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Introduction

THIS IS A book about good government in developing countries. We actually know much more about *bad* government in these places, and stories about it are by now a familiar litany. According to these accounts, public officials and their workers pursue their own private interests rather than those of the public good. Governments overextend themselves in hiring and spending. Clientelism runs rampant, with workers being hired and fired on the basis of kinship and political loyalty rather than merit. Workers are poorly trained and receive little on-the-job training. Badly conceived programs and policies create myriad opportunities for bribery, influence peddling, and other forms of malfeasance. All this adds up to the disappointing inability of many governments to deliver good public services and to cope with persistent problems of corruption, poverty, and macroeconomic mismanagement. In trying to explain this sad state of affairs, economists and political scientists have richly chronicled the bad behavior and used it to good advantage in the building of theory.[1]

This sorry experience, and the literature attempting to explain it, have given rise to the current body of advice proffered by bilateral and multilateral donor institutions, governments in North America and Western Europe, and even smaller nongovernment aid-giving organizations (NGOs). Much of the advice is directed at limiting the "damage" the public sector can do in developing countries, and falls into three categories: (1) reducing the size of government by getting rid of "excess" workers, contracting out for services, privatizing, and decentralizing; (2) terminating many of the policies and programs that inadvertently provide opportunities for bureaucrats to exert undue influence and for citizens to bribe them—such as the licensing of imports or exports, the subsidized provision of credit and other inputs to industry and agriculture, and the subsidized purchase of certain products; and (3) subjecting public agencies and their managers and workers to market-like pressures and incentives to perform, including exposing them to the wishes and dissatisfactions of users.[2]

I refer to the literature on which the advice is based as mainstream development thinking, and the advice-givers as the mainstream donor community. I purposely avoid the terms *neo-liberal* or *Washington consensus*[3] because the views summarized above, or some subset of them, are held by a larger and more disparate set of observers and practitioners than those terms imply. For example, both neo-liberals and their ardent critics, like the NGOs, believe that government in developing countries is overbearingly powerful, and that several of its functions would be better carried out or monitored by private entities, including NGOs. Again, both advocates and critics of state intervention stress the importance of incentives, pressures, and increased user voice in improving the performance of government. And a good number of development practitioners who feel perfectly comfortable using the language and concepts of the mainstream development community are not aware of the writings that gave rise to these views and, if asked, would disagree with them. Nevertheless, this set of ideas about the causes of poor performance and about how to improve it profoundly influences the way development practitioners interpret what they see, write reports, and give advice.

The explanations of poor performance summarized above, although in many ways accurate, have given rise to a consistently flawed body of advice about how to improve government. The flaws fall into the following categories.

First, the mainstream donor community's advice about public-sector reform arises from a literature that looked mainly at *poor* performance. Although this literature has advanced our understanding of why governments so often do badly,[4] it has provided nowhere near the same insights and case material on the circumstances under which governments perform well.[5] This means that countries and the experts that advise them have few models of good government that are grounded in these countries' own experiences.

Second, and insofar as the mainstream development community has shown more interest recently in analyzing good performance and "best practice," it has focused too much on recommending that developing countries import ideas and practices from the already industrialized countries or from some of the more recently industrialized countries, particularly those of East Asia. The exemplars of best practice for advice about public management are Australia, New Zealand, Britain, and, to a lesser extent, the United States—the so-called New Public Management or Managerialism;[6] the exemplars of best-practice macroeconomic policies and development strategies are, as everyone knows, the East Asian countries. Approaching inquiry in this way often leads to incorrect interpretations of why governments in developing countries sometimes perform well, as examples below and others throughout this book show, or completely misses instances of good performance that do not fit the mold.

Third, the development literature likes to label whole countries (or groups of them) as good or bad performers. This habit comes from the overwhelming preoccupation of the field in the 1980s with major macrolevel economic problems, as well as from the "national models" literature of the field of comparative politics and international political economy.[7] But it is difficult to be engaged in characterizing a whole country as good or bad, on the average, and at the same time to be curious about the variation between good and bad experiences within that same country and the lessons to be learned from it. For this reason, the donor community is not very adept at unearthing and explaining promising developments within countries that perform poorly on the average, or good performance by some government agencies as distinct from others in the same country. In giving advice to the bad performers, then, donors are best at telling them about the practices of good performers somewhere else and how to be more like them.

