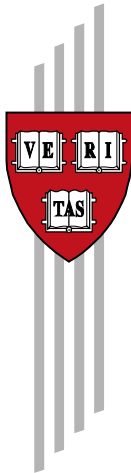


Rethinking approaches to managing change in fragile states

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“And it should be considered that nothing is more difficult to handle, more doubtful of success, nor more dangerous to manage, than to put oneself at the head of introducing new orders. For the introducer has all those that benefit from the old order as enemies, and has lukewarm defenders in all those who might benefit from the new orders. This lukewarmness arises partly from fear of adversaries who have the laws on their side and partly from the incredulity of men, who do not truly believe in new things unless they come to have a firm experience of them.”

(Machiavelli)

Introduction

In Afghanistan in early 2002, the emergency character of the situation was clear, its problems complex, and the international community's understanding of the realities on the ground limited. In July 2002 a nascent new government was established and with it came the task of building the capacity of the state to perform its key functions. What these were, no one knew or no one agreed upon. But enthusiasm and levels of ambition was high. In 2012, levels of enthusiasm are down. Capacity building of the government had proven to be a difficult task, and the processes of policy reform were highly fragmented, disjointed and uncoordinated. The search for homegrown, contextual solutions seems to have been overshadowed by donor mandates and policy prescriptions. Among Afghans, frustration levels ran high on the billions of dollars spent, which little results to show for it. A culture of blame has developed.

Having spent nearly 10 years in Afghanistan, predominantly serving as an advisor to a number of Afghan government ministries, I have been able to observe these changes unfold. Through this experience, I have become convinced that the conceptual frameworks in place were not particularly well suited for solving many of the challenges Afghanistan faces. These conceptual models were based on importing institutional models and applying international best practices to the Afghan context, and were often severely disconnected from the reality on the ground. Much well-intentioned energy was spent, by some of the brightest people in the world, but effectiveness of most development programs remained low and their high ambitions remained unmet. This situation is not exclusive to Afghanistan, but few other countries have seen such an influx of resources paired with such low capacity in state institutions, which crystallizes out these problems quite clearly.

This paper can be seen as an attempt to explore alternative conceptual frameworks that could be used to look at how change unfolds in societies, and how this could affect our way of nurturing processes of change. To do so I draw upon insights stemming from systems thinking, complexity theory and leadership development, and aim to apply these insights on the challenge of facilitating institutional change and policy reform in a country like Afghanistan, or in fragile states more generally. An essential component of this way of thinking is to start from the premise that change is not as predictable and linear as most of our theories on development would like us to believe. Change proves much more stubborn, and whereas for some challenges we do have ready-made solutions on the shelf, in many cases these seem not to work in the complex systems that human societies are.

In this paper, I will propose a distinction between *technical* and *adaptive* problems. Adaptive problems can be defined as those problems where the problem definition is not clear-cut, there are no set procedures, no recognized experts, and no adequate responses yet developed. These are the types of problems that are most resistant to quick fixes, as they are complex with many moving dimensions and interactions between them. Imported strategies are often not appropriate, have unintended consequences, and tend to lead to implementation failures. Attempts to tackle these problems often cause resistance in the social system, as values, perspectives and worldviews are at stake. Technical problems, by contrast, are more clearly defined and less context-specific solutions are required. Best practice solutions can be imported and may actually work. For adaptive problems, they most likely will not.

In my view, one of the main failures of international development is to differentiate between problems that are technical and those that are adaptive; e.g. between problems that have a clear – though perhaps complicated - technical solution, and problems that need to be worked through in more open-ended ways and where the solution is not always clearly in sight. Technical problems are well served by our current reductionist way of thinking, whereas adaptive problems are not. These latter problems are deeply embedded in complex systems, where change is not always predictable and often non-linear. Dealing with adaptive problems requires different diagnostics, different approaches, and different management and accountability frameworks.

This paper explores ways in which approaches for tackling adaptive problems can be institutionalized and managed in practical terms. It stresses the need for space for endogenous change, which can only be created through the adoption of a common language and conceptual framework around the dynamics of change. It points to new ways of overcoming resistance and finding opportunities for change. It emphasizes the need for a learning infrastructure for synthesizing different sources of learning that can feed into a process of continuous adaptation and fine-tuning. It explores principles of emergent planning and building flexibility and experimentation into program design, and discusses performance management frameworks that can contain such approaches and provide the necessary accountability.

1 Current approaches to strengthening institutions in fragile states

In development thinking in the recent decade the state has started to take center stage again. The consensus is that well-functioning institutions are the foundation for stability, economic growth and poverty reduction. Good governance is presumed to be an essential, though perhaps not sufficient, condition for development. As a consequence the large international development institutions have invested heavily in promoting good governance, with conditionality and technical assistance in their portfolio of tools. The results however proven more elusive than hoped for:

Overall, the world continues to underperform on governance. Over the past decade, dozens of countries have improved significantly on such dimensions of governance such as rule of law and voice and accountability. But a similar number of countries have experienced marked deteriorations, while others have seen short-lived improvements that are later reversed, and scores of countries have not seen significant trends one way or the other. (Kaufmann, 2010)

Public sector reform – and the associated policy reforms - have also proven difficult and have often led to changes at the surface without deep change. Although clearly visible in Afghanistan, these problems are not limited to this country:

Public Sector Reform between 1990 and 2006 - World Bank

Between 1990 and 2006 the World Bank spent about \$20 billion, corresponding with about 5.4 percent of Bank lending, on Public Sector Reform activities. Both the number and funding of PSR-related projects have risen over the last two decades. In particular, there have been significantly higher levels of PSR lending since 2000.

The sub-component of public finance management and revenue administration was most successful, with improvement seen in 60–70 percent of countries. Quality of public administration - civil service reform – was much less successful, with fewer than 45 percent of countries showing improvement (< 0.5 increase in CPIA indicator), and only 10% showing a major improvement (> 0.5 increase in CPIA indicator of quality of public administration).

Despite the continued efforts and some modification of the approach over the last decade, civil service reform has remained relatively unsuccessful, even in a relatively supportive environment. The main causes, as identified by the Independent Evaluation Group, were first and foremost a lack of political commitment to reform or a discontinuity over the implementation period.

Source: (Independent Evaluation Group, 2008)

This strong emphasis on the need to build strong institutions as a precondition for growth and poverty reduction is increasingly being criticized. One of the criticisms is that it leads to a long laundry list of necessary reforms. Critics argue that perhaps not everything has to be fully reformed in order for positive effects to take place (Rodrik, 2000). No one would argue that Brazil is not a clientelistic or patronage-based system, but it grows at impressive rates. China in the late 20th century is a powerful example for how there may be alternative paths to economic growth and poverty reduction. China did not follow any of the advice that the multilateral finance institutions would have provided, and remained outside of emerging global regulatory regimes for as substantive period of time (Rodrik, 2007). Still it achieved remarkable growth, though its political and human rights performance remains far below western standards.

Another critique on the good governance agenda is that the time frames for sustainable improvements in governance go beyond the time horizon of most development programs. Pritchett estimated that at the average rate of improvement in bureaucratic quality a typical fragile state would take 116 years just to get to the level of a country like Kenya (Pritchett & de Weijer, 2010). Our timeframes for institutional change are clearly quite far off, and we have to be more realistic about the time it takes to build well-functioning institutions. In development policy circles there is a therefore an increasing critique of the agenda of good governance. Perhaps there is such a thing as ‘good-enough’ governance¹ that reduces enough of the limitations to (inclusive-enough) growth and can put countries on a path to institutional transformation, even if they don’t meet global standards of ‘good governance’.

Yet, as the debate is on-going about what constitutes ‘good’ or ‘good-enough governance’ is, there is less discussion on to how to get there. How do we then transform a system of bad governance to a system of good or good-enough governance? How do we get from A to B? What is the road map?

1.1 The theory of change in use

The past strategy for getting from A to B has been that the fastest route to functional modernity is the adoption of the forms developed countries use, as we argued in another paper (Pritchett and De Weijer 2010). This strategy is based on establishing new institutional models that are modeled on those that exist in the West. This way of thinking treats a country is a blank slate, and assumes that new institutions will fit that context as well as the context in which they have proven themselves to be effective. In recent years a shift in thinking has occurred, and the importance lent to adapting institutional models to the specific context has become much stronger. Almost every policy document will state somewhere that ‘context matters’ and that ‘no one solutions fits all’. Yet, it can be doubted to what extent this change in policy discourse effectively translates to a different practice. Poverty reduction strategies and sectoral policy reform recommendations still look suspiciously alike in most countries. Policies and programs are still largely based on ‘international best practice’ rather than on a carefully crafted model befitting the local context.

¹ The term was first coined by Merilee Grindle in (Grindle, 2004).

In an earlier paper we have argued that one of the reasons for this flaw is the tendency to mistake 'form for function'. As we have become familiar to seeing a particular form of an organization (a political party, an audit institution, an advocacy organization, a governmental complaints bureau) perform a certain function, we are lured into believing that only an organization with this particular form can perform this function. Even worse, it is assumed that an organization (a part of the government apparatus) that looks like it does in the West; it will also function as it does in the West. The 'form' of an organization is thus mistaken for its 'function'. The international community thus bestows legitimacy – and as a consequence the flow of external funds – organizations that take on a particular form, and provides incentives to organizations to adopt these forms rather than for improving their actual functionality. As a picture speaks more than a thousand words, we will let this picture speak:



(Courtesy of Julian burton, @2012 [delta7.com](https://www.delta7.com))

We argue that this leads to *capability traps*, and can in effect destroy the very functionality and capacity we had meant to create. The international community may thus be contributing to the destruction of capacity, by deliberately not looking below the surface.

Such dynamics can lead to failures in the implementation of reforms and ineffectiveness of development programs, which are very visible in the weak performance on public sector reform, governance and capacity building. Yet, in some situations development has been very effective, and the gap between form and function did not loom that large.

1.2 Are some problems are more stubborn than others?

It is not only in governance reforms and capacity building that these issues manifest themselves, and where problems have proven difficult to solve. Overall, certain problems seem more stubborn than others. Improving student enrollment has been relatively easy all across the world, while improving the quality of education has

proven to be a much more stubborn problem². Afghanistan shows a few other resistant problems, where little progress has been made:

MDGs in Afghanistan: Where has progress been made and where does it lag behind?

Afghanistan had made notable progress on a number of Millennium Development Goals, most notably in the efforts to reduce child mortality and controlling the spread of diseases, such as malaria and tuberculosis. Despite these positive trends, however, Afghanistan still ranks at the bottom of global rankings in terms of its health indicators. Mixed progress has been made on educational indicators; access has surged but retention and completion remains a challenge, in particular for girls. Not part of the development goals, but clearly an important aspect of education is the quality of education which has remained consistently low (MoE, 2006). Access to water has improved – in terms of potable water accessible – but issues related to environmental protection remains. Afghanistan has registered progress in access to telecommunications and essential drugs, but has failed to meet its targets on aid effectiveness.

