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MODERNIZING THE STATE FOR SOCIAL DEVELOPMENT: SOME KEY QUESTIONS*

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of the United Nations.

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I. THE PROBLEM FROM A NEW PERSPECTIVE

1.   The United Nations Development Programme (UNDP), in its <u>Human Development Report 1994</u>, states that,

>   "Despite all our technological breakthroughs, we still live in a world where a fifth of the developing world's population goes hungry every night, a quarter lacks access to even a basic necessity like safe drinking water, and a third lives in a state of abject poverty - at such a margin of human existence that words simply fail to describe it.

>   "We also live in a world of disturbing contrasts - where so many go hungry, there is so much food to waste; where so many children do not live to enjoy their childhood, there are so many inessential weapons" (p. 2).

2.   This grave social situation, which has tended to deteriorate over the past few decades, requires profound changes in economic and social policies. The challenge is enunciated in the Copenhagen Declaration on Social Development: "Our challenge is to establish a people-centred framework for social development to guide us now and in the future, to build a culture of cooperation and partnership, and to respond to the immediate needs of those who are most affected by human distress" (A/CONF.166/9, chap. I, res. 1, annex I, para. 24). Together with these policy changes, deep-seated governmental reforms must be carried out so that the State can efficiently implement the bold social policies that are required. A critical conceptual problem arises with regard to this implementation.

3.   One of the predominant myths in the developing world has been the widespread belief in the dichotomy of policy versus implementation. This has seriously affected the real capacity to carry out public policy, and hence social policy. According to this dichotomy, the main problem involves the field of planning and strategy formulation. Once this problem is solved, by devising an appropriate concept of policy, the administrative or "pure implementation" stage begins, where other, secondary difficulties are overcome. They are merely problems in terms of organizational fine-tuning, the redesign of formal structures and, in any case, training in how the new flow charts and rules operate.

4.   The field of social policy has largely disproved this myth, but at a high cost. It has been shown in practice that the implementation stage is highly complex. Much more is involved in it than mere administrative procedures, and its dynamics go far beyond the mechanical view that instructions are simply carried out at this stage. The implementation of social policies is an area where many aspects of the conflicts that exist within the public sector are expressed; it is the favoured backdrop for displaying the competitive strategies of different sectors of civil society and their power struggles. At the same time, unfamiliar organizational problems, unforeseeable scenarios and very specific technical difficulties, which are non-existent in other fields of management, are appearing.

5.   This mythical dichotomy leads to an oversimplification and virtual evasion of the problem. It implies an almost pathological denial of the problem, and this entails a high cost. Troubles with implementation have repeatedly tended to paralyse, block or make entirely unfeasible the most structured social policy designs. The underestimation or marginalization of institutional and managerial variables has resulted in a lack of strategies to deal with this type of problem, and in blanket condemnations of bureaucratic inefficiency. It has led to agreement with the myth that it is the "useless bureaucrats", not the planners, who are responsible for failure.

6.   To achieve successful results in social policy, this paralysing myth must be overcome. We must accept the complexity, ambiguity and multidimensional nature of policy implementation processes; find the key to reinterpreting them from these new perspectives; seek strategies to cope with complex issues; use a trial-and-error method; and learn from organizational experience.

7.   To modernize the State for social development, there must be a change in the conceptual framework. The mechanistic, simplistic approach to implementation must be replaced by a broader, more multifaceted approach, which takes into account the breakthroughs that have been made in management sciences and actual analyses of public policy implementation processes. The present paper fits into this framework. It presents a number of facts concerning some core aspects of the long agenda of questions raised by this new perspective. It first discusses the most relevant dimensions of the current status of government social policy in the developing world; it then lists some guidelines for reforming the social sector and addresses the problem of training human resources to manage this sector. Its purpose is not to exhaust the topics discussed, but to present some non-traditional considerations that might encourage further thinking and debate. The analysis is based on certain widespread trends in the developing world, but there are, of course, specific national trends and exceptions to the general rule.

II.   CURRENT TRENDS IN SOCIAL INSTITUTIONS

8.   Management science in today's "frontier technology" field holds that organizations are social structures which sum up a great many of the dilemmas and ambiguities of contemporary societies. In order to understand these structures, we must necessarily leave behind unilateral, static concepts and embrace more complex perspectives, which are both multidimensional and dynamic.

