

THE POLITICAL ECONOMY OF A BOREHOLE

Author: Daniel Rogger¹

ABSTRACT

This paper provides an accessible introduction to the challenges of delivering public services in the developing world. Written as a story, and set in the fictional country of Banglageria, it aims to highlight the internal workings and struggles of a stylized civil service. The intended audience is anyone who would like to better understand the nature of government in the developing world, from students and teachers to the general public.

September 2008

¹ University College London and Institute for Fiscal Studies; d.rogger@ucl.ac.uk. The story told here is based largely on my experiences as an economist in the civil service of Nigeria. It is not meant as an accurate representation of the situation there, but rather as ‘stylised facts’ of a typical developing country. Discussions with economists who have worked in governments throughout the developing world have contributed significantly to the narrative. I am extremely grateful to the Nigerian Government for my time in Nigeria, and to the Overseas Development Institute who sent me. I am also grateful to Caitlin Cook, Philip Ginsberg, Sarah Hamiduddin, Olaf Islei, Joey Lake, Lindsey Napier, and Josephine Rogger for discussions and comments. The style takes inspiration from Ravallion (2001). Comments on the paper or on the thoughts expressed within are welcome.

THE POLITICAL ECONOMY OF A BOREHOLE

Once upon a time, few people talked about the internal workings of government in the developing world, even though it was of great importance! That time, unfortunately, is now. From academia, to policy, to bedtime stories, the sticky issues of how to deliver public services in the developing world just aren't discussed much.

So to introduce these issues in a palatable way, here is a story about one of the most basic public interventions possible: the provision of a borehole. A borehole is a type of water well. Typically it consists of a narrow shaft that is dug or drilled into the ground to reach underground aquifers.² (See annex 1 for a picture.) This water is then drawn or pumped to the surface by hand or electric pump, thereby increasing access to safe water for consumption, household tasks, and irrigation. We are going to follow the life-cycle of one of the lucky ones: one of the boreholes that make it from policy to pump. There are many that don't.

[Note from the storyteller: An extensive introduction to boreholes and the motivation for this effort are given in annex 1.]

Setting the scene

The setting for our story is the developing country Banglageria.³ Banglageria lies at the heart of sub-Saharan Africa, contains the second-largest rainforest in the world after the Amazon, and has potentially large mineral deposits. Its population of over 100 million people is generally poor, with 50% of the country in absolute poverty. Infant and maternal mortality rates are amongst the highest in the world, and population growth is rapid.

Access to water is poor. Amongst rural villagers, only 30% have access to a sustainable source of safe drinking water. Things are not much better amongst the urban poor, at approximately 40% of people with sustainable access to safe drinking water. There is a real need for improved water infrastructure in the country.

² Aquifers are underground layers of water-bearing permeable rock or unconsolidated materials (gravel, sand, silt, or clay) from which groundwater can be usefully extracted.

³ I thank Anthony Costello of the Centre for Global Health, University College London for this setting.

The bureaucracy of the government of Banglageria is made up of the country's small middle class, and a job in the civil service is typically seen as a safe way of making a good wage. The country is governed by a civilian leader, Ali Saladin, who is from the largely Muslim and Anglophone north of the country. There are no significant political tensions in the government (that's another story!), and President Saladin is in the second year of his first four-year term. With a first class undergraduate degree in Economics from UCL, and a PhD from Stanford, the international community generally sees Saladin as a 'safe pair of hands'.

The Ministry of Water Resources

The 'National Masterplan for Water Resources' sits on a shelf above the desk of the Director for Policy, Planning, and Documentation in the large and decrepit Ministry of Water Resources in the capital of Banglageria, Dukur. It is fortunate. Many other books and documents lie in piles around the room, together with desktop computers still in their boxes or sandwiched between copies of the 'Ministry of Water Resources Annual Report 2007' that were never distributed to their intended readers.

The Director is absent. The electricity supply has been off for the last few hours and the Ministry feels like an oven. To escape the heat he has gone to lunch with a colleague, hoping that the air conditioning will be back on by the time he returns.

The director's secretary, Miss Adminnie Stration, walks into the director's office, takes the Masterplan from the shelf, and blows the dust off the book. It is budget time, and the director has asked his secretary to identify the next tranche of districts to receive boreholes.

The Masterplan is thick. It is the product of a collaborative project between the development agency, Japanoamerican Aid, and the Ministry of Water Resources.

Collaboration must be taken in its loosest sense here. The document was written by a number of Japanoamerican consultants hired for the project. In some ways, the lack of collaboration is not their fault. Under pressure from Japanoamerican Aid for quality analysis, and with a three-week deadline, the consultants faced little choice but to write the document themselves.

The few meetings they had had with ministry officials early on in the assignment had been frustrating. Having worked in many developing countries before, the consultants were ready for the meetings to start late and to go at a snail's pace. But their experience had also created stereotypes of the typical civil servant: lazy, a slave to hierarchy, and unresponsive to direct questions, and this poisoned their attempts at collaboration from the start.

The local Bangladeshi consultant working on the project shared many of these feelings, but he better empathised with the delays. As an indigene, he could relate to the way government worked, and often found himself musing 'this is not the U.S.A., and their way of doing things just won't work around here.' However, he was also frustrated at the state of his government and saw little in the way of solutions.

The consultant's initial engagements had started congenially. The Ministry officials certainly knew the history of their ministry well. However, when it was time to deliver hard facts, data, or permissions, the collaboration hit a brick wall. The head of the Ministry, the Minister, had been called off at a moment's notice by the President to attend the 'United Nations Conference on Water and Sanitation'. Although an officer had been delegated responsibility for Ministry-level decisions, he would typically leave them for the Minister's return, fearful of making a move the Minister disliked. The officer would even put off decisions about what information could be given to consultants collaborating with the Ministry. He knew that getting it wrong was a lot more significant than getting it right, as did everyone in the Bangladeshi civil service.

In this inauspicious context, the consultants' collaborative efforts stopped at reminiscences and stories of the past. As they became more frustrated, with a deadline hanging over them, they began to snap at and argue with even the more cooperative officers. This did their relationships with the Ministry harm, and they soon found themselves marginalised and working independently of the Ministry.

Adminnie opened the large volume on her desk and began to scan through the dense text, filled with development jargon:

“Basic needs in the area of sanitation can only be met with sustainable institutional change driven by high-level political support.”

“In this complex environment, devising an effective strategy that reaches the target groups will require consultation with those groups. This consultation should be participatory, user-focussed, and community-driven.”