Two goals are severely off-track and are unlikely to be met by 2020, the revised MDG deadline for Afghanistan. These are the poverty reduction and gender equality targets. The poverty reduction target is several years behind its required level to meet the Afghan MDG target, while the number of people below the food poverty line appears to have increased significantly in recent years. Even if we take into account the possible effects of seasonal variations on poverty and hunger indicators, Afghanistan is still not on track to meet its MDG targets in these areas. Secondly, despite improvements in recent years, Afghanistan still faces a major challenge in improving gender equality in education, employment and political participation.

Source: (Islamic Republic of Afghanistan, 2008)

Are some problems more resistant than others? Delivering food aid in a situation of emergency is without any doubt a difficult task, but the WFP has been able to perform incredible feats. However, poverty and food insecurity have not been eliminated. Getting children into the school benches may be mostly a logistical exercise, but keeping them there, achieving gender equality and a high quality of teaching are more complex pieces of the puzzle. Governance and Public Sector reforms have been notoriously stubborn.

The problems that have proven themselves the most difficult to solve are the more complex problems. These are problems that are most deeply embedded in society and to the way things are done in society. Solving these issues means changing structures and behaviors at a deeper level in the social system, affecting values, culture, forms of social and political organizations, power structures and decision-making processes. These are the type of problems for which possible solutions tend to cause a higher resistance in the system, as they touch upon relationships of power and values, identity, and worldviews. Finding solutions to these issues often requires a reconciliation of differing values, perspectives and narratives. External solutions tend to come with their own internal logic, their own 'rules of the game,' that are often at odds with the way things have been done in society so far. This is why such external solutions are likely to lead to very different – and often less desirable – outcomes than what was intended, if they are implemented at all and are not simply adopted on the surface without actually changing the internal workings of the organization. Thus, without wanting to discard the usefulness of best practices or policy solutions that have worked elsewhere, large questions remain about how and whether they can contribute to change in a particular context.

Thus, understanding the way a social system will respond to particular reforms or proposed solutions becomes paramount to reducing the degree of ineffectiveness of development programming and external intervention writ large. Therefore any development programming will need to start with an analysis of the context it operates in. This in itself is now increasingly being recognized in development circles. However, there is a need to go beyond this one-off analysis, and actually gain greater insight into processes of change in a social system itself. What kind of change can it absorb, and what will it reject? What rate of change can it absorb without falling into a capability trap? What are some of the conditions under which it can renew itself and build up its capacity to adopt new ideas and solutions? In other words, what do we need to understand about a particular

² See for instance UNICEF on Education for All http://www.unicef.org/education/index_44870.html

social system to start seeing what policy reforms and institutional change may be possible and desirable at a given point in time.

2 Understanding the social system and its capacity to absorb change

The world is ever changing, and particularly in a post-conflict situation these changes are rapid and all-encompassing. The sudden insertion into a global economy, flows of refugees, the presence of international aid agencies, the exposure to different values; all these are severe shocks to the society, that it must adapt to. How adaptive is a society or an organization, how strong is its ability to respond to external shocks, internal pressures and emerging or long-present structural weaknesses?

In a post-conflict situation, resources start to flow into the system through a multitude of institutions that have a plethora of different mandates, ideologies, policy recommendations and conditionalities. These add new forces that need to be integrated, adapted or ejected by the system. How well is a system able to manage these forces in such a way that it strengthens its adaptive capacity? And how can the international community support this process?

Providing answers to all these questions is outside the scope of this paper, instead it focuses attention on two aspects of a social system that international development institutions should pay attention to; the degree of incongruence, the resistance to change, and the risk of the loss of institutional integrity. Actively increasing adaptive capacity may be beyond the ability of the international development institutions, but the principle of doing no harm should at least apply. We will look at these three aspects in turn.

2.1 Incongruence

A social system, be it is an organization or a society, is not a homogenous entity³. A government ministry consists of different directorates and departments with different operating cultures. The centre and the provinces function on the basis of different values and rules. Frontline workers (doctors, nurses, teachers) go about things their own way. Sub-groups tend to behave according to implicit or explicit local rules of the game, which though influenced by, are not wholly determined by the rules present in other parts of the system.

In every organization there is certain disconnect between the espoused theory; the way an organization is supposed to function, and the theory-in-use; the way the organization (or unit within the organization) actually functions. Take for example the omnipresent gap between policy and practice. Policy prescribes - on a rather abstract basis - the actions to undertake in a particular state of the world. The practitioners translate this policy, sometimes quite liberally, to real actions on the ground. Often this incongruence serves the system well, it may be considered the grease between the wheels that gets the work done.

However in many developing countries, and in particular in fragile states, this disconnect is often quite severe and may lead to a fragmentation of the system. Formal and informal systems often co-exist, and the values espoused by formal institutions and those lived by the society are often at odds with each other (Argyris C. , 1995). Take the typical example of a bureaucratic organization, supposed to conform to the good Weberian notion of disregard for the person, but in reality is infused with the societal values of patronage and clientelism.

In many developing countries the formal systems are often only partly developed. There is a profusion of different kinds of systems, formal and informal, sometimes competing for resources, power and legitimacy. Such systems are unconsolidated and unstable (Morgan P. , 2005). The degree of congruence between the societal values and the espoused values of formal institutions are an important characteristic of a social system.

³ For more background on Complex Adaptive Systems refer to (Cilliers, 1998)

The degree of fragmentation is important for two reasons. Firstly, a highly fragmented and incongruent system is less predictable. Interventions will have unpredictable, largely non-linear effects. Connections between the different units are relatively loose, and changes in one part of the system may not translate to another⁴. Official policy reforms declared at the centre may have very little impact on the performance of nurses, who continue to do things their way. This is one important explanation of the dynamics of persistent implementation failure oft seen in development programs⁵. At the same time, interesting innovations emerging at one level may not translate into broader system change. An innovative solution to family health care invented by a nurse is not likely to lead to a change in the national health care system. The advantage of high incongruence and fragmentation is high variety, in evolutionary terms an important trait of adaptability. Its disadvantage is unpredictability.

Secondly, a large difference between espoused theory and actual theory-in-use means that several rule systems are at play simultaneously, and each one of these tend to be quite resilient to change as they are often connected to deeply held values. This can create an inertia in the system that may be hard to overcome.

Understanding the degree of incongruence way in the social system would include the following elements:

- identify the formal and informal institutions as they relate to the task at hand
- identify the main sub-systems and the rules of the game within these units
- learn about the degree to which the sub-systems are connected and have traction on each other.

2.2 Resistance to change

A lack of societal fit between the proposed reforms and the informal rules of the game often causes resistance and a lack of buy-in by civil servants, front line workers and even citizens. Individuals within the organization may feel tension towards the values these reforms espouse, or they may simply fear occurring losses as a result, and will resist these changes. These concerns may be justified and legitimate or they may not be, but they exist and they constitute strong forces of inertia and resistance.

⁴ For a good overview of connections between units in complex adaptive systems refer to (Holling, 2001), (Gunderson & Holling, 2002), and (Ramalingam, Jones, Reba, & Young, 2008)

⁵ View also (Pritchett & de Weijer, 2010) and (Pritchett, Woolcock, & Andrews, 2010)

Examples of sources of resistance to policy reform

Individual requests versus strategic programming

Agents face real people with real problems asking for quick solutions. Communities send delegations to the government, with requests to have their specific problems solved. Donors, on the other hand, are wary of fulfilling individual needs, and aim to ensure above all that their programs are fair and equitable. Delivery of services is done on the basis of universal access or based on strict, measurable criteria of need. This creates a need for comprehensive, strategic programming, which tends to take longer time to roll out, and is not always attuned to meeting urgent needs when they arise.

Pressure to get things done

In a similar vein, agents on the ground need to show results quickly, and are held accountable by the citizens for the real life results they can show. The top levels of the organization face different pressures from the international community, and are rewarded for meeting the conditions of the donors. Such demands include structural reforms, comprehensive strategy papers, and quality standards for operating standards such as sound public finance management. As much as these may indeed be prerequisites for accountable and transparent program implementation, it can take long before its impact on the ground is felt.

Best practice policy solutions

International development practitioners benefit from a broad exposure to policy alternatives, to which the local civil servants have not had access. The knowledge of the latter therefore is based on what they have seen work or fail in the past. Persuading them of the supremacy of these international best practice solutions – unproven as they are in this context – is no easy task. This challenge is exacerbated by the fact that often the civil servants perceive and define the problem differently from the international community. If problem definitions diverge, the policy prescriptions offered by the international community are not likely to resonate with the civil servants. The subsequent lack of buy-in from the civil service to these imported policy solutions diminishes the likelihood of the policy actually getting implemented on the ground as intended.

Meritocratic standards of recruitment

Meritocratic standards of recruitment are bound to create tension within the organization, as in the society different norms apply. Meritocracy is premised on the notion that all individuals should have equal opportunity, and preferential treatment is unjustifiable. If the society places different expectations on its civil service, pressure on the civil servants will be high. For agents within the organization this meritocratic principle will not be easy to maintain in the presence of demands made by kin and colleagues; demands that are completely compatible with the normative underpinnings of a society largely based on patronage and clientelism.

Of course I do not mean to argue here that values such as meritocratic standards and universal access to services should be abandoned as worthy goals. I am merely underscoring the stresses these release in an organization, which – if not managed well – may cause the organization to withdraw into a state of inertia to change. The presence of the international community, and the high pressures placed on rapid reforms, may push an organization or a society even deeper into a state of resistance.

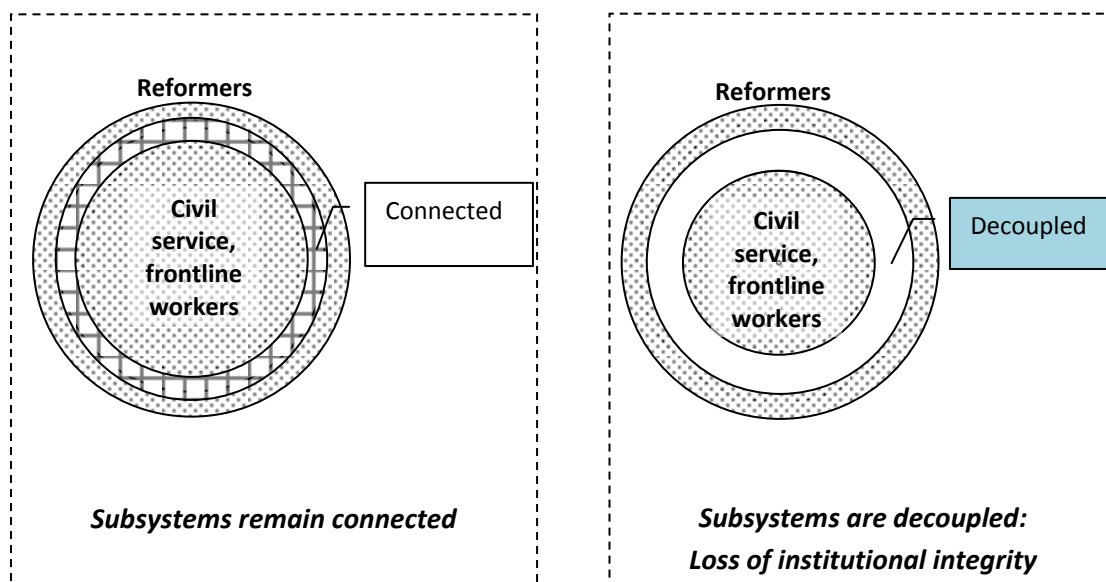
2.3 Loss of institutional integrity

Obtaining resources from external donors is conditioned on buying into the donor's perspective of legitimacy (good governance, strong institutions, pro-poor policy frameworks, etc). However, the internal legitimacy of one's actions may be based on totally different principles; such as ensuring that benefits go to one's own group, 'not-in-my-back-yard' dynamics, using the vehicles of patronage for bestowing favors on political allies, or simply giving the citizens what they need practically today rather than adhering to long-term strategic plans. In these cases there is a mismatch between internal and external legitimacy that forms a risk for the organization.

