




FULBRIGHT  
UNIVERSITY  
VIETNAM

FULBRIGHT SCHOOL OF  
PUBLIC POLICY AND MANAGEMENT

# Public Management

SESSION 18-20

**Managing Innovative Culture and Public  
Administration in Developing Countries**

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- A close-up photograph of a hand holding a stack of Euro banknotes. The hand is positioned on the left side of the frame, with fingers gripping the edges of the notes. The banknotes are fanned out, showing various denominations and colors, including a prominent red note. The background is dark and out of focus.
- Public sector reform has been implemented across the globe, but many of them fail – what are driving forces of innovation? How to maintain innovative culture?
  - Public management in developing countries still have a lot of issues to be resolved. How to analyze them? How to fix them?

## Objectives



# Managing Innovation Forces

## Some Key Questions:

How far can public managers push boundaries in terms of experimentation without wasting public money?

How do they weigh and assess risks?

How much innovation is enough?

How do public managers nurture a culture of learning, creativity, and adaptation?

How do they attract innovators?

Etc.

- In rapidly changing environment, public managers are forced to change the way they think, operate, respond, facilitate, and produce.
- Process innovation
- Product & service innovation
- Governance innovation
- Conceptual innovation
- Rhetorical innovation



# Organizational Features

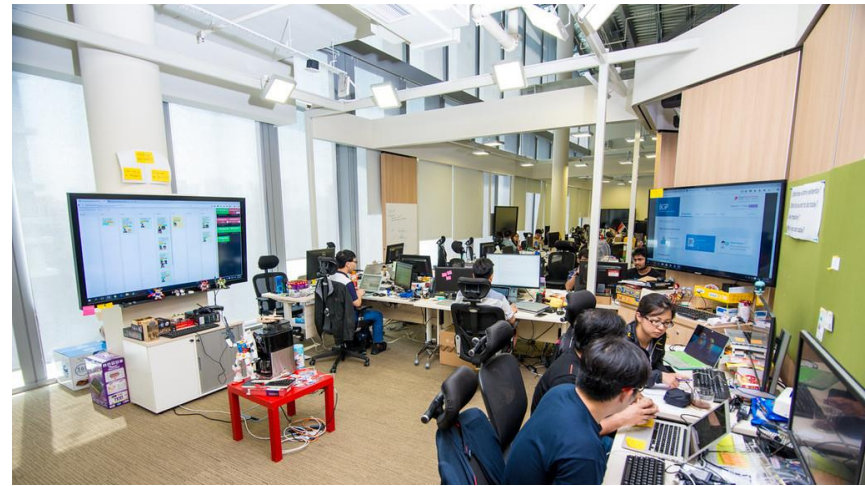
- Organizational features that attract innovators: (Hunter et al, 2012)
- Autonomy
- Support for risk-taking
- Promoting diversity of expertise
- Passion for work
- Recognition (learning from mistakes)
- Right rewards



“Failure is not an option”  
culture were deeply  
engrained

← Opposite Value –  
stability, predictability,  
rule-abidance, etc.

# Singapore 'Hive'



- Singapore created Government Digital Services (2015) – a team of 90% scientists, coder, and engineers
- Emulated start-up environments in Silicon Valley-style office – open spaces, high ceilings, couches, a ping pong table, etc.
- Enable creativity and innovation.
- Design experience / Design thinking (think user first)



# Core Assumption

- Public Management Reform in Developing context requires careful assessment and prior research – “different context”
- **Typical assumption** – a style of management started in the developed countries of the West would work
- E.g. New Public Management movement – culturally bound
- E.g. Good governance program by World Bank
- E.g. U.S. Foreign aid / OECD’s various programs



Largely  
unsuccessful



# Development administrations

- After WWII – a single model of administration for developing countries, “development administration.”
- Administrative procedures derived from former colonial countries to modernize their economies, accelerating development, etc.
- Best development practice: e.g. Weberian bureaucracy → Motivation was high.
- Lack of necessary condition: a tax base, professionally trained manpower, political legitimacy, cultural secularism, universalism, open society, etc.

# Washington Consensus / NPM – slipped away because...



- The loss of credibility – the East Asian crisis of 1997 (e.g. Indonesia followed Washington’s advice – serious recession).
- Rise of South and East Asia (Japan – East Asian Tigers – China and India) – Alternative Models
- Civil service reform was unsuccessful in developing countries (by the mid 1990s, nearly 40% of civil service reform projects were unsuccessful).
- The World Bank – blamed ‘political commitment,’ but there are many other possible reasons.