A good illustration is the set of studies explaining why Latin America did not do what East Asia did,[8] followed by a cottage industry of advice to Latin America on how to be more like East Asia. A recent World Bank publication criticizing the Latin American "populist state," for example, declares that "[r]elatively little is known about the process leading to massive institutional change" in Latin America (Burki and Edwards 1996:27). With respect to labor market and employment policies, it then suggests looking at "the lessons of East Asia's success"; with respect to ideas about how to create "a modern civil service," it suggests looking at East Asia's "efficient meritocracies" (pp. 23, 26). Once the seal of good (or bad) approval is stuck to a country, finally, observers interpret much of what is going on there through that particular lens. For example, while Italy was fabled for many years for its corruption and lack of political stability, significant developments in institutional dynamism, stability, and trust between major actors at the regional level remained, until recently, unchronicled (Locke 1995:chap. 1).

Fourth, the mainstream development community often filters what it sees through the lens of a strong belief in the superiority of the market mechanism for solving many problems of government, economic stagnation, and poverty. This also creates a propensity for misinterpretation of good performance, the classic example coming from the successful growth stories of the East Asian countries. Until the World Bank's publication of *The East Asian Miracle* in 1993,[9] the donor community interpreted these successes as representing minimal government intervention in markets, despite substantial evidence to the contrary.[10] These governments used highly interventionist policy instruments, all of which are considered by the donor community to be wrong: they subsidized credit to agriculture and industry, they fixed key prices, and they told firms what to produce. Other instances of the development community's inattention to the evidence in interpreting success will be revealed in the course of this book.

Fifth, many of today's views on the roots of poor performance in developing countries simply ignore and even contradict an impressive body of evidence on the causes of improved performance in large organizations in the industrialized countries. This evidence, based partly on studies of high-performing firms, appears in recent research on industrial performance and workplace transformation, in an older literature on the sociology of organizations, and even in the popular treatments of private-sector restructuring in the press. I refer to this body of research and advice as the literature of industrial performance and workplace transformation (IPWT).[11] Although the earlier research on this subject involved mainly manufacturing firms, many of the same findings have emerged from later studies of large service firms.[12] Although focused mainly on private firms rather than public agencies, many of the IPWT findings are now being applied to the public sector of the industrialized countries.[13]

IPWT researchers have pointed to the importance of worker dedication to the job, among other things, in accounting for increases in productivity and other improvements in performance. This has caused the best-practice firms to pay close attention, even when downsizing, to a set of innovative practices that has increased worker dedication. These include what is now popularly known as worker participation and self-managed worker teams, multiskilling of workers and multitask jobs, and flexibly organized or "specialized" production. Almost all these innovations involve greater worker discretion and autonomy, greater cooperation between labor and management, and greater trust between workers (or firms) and their customers, as well as between workers and managers.[14] Many of these practices were disseminated as a result of extensive research on Japanese "lean" production, which produced grounded models of how to change organizational practices and management.[15]

In analyzing governments and in issuing advice about how to reform them, the mainstream development community has shown remarkably little interest in the subject of worker dedication to the job. Guided by an almost religious belief in self-interest as an explanation of human behavior—what Charles Sabel so aptly calls "the science of suspicion"[16]—the attention of the development literature has been riveted on the *absence* of worker commitment. Whereas the IPWT research tries to understand the kinds of social norms and organizational cultures that foster dedication among workers, the donor community starts with the assumption that civil servants are self-interested, rent-seeking, and venal unless proven otherwise. Whereas the IPWT literature prescribes greater worker autonomy and discretion as a way of obtaining better performance, the development community prescribes just the opposite—namely, reducing the discretion of civil servants and, thereby, their opportunities to misbehave. Whereas downsizing is but one of many measures used by successfully restructuring firms to increase productivity and profits, the donor community has focused most of its attention on downsizing government to the exclusion of complementary measures required to increase performance.[17] This despite the clear evidence from the private sector that without measures to reorganize work in ways that increase worker commitment, downsizing does not lead to increased productivity and often makes performance worse.[18]

Sixth, and related, today's views on reforming the public sector place excessive faith in the actions of the "user" or "client" of public services. In an otherwise laudable advance, the development community now views consultations with and pressures from the client—the citizen, the villager, the grass roots—as key to fixing government. This new faith manifests itself in three ways: the proliferation of research on user behavior and preferences, the keen interest in decentralizing government in order that it be (among other things) closer to the user, and the enthusiasm over "associationalism" and civil society—particularly user associations and other NGOs that demand accountability from government or provide services themselves.[19]

This turn of attention toward users of public services and their local setting represents a distinct improvement over the previous period of almost complete disinterest by planners in what citizens thought or wanted. It is also quite consistent with the findings of the IPWT studies, which show that the best-practice service firms try to be more responsive to customers and work closely with them. But the IPWT studies also show that responsiveness to the client requires a larger context of relations of trust between committed workers and their customers. This has translated into research on, and enactment of, the kinds of changes in workplace conditions that enable trusting relations to develop. Although the mainstream development community has now become as interested in the user as the IPWT community, it has nevertheless shown little interest in the larger setting of trust between workers and users that user involvement requires in order to improve performance.