Countries under pressure of reform tend to have a few 'reform champions', often policy makers or politicians that have been educated in the West. Their vision, priorities and strategies tend to be quite aligned with those of donors, which leads to a natural coalition. This combination of external legitimacy, resources and some local ownership suffices to get certain reforms pushed through. However, the risk is that these reforms will exist on

the surface only. The organization will pretend to play the game and will outwardly transform itself into a prodigious child. All the right boxes will be ticked and the donor requirements satisfied. However, the reforms will continue to exist on paper alone, without a deeper coalition supporting it, e.g. there is no internal legitimacy associated with it. If the actors involved in implementation have not bought into the policy changes, their actions on the ground will continue in the old way. New rules and regulations often do not even make it down to the implementation level, and even if they do they are often disregarded or paid merely lip service to. Local rules continue to rule, and the old systems prevail in spite of policy changes.

Anyone who has spent any time in an Afghan government ministry will recognize the presence of two parallel universes; one inhabited by the few reformers and the international advisors, and the alternative universe of the civil servants and frontline agents. A culture of blame starts to develop as trust diminishes, with both sides accusing the other of undermining them. Over time the gap between the two parallels begins to widen. It will eventually reach a point where the organization's internal coherence becomes lost, and it effectively separates into two separate institutions governed by different rules and internal logic. The sub-systems have become *decoupled* from each other. The espoused theories and the theories-in-use no longer have any bearing on each other. The organization survives, but the price it pays is a severe loss in organizational coherence and a subsequent fall in real capability. The problem-solving capabilities present in the organization are hidden from view or discarded.



Since the organization needs legitimacy for its survival it will need to pretend that it is still functioning. In response it may adopt a strategy of *isomorphic mimicry* (Pritchett & de Weijer, 2010); it will create the illusion of being a capable organization through adopting the outward forms of a capable organization, without little regard for the actual functionality of the organization. This strategy is incentivized by the international community, who tend to only look at the outward appearance of reform without paying heed to actual performance outcomes. Most donor boxes can be ticked by simply creating new organograms, strategy documents, monitoring and evaluation units, and so forth. Most international experts that have spent considerable time in a government ministry knows how little genuine ownership exists, and how little actual capability is built deep inside the ministry, but have no choice but to play along. There is therefore a genuine risk that the engagement of the international community creates a deepening of a pattern of *isomorphic mimicry*, and a further loss of institutional integrity. Rather than strengthening the capability of the state – the goal the policies clearly aims to achieve – these well-intended efforts may actually backfire and reduce the capability of the administration. In an earlier paper we have referred to this dynamic as a '*capability trap*' (Pritchett and De Weijer 2010).

Social systems that are more fragmented, where different types of rules systems exist in parallel, and with a higher incongruence between these different rule systems may be more vulnerable to these risks of decoupling and isomorphic mimicry.

3 Towards new approaches for nurturing change

3.1 Distinguishing between adaptive and technical problems

Earlier we made a distinction between those problems that seem relatively easy to solve (delivering food aid to hungry people) and those that seem to defy all attempts (public sector reform and capacity building). The difference between these types of problems can be seen as the difference between technical and adaptive problems (Heifetz 1994).

Technical problems are technical in the sense that the necessary knowledge about them is known, has been digested and put in the form of a legitimized set of known organizational procedures. Technical problems can be solved by technical solutions, which do not cause resistance within the social system.

Adaptive problems can be defined as problems:

- for which perspectives on the definition of the problem and its solutions will differ
- for which no routine set of responses has yet been developed
- where some degree of changes in values and behavior in a social system is required (Heifetz 1994)

A more elaborate description is provided in the box on the next page.

Adaptive problems, by contrast, have not yet generated an adequate response. Perspectives on the definition of the problem and its solutions will differ, and while experts may have ideas about solutions none of these hold sufficient credibility to get implemented. Technical fixes are not possible, and making progress on adaptive challenges will involve changes in values, beliefs, attitudes and behaviors in some, if not all, stakeholders. (Heifetz, 1994) The term adaptive problem is similar to other concepts such as wicked problems, and social messes (see box).

In contrast to technical problems, adaptive challenges require the system to adapt and change itself, which unleashes a lot of strong forces within the system. They are more apt to cause resistance, they are more deeply embedded into complex social systems and are therefore more likely to effect unpredictable change. As there is not one known and mutually agreed upon solution, implementation of any one solution is likely to cause resistance in the system. Proposed solutions to these problems are much more prone to fall into the trap of implementation failure and system inertia. When intervening in such problems the risks of increasing system inertia and isomorphic mimicry are high. In addition, it places the organization itself at risk of falling into the trap the loss of institutional integrity and capability traps.

In our globalizing world our societies are becoming increasingly interconnected with other societies, information flows freely and different worldviews meet in cyberspace and in real life. Events occurring on one side of the world reverberate at the other end, as interconnections grow. In sum, our social system becomes more complex. Complex social systems come with high pluralism. Views on public policy issues can be highly divergent between the variety of actors in the system, and are dependent on perceptions of the world and the underlying values these actors hold. Making progress on these issues will often imply a reconciliation of underlying values and perspectives and the search for a new fit between the multitude of society's perspectives on the issue and possible policy solutions. As our social systems become more complex, adaptive problems grow in importance (Cilliers, 1998).

Adaptive problems, wicked problems, social messes.

A number of scholars, spearheaded by Rittel in 1973, have asserted that many of the problems that social policy planners deal with is inherently different from the problems that scientists deal with. Professionals have misguidedly applied the cognitive style of science and the occupational style of engineering to social problems, on the assumption that these are equally definable and separable and have solutions that are equally findable. By contrast, many social problems are ill-defined and rely upon political judgment for resolution; he called them 'wicked problems' (Rittel, 1973).

- 1) There is no definitive formulation of the problem. The information needed to understand the problems depends upon one's idea of solving it. The linear flow of specifying the problem through first gathering and analyzing data followed by formulating and implementing the solution, does not work. Stakeholders will have different perspectives on how the problem should be understood, its causes and its solutions. Proposed solutions are not solutions unless they are actually implemented, for which they require political support.
- 2) There is no definitive, optimal solution. One may always try to do better and constraints on time and resources will determine when good is good enough. Solutions to wicked problems are not true or false, but good-or-bad (or better or worse). And there is no ultimate test of a solution. Any solution will generate waves of consequences over an extended period of time, and may yield undesirable consequences, which span and depth we may not be able to trace fully. Rittel goes so far as to say that wicked problems are never solved, at vest they are only re-solved, over and over again. Heifetz stresses that finding the solution requires learning, which would imply that there is such a thing as a solution, but it is as yet unknown.
- 3) Every wicked problem is essential unique. Despite seeming similarities, one can never be certain that the particulars of a problem do not override its commonalities with other problems. Creativity and invention is required to work towards a solution in each case.

This concept of wicked problems is similar to the concept of 'social messes' as developed by Ackoff and 'adaptive problems' by Heifetz (Ackoff, 1981) (Heifetz, 1994).

Perhaps a more simple way of describing a wicked or an adaptive problem, is to describe its opposite; a tame problem (Rittel) or a technical problem (Heifetz). A tame problem has a well-defined and stable problem statement, it has a definite stopping point, it has a solution which can be objectively evaluated as right or wrong, it belongs to a class of problems which are all solved in the same similar way, it has solutions which are easily tried and abandoned, and it comes with a limited set of alternative solutions (Conklin, 2006).

Adaptive problems are deeply embedded into complex social systems. They are complex problems, in the sense that they have multiple causes, and social actors will hold highly divergent views on how these can or should be solved. They also often stretch into different levels of the systems, and for change to become lasting a number of rules systems need to change simultaneously.

The more complex and multi-causal a problem is, the more interconnected and interdependent with other elements in the system it will be. It will be less amenable to control, and therefore interventions can lead to unpredictable outcomes, e.g. less change than predicted, more change than predicted, or a change in different dimensions than predicted. Interaction effects with other dimensions are likely to be strong. As a consequence, the level of unpredictability of system responses is likely to high and change can be very non-linear. Therefore outcomes of intended policy solutions are likely to be highly contextual and have a low transferability between contexts.

Adaptive problems exhibit the following characteristics:

- Multi-causal and multiple perspectives on problem definition, causes and possible solutions
- Change is non-linear and unpredictable, due to a high degree of interaction effects with other societal dimensions
- Effects of interventions are highly dependent on initial context and solutions have a low transferability from one context to another.

Many problems in the development world still have a highly adaptive character. Context specific strategies have not yet been established, even definitions on how to frame the problem have not yet been 'wrestled to the mat' (Heifetz, 1994). Solutions have not yet been found, let alone allowed to settle and become institutionalized.

Take property rights as an example. In the West managing of property rights is a technical procedure, with established mechanisms for registering and transferring title deeds, based on a strong legal foundation. Conflicts occur, but the judiciary system is well equipped to solve these and people abide by the verdict. Compare this to the situation in Afghanistan, where no one comprehensive system for registering property has ever existed. Various partial systems were in place at different times, include a partial cadastre, a partial land survey, tax receipts that have some validity as legal documents and even royal or presidential decrees that may or may not have been constitutional. The use of common land is managed partially through law and partially through customary practices, which are also recognized by law. Land grabbing continues by the powerful with impunity, and courts are not trusted (Wily, 2003). Nonetheless in this case USAID did not hesitate to send a technical team to the country to establish a land registration cadastre⁶. A clear technical fix to an adaptive challenge.

As much as certain problems have a more inherent tame character than others, its ultimate characteristics will always depend on context. A problem will change its characteristics over time, and a similar problem will occupy a different position in different contexts. This will depend on history, existing institutional landscape, organizational culture and values and level of divergence within the system. Problems may also be technical up to a certain points, until the problem is solved to a certain degree. For instance, reducing communicable disease may be relatively easy as long as technical solutions (inoculation through mass vaccination campaigns) can be employed, but after a certain point it will require a more profound cultural change which is much harder to achieve (hygiene and sanitation). Afghanistan's relative success with reducing the mortality of children under five can perhaps be seen in these terms.

3.2 Unpacking an adaptive problem

Part of the art is about unpacking an adaptive problem. An adaptive problem is in a way a system of problems, with technical and adaptive components. As we unravel the knot of an adaptive problem, we will continue to find technical elements and adaptive elements within it. The more we can solve the technical elements, the more space we find for dealing with the adaptive elements. However, merely solving the technical elements will not solve the adaptive problem, and the overall approach must be guided by the adaptive element so that we can breathe a sigh of relief every time we come upon a technical piece.

