Administrative Reforms and Policy Capacity in Asia: an Analysis of ADB's Public Sector Management Projects

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ABSTRACT

The past 30 years witnessed massive shifts in administrative systems all over the world, but the literature lacks consensus on how to successfully carry out reforms. In Asia, the diversity of economic advancement and varying roles of the bureaucracy in society offer a unique opportunity to examine different approaches to administrative reform. Based on this diverse experience, capacity has emerged as a universal area of concern in administrative reform, particularly for developing Asia. As Farazmand (2002) noted, reforms in developing countries "may involve a number of structural and process changes and improvements…by building the technical, professional, and administrative management capacity". These capacities remain poorly studied, and little research has been done to guide policymakers on how to conduct administrative reform.

This study seeks to fill this gap by conducting a qualitative analysis of 20 Project Validation Reports (PVRs) of Asian Development Bank (ADB) projects tagged as Public Sector Management. PVRs are independently verified versions of a project's achievements of outputs/outcomes by operations staff. These were coded and analyzed to explore the nature of how capacity is embedded into the discourse of administrative reform in development projects financed by international financing institutions (IFIs), like the ADB. It does this by answering the following specific research questions: How is the concept of capacity important in administrative reform? What are the critical capacities typically identified as contributory to the success or failure of administrative reform? By refracting ADB's experiences in managing such projects through the lens of capacity, a set of skills and resources critical for administrative reform was derived and categorized as analytical capacity, operational capacity, or political capacity. Cluster analysis identified five clusters that represented the interrelationships between the capacities: multi-stakeholder ownership, context-driven planning, coordination risk assessment, instrumental political support, and institutional support. The findings suggest that the set of skills and resources necessary for

a successful administrative reform should not be seen as discrete components. Rather, interactions of these critical capacities can attenuate or accentuate the effectiveness and success of public sector management projects. This study contributes to the literature on evaluation of development aid specifically for administrative reform. It also hopes to provide implications for how develop-ment projects meant to improve administrative systems should be carried out by IFIs and governments.

INTRODUCTION

Administrative systems in a changing world

The past 30 years witnessed massive shifts in administrative systems all over the world (Farazmand, 1999; Polidano and Hulme, 1999; Kickert, 2012; Sarapuu, 2012), but the literature has not reached a consensus on how to successfully carry out reforms. In Asia, the diversity of economic advancement and varying roles of the bureaucracy in society make it hard to derive any discernible trend in the motivations and status of these administrative reforms. Governments have been found to approach reforms as a response to failures in creating or maintaining a Weberian bureaucracy, which varies from one country to another (Cheung, 2005). As lamented by Hill (2013), "it is difficult to generalize across a highly diverse set of institutional circumstances, development stages, and policy issues". As a result, little systematic evidence exists showing the success or failure of administrative reforms in Asia.

Despite this diversity of experiences, capacity has emerged as a universal area of concern in administrative reform, particularly for developing Asia. Drawing on the East Asian 'miracle', various scholars have stressed state capacity in overcoming social and political constraints to economic development (Evans, 1989; Kohli, 1994; Polidano, 2001). As Farazmand (2002) noted, reforms in developing countries "may involve a number of structural and process changes and improvements… by building the technical, professional, and administrative management capacity". These reforms are meant to bolster public service capacity for development administration, but the process of designing, advocating, and implementing administrative reform requires a core set of capacities to become effective. What these capacities are remain poorly studied and little research has been done to guide policymakers on how to affect administrative reform.

This study seeks to fill this gap by conducting a systematic analysis of the successes and failures in designing and implementing public sector reforms in Asia. It explores the nature