Such passages were of limited use to Adminnie, who was pushed for time as she had to pick up her children from school shortly. She leafed through the ‘Purpose, Scope and Methodology’ section, scanned the ‘Core Findings’ and then skimmed to where she knew she would find something of use: Annex IV, which listed all villages in the country by municipality.

Over the years, the director had ticked off each village as it had been entered into the budget. The consultants hadn’t been able to get adequate data on the water infrastructure of the country, and as such recommended that all villages were provided with a new borehole. They knew that a borehole would have been infeasible in some areas, and not the right intervention in others. But based on the limited data available and their discussions with ministry officials, they concluded reluctantly that a blanket strategy would be the most realistic way to increase access to safe drinking water.

Over time, as villages had been identified for funding for a borehole, they had been crossed off the list in red pen to indicate that they had received the allocated borehole. Adminnie had never really thought about whether this was the right thing to do or not. ‘It’s just how it is done,’ she reflected wearily as she peered at the entries. ‘Is this fair? Does it work? Even if I have reservations, what can I do as a secretary? The big men make the decisions, and disputing with them would only bring me trouble.’ She looked at her watch and realised she was running late. She thought how no one truly appreciated the skills she had to have to be a secretary, a mother, a good wife, and an active member of the church, all at the same time ... and on her income!

Adminnie copied the names of all the relevant villages into her pad. She ensured there was the same number of districts from the north of the country as from the south, anticipating political considerations that would be present at the National Assembly. All civil servants knew that whatever the need, Senators had come to an implicit agreement that all districts should get an equal share of the country's resources. Civil servants also knew what Senators were more likely to agree to when it came to appropriation (signing the budget into law). They responded to this by trying to make their budget as 'Senator-friendly' as possible, hoping to slip their own pet-projects into the budget.

Just as Adminnie had closed the book and was putting it back on the shelf for another year, the Director for Policy, Planning, and Documentation walked in the door. "Ah, Adminnie, how are you? Good, I see you are preparing the budget," he remarked, wiping his forehead with a handkerchief. "Gosh, it is so hot in here!" Adminnie gave the Director the list she had just made and asked whether she was excused to pick up her children. The Director smiled and bid her good night.

He sat down and looked at the list of villages. Something gnawed at him. He read the villages aloud. "Buckshire, Esset, Hertshire, Berkshire, Middleset, Kens, Surrte, Susset (East), Susset (West), ..." 'I was in Susset only a month ago, and they have a fully functioning water system in both villages there' he thought to himself. 'And I've heard that the village of Camts is in far greater need than any of these.' There had to be a better way to budget than this. He picked up the phone to call the Office of National Statistics (ONS). It was dead due to the power cut in their part of the city. "Why does nothing ever work in this place?" he murmured aloud, clenching his teeth.

The Office of National Statistics

The next morning the Director sent Adminnie to the ONS to gather all the data she could on water availability in Banglageria. Since she arrived at 9:30am, the building was virtually empty.

"He's not here yet," said the security guard on the front desk, referring to the officer in charge of the data for water, housing, and sports. She went to sit in the waiting room, where the television roared away. It was the news. The presenter was

discussing the recent death of a judge colloquially known as ‘The Finisher’: once you were in his court, you were finished. He had been seen as a pillar of the government’s new anti-corruption initiative. Sadly, it seemed he had stepped on the wrong toes and been killed.

After almost an hour, the Officer for Housing, Water, and Sports walked into the waiting room. He looked Adminnie up and down and smiled. “What a nice surprise. I hear you are waiting for me.” Adminnie put on a serious face. “Yes Sir, I’m here on behalf of the Director for Policy, Planning, and Documentation, Ministry of Water Resources.” “Very nice. Follow me.” Adminnie followed the Officer through the long maze of hallways and corridors to his office. Along the way, the Officer stopped to greet a friend, who looked at Adminnie, smiled, and winked suggestively at the Officer.

When they finally reached the office of the Officer, he beckoned Adminnie sit down, and he closed the door behind her. Adminnie looked round. Apart from a few files and papers on the desk, and an air conditioner in the corner, which the Officer turned on, the room was almost bare. ‘Not much of a statistician’s library’, she thought.

“So my dear, what can I do for you?” said the Officer, who had sat himself in the chair across the table from Adminnie. “We are looking for data on water availability across the country,” she replied. “But aren’t you the Ministry of Water Resources?” the Officer scoffed. “You should have all that data yourself, and I should be the one asking you for it.” “We don’t have it,” retorted Adminnie, “That is why I am here. We would like any you have”. “Now, now young lady. I don’t think we need to snap at a fellow government official.” She looked sheepish. “I’m sorry, Sir.”

The Officer stood up and came to prop himself on his table in front of Adminnie. He looked down at her and smiled. “I am very happy to search for whatever we have for you. For such a beautiful lady, I am happy to go to any trouble.” He shifted his position on the table. “But what am I going to get for such trouble?”

Adminnie just stared at the floor, repulsed by the Officer’s insinuations. “I’m sorry Sir, I don’t understand. Do you have any data I might be able to take back to the

Director?" "Yes, I think so, but nothing in this life is free." Adminnie just sat there under the glare of the Officer's stare. After a few moments, the Officer leant down and put his hand on Adminnie's leg. She sprang up and moved towards the door. "Don't go girl. I was just playing" the Officer splurged out. "If you give me a little photocopying money, I will see what I can find." Adminnie opened the door and left.

That afternoon, the Director turned up at the door of the ONS himself. Adminnie had told him that she had not been able to get any data, too embarrassed to tell the Director what had happened. The Officer had gone out to lunch, and the Director too was asked to wait. The waiting room was now packed, hot, and uninviting. The Director was determined however, and some courier boys jumped up as soon as they saw him to make space on the couch.

Again, he waited a while. Finally, the Officer arrived back from lunch, and the security guard told him who was waiting for him. The Officer scurried into the waiting room, slightly bowed forward. "Director! How wonderful to see you Sir. How are you?" "I'm fine. Thank you. And yourself?" "Yes, all is well. You know, struggling on as ever. Shall we go to my office?"

On the way, the Officer told the Director about all the reforms the ONS was undertaking: a new survey here, a 'web site' there. They entered the Officer's room and the conversation turned to available data.

"So tell me. What data is available for water availability across the country?" asked the Director. "Well, there is some, but it is not really complete, and it is still being prepared." "What does that mean?" enquired the Director. "Well, the department is still trying to secure funding to finalise a social welfare survey, and the World Bank are supporting us, but we are still in the process."

The Officer made a number of other excuses until the Director straightened himself in his chair. "My friend, you know what I am going to tell you very well. We are at the start of the long chain of delivering services to the people of Bangladeria. We choose where the water services should be provided, and from there everything else happens. If we get it wrong in the first place, then no one else can get it right. Don't you agree?"