Taking a closer look at these adaptive problems may elucidate different dimensions of adaptive problems, which may assist in the diagnostic work and the principles of approaches to start addressing these. All problems that are not technical are adaptive, but there is a spectrum of adaptiveness. Adaptive problems can be described in three different dimensions that create the space of in which problems (or systems of problems) manifest themselves:

- Variation in perspectives on problem definition and cause-effect relations
- Likelihood of strong interaction effects
- Degree of uncertainty about solutions.

The **first dimension** refers to the variation in perspectives on the problem definition. Social actors all view the world through a particular frame, and in order to make the world understandable they create an image of reality, a specific worldview (Pain, 2009). They create narratives about the state of the world, and such narratives are deeply connected with values, loyalties, and belief systems. Each narrative defines the problem in a different way and places a different weight on root causes. None of these competing stories are untrue,

⁶ For more information refer to <http://afghanistan.usaid.gov/en/Activity.27.aspx>

they are all partially true. But they do tend to define themselves in contradistinction to the other policy stories, and as such brings an element of debate into the picture (APSC, 2007). The text box on page 14 presents a case of conflicting narratives on the development of agriculture in Afghanistan.

The **second dimension** is related to the multidimensional character of the problem, in the breadth of disciplines it touches upon (cultural, economic, political) and in the levels of society involved. A technical problem is a problem that can be solved by one engineer or one organization, and can be rolled out by edict. Adaptive problems require a number of organizations to address aspects of a problem, and need to actively bring the local actors along in solving a problem. An example would be a program that aims to improve quality of education by making teaching more participatory, while teachers are reluctant to let go of their expert-role. Furthermore, its multidimensional character means that addressing a problem in one realm (for instance economics) can have important side effects in another realm (for instance political). Whereas privatization of state owned enterprises makes sense economically, its knock-on effects in enhancing opportunities for rent-seeking for the powerful may make this a suboptimal solution.

The third dimension relates to the knowability of the solution, or the degree of uncertainty around the solution. To what degree is a solution already known or is further learning required. With technical problems it is reasonable to suggest that a solution is already known. This may be a 'best practice' solution or a solution that has already proven its worth in this particular context. With adaptive problems, there will at minimum be a need for a local adaptation of the proposed solution to the new context. In other cases, the even more wicked ones, there really is no consensus on what the right solution is. In fact, there is no such thing as a 'right solution', the interpretation of what is good or bad depends heavily on one's perspective of the problem and one's worldview. Solutions need to be uncovered and tested against reality, which can be made even more difficult if the interpretation of what constitutes success also varies among the stakeholders.

The most complex problems therefore, the truly wicked ones, score high on every dimension. Technical problems, by contrast, score low on all three dimensions. All other problems can be considered adaptive problems, scoring medium to high on all three dimensions. A typical wicked problem is for instance climate change. Perspectives on the problem definition and causality differ (e.g. is it man-made or natural; is carbon dioxide the biggest problem or is it black carbon; can it be reversed; will it reach a tipping point); interaction effects are vast (e.g. changes in temperature leads to effects in all ecosystems), and there is a high degree of uncertainty on the solutions (e.g. how fast will temperatures continue to rise, what effect will mitigation have, to what degree can technical innovations deal with the consequences of rising temperatures). A medium-level adaptive problem is the delivery of food and shelter to refugees. The degree of agreement on the problem and the solutions is relatively high, but the knock-on effects potentially very high (e.g. effect on the local population, sheltering the aggressors as well as the victims).

3.3 What approaches are appropriate for tackling adaptive problems?

So what does research tell us about specific approaches to tackle adaptive, or wicked, problems? First of all, policy makers and managers need to realize that there are no quick fixes and that the timeframe for genuinely solving adaptive problems may be longer than the timeframe they had in mind for the technical solution (Heifetz, 1994) (APSC, 2007). Perhaps even more importantly, it needs to be recognized that adaptive problems cannot be managed from the top-down. The best one can do is create the conditions that allow for progress to be made on these issues by the actors themselves. One can nurture processes, not command change.

Research shows that adaptive problems require adaptive approaches. These may take different forms and shapes, depending on the characteristics of the problem and the system itself. The art of change management starts with distinguishing between the different types of problems. We have already started unpacking adaptive problems into their three dimensions of complexity; variation in perspectives on problem definition

and root causes, the multidimensional character of the problem, and the degree of uncertainty about solutions.

The basic approaches to start tackling adaptive problems are also three in number, loosely connected to these three dimensions. They may be best considered as principles of approaches that need to be combined in a tailored way for each situation. They are engagement of stakeholders in collaborative solution seeking; dynamic, cross-functional, networked governance and learning; and creative, innovative thinking with space for experimentation.

3.3.1 Engagement of the stakeholders

It can be very difficult to solve a problem when the stakeholders do not agree on what exactly constitutes the problem and what is underlying determining factors are. For every complex problem, there will be different perspectives about how to define the problem and how to solve it. Donors, civil servants, frontline agents, modernizers, traditionalists, revisionists; all have a different understanding of the problem and different ideas about solutions. These narratives are constructed to explain and justify the solutions they offer, and will interpret the facts in such a way that they support the narrative (Pain, 2009).

Left to their own devices these competing stories will vie for dominance, and the issue will continue to be cast in adversarial terms, and conflict may arise. In particular in situation with low data availability and little understanding of system dynamics, these policy narratives can take on an air of reality that may stifle debate. Donors have to be conscious that they are also bringing a perspective to the table, one that may be more grounded in their experience elsewhere than in the realities on the ground.

Policy making in Agricultural and Rural Development in Afghanistan

The mandate over the rural sector of Afghanistan is held by two different ministries, the Ministry of Rural Rehabilitation and Development (MRRD) and the Ministry of Agriculture, Irrigation and Livestock (MAIL). As part of the formulation of the Afghanistan National Development Strategy (ANDS) the policy framework of these two ministries needed to be brought under one umbrella, the Agriculture and Rural Development (ARD) sector.

In the process, deep rifts in perspectives between the two ministries and within the ministries surfaced. Adam Pain researched the policy making process and describes three narratives:

- The *productionist* narrative, emphasizing the earlier collapse of the agricultural sector and the need to rebuild it as it was. This narrative sees a strong role for the state in ARD.
- The *developmentalist* narrative subscribes to the donor consensus on the importance of good governance, private sector-led development, growth and a focus on poverty reduction.
- The *market-driven* narrative, stressing the role of the private sector in driving development, and allows for only a minimal role for the state.

In the Ministry of Agriculture (MAIL), including its donors and technical advisors, all three perspectives are prevalent, whereas in the Ministry of Rural Rehabilitation and Development (MRRD) the consensus of nearly all stakeholders is on the developmental perspective. In MAIL however, these perspectives were set against each other, and fought out over different versions of policy documents. The pressure increased through strong involvement of both donors pressing for their position and the direct interference of the Secretariat of the ANDS.

The attempt to merge these divergent narratives into a common ARD sector strategy largely failed. The policy making process reflected the competition between these positions and the narratives' advocates, rather than an exploration of potential complementarities. The sectoral policy that was eventually created was not robust and did not have broad political support.

Pain recognizes the difficulty of making good policy in Afghanistan, given the government's lack of policy making history, conflicting political and policy goals, and political uncertainty. Against this backdrop he recommends the use of independent policy analysts, who are not tied to any particular perspective, and can help create the space need for a true debate on policy choices.

Source: (Pain, 2009)

These narratives are deeply connected to identity and niches inhabited in the system, and are deeply influenced by the local rules of that sub-system. Individuals will aim to present solutions on the basis of a created policy narrative. These narratives are created as a way to reduce uncertainty, to make the world a more comprehensible and manageable place. As they are linked to identity, worldview, and perceptions of reality, they are often deeply resistant to change and constitute deep traps.

In order to make progress on adaptive problems, stakeholders must be drawn out of the traps they find themselves in. All these narratives have elements of truth and each present one particular perspective on the world, and as such they can be seen as potential resources in understanding and solving the problem. Variety is strength in complex adaptive systems.

The literature presents a number of ways of dealing with diverging problem definitions (Conklin, 2006) (APSC, 2007) (Roberts, 2000). A problem definition can be forced on the actors (the authoritarian approach), a process of competition can be arranged where the winning party gets to define the problem definition (the competitive approach), but most authors agree that ideally stakeholders need to be brought on board willingly rather than coerced (the collaborative approach). Nonetheless, elements of competition and authoritarianism may prove functional at certain parts of the process⁷.

The main purpose of the collaborative approach is to direct attention of the actors to the stresses on the system that need to be addressed⁸, and where all actors do feel a responsibility towards this purpose. They may disagree on the causes of the problem or the strategy to be used, but they will agree that there is an issue to be addressed. Actors can start to co-create when they start seeing the variety in perspectives, knowledge and skills as collective intelligence and a main resource for innovation⁹.

Stakeholders can be brought into the process and brought to scrutinize their assumptions and adopt openness to other perspectives. This demands a more participative mode of operating, because it often requires changes in values, beliefs, behaviors of the actors and the relationships between them. With time, the stakeholders must also grow a willingness to scrutinize their underlying assumptions about the state of the world, and rub these against the evidence. They can become more open to the idea of testing out different solutions, '*rubbing them against reality*' (Heifetz, 1994) and judging them for their merit.

Engaging stakeholders in such a process is a complicated task in itself, as stakeholders may not initially be willing to scrutinize their perspectives to such a degree. It may raise tension, which can be turned to productive use; Heifetz speaks of a 'productive disequilibrium' that must be maintained in order to harness the energy and creativity of the actors to solve the problems at hand. The key for constructive deliberation is to maintain attention to the collective challenge all stakeholders share. Data collection and experimentation can also serve as useful tools to test and challenge underlying values and assumptions and open these up to debate.

The strength of the collaborative method lies in the simple fact that change in values and behavior can only be generated from within, through a deeper understanding of the complexity of the issue at hand and the system dynamics at play. This will create more sustainable change and it will also support implementation because of the stakeholder buy-in (or ownership) that it creates. Its limitations are the time and messiness of the process,

⁷ Refer Heifetz chapter 5 on choosing the decision-making process (Heifetz, 1994)

⁸ Engagement of the stakeholders in the problem solving process does not necessarily mean that the process itself is democratic and fully open to collaborative interpretation. There may be situations in which this process can take place around a table, with facilitators uncovering underlying assumptions, perspectives and values that stakeholders represent. In other situations, this may not be feasible or cause too much dissent, in which case the leadership must find alternative ways of keeping the attention of actors focused on the challenge faced.

⁹ This focus on engagement of the stakeholders may invoke associations with bottom-up, community-based, participatory approaches often used by NGOs, and may therefore be implicitly associated with grass-roots organizations. This assumption is incorrect, since complex problems occur at every level, and actions to initiate change occurs at different levels. What matters here is that different actors in the system have to realign their values, behaviors, and practices with a new way of doing things, and this can only happen through engagement.

for which the policy makers must have the stomach. It also requires resources and sophisticated facilitation and leadership skills which may be in short supply.

There are two main risks associated with this approach; firstly the risk to incite conflict to a level that it becomes counter-productive and it creates a stalemate, a deepening of trench positions, or worse. Secondly, as much as solving wicked problems is inherently a social process the technical aspects should not be overlooked, and the risk is there that social actors will come to a compromise that is either technically non-feasible or sub-optimal. The challenge therefore becomes to bring technical expertise in at the right times in the process, and to continually decompose the problem further and further into technical and dynamic elements. One way to approach this would be to have an expert panel on standby and have the final packet of implementation designed by technical experts.