9.   The dominant concept in the social policy field has been distilled from a very formal interpretation of the social sector. Its most frequently cited main features are: a proliferation of agencies, diffuse and global flow charts, overlapping of functions, insufficient coordination, imprecise procedures and routines and an absence of detailed rules. The observations are real, but is this really the main issue? Modern management science is doubtful about these interpretations, since they could lead to considering the problem as merely a formal organizational disorder and therefore solvable by using mechanisms for restoring order. Attention may focus exclusively on flow charts, rule-books, procedures and circuits, and on restoring order at any cost by using more pyramidal models, such as that of a "super-ministry" for coordinating social

affairs that would impose its dictatorship of "order and progress" on the habitual disorganization.

10. Organizational processes go much beyond this. In modern management, it has been clearly demonstrated that private and public organizations that achieve excellence do not do so through a detailed, formal restructuring but, rather, inter alia, by developing the capacity to identify an agenda of key decisions, networking, involving staff, making innovations, enhancing flexibility, implementing efficient image-creation policies, improving relations with the media and developing leadership aptitudes to cope with complexity. More importantly, statistics show that formal components represent a very small percentage of the ultimate productivity of organizations.

11. Problems relating to formal disorder in the social field are an obstacle and must be solved, but it is essential to go beyond this step in order to be truly effective. The diagnostic effort cannot remain in the purely "formal topography" of the social sector.

12. The serious problems of productivity and operations in the social sector in the developing world appear to be linked to issues such as the following:

     (a) In terms of the organizational macro-structure of the whole public sector, the social sector generally tends to be weak. Its impact on important decisions is limited, and it usually treats decisions as information on which it must act. Its political "positioning" in the real power structure of the State is not at its peak, but rather at the mid-point or in some cases even lower. It does not really have the decision-making capacity necessary to influence in any significant way the fundamental processes that would lead to the fulfilment of its objectives. Very frequently, it is left out of decisions on basic issues such as the negotiation of the external debt, trade policy and wage and price policies;

     (b) In the typical governmental structures of many developing countries, certain modern organizations exist which are characterized by significant indicators of managerial development, stability, decent wages and the use of sophisticated technologies. Together with these, there are various institutionally backward organizations, while others are at an intermediate stage. Those of the social sector are frequently to be found in the last two categories. Being in this situation undermines their power and makes them more vulnerable to the effects of change; they have great difficulty in assimilating new, non-traditional programmes and are severely limited in their management capacity;

     (c) The processes involved in implementing social policies are a fertile ground for power struggles, lobbying, patronage and all kinds of economic and speculative pressures, both national and regional. These are often the source of the real decisions on "who gets what", independently of the supposed objectives of existing social programmes;

     (d) The external "meta-powers", as they are called in modern management, drain power and resources from social programmes. As a result, social agencies

jealously guard their remaining, limited power. All this tends to produce an environment that aggravates the interorganizational struggle for power;

(e) There is consensus that community participation is essential to the achievement of efficiency in social programmes. However, the social sector tends to be made up of organizations that are managed using pyramid-style, extremely formalistic organizational models. These models obstruct such participation, generate many conflicts with the community and fail to perceive the messages it is sending; 1/

(f) The prevailing organizational model in intermediate-level and backward institutions, like many in the social sector, is centralist in nature, and its resistance to decentralization is deeply rooted;

(g) The social sector should have a wide-ranging capacity to work together with civil society. There is an enormous potential for joint operations with non-governmental and other organizations. The prevailing model does not allow for the development of these possibilities which, among other aspects, require of organizations a great deal of internal flexibility. On the contrary, it tends to make behaviour more rigid;

(h) The social sectors lack administrators who are specialists in social management techniques. Their upper echelons are generally composed of professionals (such as physicians and educators) who, outside of their field, do not have the specialized training needed to handle managerial activities in the characteristic environment of social programmes (uncertainty, conflict, scarce resources, pressures from all sides and constant negotiations);

(i) Evaluation as a managerial tool is underutilized or misused by the social sector. This has nothing to do with purely administrative difficulties, but is related to other problems mentioned above, and to very important pending discussions about what to evaluate;

(j) The social sector's efforts will be increasingly based on multi-agency operations. Its objectives will be met only through projects that combine the efforts of a number of entities in different fields. Capacities must be developed to handle this type of operations. In the social sector, these are not being systematically cultivated, nor is organized attention being paid to learning from past experiences, failures and successes in this field.