And we rely on you to give us the information to get it right.” (Figure 1 gives a graphical representation of the Director’s point.) “So please, tell me straight. What data do we have that is complete?”

The Officer shifted uncomfortably. “Not too much, really.” The Director nodded slowly, getting up from his chair. “Well then, thank you very much.” The Director smiled a large political smile (a smile of convenience that smoothed over conflicts and greased the wheels of the Bangladerian civil service), and offered his hand to the Officer.

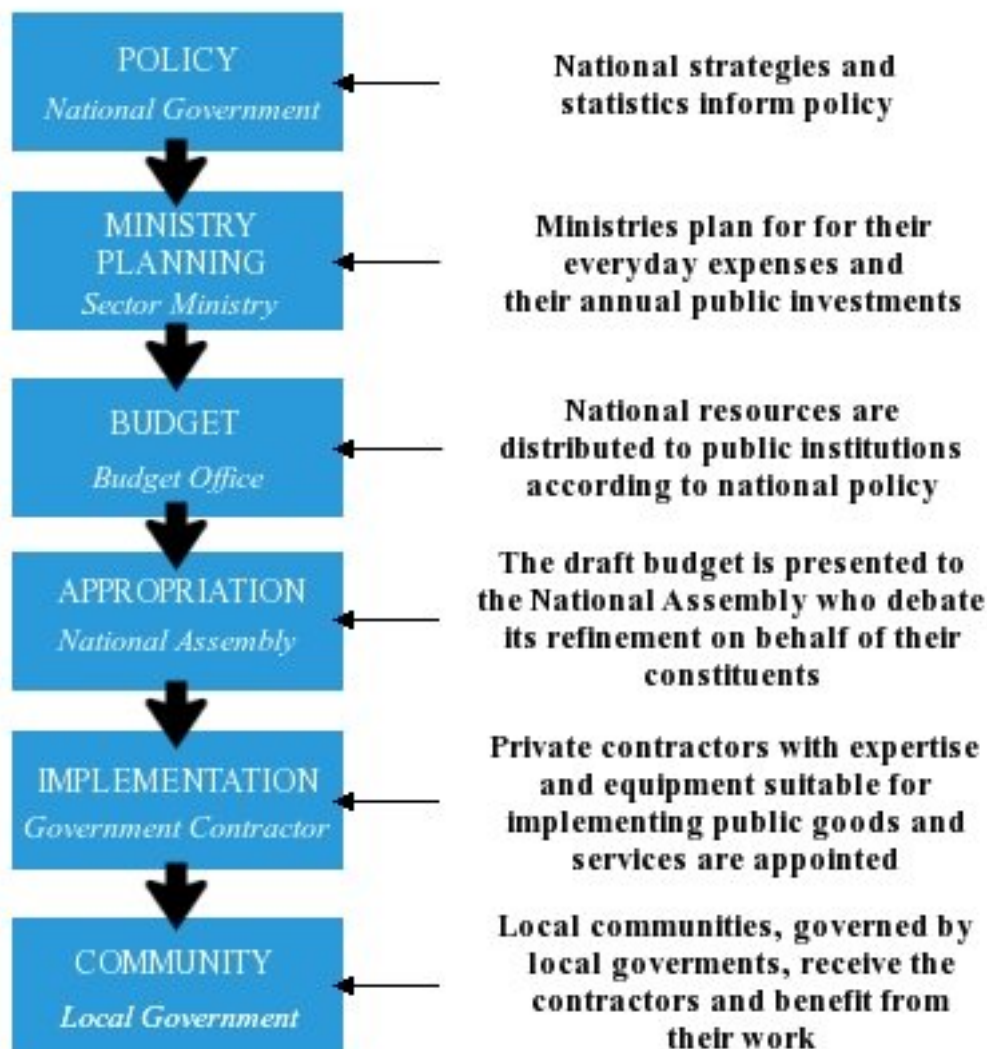


Figure .1. The public service delivery chain

The Director made his way back to his car and looked out across the road he was about to join. He sighed. It was now moving toward rush hour and the roads were already clogged. When there was any sort of surge, the pot-holed streets could not take it, and the results were long, hot, slow queues.

The Director pulled into the traffic and began to think once again about the budget. ‘The problem with Bangladeria is not just its leaders,’ he mused. ‘It isn’t just its civil servants either. It’s the whole system. It allows everyone to get away with what they do, and doesn’t push them to do what they should.’ He looked out at the long queue of traffic ahead. It seemed to mirror the chugging pace of governance in the country. ‘Motion without movement’, he thought. ‘Motion without movement.’

He returned to his office late. Many people had already gone home. He sat at his desk, sighed, and picked up the list Adminnie had prepared for him. He started the paperwork for submitting the list to become a part of the national budget. Our borehole is born.

The Budget Office

The Budget Office is situated at the heart of the Ministry of Finance and Planning, located on the long, straight road that leads to the National Assembly. The Ministry of Finance and Planning is the financial hub in the country (but don’t say that to the head of the Central Bank!). It is a large, colonial building painted in white and blue, Bangladeria’s national colours.

The waiting room at the Budget Office is larger than most of those in ministry buildings. This is where the money is, and it attracts corresponding attention. Every time the Chief of the Budget Office comes in to greet a visitor, everyone stands up and smiles big political smiles that seemed to say ‘pick me!’ This was a particularly busy time of year: budget time. Everyone was here to campaign for a bigger allocation than last year, and for more flexibility in spending it.

“The army continues to be insufficiently equipped,” one important visitor proclaimed, “and my superiors are getting tetchy. Since the army gave power back to a civilian leader, it feels like it has been increasingly sidelined. This country needs defence!”

The subtext of his claim didn't need to be articulated to be understood: *And if you don't believe that, realise that you don't want the army feeling underappreciated. We can always take back what we gave.*

A visitor from the Ministry of Health tried a different approach. "1500 maternal deaths per 100,000 live births! This is a tragedy, and an embarrassment in the international arena. How do you expect the Ministry of Health to fight such an emergency without requisite funds? We must have more money. A lot more!"

Another visitor tried something completely different, but completely predictable. "Babo, you and I have been friends for a very long time. Please don't let your friends down this year. You remember when you were Governor of Kentt province, and I supported you then. I look to you to remember that very well this year."