Seventh, IPWT researchers and practitioners have dwelled on the need to change the existing system of centralized and highly defined labor-management relationships that have prevailed since the 1930s in the United States and other Western countries. This system, in which big labor negotiated collective bargaining agreements with big management, worked fairly well under the mid-twentieth-century system of stable consumer markets and mass production. The system is no longer compatible, however, with the requirements of today's rapidly changing, more globalized, highly competitive markets. The high-performance practices associated with adaptation to these changed conditions depend on greater consultation between labor and management around daily problems, more cooperative and informal relations between the two parties, greater flexibility around the definition of jobs, and decentralization of production, management, and supervision. For this reason, IPWT researchers and practitioners have been engaged in a profound debate over the past 10 years about how to change a system of labor-management relations that no longer works.[20]

The mainstream development community has shown little appreciation of the need for this kind of debate or research.[21] But its regular complaints about public-sector unions—that stalemates between governments and their public-sector unions have seriously jeopardized needed reforms—suggest a dire need for such research. Similarly, the international donors have displayed no interest in the important role that they, as third-party institutions, could play in stimulating and mediating the difficult debates and supporting the research needed to face this challenge properly. Instead, the donor community has cast public-sector unions and professional associations as the villains in stories of attempted reform, particularly in the social sectors of education and health—to be avoided, circumvented, and undermined.[22] Ironically, this vilification of public-sector employee associations has occurred at a time when the donor community has been celebrating all other forms of associationalism and civil society, including business associations. Surely, associations of workers and professionals should number among this now-celebrated set of collective actors. But while the development community consistently describes public employee associations as the ultimate in *self*-interest, it views all other forms of associationalism—in a serious lapse of consistency—as wholesome expressions of the *public* interest. This amounts to a lopsided picture not only of worker associations, but of what is necessary to achieve reform in problem sectors.

Associations of public-sector workers and professionals have certainly made reform difficult on various occasions and continue to do so, creating a serious problem for improving government. But they have also presented more opportunities for constructive action in the public interest than the current vilification of them suggests. In a study of the responses of Latin American unions to proposed reforms of social service delivery, for example, Murillo notes that despite "the common assumption . . . that public sector unions opposed these reforms, union responses were diverse . . . [including] resistance, cooperation, negotiation and inaction" (1996:1). In research on significant recent advances made in the public management of India's forests, Joshi (forthcoming) discovered, to her surprise, that the public-sector workers' association—the West Bengal Subordinate Forest Employees Association—played a key role in advocating and implementing these reforms.

In a study of high performance in education by a municipal government in Northeast Brazil, Frankenhoff (forthcoming) found that the best teachers had spearheaded a long campaign to promote these reforms. Opponents to the reform, moreover, were not the usual suspects—teachers and teachers' unions—but elected local government officials who did not want to lose their power to use teacher appointments for patronage. This finding is actually quite consistent with those of a forthcoming book by Ames on Brazilian politics, particularly his analyses of governors who were modernizing and clientelistic at the same time.[23] Ames describes how certain developmental governors in Northeast Brazil—legendary for being one of the worst-performing regions of the world in primary education—devoted their "modernizing" attention mainly to certain initiatives and government agencies in the spheres of budgeting, planning, and economic development. They built those agencies up with technocratic expertise, endowed them with considerable power, and carefully protected them from clientelistic meddling. In order to meet their continuing needs to distribute patronage, these governors turned to the social sectors, particularly education—the very sectors whose problems are attributed to intransigent public-sector unions. Although politicians as opposed to public-sector unions are not mutually exclusive explanations for the difficulties of reforming the social sectors, Ames' analysis certainly suggests an important additional explanation unrelated to public-sector unions.

Studies of positive experiences involving worker associations like those cited above are rare and we therefore know very little about their dynamics. This represents a strange lack of research interest in a subject of great importance to the performance of the public sector—research that could impart strategic lessons for reform. Lessons like these are needed to help break the stalemate—just as the IPWT community, toward this very end, has been chronicling cases of union-management cooperation in the late twentieth century in both private and public sectors.[24] Although an outstanding example of reform led by public-sector professionals emerges in the course of this book—that of public health physicians and nurses—public-sector worker associations are not its main topic; instead, the book focuses on workers themselves—what they think, how they respond, and what makes them dedicated.

This book constructs an argument for thinking differently about public-sector reform and presents some examples of how to formulate advice by drawing on cases of good performance. In so doing, it reveals how some of the current advice goes wrong. The argument is developed through a set of four cases, each of which constitutes a chapter of the book. The cases involve programs in different sectors—rural preventive health, employment-creating works programs, agricultural extension, and assistance to small enterprises. The programs were carried out by a state government in Brazil whose performance turned rapidly from bad to good in the mid-1980s, and remained so until the time of this writing.