III. SOME GUIDELINES FOR INSTITUTIONAL MODERNIZATION

13. Reforming the State to promote the efficient management of social policies and programmes requires the formulation of effective strategies for each of the topics mentioned, among others. A reform that does not give them consideration will have very limited effect. The traditional style of reforming the social sector has not integrated organic strategies for action in relation to this type of topic. It has concentrated, as noted above, on a set group of problems - which certainly do exist and must be dealt with - but which barely scratch the surface of the overall situation to be addressed. Moreover, the easy results

that can be achieved in this area create an illusion of reform that causes serious harm, in that it obstructs progress on strategic issues.

14. This approach is in turn situated within an overall organizational outlook, much disputed by modern management, that gives priority to structural and normative elements while simplifying real management problems. In the social field, this viewpoint brings with it marked dysfunctions that can even increase inefficiency, rather than fighting it.

15. As Dennis Rondinelli points out, the emphasis on detailed project planning, strict administrative control and the attribution of deviations to systems of planning and control does not reflect the reality of many projects being executed in the developing world:

> "But it is rarely noted that many of the problems encountered are unpredictable, no matter how comprehensively the projects were planned or how much technical analysis was done. Nor is it generally observed that detailed, rigid and complex design, analysis, and management procedures may themselves have created many of the problems. Attempts to impose rational and systematic standards have, for instance, generated conflicts and tensions among funding agency staff, central government planners, project managers and technicians, and the various groups and organizations affected. Problems also arise from the inflexibility of planning and design procedures - especially when funding agencies attempt to force managers to follow preconceived designs in the face of unanticipated social, economic, and political changes." 2/

16. The reform of the social sector must go beyond easy illusions to reach the complex field of multi-dimensional reform, whose aim should be to have an impact on the strategic aspects of the sector's productivity. Some of the main points that must be considered in this type of reform are noted below.

A. Development of networks

17. How can we confront the current lack of cohesiveness in the social sector in a number of developing countries? The effectiveness of various experiments, which, in many cases, were influenced by the traditional concept of reform, has been quite limited. Attempts to establish rigid hierarchies in the sector in order to make it a pyramidal structure have almost always led to more acute interorganizational struggles for territory and resources.

18. A promising prospect that should be explored arises from one of the primary areas of work in progressive public administration: intergovernmental management. It starts from the fact that, in general, government agencies never achieve their objectives in isolation; they require other bodies to move in similar directions, because the nature and breadth of these objectives requires inter-agency cooperation. This constitutes the very essence of the social sector. Any objective at all in any major field (health, education, or nutrition, for example) can only be achieved through coordinated advances in other fields. The social results will depend on the total functioning of the social sector or areas of it. The idea is to handle these realities effectively

in organizational practice: to move away from the concept of isolated management of agencies to that of intergovernmental management. This emphasizes reaching objectives through the development of organizational networks. Within these networks, the possible synergies between their component parts can grow and develop.

19. Networks should be horizontal, with an instrumental coordination point that could be provided by the ministry specializing in the particular social problem as a whole, but its basis for cohesion should be found not within the hierarchy but in the identification of synergies. The social sector contains great potential for this type of work. It is possible clearly to visualize the possibility of identifying, within a social network, joint projects in such critical areas as, for example, the production of strategic information, the cooperative search for financing sources and collective negotiation of financing, the training of specialized human resources and the setting of quality standards in the evaluation of social programmes.

20. It is not only a matter of replacing the current trend towards feudalization in the social sector with improved relations among organizations. It is a matter of thinking in terms of a system of interdependent organizations which will gradually develop their ability to act as such.