Brinkerhoff and Brinkerhoff (2015), “bewildered” / one-size-fits-all public sector reform doesn’t work





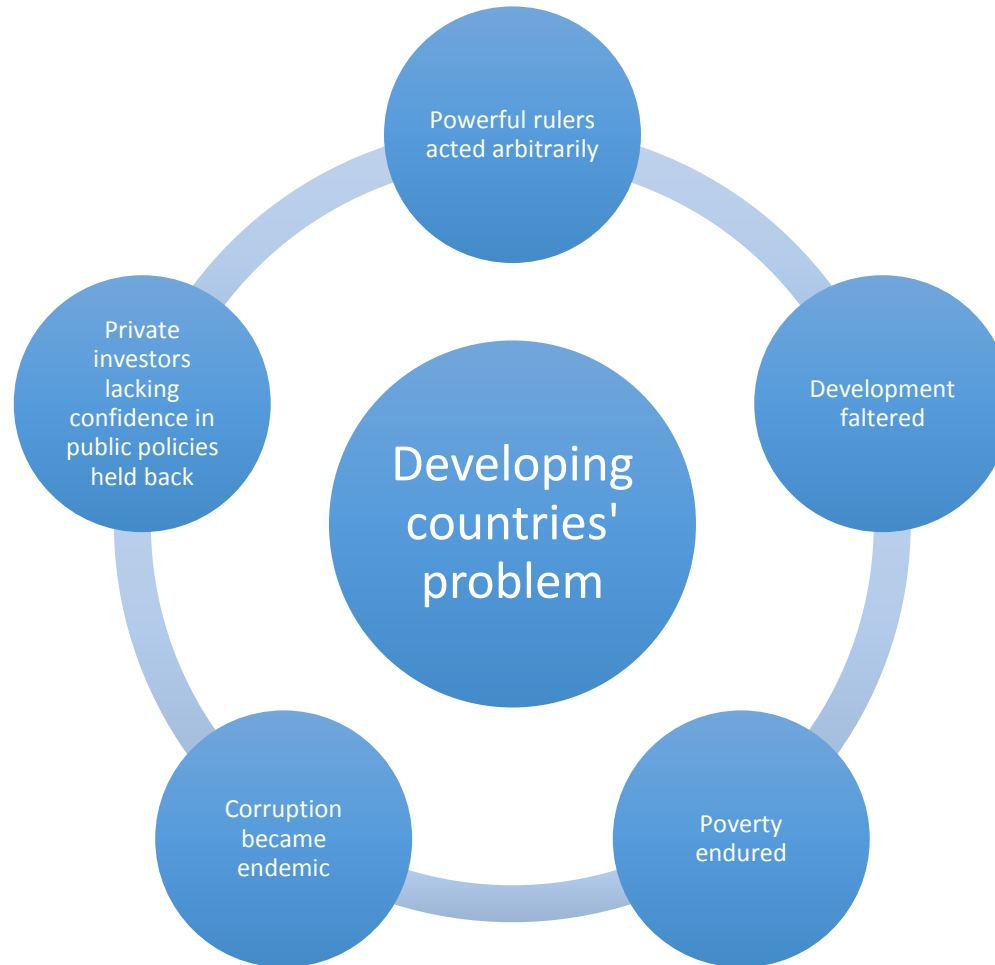
# Wave of Change

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- End of the Cold War and global turning away from statist and socialist ideas.
- Except North Korea, most developing countries has been adopting principles of free markets and participation in the world trade system.
- Democratic elections.
- World Bank, IMF, etc. – promoted marketization or liberalization.
- Still far from clear: *whether managerial principles will work or not.*



# World Bank's evaluation





# Typical conditions - examples

- Examples? – List possible public management problems in developing countries.
- Strict hierarchies are “norm.”
- Staff recruitment by examinations to *lifetime* careers.
- Many different layers made for an overly heavy bureaucracy.
- Typically slow to move.
- Bureaucracy was prestigious and relatively well-paid (c.f. Vietnam?)\*<sup>\*</sup> this part is related to public service motivation



# State Power

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- Most developing countries adopted the principle of a strong state sector in the economy (as well as politics, society).
- Allied with the then-prevailing idea of socialism and Marxism.
- Thought that the fastest way of achieving economic growth was through government ownership of enterprise and intervention in the private economy and dominance by a bureaucratic technocracy.
- In general this strategy succeeded or failed?.