The Research

In the December 1991 issue of the *Economist* of London, the editors devoted three pages of a special supplement on Brazil to the remarkable accomplishments of one of the state governments in that country's poor Northeast region, Ceará. With almost seven million inhabitants and an area of 147,000 square kilometers, Ceará is one of Brazil's smaller states in terms of population, although it is still larger than a few dozen small countries.[25]

The *Economist* story told of how the state's payroll commitments were consuming 87 percent of the state's receipts (65% is the constitutional limit) when a newly elected reformist governor, Tasso Jereissati, took over in 1987 at the age of 36.[26] This left so little for nonpersonnel operating costs, public investment, and servicing of the debt that public servants had not been paid for three months. The new governor succeeded in solving the crisis with various bold measures, including the collection of taxes already on the books, reducing payroll obligations to 40,000 "ghost" workers (out of a total of 146,000 workers), slowing down the indexing of salaries to the cost-of-living index (inflation was more than 20% a month during that period), and insisting that new government employees be hired only through competitive exams.[27] Together, these measures reduced the share of salaries in total receipts from 87 percent of expected receipts in 1987 to 45 percent in 1991, all during a time when federal transfers were decreasing. This was the dream of every Brazilian governor in the 1980s, but only an idle one for most. Just as noteworthy, and also mentioned by the *Economist* article, the new government introduced some outstanding and innovative programs in preventive health, public procurement from informal-sector producers, and a large emergency employment-creating public works program. This last set of achievements is the subject of this book.

As a sign of the dramatic import and political difficulty of all these reforms, Jereissati lost 90 percent of his support in the state legislature soon after he started his term. His popularity among voters nevertheless remained high enough for him to elect his successor (Ciro Gomes) when his term expired, and then to win reelection himself four years later. Immediately following Jereissati's initial reforms, the leader of his party in the legislature—also Ciro Gomes at that time—frequently recounted publicly how he was booed for days every time he entered the chamber. Despite these setbacks, the advances were sustained throughout the subsequent four-year administration of Ciro Gomes (1991–94), also a reformer, and into the second administration of Jereissati, still unfolding (1995–). Clearly, this set of reforms represents a striking feat, unheard of among the state administrations of Northeast Brazil. Also interesting, but hardly noted in the various accounts of Ceará's story, none of these reforms or programs could be attributed to the presence or pressures of an outside donor. Indeed, the one sector in which donors had an appreciable presence—that of agriculture—was strangely absent from the list of both these governors' achievements.

The two reformist governors were also able to take credit for the fact that the economy of the state grew better during the late 1980s and early 1990s than that of the rest of the Northeast and even the more developed parts of Brazil—during a period when growth rates for Brazil were generally low or even negative. While Northeast output declined by an annual average of 0.04 percent during the 1987–93 period, and Brazil grew at only 0.87 percent, Ceará grew at 3.4 percent.[28] The *Economist* attributed the better growth record to the modernizing and probusiness policies of the state's new leadership, as did other laudatory articles that appeared elsewhere in the international and Brazilian press.[29] It should be pointed out, however, that the state grew at significantly higher rates in the earlier period before the two governors took over. To grow faster than Brazil and the rest of the Northeast during a time of stagnation, in any case, was quite an unusual accomplishment for a small state government in a poor and clientelistic region of a very large country.

To anyone who knows Brazil, the Ceará stories were surprising. Ceará and its eight neighbor states belong to the country's poorest region, Northeast Brazil, in which one-third of the population lives in absolute poverty. With a population of 45 million and an area of 1.6 million square kilometers, the Northeast holds almost one-third of Brazil's population. Its area is roughly equivalent to France, Germany, and Spain combined, and its population somewhat larger than that of Spain.[30] Like state governments in many chronically underdeveloped regions, the nine Northeast states are legendary for their clientelistic ways of governing and for the resulting poor quality of public administration.[31] They are exactly the kinds of governments that have fueled the despair about government with which this chapter started.

How could a state government that was part of a region with such a long and consistent history of mediocre performance "suddenly" do so well? How could it have become, as the news coverage reported, a "model" of public administration sought out by other states in Brazil and other countries of Latin America, and feted by international institutions like the World Bank? The press coverage and the international development community attributed the success to the leadership of the two successive reformist governors. They belonged to a new center-left political party of modernizing urban elites, the Brazilian Social Democratic Party, which had been formed in the late 1980s and went on to win the presidential elections in 1994. Granted the centrality of these leaders to the Ceará story, it was still not clear how they could have so rapidly overcome, as the press portrayed it, a long tradition of clientelism in the administration of public expenditures and political opposition to taking away such privileges. It was also not clear how reputedly mediocre state agencies could have delivered the sustained performance, over a period of more than eight years and including two changes in administration, that was necessary to make these reforms work.

