understanding whether and how it can be adopted elsewhere. As such, even if the Dutch education *system* produced the highest achieving students in the world, it is far from clear that Chad and Uruguay could emulate it by importing its constituent *organizational structures*. We recognize, however, that a state may have capability requirements that are adequate for one challenge but inadequate for another.

[22] Moreover, as the development saying goes, "A project that gives a man a fish feeds him for a day, but a project to teach a man to fish lets you give your friend the technical assistance contract."

[23] In separate work, Pritchett (2011) documents empirical instances of complete (and persistent) organizational dysfunction, drawing on research in a variety of sectors from health to education to the simple task of giving driver's licenses. See also Banerjee, Duflo, and Glennerster (2008), who demonstrate the resilience of deep organizational failure in attempts to enhance the performance of nurses in Rajasthan. What is striking about these examples is that they all come from India, which is, on average across the four indicators we use of "state capability", in the upper tier of developing countries.
[24] For this argument in the domain of schooling—i.e., that "knowledge" of the type that "randomized evaluations" of individual projects could produce is not embedded in a realistic positive model of change—see Pritchett (2009).
[25] Further details on the contours of an evolving policy research agenda consistent with the above analysis are provided in Pritchett and de Weijer (2010) and Andrews, Pritchett and Woolcock (2012).

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