3.3.2 Cross-sectoral and cross-functional governance models

Multi-causal problems or problems that are strongly connected with other dimensions in the system are far more likely to have unpredictable responses to interventions. Such problems need to be dealt with across domains, as reducing it to a one-dimensional problem would mean artificial taming. This has a number of implications; firstly the need to work across boundaries, secondly the importance of scanning widely for unintended consequences, and thirdly the need to continually learn, adapt and improve.

The need to work across boundaries is becoming increasingly recognized in the west, where governance structures are slowly starting to change and networked-type governance structures are emerging. Unfortunately most international development institutional infrastructure is lagging behind and functionally siloed approaches are still the norm. Collaboration across boundaries does not relate exclusively to cross-functional linkages, it also refers to cross-tier collaboration. Actors with their feet in the mud (e.g. frontline agents) and those with their heads in the clouds (policy makers) need to be integrated in the problem-solving process.

A dynamic approach is necessary in order to manage expected and unexpected outcomes. The knock-on effects from one realm to another can cause unexpected outcomes to occur. Without a careful scanning, these unintended consequences can easily be missed and the programme intervention will simply continue to wreak more havoc. Accountability frameworks that demand for specific targets to be met within a particular timeframe, can make things worse. A wide scanning for unintended outcomes is therefore crucial and leads to deeper learning. Learning about the effects of an intervention allows for the continuous adaptation and fine-tuning of the policies or programs, with the aim of reducing perverse effects and embarking on a process of continuous improvement in overall performance. This learning needs to be cross-functional and across tiers. Sections 4.4 and 5.2 enter more deeply into these issues of learning.

3.3.3 Creative, innovative thinking with space for experimentation

When there is a high degree of uncertainty about which solutions may be effective a solution-seeking process needs to be embarked upon. Collaboratively defining the problems statement and harnessing creative resources from across dimensions is a good start to start identifying potential solutions, but ultimately the effect of these potential solutions is not known, and perhaps hardly knowable.

When solutions are not yet known, innovative thinking and creativity comes to the fore. This is now no longer a matter of adapting a known solution, or choosing between a subset of solutions presented by the stakeholders. Finding a solution means creating a solution from scratch. Recombining existing elements, using existing capabilities and resources and combining them in new ways, thinking of new institutional configurations that open up new channels, and so forth.

Assumptions about problems and ideas about solutions need to be rubbed against reality. Can they be verified or falsified? Often it is only through experimentation and trial that such questions can be answered. Different

situations may also ask for different solutions. It cannot automatically be assumed that a solution that has worked in one region will be equally effective in another region, and continuous ground-testing will remain necessary.

Earlier we spoke of importance of maintaining the connections between policy makers at the top of the organization and the mid-level or frontline workers at the other end. A system that has the right balance of autonomy and connection between these tiers can make better use of the resources for problem solving available at different levels. The less the solutions are known, the higher the need to provide relative autonomy for innovative ideas to come to the fore. The main purpose is to generate experiments, create an appreciative environment for innovative ideas, and harness the energies of all the actors involved. This will start to generate the information and knowledge required to slowly crawl towards a solution, and when the right institutional scaffolding is present these solutions can permeate through the system, and cross-pollinate with elements of solutions discovered elsewhere.

Innovation and experimentation may take different shapes, such as:

- Identify, support and protect innovations that already exist
- Action research: have a team of people collaboratively work on solving problems¹⁰
- Deliberately design pilots to test out different approaches
- Spark local experiments built on the ideas, capabilities and resources of system actors (commission pilots)

The strength of this approach is that it provides an avenue towards genuine innovative, purely contextual solutions with a high degree of social fitness. Particularly those ideas that stem from actors within the system are likely to be solidly grounded in reality, and its champions are the very people implementing it. These solutions are much less likely to suffer from capability traps, and if the feedback channels are functioning well, these solutions can spread throughout the society like wildfire, adapting themselves to local conditions as they travel.

However, there are limitations to his approach. One of the challenges will be to persuade the stakeholders of the wisdom of allowing for ground-testing and controlled experimentation. When the issue has been framed in highly adversarial terms, having stakeholders reassess their own assumptions and values is a very difficult task in itself. Still, stakeholders may be more open to allowing for experimentation, especially if they believe deeply in their truth and are confident that the experiment will provide evidence for their narrative.

The biggest problem associated with this approach is that every approach attempted has consequences; the cost of iterations may be high (Gamble, 2008). Many solutions cannot realistically be tested out without interrupting existing patterns or without the creation of full-fledged new system. One cannot test out the construction of a dam, or experiment with a new constitution. Many public policy problems give you just one shot at it, one crawl across the design space. This is the real drawback of an experimental approach, and is not easy to overcome. Nonetheless, an interesting approach that can perhaps make some inroads is scenario planning¹¹ where based on our best understanding of the system a number of scenarios are imagined and presented. These cannot be considered real forecasts, since predicting the future of complex systems is clearly fraught with problems, but it may still serve a purpose, if not for analytical purposes then perhaps for stirring up a debate and uncovering and displaying some of the hidden assumption in competing narratives. Resolution mapping and simulations serve similar purposes (Horn & Weber, 2007) (Gamble, 2008).

¹⁰ Action learning is one of the most touted types of learning, in particular for adaptive problems. Action learning means learning from action or concrete experience, as well as taking action as a result of this learning (Zuber-Skerrit, 2001). In practice this often means that a team of people with different functional backgrounds and different roles in the organization work collaboratively to find a practical solution to an adaptive problem.

¹¹ See for instance 'Plotting your scenarios', by Ogilvy and Schwartz in the Global Business Network, www.gbn.com

3.3.4 Combining approaches – Increasing adaptive capability

As will have become clear from the discussion above, none of these approaches offer guaranteed solutions. None of these approaches are easy to implement in the first place, as one can merely aim to nurture these processes along and cannot force any of these approaches on the stakeholders. Yet, a programme interventions that was designed on the basis of these approaches may be more successful than one following a more top-down strategy.

All these approaches, when employed singularly, are limited in many ways. Depending on the characteristics of the problem and the social system that it is part of, these approaches may need to be combined, as they can complement each other in interesting ways. For instance, a collaborative approach may hit a stalemate around a definition of the problem. Bringing in actors from different parts of the system helps to create a more sophisticated understanding of the problem, and may cause certain actors to revisit their narrative about the nature of the problem. If actors cannot agree on a strategy to take, perhaps they can agree on a range of experiments to take place, and are willing to open themselves up to the evidence generated by these experiments.

A system that is more open to collaborative and innovative approaches, sparked up by anyone in the system, is likely to be more able to cope with wicked problems. A system that can use the above approaches effectively, can adjust back and forth between the different approaches, can effectively bring technical know-how to bear upon these processes, and can create a scaffolding infrastructure around these processes that allow for the continuous strengthening of these processes is a highly adaptive system. It is becoming a system that has not just learnt to deal with the wicked problem it was trying to solve; it has actually changed its internal organization in such a way that dealing with the next wicked problem is easier. In addition, it will also be more resilient to external changes, as they threaten the social system.

4 Implications for development policy and management

How relevant is this way of thinking about tackling adaptive problems relevant to fragile states? Do these approaches indeed provide an alternative to the strategies currently employed in fragile states?

One critique that may have sprung to mind while reading the last chapter is that these approaches seem relatively silent on issues of power and politics. This is partially true. In situations with high power asymmetries it is difficult to surface all perspectives, as particularly the weaker and more marginalized perspectives may be silenced. Furthermore, in situations where raw power determines the outcome of all processes, the benefits of using an alternative approach will not be high. However, this criticism is equally valid for the current approaches to institutional change in fragile states. Secondly, not all expression of power is fully self-interested. Power is often conferred upon the powerful in return for a particular service (Heifetz 1994). This expression of power is therefore often coupled with a particular worldview, a particular value system and a particular perspective on what solution holds most promise. Therefore, the issue of power is partially included in the approaches discussed above, when power-holders can either act as spoilers or as contributors to a collaborative way forward. Much recent research, such as for instance the work done by the African Power and Politics Program¹², points to the importance of coalitions and networks of the willing for moving anything forward. Power and politics therefore play a very important role, and I would argue that the aforementioned approaches take these issues more seriously than the more technocratic approaches that pretend they don't exist.

Yet, to use these types of approaches requires a significant change in mindset. We must recognize that finding ways forward on addressing adaptive problems is a process whereby solutions are not readily available on the

¹² <http://www.institutions-africa.org/>

shelf, and change is much less linear and predictable. This means a move away from the old reductionist frameworks to a different type of analysis, planning and management, which is more 'art than science'. It is venturing into the unknown, and will require creativity and open-mindedness. It requires an iterative approach, whereby learning from trial and error and correcting course mid-way is the name of the game. It puts human agency back on the agenda, and views institutional change not as a technocratic exercise but as one driven by human's capacity for problem-solving and innovation. To focus these agents of change, it means focusing the attention to problems that are meaningful and sufficiently concrete to them, and to provide them with an enabling environment to exercise their agency.

This way of thinking has significant implications for the way we – as the international community – engage with fragile states. The following sections will address a number of the key ones.

4.1 Create policy space for endogenous change

How much policy space does a partner country really have to find its own solutions and to carve out its own path to development? Donors tend to restrict policy options by making a specific policy agenda their starting point (DFID, 2003) (Ellerman, 2002). The issue of policy space for recipient countries is emerging as an increasingly important concept in thinking about development, in particular in view of the recent, highly laudable, drives towards increased aid effectiveness. The outcome of the fourth high level forum for aid effectiveness in Busan, and in particular the New Deal¹³, places strong emphasis on a constructive partnership and more local ownership and mutual accountability. Yet, if donors recognize that transposed solutions may not succeed, or at a minimum require a strong and broad local ownership over national reform strategies, then how can they ensure that sufficient policy space is created for governments to develop contextual policy solutions? The New Deal also pleads for a harmonization of donor approaches, and as much as this is strongly welcomed and necessary, there is a risk involved with bundling the force of all donors so as they make them emerge as one very powerful agent. This may further reduce the policy space of governments to carve out their own path to development.

Donor's policies, in the form of conditionality, policy dialogue (persuasion?) or through mimetic isomorphism¹⁴ reduces the real operating space for the local leadership, and thus for managing change in a more effective way. The leadership in a government agency has different constituencies to placate simultaneously; the donors with their policy recommendations and international best practice, their civil servants with their own ideas about what the role of the ministry should have, and the citizens who want immediate results. It becomes very hard for the leadership to maneuver in this tight space, and the risk of loss of institutional integrity is high. The reformers are likely to side with the donors simply because the need to obtain resources overrules the risk of losing the institutional integrity of the organization.

Of course, the reasons for this close relationship between donors and recipient governments are obvious; the donors need to know how their money is being spent and what it is spent on. The donor community brings money as well as its own values to the table. Undeniably, the donors have the right to set norms and standards for how their taxpayers' money is being used. However, there is a trade-off between these donor needs and the policy space and operating space required by the recipient country to determine its own path to development. The asymmetric power dynamics often do not allow the space for the more open-ended change that is proposed in this paper.