# Traditional Model (1):

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- The role of government: After independence – larger government role in economy and society.
- E.g. Postwar France and the United Kingdom + colonies - Keynesian thinking was dominant in the West (interventionist).
- State's role in virtually all aspects of economy, labor, foreign exchange, etc.
- Soviet Union and China – seemed successful alternative.
- Bureaucracy – particularly important (\*\*Public employment accounted for over 50% of non-agricultural jobs in Africa (c.f. 36% in Asia, 27% in Latin America (Smith, 1996)).



# Continued...

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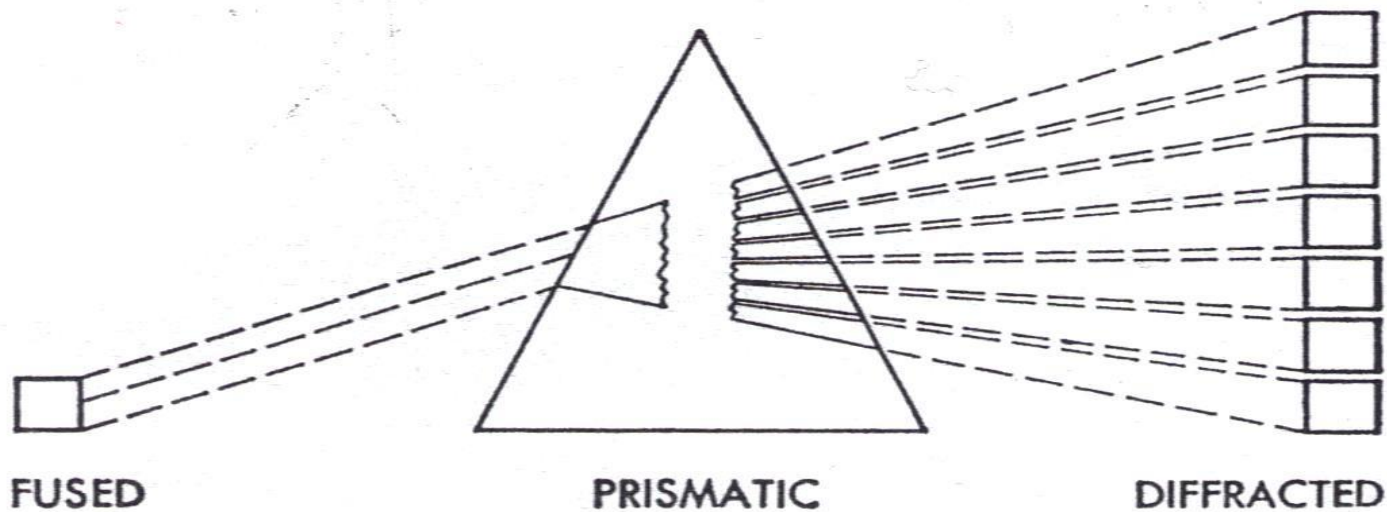
- Bureaucracy = Elite position in society (Sanctions against corruption – weak). \*\*e.g. Indonesia – bureaucrats had additional jobs in the private sector.
- Colonial governments used bureaucratic means to administer independence. \*\*e.g. Bangladesh – current administrative law from the British colonial government 50 or 100 years ago.
- After independence: low ranked civil servant → higher officers (with ill-equipped weapon for new role).
- The bureaucracy was large and important but did not have the institutional support to work effectively.
- **Bureaucracy was often the sole source of expertise and knowledge.**



# Continued...

- In the post-independence period, government was the prime agent of economic development, providing infrastructure, and producing goods and services + public enterprises. \*\*e.g. in 1977, Tanzania's 400 State-owned enterprises – 38% of gross fixed capital formation (Vietnam?)
- Good reason: Chronic shortage of capital and capital market underdevelopment. No interests from private sector → Outcome: not what had been hoped for.
- Instead of serving as an agent of national development, many public enterprises served only the interests of their managers and workers.
- Despite some success, commonly characterized low profitability, poor return on investment and being without strategy.\*\*\*