These questions, and my dissatisfaction with the prevailing thinking of the mainstream development community, led me to formulate the research project that gave rise to this book. I worked together with seven research assistants looking into the four cases of good performance under the new Ceará governors. Three of these cases appeared in the *Economist* article, and the fourth entered the study for reasons explained below. I briefly summarize the accomplishments of these programs, presented in roughly descending order of the strength of their accomplishments. (This order is slightly different from the sequence of the four chapters, which follows the logic of the themes that unite them.)

The first program involved rural preventive health (chap. 2). Only a few years after the state Department of Health undertook a new preventive health program, vaccination coverage for measles and polio had tripled from a low of 25 percent to 90 percent of the child population, and infant deaths had fallen from the high rate of 102 per 1,000 to 65 per 1,000. Started in 1987 by the state Department of Health as part of an emergency program to create jobs during a drought, the program hired 7,300 workers (mostly women) as community health agents at the minimum wage, and 235 half-time nurses to supervise them. Before the program's inception, only 30 percent of the state's 178 municípios[32] had a nurse, let alone a doctor or health clinic. Four years later, the program operated in virtually all of the state's municípios.[33] For these accomplishments, Ceará became, in March 1993, the first Latin American government to win UNICEF's Maurice Pate prize for child support programs.

The second program involved business extension and public procurement from small firms, and also originated in the employment-creating concerns of the 1987 drought (chap. 5). The state Department of Industry and Commerce and the Brazilian Small Enterprise Service, a semiprivate agency, redirected 30 percent of the state's purchases of goods and services to firms operating mainly in the informal sector. In doing so, the state saved approximately 30 percent over its previous purchases of these items from fewer, larger, and more sophisticated suppliers. Along with these new contracts to small firms, the two agencies provided small firms with highly focused technical and other problem-solving assistance. Some of these contracts had lasting effects on the producers, helping to launch them into private markets to which they could never have otherwise aspired. Some of the contracts also resulted in striking developmental effects in the regions where the producers were located, which endured even when the contracts were not renewed. Alongside this successful "demand-driven" assistance to small firms, the same two agencies continued to carry out their less impressive, and more typical, "supply-driven" programs.

The third initiative involved employment-creating public works construction and other emergency relief (chap. 3). During the 1987 drought, which lasted almost a whole year, the state Department of Social Action gave work to one million unemployed rural farmers and other workers, mainly in public works construction. In the peak month, 240,000 were employed, roughly 50 percent of the economically active population in the state's rural area. Although the state government had succeeded in creating at least this number of temporary jobs in previous droughts (which occur roughly every seven years in the semiarid Northeast region), the 1987 program dramatically reduced the clientelism surrounding the awarding of jobs, the selection of works projects, and the allocation of relief. Insisting on more democratic decision making according to universal criteria, the Department of Social Action also succeeded in delivering jobs and relief supplies more rapidly than in previous droughts, and in creating more jobs per dollar spent than similar programs in other states and countries.

The fourth case revolved around agricultural extension and small farmers (chap. 4). Conspicuously absent from the *Economist* article on Ceará was the agricultural sector, where 33 percent of the labor force works. The state's lack of achievements in this traditionally important sector are perhaps not that surprising, given that agriculture has been afflicted by low productivity and declining output shares for many years. (Agriculture's

share of state output fell from 14.7% to 8.5% between 1985 and 1994.)[34] Unlike the sectors in which the state could report significant accomplishments, ironically, Ceará's agricultural sector had received major infusions of funding and technical assistance over the preceding 15 years for agricultural and rural development programs jointly funded by international donors and the central government. These programs had targeted small farmers because they constituted a large percentage of the population and accounted for a major share of the state's production of staple foods and cash crops. A majority of them cultivated the land through insecure tenancy arrangements that stifled the adoption of productivity-increasing practices.

Given the significance of agriculture in the state and the sustained outside support from multilateral donors, I found the absence of any striking achievements in this sector to be puzzling. The rural development programs had worked mainly through the state's Agricultural Extension Service, and had encouraged small farmers to form associations through which they could receive the state's agricultural assistance. I therefore chose to look into the experiences of a few small-farmer associations that had done relatively well in terms of increased output or provision of services to their members, in order to see what lessons for state policy might emerge.

Each of these four cases represents a sector for which a self-contained literature and a corresponding body of advice exists—namely, preventive health care, employment-creating public works programs, agricultural extension to small farmers, and assistance to small and micro enterprises. Much of these four literatures and their advice is, understandably, specific to each particular sector. No one writes in the same breath about agricultural extension agents, barefoot doctors, small-enterprise assistance agents, and drought relief workers. While this book grounds each case in the debates of each of these sectors, its greater significance lies in the findings that run across the cases.