13 The New Deal was the outcome of discussions culminating in Busan, in response to the recognition that fragile states require different approaches from other development contexts. The New Deal has been widely endorsed document focuses the attention on five Peacebuilding and Statebuilding Goals, and places emphasis on the need to support country-owned and -led pathways out of fragility. <http://www.g7plus.org/new-deal-document>

14 In the paper by DiMaggio and Powell on isomorphism they distinguish between three mechanisms through which institutional isomorphic change occurs, each with its own antecedents: 1) coercive isomorphism that stems from political influence and the problem of legitimacy; 2) mimetic isomorphism resulting from standard responses to uncertainty; and 3) normative isomorphism, associated with professionalization.

Policy space can be created through an active commitment on the part of the donor country to act as co-leaders, not technocrats. When donor agencies buy in to the approaches described in this paper, they will be more able to support the developing country's policy makers to tap into their expertise while allowing the space for endogenous solutions to emerge. This way the donor countries can help strengthen the country's ability to formulate its own solutions, and build the leadership necessary to manage change.

Modern leadership literature is relatively consistent on the new essential attributes for leading in the 21st century, which can be summarized as: system thinker; change agent; innovator; steward; polychromic coordinator; teacher, mentor, coach and learner; vision-builder (Marquardt, 2000). These attributes correspond well with the adaptive approaches described above, where the leadership facilitates and coaches processes of change with the system actors and orients their attention to the real-life challenges that need to be faced. These skills need to be fostered, both in development agencies and in host-country governments, but the actions of the international community today often impede the expression of such leadership traits.

4.2 Creatively identify ways of overcoming resistance

Before designing any policy or program, the social system must be understood. How can resistance to change be overcome, without contributing to the loss of institutional integrity? Where does the space for sustainable change exist?

The ultimate goal of any program or policy should not simply be to establish a new institutional structure or deliver a service. By contrast, the ultimate goal should be the changes in behaviors and 'rules of the game' that would cause the desired change to take root in a sustainable manner. System inertia can only be come through overcoming the fragmentation and sources of incongruence in the system.

Overcoming the resistance to change, and changing the rules of the game, can be done in four ways, depending on where opportunities are found. This includes working on the basis of what already works, identifying the space where conditions for change seem present or hindering conditions relatively absent, creating such space in innovative ways, or simply facing the resistance head-on.

Identifying what already works means tapping into formal or informal arrangements that seem to create public value for the actors involved. Certain informal institutions may not meet the global standards of best practice, but for the circumstances under which they are operating they seem to serve the purpose rather well. This means assessing the value of certain informal mechanisms on the basis of the function they serve, rather than the form they take. Dani Rodrik gives a number of examples of higher-level universal principles that were well served by innovative institutional arrangements, at least for that time and space (Rodrik, 2007). They did not meet the norms of global best practice but they served the purpose rather well. It may therefore be more beneficial to work on the basis of such institutional arrangements, rather than replacing them.

It may also be possible to uncover small-scale solutions that function well in certain small parts of the society, that have not perpetrated more widely. The work by Pascale et al on positive deviants provides interesting examples of household level solutions that had not even been adopted by other households in the community, such as an innovative solution to malnutrition that certain families had discovered based on locally available ingredients (Pascale et al, 2010). When such pockets of positive change are discovered there are ways to actively promote these throughout the society. Devising institutional structures that allow for the adoption and subsequent adaptation of such solutions may prove beneficial to solving the particular problem at hand, and the continued presence of such feedback channels will also strengthen the problem-solving capacity of the society as a whole.

A second strategy would be to **identify the space where resistance seems lower**, or hindering conditions are less prevalent. It may be possible to find niches in a society or an organization where it is easier than elsewhere to introduce a new way of doing things. Framing of issues is essential for how they are being perceived, and how much space for solution seeking one may gain. Sometimes it may be easier to use the

backdoor instead of the front door. One example from the direct experience of the author is the issue of the conflict between nomadic and sedentary land users in Afghanistan, a conflict that erupts every spring when nomads pass into the summer grazing areas inhabited by sedentary farmers of another ethnicity. Rather than tackling this from a conflict prevention or conflict management perspective, it may be better to approach the issue from a rangeland perspective. If communities can find ways to jointly manage the grasslands, and find economic benefit in doing so, this may reframe the issue as an economic rather than socio-political one. Hopefully this less political approach will open up space for compromise, which may have positive effects on the conflict as a whole.

It is also possible to view the success of the National Solidarity Program (NSP) in Afghanistan in this light.

National Solidarity Program, Afghanistan

The flagship of the Afghan government, this program set out with the objective of reducing rural poverty through community-driven development. To this aim, communities elected inclusive community development councils (CDCs) that prioritize and plan projects, for which they obtain block grants.

The program aimed at eventually becoming a foundation for local governance and local empowerment, but it did not use the normal channels of governance reform. Governance reform towards local empowerment would have caused resistance among the higher and mid-level governance actors, both in the executive and the legislative. The creation of Community Development Councils with the initial primary task of prioritizing and managing small-scale rural development projects was perceived as non-threatening, especially as it was approached from a non-political, technocratic ministry that had a clear mandate of social protection and reconstruction.

In addition, the program built on an existing strength of the Afghan society, the ability of local communities to reach decisions by consensus. In a way, rural Afghanistan is very 'democratic', though perhaps in the ancient Greek way (no women, only certain men). The NSP built on this societal feature, but nudged it in the direction of greater inclusiveness of women and the poor.

The high popularity, coupled with the high amounts of resources being poured into this program, the Community Development Councils gained a credibility and legitimacy which then gained the attention of the Ministry of Interior, and at a later stage the Independent Directorate of Local Governance, who started to question the legitimacy of these community bodies. A long battle over the status of these Community Development Councils and their integration into state governance structures ensued, but the door was already ajar.

The combination of approaching the issue of local governance from a non-political perspective, and targeting a level of the society where the commitment to the collective good is relatively high, led to a situation of local empowerment without too strong a backlash. Local empowerment via the backdoor?

For more information on the NSP refer to www.nspafghanistan.gov.af

The NSP built upon the existing patterns of community decision-making but nudged it towards greater inclusivity. It identified the grassroots level as the area where change was most likely to occur, as it was relatively shielded from the more coercive power dynamics playing out at higher levels of political representation and governance as well as from the strongly Weberian notions of administration present in the executive branches of government. The big question is - and on this question the jury is still out - is whether the new community development councils really have had a transformative effect on local power relations.

A third strategy is to **create a new niche with different rules**. An analogy with China's strategy for reducing the dominance of state-owned enterprises and allowing private sector activity may be useful. The Communist Party in China realized very well that increasing competition in the economy had become necessary, but they also realized the backlash that this may trigger. Their solution was a dual-track approach, where they created Special Economic Zones, where different rules apply than in the rest of the country. They used a similar approach for the farmers in the country-side, where they had to meet their government quota for production first and were allowed to sell the surplus to the market. This allowed for a gradual change to a more market-based economy (Lau, Qian, & Roland, 2000). This is also the idea behind Paul Romer's charter cities, to create a

space where different rules apply. His idea is to create cities where different norms prevail (a market economy, a strictly enforced legal system, in short a well-run city), and where people voluntarily choose to live.¹⁵

In a situation with deep societal traps, such institutional islands may be one of the only ways forward but it carries the real danger of non-absorption. In order for such an institutional island to become an instigator of real change depends on its ability to create spill-over effects into other parts of society, and if the institutional island stays insular it will not change the society as a whole. This is of course what happened with many of the utopian communities that were established in the West with the aim of building a momentum to transform society with these communities as the vanguard, but remained as isolated communities.

A fourth strategy is to disrupt existing patterns head-on. When there seem to be no opportunities for gradual change, for building on existing positive patterns or creating the space for change, the only remaining solution may be to consciously disrupt existing patterns. This is the most prevalent strategy in current development practice. However, it is also the most risky strategy, for two reasons. Firstly, the system may fall into the trap of isomorphic mimicry. It will pretend to follow the new rules, but in effect it will continue to function as it did before. Secondly, if the disruption actually does manage to succeed in disrupting existing patterns, it is at risk of disintegrating and losing its internal integrity. It may succumb to full chaos, with highly unpredictable effects.

4.3 Promote problem-driven and agent-oriented approaches

As we have seen, literature on approaches to tackle complex problems stress the need to involve the actual agents in the system, from policy makers to frontline workers, in order to make change durable. Therefore it is essential to view human beings in the system as agents of change and empower them to make change happen. In order to focus the attention of these actors, it is important that a problem is considered sufficiently important and concrete to tackle. The desired outcome – although there may be differing ideas on what success would entail – is sufficiently visible to those engaged, such that they can become motivated by actual progress. A problem-centered is thus essential in order to provide focus, orientation and a means of measuring progress.

When human agents are again seen as agents of change, rather than as passive recipients of new organizational and operating structures, their capabilities and creative resources can be harnessed. These actors must therefore operate in a space where their ideas and solutions or contributions are valued, and given the space to be judged for actual performance.

4.4 Establish a culture around learning

An adaptive approach to solving complex problems requires the capability to detect for which parts of the problem external knowledge and transfer of ‘proven solutions’ are indeed useful measures, and to distinguish those from where incremental process of learning is necessary to find one’s way through the unknown. As stated above, policies or programs designed on the basis of the principles discussed above are more grounded in reality, have more space for experimentation and innovation, and will therefore have a higher chance of success than central-command strategies. Nonetheless, the initial design of a policy or program for an adaptive problem is only a starting point. Learning, through further deliberation and action, is essential to guide further adaptation or fine-tuning.

Learning involves more than simply checking for errors and correcting them. It means challenging one’s assumption and strategies on a regular basis; what Argyris refers to as double loop learning (see text box below). It means gaining a deeper understanding of the rule systems that are at play in the social systems we intervene in, and seeing how their assumptions and perspectives on the problem and its solution may differ

¹⁵ See <http://www.chartercities.org>

from the one assumed in the intervention. Only when this match or mismatch is properly understood can programme interventions truly fit a context.

Single loop and double loop learning

Learning is more than the transfer of knowledge around an organization; it implies analysis and judgment to translate knowledge into new cognitive associations and behavioral patterns (Pasteur, 2004) (Fiol & Lyles, 1985). Such learning can take place at different levels of abstraction. Argyris and Schön speak of single-loop and double-loop learning (Argyris & Schön, 1978). Single-loop learning refers to lower-level learning, learning that takes place within a given organizational structure, a given set of rules. The desired consequence is a particular behavioral outcome or level of performance. Morgan and Ramirez describe this as functional rationality; a rationality that is based on learning what has worked in the past, which rings similar to our definition of solutions to technical problems (Morgan & Ramirez, 1983). Indeed, this lower level learning tends to take place in organizational contexts that are well understood and in which management thinks it can control situations, so typical for the bureaucratic structures that solve technical problems (Fiol & Lyles, 1985).

Double-loop learning or higher level learning, by contrast, aims at adjusting the overall rules and norms rather than specific activities or behaviors per se (Argyris & Schön, 1978). It involves the questioning of the role of the framing and learning systems themselves. It challenges the governing variables of values, beliefs and assumptions upon which actions and strategies are based. This is the kind of learning that is particularly essential for organizations or systems dealing with complex problems.