21. The pattern of the public sector in the most advanced societies is definitely moving in that direction. As Myrna Mandell points out, the organizational outlook based on coordination according to hierarchies and strict chains of command is no longer appropriate. What is needed is a revised view of coordination by negotiation based on interdependent relationships. Consequently, the idea that intergovernmental relations are conducted through interorganizational networks and not by separate organizational entities is an important change in our way of conceptualizing management at the intergovernmental level. 3/

22. Myrna Mandell's view that, given the complexity of modern society and the need to form inter-agency networks to manage these complexities, this change would appear to be somewhat overdue, applies fully to the social sector.

B. Coordination of economic and social policy

23. The idea outlined above, that it is essential for Governments to work together, should find operational application in the area of coordination of the economic and social sectors of government. The ultimate efficiency of society is seriously affected by the current distinct lack of coordination over a wide spectrum, from policy design and compartmentalization in policy implementation, to the use of different systems of measurement.

24. The social sector must be an active and permanent participant in the formulation of integrated socio-economic policies. This means that one of the major considerations in reforming the social sector must be the need to develop special units within organizations and the requisite capabilities for effective participation.

25.   Many reforms are necessary.   Specialized units should be established at
high levels of decision-making in the social sector with the sole function of
providing support to the decision makers as they take part in discussion on
global economic policies.   The social sector should also have at its disposal
information systems geared towards the processes of discussion relating to
decisions of this complexity.   An extensive, and well-nigh unexplored, field has
opened up regarding the establishment in the economic and social sectors of
permanent mechanisms for integrating approaches and working as a team.   Clearly,
desirable levels of effective coordination do not result from the mere creation
of joint departments: rather, they should arise from the regular,
institutionalized work of combined units set up to monitor public socio-economic
policies.   These units would provide support to the joint departments, monitor
implementation of their decisions and give feedback in the process of policy
formulation.

C.   Hierarchical status of the social sector

26.   The immediacy of social problems demands a complete repositioning of the
social sector within the hierarchy of government structure.   The objective
should be a technologically sophisticated social sector which is much closer to
the highest levels of government decision-making, and which is able to project
an image carrying greater weight in the partnership between Government and
society.

D.   The decentralized approach

27.   From the point of view of management, decentralization has significant
potential for improving the productivity of social policies and programmes.
These programmes necessitate, by their very nature, management of a type which
is adaptable, open and flexible.   Such management is to be found most naturally
in decentralized models, which allow effective contact under shifting,
changeable circumstances such as those of social programmes.   However,
considerable difficulties arise from decentralization in practice, difficulties
which need to be dealt with systematically.   One is the risk of appropriation of
social programmes by local élites.   If these and other problems are resolved,
important benefits can be gained.   Of particular significance are the prospects
offered in this respect by involving local authorities in social programmes. 4/

E.   Towards community participation

28.   The thrust of social sector reform should be the creation of structural
conditions which facilitate community participation.   Given the present features
of the social sector, there are many obstacles to achieving full agreement on
the strategic relevance of such participation.   Some have to do with more
general problems within the public sector, which impede civic participation in
general, others come from strong resistance to such participation and still
others stem from the lack of concerted efforts to move towards the daily
practice of participation and away from mere lip service.   Reform should include
everything from the development of information systems that will make social

programmes transparent, to the creation among administrators of a culture favourable to the notion of participation. An ongoing learning process, incorporated into the organization, should also be initiated and promoted, around the question of how to stimulate and facilitate participation, based on concrete experience.

F. Active coordination with civil society

29. In order to tap the enormous potential for civil society to cooperate with the public social sector in the tasks to be faced, there is a need for considerable reform, aimed at facilitating the coordination of the social sector with non-governmental organizations and other institutions of civil society. Such reform should introduce organizational units with the specific task of identifying and promoting opportunities for coordination and of developing specialized skills to deal with the particular technical problems arising from this coordination. Seen in this light, the present rigidity of the organizational models of the social sector is a serious impediment to the exploitation of the possibilities in this area. One aim of reform should be the establishment of flexibility as a standard element of structure.

G. Professionalization of social management

30. Managing a reformed, more technologically sophisticated and fundamentally restructured social sector demands a corresponding level of competence. This is a strategic aspect of the problem. Such skills will be developed only if a wholehearted policy of professionalization of social management is adopted, providing for the establishment of a career structure in this field, with progressive and modern criteria for selection, promotion, remuneration, evaluation and managerial development.