The Previews

My search for the explanations of good performance produced five central themes. Something happened in all of these programs—sometimes unintentionally—that structured the work environment differently from the normal and, in certain cases, from the way experts think such services should be organized.

First, government workers in all these cases demonstrated unusual dedication to their jobs. They reported feeling more appreciated and recognized, not necessarily by superiors but by their clients and the communities where they worked. This was remarkable in an era of public revulsion for the government bureaucrat. Only against the background of the IPWT literature did I come to understand the relation of these expressions of worker commitment to the achievements being studied, and the importance of looking into what caused them. This does not mean that I found worker-management teams or total quality management thriving in the backlands of Ceará where these programs unfolded. Rather, the explanations people gave for why they liked their jobs better, and of how their work was different from normal, had much in common with current explanations for the cases of better worker performance in the industrialized world. The way citizens spoke about the workers who served them in these programs, in turn, was reminiscent of the way this literature describes the relations of trust between customers and the firms they buy from, or between customer firms and their subcontractors.

Second, the state government contributed in an unusual and sometimes inadvertent way to the new sense of recognition. It created a strong sense of "calling" and mission around these particular programs and their workers. It did this through public information campaigns, prizes for good performance, public screening methods for new recruits, orientation programs, and sheer boasting through the media about its successes.

Third, workers carried out a larger variety of tasks than usual, and often voluntarily. They did this in response to their perception of what their clients needed, and out of a vision of the public good. Workers were able to provide this more customized service because they had greater autonomy and discretion than usual. On the one hand, this conflicts with the donor community's interest in reducing discretion as a way of minimizing the opportunities for rent-seeking behavior. On the other hand, it is perfectly consistent with the findings of the IPWT literature on the customization of work: multitask jobs, multiskilled workers, and greater discretion tend to be linked to better performance—in contrast to the more narrowly defined and standardized jobs of the mass production era.[35]

Fourth, the greater discretion and responsibilities inherent in the "self-enlarged" jobs, and their fuzzier job definitions, would seem to make supervision even more difficult than it already is in large public bureaucracies. Would this greater autonomy not simply provide even more opportunities for the rent-seeking misbehaviors that public-sector reformers worry about—graft, bribery, and other malfeasances? This did not happen in the Ceará cases because two other mechanisms—hemming civil servants in with new pressures to be accountable—worked in the opposite direction. These pressures did not come from supervisors or formal monitoring bodies.

On the one hand, workers wanted to perform better in order to live up to the new trust placed in them by their clients and citizens in general. The trust was a result of the more customized arrangements of their work and the public messages of respect from the state. On the other hand, the communities where these public servants worked watched over them more closely. The state's publicity campaigns and similar messages had armed citizens with new information about their rights to better government and about how public services were supposed to work. Government played a powerful role in monitoring, then, but it did so indirectly.

Fifth, a final set of findings emerged with respect to issues of decentralization, local government, and participation of civic associations and other NGOs. The enthusiasm about decentralization in the development community today portrays local government and civil society as locked in a healthy two-way dynamic of pressures for accountability that results in improved government. Central government, in this scenario, has retreated to the place of an enabling bystander. Civic associations and other NGOs, physically closer to local government than to central government, now become key independent actors in advocating for citizens, demanding greater accountability and "transparency" from government, and providing some services previously delivered by central or local government.[36] Numerous examples of this line of reasoning can be found in the narratives of donor organizations,[37] including the claims made for the social investment funds, one of the important new program approaches of the donor community in the 1990s.[38]

My cases did not confirm this scenario of a two-way dynamic and a diminishing central government. They revealed, rather, a three-way dynamic that included an activist "central government"—in this case, the state government—as well as local governments and civil society. (I use the terms *central government* and *state government* interchangeably in this text, because state governments are powerful actors vis-à-vis municipal governments in Brazil's federal system, and because to the extent that decentralization was involved in these programs, it was from state to municipal government.)[39] The state government took certain traditional powers away from municipal governments, while at the same time devolving others. It carried out some tasks, moreover, that are considered to be to its disadvantage in the standard portrayal of the most desirable division of labor between central and local governments—like outreach to the poor and the hiring and training of municipal workers. It was not that central government continued to do what it had done in the past, but that it was doing something different and quite actively so. Although these findings portray a different picture than that of the decentralization scenario outlined above, they are nevertheless consistent with the findings of some recent case studies of successful public-service bureaucracies in developing countries.[40]