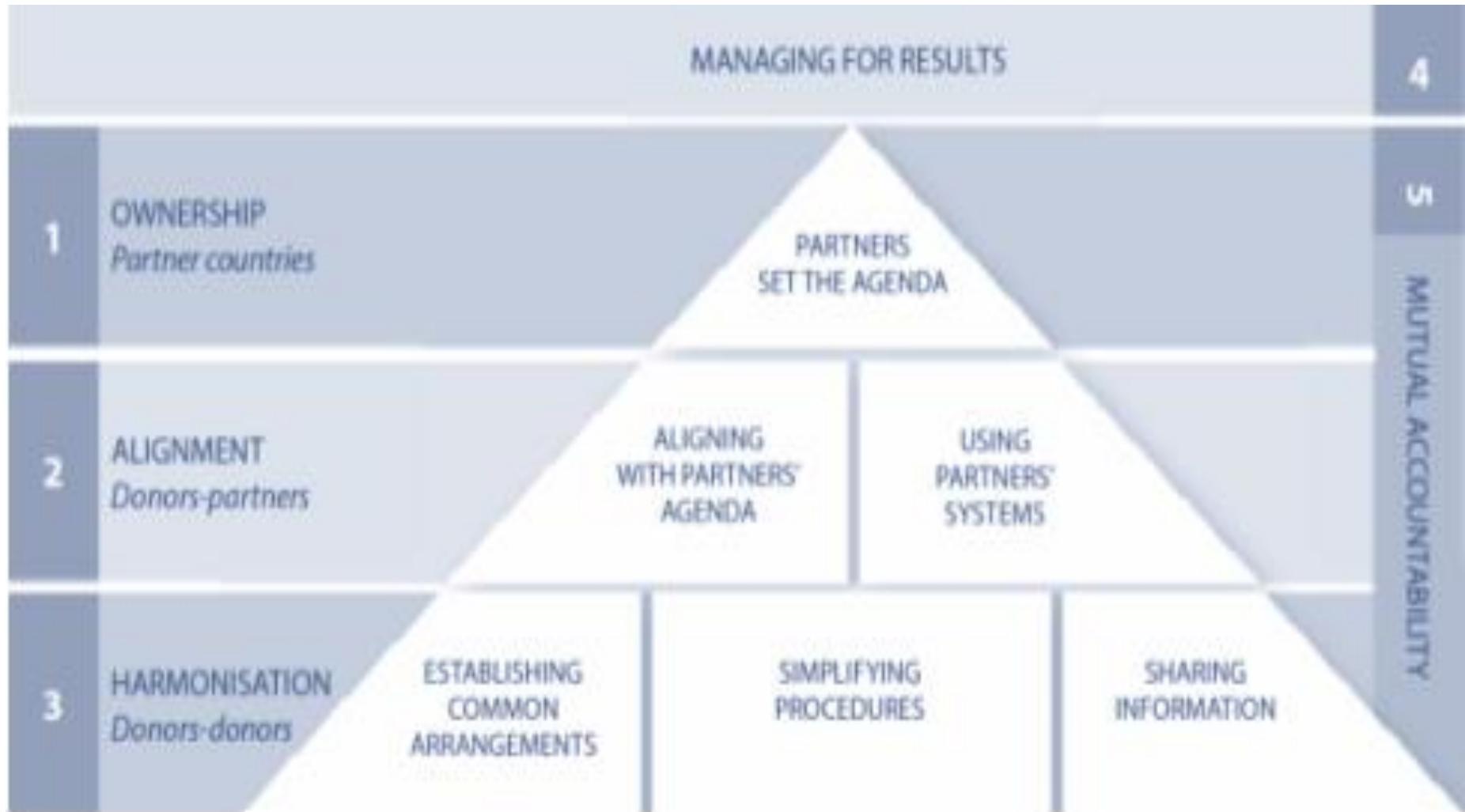
# Fred Riggs, Administration in Developing Countries: Theory of the Prismatic Society.