H. The question of power

31. Social sector organizations work under pressures from many sources. Power struggles and lobbying exert very strong influence in this field. The conventional approach to organization avoids the issue in practice, assuming that the organization remains on its official course. This mythical image makes it highly vulnerable to external pressures. In modern management, power struggles are not avoided, but are taken for granted in a realistic way, and appropriate strategies are sought to deal with them. Social sector reform should incorporate, as a core element, official recognition of the existence of these struggles and, as a corollary to that, preparation of the organization to face up to them. The introduction of modern management tools, such as strategic planning techniques, negotiation policies and the use of multiple scenarios, could considerably enhance the true ability of the organization to defend its objectives.

I. <u>Regional and interregional cooperation in reform</u>

32. Social sector reform in the short term involves great efforts including trial and error, a continuous process of learning from one's own actions and receptivity towards the experience of other countries. These efforts can benefit greatly from regional and interregional cooperation.

33. Possibilities include sharing experience, identifying programmes which, if approached jointly, would have much greater impact, and conducting comparative and collaborative investigations into crucial problems.

IV. SYSTEMATIC TRAINING OF SOCIAL MANAGERS: A KEY ISSUE

34. In today's world, management is taking a paradigmatic leap forward as it moves away from traditional assumptions and concepts towards more wide-ranging attempts to improve the scientific rigour of the knowledge involved. This reflects very specific requirements. Without an upper management structure that is more conceptually ambitious, epistemologically sound and adaptable, organizations tend to lag behind the competition in a world of complexity, uncertainty and geo-economic and geopolitical internationalization.

35. These requirements are especially crucial in the social field, where programmes are implemented in ever-changing contexts that demand complex, highly sensitive systems of interpretation that can provide an efficient basis for action.

36. However, the systematic preparation of managers for the specific conditions in which social programmes operate is long overdue in the developing world. The tendency has been to fill these managerial positions with sectoral experts who, in any case, have been trained only in traditional management.

37. The preparation required for social managers is broader than traditional management training. The actual work involved goes well beyond the scope of orthodox textbooks, which impart very formal instruction on how to plan, coordinate, organize, direct and control. The real work differs considerably from this model and more closely resembles Rondinelli's description:

> "The most valuable managerial skill is not necessarily the ability to conform to preconceived project plans or project schedules, but the ability to innovate, experiment, modify, improvise, and lead - talents that are often discouraged or suppressed by rigid designs and centrally controlled management procedures. What leads to success is the ability of managers to design and manage simultaneously, and to test new ideas and methods continuously no matter what the circumstances in which they find themselves." <u>5</u>/

38. What traits are desirable in a social manager? What makes this function unique? The following strategic abilities come into play, among other basic features: <u>6</u>/, <u>7</u>/

A. Coping with complexity

39. To contend with a complex environment and the changing dynamics of social programmes, social managers must make a radical break from the traditional managerial outlook.

40. Under the traditional model, as Gareth Morgan points out, managers see reality from a fixed point of view; under the model now required, several different scenarios must be borne in mind simultaneously. Under the orthodox model, managers take decisions and stick to them; under the desirable model, managers are always willing to change and suspend their judgements until a comprehensive picture of the situation emerges. Traditionally, if managers have differences of opinion with their subordinates or colleagues at other levels, they try to force others to follow their approach; ideally, managers should presume from the outset that problems can be viewed in a number of different ways, which should be used to advantage. 8/

41. In sum, it is time to change the naïve, simplistic tendency to act on the assumption that each problem has only one possible solution. Efficiency cannot be achieved unless managers recognize the ambiguity of situations, the multiplicity of possible scenarios and the existence of alternative courses of action, and base their approach on adaptation and multidisciplinary thinking.

B. Interorganizational management

42. As noted earlier, efficiency in the social field will become increasingly dependent on the capacity to build and properly manage interorganizational networks. Social managers must be trained for this type of work. As Barbara Coe points out, the most suitable managerial approach is marked both by a comprehensive view of the situation as a meta-organization and by the dissemination, acceptance and encouragement of the values, interests, ideas, functions, leadership and collaboration of the whole range of interest groups within that meta-organization. 9/

43. The skills needed to operate within such networks or meta-organizations differ from those of orthodox management. The aim is not to rely on a hierarchical power structure; instead, it is more closely related to images such as the so-called multilateral broker who constantly negotiates agendas and relations within the network itself and who is skilled in identifying common denominators, persuading, promoting, negotiating and building on points of agreement.