The state government, in these cases, was also contributing in a major way to the creation of civil society by encouraging and assisting in the organizing of civic associations, including producer groups, and working through them. These groups then turned around and "independently" demanded better performance from government, both municipal and central, just as if they were the autonomous entities portrayed by students of civil society. This complicates the currently popular assumption of one-way causality, according to which good civil society leads to good government and, correspondingly, good government is dependent on the previous existence of a well-developed civil society.[41]

In contributing to the creation of civil society, it should be noted, the state government was doing something normally considered to fall within the domain of NGOs—advocacy for citizens and for the protection of their rights. Both the improvement of municipal government and the strengthening of civil society, in sum, were in many ways the result of a new activism by central government, rather than of its retreat. By no means a mere enabler, central government was doing more and not less than it had done before.

All this suggests a path to improved local government that is different, or at least more complex, than the current thinking about decentralization and civil society. Although I relate the decentralization findings only loosely to those about workplace transformation, the two are nevertheless intertwined throughout the stories in this book.

Clarifications

The intention of this book is to ground my critique and the alternative perspectives I outline above in the specifics of real cases. I do not develop

the cases for their own intrinsic value, nor do I tell "the Ceará story." Those readers looking for that story should stop here and consult the interesting literature on the subject in Portuguese.[42] Not dwelling on the Ceará case as such will disappoint some readers and be appreciated by others, including the many Brazilians who are experiencing "Ceará fatigue." The approaches to better government reflected in these cases, moreover, should not be taken literally as "models" of good government. Those familiar with successful experiences in other countries may not find them especially unusual, and may well have observed variations on these particular solutions or even better ones elsewhere.

One of the most interesting facets of the achievements related below is their mixed nature. This is not, in other words, a story of unmitigated success. In this sense, however, it may be a more realistic portrayal of the typical development success story. Some of the achievements represented outstanding episodes embedded in otherwise quite pedestrian programs. Similarly, others were exceptions that took place only in certain local offices of statewide programs. As the years passed, moreover, some programs lost part of the ground they had gained. Most interesting, some of the achievements seemed inadvertent or, at least, not attributable to strongly intentioned leadership. This poses a particularly interesting challenge to researchers of good government: if good performance is unintentional, then is it not difficult to draw lessons from it? I return to this subject in the conclusion.

An additional clarification follows from the above. Although I was attracted to the study of Ceará by the glowing reports about two successive reformist governors there, this book does not give center stage to the issue of their leadership. It does not look into the interesting question of how and why they could be elected in a state with a long tradition of clientelism; and it does not analyze the difficult reforms for which they were most directly responsible—increasing revenues and controlling expenditures. The achievements of three of the programs outlined above, however, might be said to have indirectly resulted from these reforms, in that they were partly inspired by the desire of a new government to announce bold initiatives that would not exacerbate, or perhaps even reduce, the fiscal crisis.

My decision not to pay major attention to the subject of leadership merits some comment. Many observers of reforms like these stress the importance of good leadership and, correspondingly, point to the lack thereof in explaining failures to reform elsewhere. Ironically, moreover, they point to cases like Ceará as containing no generalizable lessons precisely *because* of their "unusually" good leadership. Although I do not question the importance of leadership, I do disagree with this kind of reasoning.

It is difficult to pursue the kinds of questions raised above about unintentional or unnoticed successes while, at the same time, trying to explain a case of "good leadership." The strong leader, after all, represents the ultimate in intentionality. An explanation of good performance that stresses outstanding leadership emphasizes, by its very focus on individuals, the singularity of certain experiences, namely, their unlikelihood of being repeated. Planners, however, need to search for the repeatable lessons contained in stories of achievement like these, even though they may not have the same appeal as stirring tales of individual endeavor by a charismatic leader. Those who are in the business of intervening in the development process, moreover, do not have much control over whether and when good leaders appear. When they do, the lesson for planners seems to be, if anything, that a good leader is hard to find. This does not add up to much of a guide for action.

In addition to the good leaders behind the successful programs, there are also many programs shepherded by outstanding leaders that have not done well or that simply passed out of existence. More than the question of leadership, then, I have been drawn toward the question of why some programs succeed and others do not, even when both kinds have good leaders. An equally challenging question is why some good programs are able to survive the departure of their "charismatic leader," while others do not. The most successful and sustained program described here, the preventive health program, poses precisely this question. Its architect and visionary leader left the program less than two years after he started it and, in the five years of sustained program success after his departure, no fewer than six replacements followed him as director of the state Department of Public Health. Why did this loss of leadership and subsequent high turnover in management not spell doom—as would have been predicted by those who see good leadership as paramount and, at the same time, hard to come by? I have chosen to address these particular kinds of questions and quandaries because their answers seem to hold more lessons than does an exploration of leadership for those thinking about how planners can intervene successfully.