**The Prismatic Model: Conceptualizing Transitional Societies**

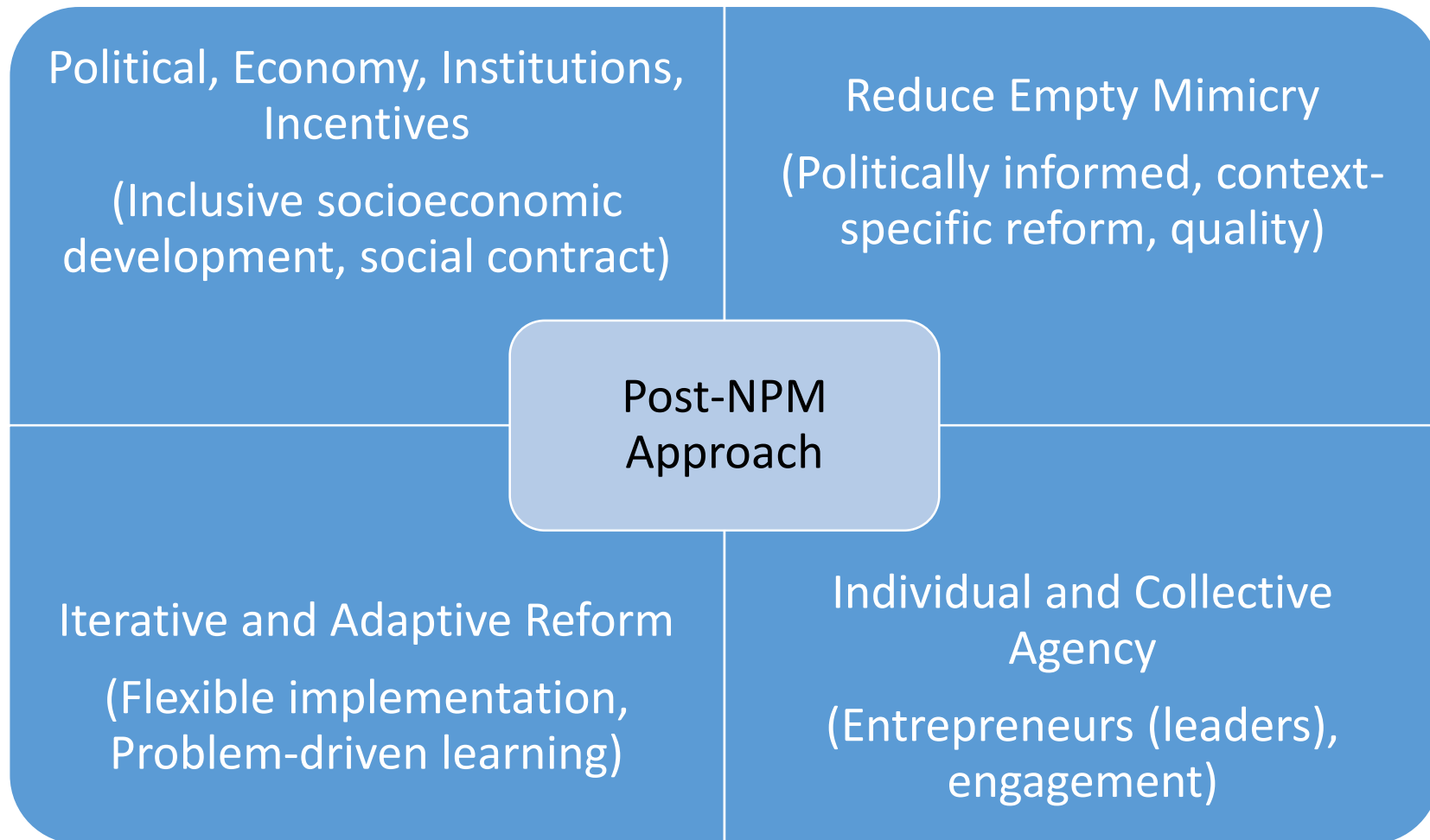


# Paris Declaration on Aid Effectiveness



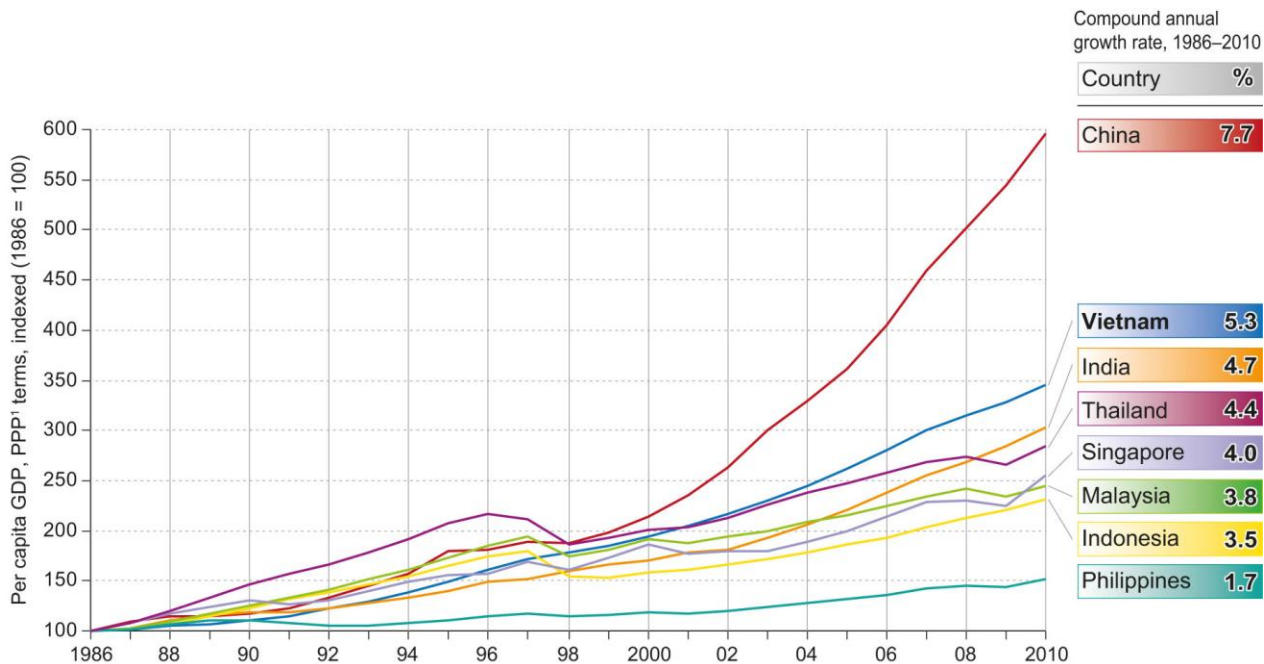


# Brinkerhoff and Brinkerhoff (2015)

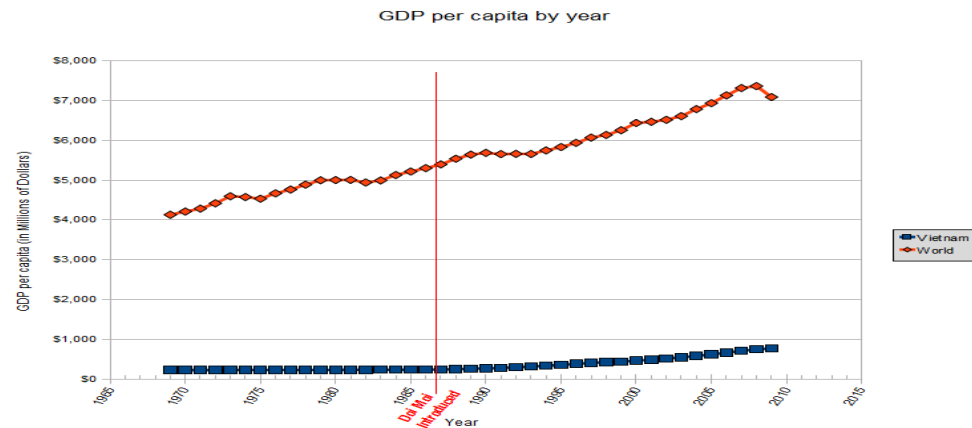




# Vietnam (M. Painter) – Discussion



Regardless of many reform efforts, why does Vietnam still have many problems?



# Toward a neutral, universal administrative state?



- Party and State – “Party leads and State manage” principle has been problematic. Separation of Power?
- Decoupling State Owned Enterprises – Slowed SOE reform, party members and state actors’ stake in SOEs. Built networks of personal contacts.
- State-Society Relationships – Corruption. Party seniors, street level bureaucrats. Beg and give culture. State-wide lack of formalism and transparency. Salary reform.
- Rationalizing Administrative Structures – Unclear central-local relationships (overlapping lines).
- Civil Service Reform – Standardized Procedures / but implementation problem.
- Tax Reform – Absence of effective, centralized uniform system of taxation.



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Thank you very much  
cảm ơn bạn



# Q&A



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