The Chief of the Budget Office held his head in his hands. "Give me a minute to rest before the next one," he moaned. "Who is it?" "The Director for Policy, Planning, and Documentation, Ministry of Water Resources," replied his secretary. He sat at his desk, thinking. 'Everyone wants money, and there is so little to give around. And politics is everywhere. Politics, politics, politics. This is more of a political cycle rather than a budget cycle,' the Chief reflected. 'The international community are of little help. Half of them are telling me to spend more money, and the other half less. Of course, a little aid money made things easier, but it is never enough. And it is so tied with restrictions it is hardly worth having. Not a week goes by without a visit from one of the major donors. "What have you done with our money?" they ask, pushing for proof of 'effective, accountable spending' as if I didn't have enough on my plate already.' 'How do you prove something you're not even sure happened?' he thought.

The Chief stood up wearily and walked into the waiting room. The assembled crowd sprang to its feet. He smiled at everyone around the room, and walked over to the Director. He shook his hand and began to lead him away as the Director began speaking. "Good afternoon Chief. I'm here to represent my Minister who is at the Commonwealth Water Forum. He sends his deepest apologies that he cannot be here in person."

The two men sat down together and passed a few pleasantries. They quickly got on to the budget. “The Ministry of Water Resources is in a bad way. We haven’t had adequate funding in years and the state of the country’s water supply is abysmal. We are looking to you to right this wrong. We have tried to consider your position, and thus haven’t put in projects we feel are not necessary, but really, the figures you see in front of you are really necessary spending. The bare bones as it were.”

The Chief looked solemnly at the Director. “OK. I understand your predicament. Where are your MTSS documents?” “My what?” replied the Director in confusion. “Your MTSS documents” restated the Chief. The Director sat there in silence not knowing what to say. The Chief clarified. “The Medium Term Sector Strategy is a new policy for this year. It is part of the assistance the World Bank is giving us. Didn’t you get the memo? We sent them out yesterday.” The Director shook his head.

The Chief called his secretary to bring in a copy of the memo. “Here. Take a look through these and come back with the requisite materials.” The Director looked for clarity, “But there is nothing about that in the Civil Servants Financial Handbook.” The Chief smiled. “My dear director, times are changing. We are in a reform environment. You should read the news as well as your handbook. If we don’t keep up with the times, we will fall behind. If you have any questions, ask one of my staff.”

So the Director left the Chief in a state of confusion. He tried to ask the staff of the Budget Office what these documents were, but they were of little help. “It’s all in the memo,” they insisted. And so he, along with the other active members of the ministry worked for days trying to interpret the memo and fulfil its requirements. This was not an easy task. “What is an ‘output indicator’, and how does it differ from an ‘outcome indicator’?” they wondered.⁴ “Information on spending to date? Don’t they have that? They are the Budget Office! Such a list of requirements!”

⁴ For those interested, an output indicator represents the level or extent of some good or service provided, whilst outcome indicators measure the direct welfare benefits of those same goods or services.

With days to go before the deadline for submission, the Director reviewed all that they had accomplished. He was pleased with the work. Within the financial, informational, and time constraints imposed on them, they had done well. Unfortunately, to speed up the processing of files and to purchase the relevant stationary and information, the Director had had to shell out quite a lot of his own resources. That would have to be made back up at some point.

The Director gathered up the documents and walked along the corridor to the recently returned Minister's office. The Minister's secretary showed him in to the Minister's inner room. It was plushly decorated, with a large library of books running down one wall, and trophies from years of inter-Ministry sports competitions. The room was dominated by the large desk at which the Minister sat, with piles of files surrounding him like a small fortress.

"Director! Good to see you. How are we doing on the budget?" the Minister asked heartily. "Here it is, Sir," the Director responded, placing the large set of documents down on the Minister's desk.

The Minister eyed the newest pile. "Very good. However, as you can see I have a mountain of files that need my attention. Guide me through the important bits." The Director opened the top file to reveal a summary of the budget proposition. "Hmmm, this isn't going to be enough," said the Minister, peering at the figures. "They'll immediately cut our proposition by half – they always do – so I want you to double all of these figures. In fact, double them and add a bit. Then I want you to insert projects in these villages somewhere." The Minister pulled out a list of villages from his pocket and handed it to the Director. "These are for some friends of mine. Finally, go through the list of Senators at the National Assembly on the Committee on Water Resources, and make sure we have a lot of projects in their constituencies. Thank you Director."

The Director did as he was told, and returned the files to the Minister for signing later that week before submitting them to the Budget Officers

Unfortunately, after all of the Director's hard work, the Budget Officers were not impressed. "What is all this?" they asked. "The MTSS documents," he responded. "No, they're not. What about the templates we sent with the memo?"

"We didn't get any templates," protested the Director, who despite having thought the mayhem of the budget was over that year, realised it had only just begun. "Go and get a USB drive. We'll give you the templates and you can fill them in." "But the submission deadline is tomorrow morning!" gulped the Director. "Well, that is your own fault," replied the staff. Giving a substantial portion of the last of his paycheck for that month to one of the Budget Office couriers, he told them to rush to buy him a 'USB drive' and get back before the budget officers left for the day. Such a pace echoed on through the night as he, Adminnie, and a team of staff at the Ministry hurried to fill in the templates as best they could. 'Communications!' the Director thought to himself, 'if only we could get communications right'.

By lunchtime of submission day, they were ready. There had been a scary moment when the electricity had gone off at 4:00 AM, but by 6:00 AM it was back on. So newly born, our borehole had already come close to death. The director sent his clerk with the USB drive and supporting documents to the Budget Office, and went home. "I don't care what they say," he said to Adminnie as he was putting on his coat, "I have tried my best, and I'm not doing anything more." With that he put on his hat and walked out of the office and drove home to get some sleep.

The Budget Office on submission day looked more like a circus than a top government institution. Members of all sectors of government, of all different ranks, and wearing all different kinds of traditional dress, converged on the office to ensure their submission was received before the deadline. The Chief of the Budget Office had gone to play golf to escape the madness, and left it to his staff to deal with.

In the days following submission, the Budget Office collated all that they had been given, and the culling began. If they had put forward the budget as it was received, the cost would have amounted to four times the government's net income, including donor assistance. The Chief always thought this was a very amusing exercise. He shouted examples at his team. "Look, the Ministry of Transport wants \$500 a pencil!

And look here, the Ministry of Child and Youth Development wants \$15 million for overseas travel. Are they going to take all the children to Disneyland?!” He laughed loudly.

But this was a serious job: the Budget Office was the first check and balance in the service delivery chain. The Chief would call the relevant minister to his office to defend the numbers they had submitted, and if their arguments weren’t good enough, the item would be slashed from the budget, along with a couple of other items for punishment.