Ideally, the process of learning itself would also be under continuous scrutiny, strengthening the learning system as a whole. Changing the institutional culture of learning will increase the resilience of the system to continually adapt and reinvent itself in light of changing circumstances.

Promoting a learning culture in an organization, or across organizations, is an important first step in order to create the space for this new type of learning to take place. A lot has been written about building learning organizations, and how the conditions for learning are primarily dependent on a mental mindset¹⁶. A mindset that recognizes complexity, understands its limitations in understanding and influencing complex systems, and is open to learning and perpetual scrutinizing of one's perception of reality. Private sector companies, and a number of western public sector agencies have started to build learning into their organizations, but international development institutions are lagging behind¹⁷.

In development organizations that are themselves still stuck in rigid bureaucratic structures, achieving this change in mindset is in itself an adaptive challenge that needs to be managed carefully. Self-reflection may be inhibited by fear of exposing oneself, loyalty to colleagues and friends, lack of (mental) space and time, and a culture of blame. Exposure to the complexities of the real world problems can help, through field visits or deep immersion. Action research can perform a similar function of confronting decision-makers more strongly with the realities on the ground. Open debates about policy narratives can make the assumptions and worldview that these are based on more visible. This may create the space for allowing some experimentation in order to ground-truth some of these assumptions. In a corporate culture that is not very conducive to questioning and self-reflection structure it may be helpful to build learning into the operational practices of the organization itself. Incorporating learning as an integral part of the tasks and responsibilities of the organization may frame learning in a way that is not alien to the organization. The changed mindset will then follow with time and increased exposure.

5 Planning, Performance Management and Accountability Frameworks

So how can all this work in practice? How can these ideas become incorporated into development practice?

¹⁶ Refer for instance to (Garvin, 1993) (Garvin, Edmondson, & Gino, 2008) (Fiol & Lyles, 1985) (Senge, 1990) (Wang & Ahmad, 2003)

¹⁷ David Ellerman, then economic advisor to the chief economist of the World Bank, wrote an interesting article about Transforming International Development Agencies into Learning Organizations as early as 1999 (Ellerman, 1999).

We have seen that adaptive problems require different approaches, as they tend to suffer more from negative side-effects. In some cases, the unintended consequences of an intervention may in fact be larger than the intended consequences of the planned intervention. As change is less linear and less predictable; inputs, outputs and targets cannot be fully known beforehand; and therefore a planning process and management system is needed that is sufficiently flexible to accommodate changes based on the realities on the ground. We have also seen that learning is a necessary ingredient to arrive to truly contextualized solutions. Learning requires the establishment of a learning infrastructure; systems and processes to allow learning to become institutionalized.

As a consequence, this way of approaching change will require more flexible performance and accountability frameworks. Performance measurement needs to be based on issues that really matter and accountability frameworks need to lend themselves to continuous learning.

5.1 Emergent planning

Planning and management of development programs require simplified planning tools that describe planned interventions and explain how these are logically linked to the expected outcomes. The logical framework has become the most widespread management instrument since the 1980s (Roduner & Schlappi, 2008). This management instrument is particularly well suited for technical problems and matches the reductionist thinking that accompanies them.

Whereas there is nothing inherent in the logical framework that would not allow it to be flexible and regularly updated, in reality this does not happen. Indicators become performance targets and as contract performance is linked to those, the targets are at risk of becoming the goal. They are no longer flexible to accommodate and be adapted to progressive insight into the dynamics of the system.

Strategic planning for adaptive problems will therefore need to acquire more of an emergent nature, and initial planning documents will need to be continually adapted and fine-tuned according to the learning generated within the system. One way to do this is to build a learning strategy and a degree of flexibility into the program design from the onset. Learning will be made an integral part of the program design, and the program will be held accountable for how well it has incorporated learning into its program design and implementation.

Managers and staff would understand planning as a process of developing a deeper understanding of the game which is being played and the political constraints and opportunities that this game offers. Employees could be rewarded for their ability to interpret and respond to the circumstances that they meet in their day-to-day work with others, their ability to improvise... We could come to understand "accountability" as the process of accounting for why one acted the way one did within an overall account of the game that is playing out in their particular environment and circumstances." (Mowles, Stacey, & Griffin, 2008)

In a system of emergent planning, a full strategic plan and budget could still be prepared at the inception phase of the program, on the basis of an ordinary logical framework approach. The program design would then have to incorporate as an integral component the requirement to conduct a re-evaluation of program vision, objectives and strategies at regular intervals. On the basis of this re-evaluation of the strategies the strategic plan and budget would be readjusted on a regular basis to reflect new realities.

In addition, programs would need to be designed in such a way that they leave more space for experimentation and action research. If experimentation was made part of the original program design and mechanisms for learning from these experiments would be established, and if failures are expected and valued as important lessons, such a program would be able to deal much more strongly with the uncertainty created by not knowing beforehand what the solution is and what is going to work in a particular context.

5.2 Building a learning infrastructure

A culture of learning requires the development of a learning infrastructure, in order to institutionalize learning. It requires systems and processes through which data can be generated, shared, analyzed and turned into improved action in an iterative manner. Current monitoring and evaluation efforts focus mostly on generating data that is required for meeting reporting and accountability standards. Such systems are not geared towards collecting the information and channels necessary for learning.

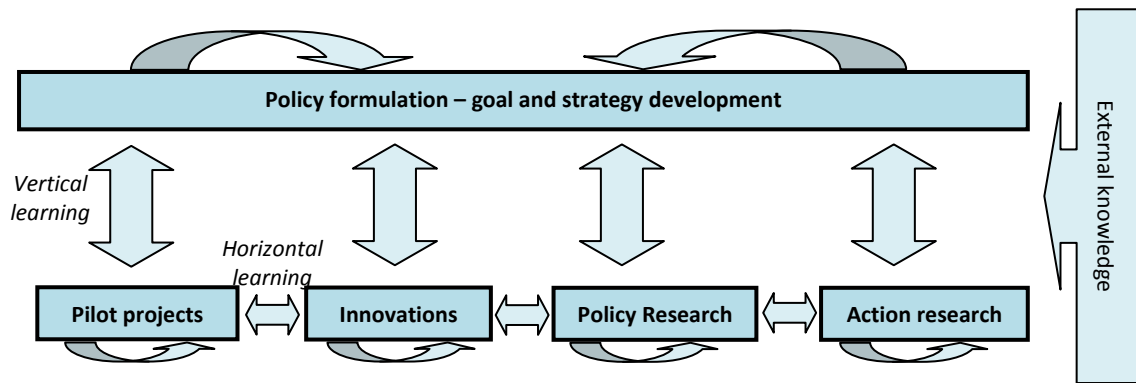
Ultimately the question that the learning aims to answer is; how can a true synergy be obtained between local knowledge, scientific knowledge and international experience, put to work towards the purpose of putting a country onto a path of transformation to a better future?

At program implementation level, the learning infrastructure will establish mechanisms for a continuous deepening of insight into dynamics of change. The information and knowledge to generate learning can be derived from a number of sources:

<i>Internally generated knowledge</i>
Learning from what works and why in a particular locality
Fix implementation errors and strive to continuously improve performance
<i>Horizontally shared knowledge</i>
Learn from the differences between what works and why in different localities
Share the learning across localities in order to generate cross-pollination of ideas and practices
<i>Vertically shared knowledge</i>
Learn from the learning generated at local levels to understand the different rule systems at play
Use the learning generated at local levels to challenge underlying assumptions of policy narratives
Use the learning generated at local levels to inform policy formulation.
<i>Externally generated knowledge</i>
Conduct scientific research to gain deeper understanding of the system and its environment.
Draw on knowledge and best practices developed elsewhere through expert advice or exposure.

An infrastructure for learning would include mechanisms for data generation, interpretation and analysis. Learning can take place within in specific local contexts, within functional dimensions and within the different tiers of an organization. Strong organizational learning stems from integrating these different sources of learning into a synthesis that leads to a deepening of understanding of the problem in all its complexity.

The different levels of learning would therefore require channels that allow for this information to flow across functional dimensions and across tiers. Such a learning infrastructure would capture the learning that is generated through deliberation and experimentation on the ground, blend this knowledge with expert technical knowledge, and with a continued questioning of the assumptions underpinning the policy narratives that guide the interventions. The graph below aims to present this multi-dimensional learning:



Knowledge and learning generated at different levels can flow through these channels and the knowledge and understanding gained can be used to improve outcomes. Currently, most evaluation data is generated for external data needs; to meet the donors accountability standards. There is a disconnect between data generated for this purpose, often ex-post and without involvement of the stakeholders, and the data required for internal learning, challenging of a priori hypotheses and underlying assumptions, or for assessing the success of experimentation and innovation. A stronger cohesion between the internal and external purposes of data would contribute to better internal learning; to a higher chance of successful experimentation; and to a better understanding of progress made on desired outcomes.

As the learning infrastructure becomes embedded into the system, and the process of learning becomes institutionalized, the flow of information from both implementers and citizens to policy makers will increase. Locally generated data, when disseminated publicly, has the additional benefit of serving as a basis for local accountability, if the channels for voice and accountability are present and in use. If the main purpose of data collection was to ensure that program implementation and beneficiary satisfaction continuously improved, actors are incentivized to become more deeply engaged in data generation and analysis. These positive spin-off effects could be further strengthened by formally institutionalizing the feedback loops into governmental departments, regulatory agencies or funding bodies.

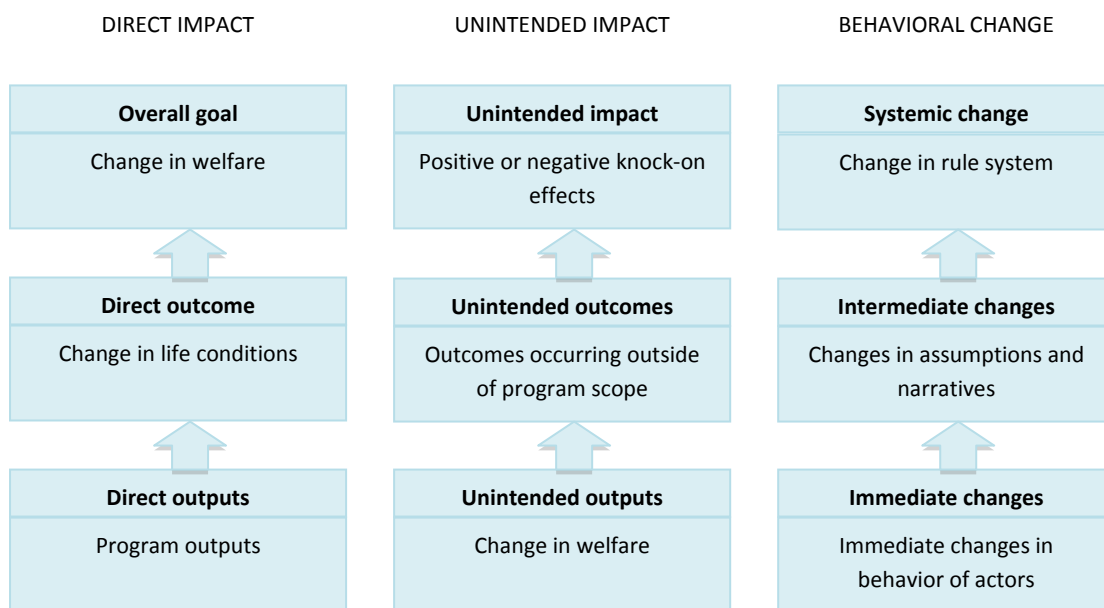
However, for learning processes to be able to inform policy formulation and program design, performance measurement and accountability frameworks are required that allow for this learning to be used to adapt policies, strategies and actions to the newly gained insights.