This research, finally, looked mainly at good performance rather than bad. In this sense, is it not subject to the same criticism of lopsidedness that I made of the prevailing literature of failure and its corresponding

policy advice? The answer is no, thanks to the very abundance of the literature on public-sector failures and the reasons for them, and also to my own 25 years of exposure to the shortcomings of government programs in developing countries.[43] This prior schooling in the dynamics of failure became the point of departure for my questions about success.

Why, for example, did nurses and doctors not resist a new preventive health program that relied on the hiring of 7,300 barely trained community health agents? After all, resistance to the use of paraprofessionals in health routinely blocks or undermines many such programs in other countries. Why, in turn, did the small firms that flourished with contracts from the new public procurement program not regress to their prior fragile state when the government did not renew the contracts? This, after all, is a typical scenario in such programs elsewhere. Why would mayors and other traditionally influential local notables simply give up the right to name constituents for local jobs, or relinquish their power to determine which works projects would be undertaken in their municipalities and where?

I asked these same kinds of questions about the variation within programs. Why, for example, did these programs work better in some municípios than in others? Why did the state government's support for small firms lead to a growth-pole success story with the furniture producers of São João do Aruaru but not with the footwear producers of Sobral? Why, again, was the state's campaign against the cotton boll weevil successful with small landowning farmers but not with large landowners or sharecroppers? Poor performance, in short, was always in my mind, and often lurking inside the very successes chosen for study.

A few closing words about the logic of the following chapters. In presenting evidence for the themes laid out above, the four chapters are not symmetrical. Some of the cases illustrate a particular theme more than the others. Although a case may clearly exemplify one or more of the themes noted above, moreover, I have sometimes devoted at least equal attention to the relevance of the case to larger debates about service delivery in that particular sector. The cases and their unfolding, then, are used more as a way of developing the argument than as equal blocks of evidence.

The first theme, that of higher productivity and worker dedication to the job, appears clearly in each case, although I dwell on it most in the first two cases of rural preventive health and emergency public works programs (chaps. 2 and 3). The second theme, that of multitask jobs and "customized" patterns of work, appears most clearly in the cases of agricultural extension and public procurement (chaps. 4 and 5). Evidence on the linked issues of decentralization, local government, participation, civil society, and nongovernment organizations runs throughout the cases. Partly for this reason, and partly because of the current importance of the social investment funds as instruments for targeting the poor, I fully develop these themes only in the conclusion (chap. 6), where examples can be drawn from the case material that went before.

I devote more attention throughout to the subjects of worker dedication to the job, the customization of work, and trust between workers and citizens, than to the matter of outside pressures to perform. The development literature has already brought to light the importance of these pressures, as reflected in the current recommendations to bring competition-like pressures to bear on government providers through partial privatization, decentralization, and performance contracting.[44] All these measures are expected to make service provision more demand-driven and client-friendly. Because I had extensively explored the role of outside pressures to perform in previous evaluation research,[45] I was somewhat less interested in the subject this time around. In the course of the research, moreover, I discovered that outside pressures were only half the story. When they were effective, that is, they were strongly reinforced by worker commitment, a different work environment, and trust.

I start with the health program because it was the most clear-cut success story. Given the sheer breadth and longevity of the program in comparison to the other achievements, the theme of dedication to work and its relation to performance was writ particularly large. Because the health program started with a whole new set of workers, moreover, it had more opportunity than the other programs to pay attention to what would induce its workers to perform well. Understanding how this worked in the case of health makes it easier to identify the variations on this theme that appeared in the three other cases.

• 2 •

Preventive Health: The Case of the Unskilled Meritocracy

PRIOR TO THE initiation of the preventive health program in 1987, Ceará's indicators of health and access to health services were among the worst in Latin America. The rate of infant deaths, at 102 per 1,000, was double that for all of Brazil. Vaccination coverage for measles and polio was only 25 percent, and only 30 percent of the state's municípios had a nurse, let alone a doctor or health clinic. At best, mayors had an ambulance at their disposal and kept a small dispensary of prescription medicines in their homes. They typically doled out these medicines, as well as ambulance rides, to relatives and friends and to needy constituents in return for political loyalty. The new Brazilian constitution of 1988 augmented the mayors' access to revenues for health expenditures by increasing the share of federal transfers to the municípios, giving them greater taxing power, and mandating that 10 percent of these new revenues be spent on health (plus 25% on education).[1] Many mayors, however, continued spending less than the mandated amount on health, because enforcement mechanisms were not strong enough. If they did increase health expenditures, they often continued dispensing services in the traditional clientelistic way.

By 1992, after only five years in operation, the new preventive health program—named the Health Agent Program (Programa de Agentes de