The Minister for Water Resources wasn’t able to justify excessive spending on refurbishment of the Ministry. This wasn’t because it wasn’t needed, but that he lacked any rigorous proof. “Just look at the place!” the Minister gasped in protest. “It’s practically falling down.” “Yes, but if we gave you all you wanted for refurbishment, we couldn’t give you any money for your public investments,” the Chief responded. The Minister shook his head. “We need both: a professional place to work, and money to work with.” Such arguments went on and on, and without evidence on either side, with little progress. Eventually the two men came to a compromise: cut funding from the borehole programme for investment in refurbishment, but stagger the refurbishment over the next five years. Thus, the first boreholes were lost.

The National Assembly

The Budget Office submitted the first draft of the budget to the National Assembly after having consulted with President Saladin and gained his approval. It is he who would have to weather any storms brought on by the controversies that were sure to occur.

The National Assembly process then kicked into action. The budget was split into its component sectors, and each sector was sent to the relevant committee of Senators. For example, the Ministry of Water Resources budget was sent to the Committee on Water Resources. These committees would then debate and refine the sector budgets to their satisfaction and submit their amended version of the budget to the National Assembly as a whole who would then come together to debate the whole thing.

Let us visit the third day of debate of the Committee on Water Resources. The Minister has been called to defend his budget, and has brought along the Director for Policy, Planning, and Documentation. The Director has successfully defended his 'Five Year Plan for the Refurbishment of the Ministry of Water Resources' and the Committee is now discussing the Ministry's borehole programme.

"The UN says that globally there are 1.1 billion people without water that is safe enough to drink. Bangladeria makes up a big part of that. Dirty water causes 80% of disease in the developing world, and so every borehole that is not funded means more people dying unnecessary deaths. We have put forward a budget that tries to confront these challenges across the whole of Bangladeria. We would ask you to submit it in its entirety." The Minister finished his speech and sat down.

The chairman of the Committee looked down at the paper in front of him and back up at the Minister. "We are wary about spending money on so many small projects. This just breeds corruption. Once there is a project manager on each borehole, they will just have requests for one addition or another. Everyone will keep their project going indefinitely just so they can keep reaping its rewards. How are you going to make sure this doesn't happen? Are you going to check all the projects yourself?" After a moment of silence the Minister replied, "If I must."

The Chairman shook his head. "Minister, with no disrespect, your Ministry has a poor history in implementing boreholes. We feel that you will not do an adequate job. How will you prove to us otherwise?" The Minister didn't have any answers. Producing boreholes was difficult in Bangladeria, what with funding always coming late, contractors being dishonest, and the parts being difficult to source. It was probably true the Ministry hadn't done a great job in the past, but he knew he couldn't say this.

"Given our restructuring and overhaul of the ministry, we expect to be doing a lot of the project management from the centre." The Director sat in silence, but hoped this wasn't true, as he knew who would be doing all of the project managing. "Really, and you think you know the villages so well that you can do all that. You will be a

very busy man,” retorted the Chairman. The Director could see the Committee were becoming restless and tired of the Minister’s chat and the Ministry was in danger of losing its borehole programme for this year. He leaned over to the Minister and asked if he would be allowed to speak. The Minister nodded.

“If I may be so bold Chairman, I am the Director for Policy, Planning, and Documentation in the Ministry. I personally oversaw the drawing up of the borehole plan, and I feel I must make a case for it. The local governments and district councils are fully incapable of providing quality services. It is there that corruption is most pervasive, and they just cannot be trusted. If anyone is going to provide water to our people, it has to be the Ministry. Although we have faced difficulties in the past, let us take this as a pilot year. We will certainly perform.”

“A pilot year you say.” The Chairman looked around him. “Then let us say you take ten per cent of the boreholes you have put forward, and use them as ‘pilots’. The rest of the money will go to constituency projects of our deciding.” “Ten per cent!” the Director gasped, and looked at the Minister, who looked back at the Chairman and said, “Make it fifty percent”. “Twenty five” the Chairman responded. “Done.” The Minister looked around the table and smiled. The Director wanted to scream. Mass murder of boreholes right in front of his face!

They left together in silence, although once outside the door, the Minister slapped the Director on the back. “Well I think that went rather well, don’t you?” The Director forced a political smile back as the Minister saw a friend and left the Director alone. “Motion without movement,” the Director muttered. Motion without movement.

It was painstaking trying to cut out boreholes from what the Director believed were truly needy places. He resubmitted an amended list to the Committee who then argued amongst themselves for a greater share of the boreholes in their constituency. It was important to show their voters what they had secured for them during their tenure. The boreholes were traded off like chess pieces, one being cast away for another.

On budget day, as the President was giving his Budget Speech to the National Assembly and the nation, the Director looked through the paltry list of boreholes and their quite random locations. He was determined to do a good job with at least these. Although one would have to go to repay him for all the expenses he endured whilst putting the budget together.

The Consultants

The budget was agreed by the President and signed into law (a process which in some years went on until two, three, or even four months into the budget year). This was the go-ahead for the Budget Office to release money to the ministries to start implementing the projects they had submitted for budget. However, ministries do not typically have the capacity to actually *build* things. Rather, they go to the private sector, and employ consultants.

Best practice is that the government will ‘go to tender’ on a project, which means it will advertise for interested parties. Those interested parties return prices and specifications for the project, and the government chooses the party with the best price-quality deal. Nevertheless, the last Minister had not followed this protocol to the letter. He had had his own construction firm who often won contracts with the Ministry despite producing poor services and charging high prices. Rumours had circulated that he had had friends start their own companies to spread the ‘winnings’ and to ensure it wasn’t obvious what he was doing.

This Minister was different. He merely took his cut upfront, through the Ministry’s maintenance budget. At least this allowed the tender process to choose the best firm for the job. But then even that wasn’t saying much. In a country with a weak state like Bangladeria, the private sector found it most profitable to collude, scrimp, and steal. There was little enforcement of company law, and limited civil society to confront them, so it was a rational response. Firms who understood the tendering process were also parasitic, in that they lived off government contracts, and so had little incentive to be efficient.

The Director was determined to find a good company, for at least some of the boreholes. He had to prove to himself that the Ministry could provide public services

to some Bangladerians. So he followed procedure to the letter, which again meant more paperwork, and the occasional bribe from his own money to ensure documents went where they were supposed to.

After four weeks out at tender, the Director invited all those who had submitted to his office for the opening of the bids. Many of the faces that crowded into his office that morning were recognisable to him. And he'd had problems with many of them.