5.3 Adaptive Performance Measurement

Adaptive problems require different approaches, as one of the key characteristics of these approaches is that the solution is not known a priori, but needs to be discovered. Solutions need be discovered along the way, guided by numerous sources of learning. The performance measurement system in place must therefore also be able to accommodate the flexibility necessary to embark on such a path of discovery. A way of planning that is more emergent allows for an initial plan to be made, but for this plan to be held lightly and to be left open to change when progressive insight so requires. Progressive insight leads to a re-evaluation of goals and theories of change that needs to be translated into changed strategies and targets.

In addition, as we discussed earlier, tackling complex problems requires changes in behavior of a wide range of actors across the system, and implementation cannot be mandated from the top. Behavioral change, and perhaps even a change in the rules of the game, is necessary for positive outcomes to take root. A performance management system therefore needs to be able to capture not only the intended outcomes but also the unintended consequences of the program intervention, as well as the overall effects of behavioral change of the actors involved.

Thus, a performance management system must focus not merely on concrete activities and outputs, but also on changes in cognitive patterns and behavioral changes. It would need to be able to measure the direct program outcomes, the unintended outcomes and the behavioral changes.



The specific design of the performance measurement system will depend on the specific characteristics of the problem, the system dynamics and the organizational structure. More technical or logistical programs may be better served by a model resembling the standard logical framework more closely, whereas capacity building programs and programs working in collaboration with a large number of partners may be better served by a more behavioral focused approach. For highly wicked problems the behavioral changes and potential unintended consequences are likely to be of the highest concern.

5.3.1 Measuring Direct Program Outcomes

In the normal logical framework model outputs are expected to lead to program outputs via the development hypothesis. These program outcomes are then expected to lead to the overall outcome or program goal via the impact hypothesis. These hypotheses are notoriously hard to prove, and program accountability frameworks therefore often limit themselves to measuring the outputs. Targets are set at the output-level, and outcome measurement is often limited to ex-post impact assessments. Too often it is simply assumed that the hypotheses will hold up. However, in situations where simple cause and effect relations do not hold and levels of unpredictability are high, it becomes even more necessary to measure the eventual outcome and not the outputs, since outputs cannot be automatically associated with outcomes. Any strategy will need to prove its worth on the basis of the actual results achieved, e.g. on the basis of the outcomes it has produced, and should be changed if it does not.

An organization or program should thus be held accountable for the outcomes it produces, not for its outputs. Performance should be measured on the basis of outcome targets (e.g. x % reduction in under-5 mortality)¹⁸, not in terms of outputs (no of clinics built, no of packages of rehydration salts delivered). Outputs would still be tracked since they provide important data for the learning processes, but the program is not being held accountable for these. These outcome measures can be directly linked into the PRSP or MDG processes, allowing for dovetailing national policy and international benchmarks.

¹⁸ Some overall outcomes are even harder to measure or more unreliable. In these cases intermediate outcomes can be developed against which the program can be held accountable.

This type of results-based management is increasingly fashionable in the developed countries, in particular when real-time monitoring of process and outcome data is used to continuously improve on efficiency and efficacy (through mostly based on single loop learning only). Strategies and implementation modalities are continuously fine-tuned on the basis of the on-going analysis. However, in developing countries, lack of accurate data collection systems do create challenges, as will be discussed below.

5.3.2 Measuring Unintended Program Outcomes and Behavioral Change

The right column of the diagram above refers to behavioral changes supported by the program, and how this relates to long-term changes in behavior that add to the capacity of the system to maintain positive change. For sustainable change to take root, the rules of the game have to change, and behavioral change serves as a proxy for these change in rules. The Canadian Research Institute IDRC developed the methodology of Outcome Mapping that measures changes in behavior (Earl, Carden, & Smutylo, 2001) and links them to behavioral outcomes¹⁹. Evaluation frameworks that focus specifically on scrutinizing assumptions and underlying theories of change include models like Developmental Evaluation and Theory of Change²⁰.

Outcome mapping

Outcome mapping is a new approach to planning international development work and measuring its results. The method focuses on measuring changes in the behaviour of the people with whom a development initiative works most closely. Outcome mapping limits its concern to those results – or “outcomes” – that fall strictly within the program’s sphere of influence. It considers only those activities where the program can claim it contributed to a direct effect.

For example, the evaluation of a water purification project will want to know whether the quality of the water has improved. The outcome mapping approach, however, will go a step further, and will also investigate whether the people maintaining that water system now possess and employ the skills, knowledge, tools, and other resources needed to keep the system running in the long term.

Outcome mapping works on the principle that development is essentially about people. It looks at how human beings relate to one another and to their environment.

(source: <http://www.outcomemapping.ca>)

The middle column of the diagram points to potential unexpected consequences. Data collected on beneficiary use and satisfaction with program outputs can provide evidence both on behavioral change and on unintended consequences. Most of this data would be generated and analyzed internally, and participatory methods may be useful. Cooperating with an independent monitoring organization would add credibility and legitimacy to the process, due to its interdependence from the program. A community-based monitoring system, like the one established by Integrity Watch Afghanistan, holds a lot of potential:

Community based monitoring in Afghanistan

Integrity Watch Afghanistan was founded in May 2006 with the mission to increase transparency, integrity, and accountability in Afghanistan. It developed an approach for community-based monitoring of reconstruction projects and quality of public service delivery. Community monitors generate information locally, on the basis of simple indicators of outputs and outcomes, and this information is disseminated locally. The perceived legitimacy of the system and the evidence it creates provides an instrument of influence and can serve to hold local officials accountable. In monthly monitoring meetings with elected representatives, civil servants of line ministries, project implementation staff and /or service providers. Forces of social pressure compel those responsible to improve service delivery. At a higher level, IWA aggregates and analyzes the data and aims to create feedback loops into donor agencies and policy makers, in order to address failures in implementation and influence policy making.

Source: personal communication Lorenzo Delesgues, and www.iwaweb.org

¹⁹ Refer also to (Roduner & Schlappi, 2008) for merging the approaches of outcome mapping and logical framework

²⁰ For more information on these tools refer to www.theoryofchange.org, Outcome Mapping: Building Learning and Reflection into Development Programs (Earl, Carden, & Smutylo, 2001) and other documents at www.idrc.com, and Developmental Evaluation: A Primer (Gamble, 2008).

5.4 Accountability Framework

5.4.1 Accountability based on outcomes – not outputs

As discussed above, it would be better to hold organizations or programmes accountable for the ultimate outcomes they produce, not for the outputs they produce; e.g. for the functionality they achieve rather than the form they take. However, in developing countries – and in fragile states in particular – there are limitations to the usefulness of this approach in fragile states.

In countries with low institutional capacity, the application of this management style is limited by the very low data collection and analysis capability. It may be difficult to accurately measure ultimate outcomes. Take child mortality for example, a MDG goal. Measuring the mortality rate of children under five is at best conducted once a year, and its accuracy and replicability may be in doubt. In such cases intermediate outcomes must fulfill this function, and the program will be expected to generate a sufficiently credible theory of how it expects the intermediate outcome to the aspired overall outcome.

Another limitation associated with holding a program or organization accountable for the outcomes it achieves is that it may be relatively easy to simply import performance, for instance by contracting service delivery out to the private sector or to NGOs. There may be times when it is necessary to import implementation capacity, when immediate results are desired for humanitarian or political reasons. However, this will not lead to sustainable change and needs to be coupled from the onset with systemic capacity building approaches. An organization or program needs to be held accountable for how well it builds the capacity of the system to reach these outcomes without external assistance in the long run. A third problem associated with this approach is that it zooms in only on the expected consequences of the program intervention; it is blind to potential unintended consequences.

For these three reasons accountability based on outcomes cannot be the only basis upon which the performance of organizations or programs can be measured. It needs to be combined with an assessment of how well the organization or program has understood the broader systemic context and how well it has reflected this understanding into adaptations to design or implementation modalities. In other words, how well has does it learn.

5.4.2 Accountability based on learning and ability to adapt

As explained above, a program design would need to incorporate an integral learning strategy. This learning strategy would provide a systematic mechanism for learning and adaptation of policy and program design at different levels:

- Ex-ante analysis of the social system:
 - Building an understanding of the systemic dynamics of change, including the level of incongruence in the social system, the drivers of its resistance to change, and the associated risk for a loss of institutional integrity.
- At strategic level:
 - Regular synthesis of knowledge generated at program implementation level
 - Regular measurement of expected and unexpected outcomes and behavioral change, and interpretation of this information in the context of the broader system
 - Regular re-evaluation of the hypotheses underlying the strategic frameworks
 - Regular, evidence-based and justifiable adjustments to policy and program design
- At program implementation level:
 - Continuous deepening of insight into dynamics of change through learning generated
 - Controlled adjustment of program implementation modalities according to lessons learnt

The program would thus be held accountable for how well it implements its learning strategy. The program or organization would be held accountable for data collection and analysis, for its horizontal and vertical dissemination of the learning, and for the incorporation of these lessons into policy development and program implementation. The program or organization would need to justify its actions through a combination of quantitative data analysis and narrative.

The learning infrastructure discussed above can serve as the basis for this accountability based on learning. Program design will need to incorporate within it a requirement to conduct a re-evaluation at the strategic and implementation level at regular intervals. These intervals would be written into the program design and the program or organization will be held accountable on how well it performs on its learning strategy and how well it adapts its strategy and implementation modalities accordingly. The learning strategy would need to incorporate the three elements mentioned above; i.e. intended outcomes, unintended outcomes and behavioral change.

6 Final remarks

A constructive partnership with developing countries, as reiterated in the New Deal, requires a new conceptualization of this partnership; viewed in terms of co-leading rather than technocratic control. It requires policy space and a shared conceptual framework for tackling complex problems as an art, not science. It needs to put human agency and the rules systems within people live at the center.

Our current international development infrastructure is not very well equipped to tackle complex problems that do not respond to interventions in a linear, predictable way. Its bureaucratic, reductionist structures will need to be transformed into more adaptive structures with a propensity for learning and for scanning widely for system effects. A change in mental models is a necessary precondition for such a transformation to take firm hold, not just in rhetoric and on paper, but also in actual development practice on the ground. The private sector and a number of public sector agencies have already started to recognize this 21st century necessity, but international development institutions are lagging behind.

Learning is key, and transforming international development organizations as well as their development partners into learning organizations is the challenge at hand. Revised management and accountability frameworks need to be established, and need to be based on outcomes and – even more importantly - on its ability to learn. Many tools and instruments for such monitoring and accountability frameworks are already available and can be put to constructive use. Hopefully this paper can make a humble contribution to this endeavor.

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