C. Development of self-reliance

44. Social managers must be guided by the basic premise that a fundamental goal of all of their activities is to strengthen the social fabric in the sectors they serve with a view to helping them become autonomous. The temptations of paternalism and manipulative strategies must give way to persistent efforts to create favourable conditions in which the target population can develop its own energies and realize its own potential. To that end, all the steps taken by

that population towards greater cohesiveness and better organization must be strongly supported. Social managers must therefore develop a positive attitude towards genuine participation, an awareness of the countless, subtle disguises of paternalism and manipulation and a thorough knowledge of the difficulties that can be expected to arise in the implementation of participatory processes and effective strategies.

D.   Agents of organizational change

45.   Social managers must be agents of change in the directions outlined in the preceding section. Consequently, they must be trained to revamp their own organizations, seeking flexibility, decentralization and an ongoing process of consensus-building with civil society. They should be seen not as omnipotent decision makers and providers, as in the traditional management model, but rather as the focal point of a system that will work more effectively if it is expanded through cooperation with outside organizations and if its efficiency is enhanced through decentralization, giving more power to regional and municipal decision makers.

46.   Furthermore, the operation of a modern, open and flexible organization requires, in turn, that the principle of participation be put into practice within the organization itself. Only then will it be possible to secure effective staff commitment to goals, organizational creativity and multifaceted approaches from various angles, which will help managers fine-tune their decisions along the way.

E.   Commitment to the community

47.   Social managers conduct highly sensitive programmes that can affect the daily lives of thousands of people. Purely technocratic attitudes in this sphere must be replaced with a firm commitment to the goals established and a constant willingness to help communities find effective solutions to their problems.

V.   A FINAL NOTE

48.   The real challenge in the area of reforming the social sector is to transcend the current limitations of its organizations, which are isolated, inflexible, overly centralized, hostile to genuine participation, unwilling to address the problems created by power struggles, reluctant to cooperate, of insufficient importance in the State apparatus and lacking in professional career paths for managers and in managers with specialized training in the social sphere. Moreover, their participation in defining basic economic policies is limited. Replacing the traditional idea of reform with the agenda described herein will pave the way for innovative strategies for change which will probably lead to greater gains in the sector's efficiency.

Notes

1/   This topic is dealt with in particular in Bernardo Kliksberg, "Participation of stakeholders: some strategic issues" (United Nations, 1995).

2/   Dennis A. Rondinelli, <u>Development Projects as Policy Experiments: An Adaptive Approach to Development Administration</u> New York: Methuen, 1983, p. 74.

3/   See Myrna Mandell, "La gerencia intergubernamental en redes interorganizacionales: una perspectiva revisada", in Bernardo Kliksberg, editor, <u>Pobreza: un tema impostergable</u> (Fondo de Cultura Economica, 1994).

4/   A thought-provoking vision of the advantages of involving local authorities in the field of nutrition can be found in Alejandro Schejtman, "Gestión local y seguridad alimentaria" in Bernardo Kliksberg (ed.), <u>¿Cómo enfrentar la pobreza? Estrategias y experiencias organizacionales innovadoras</u> Grupo Editor Latinoamericano, Buenos Aires, 1990.

5/   Dennis Rondinelli, op. cit., p. 79.

6/   This issue is discussed in detail in Bernardo Kliksberg, "¿Cómo formar gerentes sociales? Elementos para el diseño de estrategias", in Bernardo Kliksberg, editor, <u>¿Cómo enfrentar la pobreza</u>? (Grupo Editor Latinoamericano, 1992).

7/   The new Inter-American Institute for Social Development, established recently by the Inter-American Development Bank in Washington, D.C., is making systematic, wide-ranging efforts to promote the training of social managers.

8/   See Gareth Morgan, <u>Images of Organization</u> (Sage, 1986).

9/   See Barbara Coe, "Enfoque abierto: ejecución de proyectos en entornos multiorganizacionales", in Bernardo Kliksberg, editor, <u>Pobreza: un tema impostergable</u>, op. cit.