One contractor had taken on a large contract with numerous boreholes. Only later had the director found out that the drilling rig that had supported the application belonged to the contractor's friend, to be returned as soon as the contract was secured. Another contractor had taken on a contract from the Ministry of Water Resources for boreholes in the North East province. He had then contracted for the same boreholes with the local governments in those areas, so he was paid twice for every borehole! Others complained that they were still owed money by the Ministry. Of course, all were back for more, since public investments were some of the highest yielding projects in the country.

The contractors all knew each other well. Being friends with the competition ensured prices were contractor friendly. No one ever had to say too much. The benchmark prices never changed relative to inflation, no matter how 'competitive' the sector seemed to be. If any contractor broke the rules, they would be marginalised by the others, crippling his business. Bangladeria only had limited infrastructure for drilling boreholes, and it was typically shared amongst the 'competition'.

There was a lot of back slapping and laughing. The office seemed more like a bar than a place of work. The Director called for silence and opened the bids one by one. The familiar cluster of prices was on offer, with one marginally below the others. Each contractor was given his share of the projects.

Once the final paperwork had been done, the contractors began to demand their 'start up funds'. "We must have money for raw materials before we start to dig," argued one. "I have to pay off my old debts incurred on your last project before I can start this one," said another.

However, one contractor, who we will dub ‘the Performer’, stood out from the rest of the crowd. “Don’t worry Director. I understand the your constraints. I will start immediately, since the rainy season will be here in a month. Whilst the other contractors are squabbling I will hire all the equipment available and use some floating capital until you are able to release the funds.” The Director, who had expected another meeting of accusations, was stunned. “Thank you. That ... would be perfect. And I will get you your money as soon as possible.”

As soon as possible wasn’t very soon. The release of funds was hampered by a miscommunication between the Budget Office and the Office of the Accountant General, which flared into a struggle for power over mandate. To resolve the impasse, the Accountant General released evidence of corruption by the Chief of the Budget Office. Although it was right for the Chief to be punished for his crimes, he was relieved of duty before signing the letter releasing the first part of the budget to the ministries. The letter just sat on the Chief’s desk waiting for his replacement.

Knowing this, the contractors sat on their contracts, refusing to work until they could be assured they would be paid. All but the Performer that is, who completed the final borehole on his contract two days before the rains began. And how it rained that year. It was as if the rain was crying out for the earth. No work could be done in the three months of the rainy season, as the roads to the villages were not hard enough to carry the weight of the drilling rig. In that time, the first release of the budget was made. The Director made sure the Performer was first in line for his money, and the transaction was complete even before the other contractors set foot in their villages.

Buckshire Council Headquarters

As the rainy season ended, the Director decided to go and see some of the completed boreholes. He asked Adminnie to organise a trip for them down to Buckshire, in the South West of Banglageria. Buckshire was made up of two independent settlements that fell under the same village council. Both settlements had been provided with a borehole by the Performer.

The weather in Banglageria was now cooler, and the atmosphere more pleasant. The rains had brought the forests to life, and everywhere there was lush vegetation. The rains had ravaged the roads around Buckshire, making the final leg of the trip a bumpy ride. The moment the car the Director and Adminnie were travelling in came in sight of the village, they could see children running, undoubtedly wondering who their important visitors were. By the time the car drove into the main square, a small troop of laughing, shouting children surrounded it.

The head of the village came out of his house and bowed slightly to the Director as he exited the car. "Welcome Sir, Welcome." The Director shook his hand and that of the other village dignitaries. "We are here from the Ministry of Water Resources. We want to inspect your new borehole." The Head's face dropped. He looked around uncomfortably. "Ah!" The Head invited the Director and Adminnie to sit down under the large tree that acted as the village council room. Two of the village's finest chairs were brought for the important guests, and a young man was given money to go and buy two soft drinks.

"You look like you have some bad news for me," said the Director when they were all finally sitting down together. "Has my borehole been killed?" "Yes," replied the Head, "I'm afraid it has. The Local Government that governs Buckshire was angered that the National Government were intervening in Buckshire without consulting them. They felt that they would take action, and ... well ... have killed your borehole."

The Director was shocked, having used the phrase in jest. "How do you 'kill' a borehole?" he enquired.

"Well, after the borehole was complete, they came to meet with your contractor. They accused him of illegal activity, and threatened to jail him in the local prison. He calmed them down, saying that he was providing a service for the people of Buckshire, and that he was sure you would one day arrive to consult with them. He was right, here you are. However, after he left, they came back. It was then that they seized the handle of the hand pump and took it away. They said it would teach the National Government a lesson when it came to see their work. What could we do?

We are just farmers. We tried to talk them out of it, but some police were with them, and two even had guns.”

The Director shook his head in disbelief. “Can we see this borehole?” asked the Director. “Of course,” replied the Head. The Director, accompanied by the Head, Adminnie, and the rest of the village, walked over to the site of the forlorn borehole. It was true. There stood the borehole, bone dry. It had been well-made, the Director noted, and it was so close to helping these people, but it was useless without a pump handle.



Figure .2. The dry borehole at Buckshire

“And what of the other village?” the Director asked, dreading the answer. The Head perked up. “Oh, that one? It is working just fine.”

The Director looked at him and smiled a real smile, for he was overjoyed. “Really?” “Yes,” said the Head. “That is where we have been getting our water. It is a wonderful improvement over the pond we used to have to get water from.” “Please,”

the Director said in an insistent voice, “we have to go and see it.” “Of course,” replied the Head, “it’s not a long walk from here.”

The Head began to walk toward the next village, but the Director was impatient. He walked out in front of him, looking back and beckoning everyone else to move faster, for this was it. This was his chance. For everything that the Director had not accomplished, here was a chance to see something that he had. Here was something real. Not a report, or a budget, or an MTSS template, but water for people who needed it.

The Director was almost running now, occasionally turning back to ask if he was going the right way. The children loved it. Their little legs had to run to keep up, and they were whooping and shouting, showing the Director the way. Fetching water had never been this fun. After about ten minutes, the group entered another village, and there, in the centre of the town, was a borehole.



Figure .3. The working borehole at Buckshire

The people queuing at the working borehole looked up in confusion as the group rounded the corner. The Director stopped dead in his tracks and watched the woman at the handle lever the pump up and down. The water looked clean. He felt very happy at what he saw. “Water,” he murmured, a grin on his face. “Clean water for people who need it.”

THE END.

In its young life, the working borehole in Buckshire has already survived a disorganised budget process, the meddling of self-interested Ministers and Senators, and the political machismo of local government politicians. It's been quite a ride. It now has to serve the people of Buckshire every day, without public maintenance, and without the hope of relief by other water supply infrastructure in the near future.

Despite the challenges, this story should not dishearten those interested in development or wishing to work with developing country governments. In fact, the borehole at Buckshire got a lucky break. A month after the Director visited Buckshire, a new chairman of the district council was elected. He worked like a champion for his people, ensuring improved water infrastructure, putting pressure on the national government to maintain its boreholes, and invited foreign donors to help build a broader community water supply system. Over the same period, President Saladin gradually strengthened the Ministry of Water Resources, and the Director was promoted to Minister.

Rather than bemoan, this story means to highlight the complex chain that must function to provide public services effectively in the developing world. Poor service delivery is the product of a nexus of weak contracts, poor infrastructure, misaligned incentives, and corruption. For those interested in finding out more about these issues, suggestions for further reading are given in annex 2.

Of course, some boreholes have an easier time. There are passionate and competent people in governments across the developing world, working in highly constrained environments. They still get done what has to be done, and change the way these governments work from the inside out. These are the unsung heroes of development. However, they are not everywhere. And those who are there need support.

Discussing Primary Health Care (PHC) provision in the developing world, Bossert and Parker (1984) stated, "There remains considerable scope for improving programme performance through a better understanding of the structures and

processes of apparently well-designed PHC programmes.” This is still true today and in other service delivery contexts in addition to PHC.

I hope that this story has given you an insight into the workings of a developing country government. Take the lessons highlighted above in a light-hearted way, but apply them seriously to your view of the developing world. As Bossert and Parker continue, “PHC will be effective only if political and administrative conditions allow the development of smoothly running programme implementation.” The sooner those conditions exist, the more lives that can be saved, and improved.

Solving the challenges of public service delivery in the developing world will neither be easy nor standard. As Rose-Ackerman (1999) states, “Constructing dams, highways, and port facilities is technically straightforward. Reforming government and nurturing a strong private sector are more subtle and difficult tasks that cannot be reduced to an engineering blueprint.” That’s why it is so important to take the considerations outlined above into account when working with, on, or for governments of the developing world.

ANNEX 1: INTRODUCTION AND MOTIVATION

This paper aims to provide an introduction to the challenges of delivering public services in the developing world. It is a stylized description of the implementation of a basic public good by the government of a fictional country, Bangladeria. Whilst we focus on a borehole, the lessons are applicable for all public good provision, and for governments everywhere in the developing world to various extents.

Why tell such a story?

The challenges to effective public service delivery described below are not new, but the intensity with which they are being confronted is. Corruption, capacity, and weak incentives to deliver have confronted governments throughout history, some of whom have gone on to build robust and effective states and mechanisms for delivering public services. However, never before has so much emphasis been placed on delivering public services in the developing world. As E. N. Gladden argues in ‘A History of Public Administration’, throughout the twentieth century, “the function of the public administrator was being enhanced ... the burden of his task immeasurably extended.”

The ability to overcome these challenges has not developed in line with the demands for service delivery. The efficiency and effectiveness of public expenditure, critically dependant on the internal organisation of government, continues to be a stumbling block to development progress. The 2004 World Development Report, which focused on the delivery of services to the poor began by stating that “too often, services fail poor people – in access, in quantity, in quality.”

Despite their importance, the internal workings of government are little discussed in much of the economics, or wider public policy literatures that deal with issues of international development. Rather, authors focus on the design of public interventions. For example, between 2003 and 2008, the Journal of Development Economics published 177 articles related to the formulation of public policy in the developing world. Over the same period, there were only 23 articles on

the internal workings of government.⁵ The majority of the literature focuses on *what* is to be implemented rather than the critical considerations of *how* it will be implemented and *by whom*.

This deficiency is reflected in the way these subjects are taught and in the way that students go on to implement development policy. In all of Todaro and Smith's famous 'Economic Development', only a dozen pages highlight the challenges a developing country faces in implementing the policies discussed in the other 800 pages of the book.⁶ Similarly, Debraj Ray's excellent 'Development Economics' has barely a mention of the challenges to effective public service delivery in the developing world. Few students, policy makers, and professional academics seem to fully understand the environment – the political, administrative, and community settings – in which development programmes are designed and carried out.⁷

Finally, this marginalisation of the internal workings of developing country governments is reflected in the public perception of development. The best selling book on economic development over the last five years is Jeffrey Sachs' 'The End of Poverty: Economic Possibilities in Our Time'.⁸ Throughout the book, the author prescribes an intensive programme of investments in human capital and infrastructure. No discussion of how to confront the challenges of channelling resources through a developing country government is given.⁹

All of this is understandable. Data on the internal workings of government is sparse, and little consensus on the subject exists. However, taking the public sector to be a black box that is either purely predatory (such as in the work of Anne Krueger,

⁵ Author's assessments based on article abstracts. Selection criteria were based on the articles focus: either related to the formulation of public policy or related to the design of government institutions.

⁶ Although what is there must be recognised by directing readers to the section starting p.543 and the following passage contained therein: "Good governance certainly includes an absence of corruption but is broader, and is also comprised of the ability of the public sector to design and implement efficient and effective policies to realize development goals, government responsiveness and respect for citizens and the institutions of society, and mechanisms for the peaceful transfer of power in accordance with popular will, including widespread participation."

⁷ This definition of the 'environment' is taken from Bossert and Parker (1984).

⁸ As stated at amazon.com bestsellers list, www.amazon.com/gp/bestsellers/books on 11th August 2008. A more recent effort by Paul Collier, 'The Bottom Billion', gives a far more nuanced view of government, but still leaves its internal workings aside.

⁹ Prof. Sachs correctly surmises in chapter 16 that 'Africa's governance is poor', but fails to apply this to the investment programme he recommends in the rest of the book. As Easterly (2005) remarks, "Who would actually implement this package and how?"

Deepak Lal, and Shleifer and Vishny) or benevolent (for example in the famous ‘Lectures on Public Economics’ by Atkinson and Stiglitz) is unfortunate. It simplifies a hugely complex process in a way that ignores important considerations for the design of policy. Understanding the challenges to public service delivery in the developing world is a first step toward solving them.

Why this style?

It’s important to relay the nature of the challenges of development to a wide audience: the academic researching policy interventions for developing governments, the student looking to understand the nature of governance in the developing world, and the citizen interested in how their government should spend aid money. **A story is an accessible medium for each of these groups.**¹⁰ It is also hoped that this paper can be read quickly and understood easily.

Why a borehole?

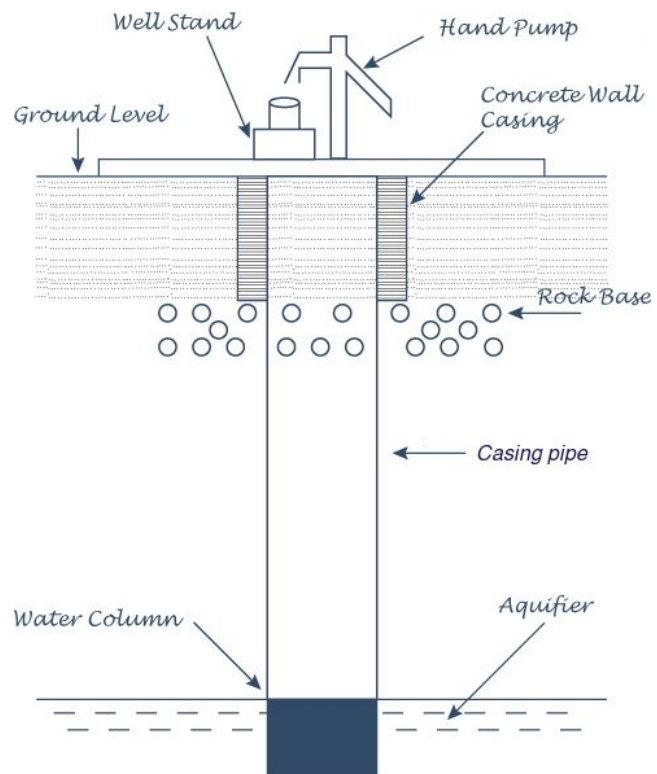
A borehole is a type of water well. Typically it consists of a narrow shaft dug or drilled into the ground to reach underground aquifers.¹¹ This water is then drawn or pumped to the surface by hand or electric pump. A rough schematic is given in Figure 4.

¹⁰ The style is heavily based on Martin Ravallion’s ‘The Mystery of the Vanishing Benefits: Ms. Speedy Analyst’s Introduction to Evaluation’ (Ravallion, 2001) that was produced as a training tool for World Bank staff. I note my appreciation to Mr. Ravallion for the example.

¹¹ Aquifers are underground layers of water-bearing permeable rock or unconsolidated materials (gravel, sand, silt, or clay) from which groundwater can be usefully extracted.

Figure .4. The inner workings of a borehole (Source: Adapted from Project Gift (2008))

The aim of drilling a borehole is to increase access to safe water for consumption, household tasks, and irrigation.¹² Hand-dug wells can be easily contaminated, and often are too shallow to tap a sustainable source of clean water. A nearby borehole can significantly improve the quality of life of its users: reducing fetching time and exposure to infectious agents, increasing access, and defusing a potential source of conflict.



The drilling of a borehole is one of the most basic public interventions possible.¹³ **Following one of the less technical components of public service delivery allows us to better focus on the issues at hand.** We are able to focus our narrative on the procedures common to all public goods rather than those specific to technical projects.

A borehole is also one of the most widespread public projects, implemented in most developing countries. Thus, our story will be able to touch on issues common to most developing country governments.

¹² Typically a borehole is seen as a first step towards a broader community water supply system that pipes water to the home. However, it is a vital stop gap in many instances.

¹³ Throughout history communities have come together to dig wells to source water that would otherwise be unavailable.

ANNEX 2: LITERATURE REVIEW AND FURTHER READING

This paper was a light-hearted introduction to the challenges of service delivery in the developing world. However, serious work on public service delivery exists. For those who are interested in reading more about the issues touched on in this paper, a brief review of the relevant literature is provided here.

The most comprehensive review of the literature on delivering public services in the developing world to date is the World Bank's 'World Development Report 2004'. It can be found on-line at <http://go.worldbank.org/ZPTUFPVPG0>. The core message of the report is that "successful services for poor people emerge from institutional relationships in which the actors are accountable to each other" (p.46). Essentially, it concludes that accountability is everything.

A more subtle approach is taken by Tim Besley and Maitreesh Ghatak in 'Public Goods and Economic Development' (chapter 19 in Banerjee et. al. (2006)). They argue that accountability is one of many factors important in service delivery. For example, they discuss their work on agents who are motivated to deliver public services, and the subtleties of incentive pay.

Apart from these overviews, there is much work connected to particular issues related to delivery public services in the developing world. A good source of references is the bibliographies in the above surveys. More technical work can be found in the academic literature. For example, on the importance of 'good politics', see James Robinson's 'Politician-Proof Policy' (available at www.people.fas.harvard.edu/~jrobinson/researchpapers/publishedpapers/jr_polproof.pdf). On corruption, see (published in the summer 2005 edition of the Journal of Economic Perspectives). On the level of government optimal to deliver services (decentralisation), see Mookherjee's 'Decentralization, Hierarchies, and Incentives: A Mechanism Design Perspective' published in the June 2006 edition of the Journal of Economic Literature'.

REFERENCES

Atkinson, Anthony B. and Joseph E. Stiglitz 1980 **Lectures on Public Economics** London, New York: McGraw-Hill Book Co.

Banerjee, Abhijit, Roland Bénabou, and Dilip Mookherjee (eds.) 2006 **Understanding Poverty** Oxford: Oxford University Press

Bossert, Thomas and David Parker 1984 **The Political and Administrative Context of Primary Health Care in the Developing World** *Social Science and Medicine* 18 (8) pp.693-702

Easterly, William 2006 **The Big Push Déjà Vu** *Journal of Economic Literature* 44 (1) p.97

Project Gift 2008 **Shallow Well Diagram** Taken from Project Gift web site
Available at <http://www.projectgift.org/well.php> (accessed 23/08/08)

Ravallion, Martin 2001 **The Mystery of the Vanishing Benefits: An Introduction to Impact Evaluation** *World Bank Economic Review* 15 (1) pp.115-140
Washington: World Bank
Available on-line at (working paper form): <http://go.worldbank.org/JVTC1250Z0>

Rogger, Daniel 2007 Figures 3 and 4 were photos taken in different villages in Nigeria

Rose-Ackerman, Susan 1999 **Corruption and Government: Causes, Consequences, and Reform** Cambridge and New York: Cambridge University Press

Sachs, Jeffrey 2005 **The End of Poverty: How We Can Make It Happen In Our Lifetime** London: Penguin Books

Todaro, Michael P. and Stephen C. Smith 2008 **Economic Development: Tenth Edition** Edinburgh Gate: Pearson Education Limited

Wikipedia 2008 Some of the description of the workings of a borehole was informed by the Wikipedia pages on ‘water wells’ and ‘aquifers’ at http://en.wikipedia.org/wiki/Water_well and <http://en.wikipedia.org/wiki/Aquifer> respectively (accessed on 23/08/08).

World Bank 2004 **World Development Report 2004: Making Services Work for Poor People** Washington: World Bank