EXEC-GP 2201: Institutions, Governance and Public Sector Reform

Fall 2019

Instructor Information

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Course Information

- Class Meeting Times: Saturdays, 2:30 pm – 6:00 pm
  (September 14, 28; October 12, 26; November 9, 23; December 14)
- Class Location: 194 Mercer Street, Room 308

Course Description

This course reviews conceptual and practical perspectives on global efforts to reinvent government and improve its performance. There have long been divergent and evolving views about balancing the role of governments and markets and how government should be organized and managed. Ongoing debates and efforts in advanced economies heavily influenced theory and practice in developing countries, which became a global concern in the 1940s and 1950s after World War II and as Africa and Asia decolonized. This period also witnessed the rise of internationalism and global governance with the creation of the United Nations, World Bank, International Monetary Fund and later other major global organizations, agreements and forums, many of which are under threat in the current political economy environment.

Public sector reforms in practice have been mixed and uneven across countries, both in terms of how they have been framed/managed and the results they have achieved. Even the wealthiest and most capacitated countries have faced considerable challenges and continue to seek ways of using government differently and/or more effectively. Many developing countries have made some gains in transforming themselves--increasing capacity, promoting development, democratizing, and reducing poverty--and a number have entered middle income status. Other countries have fared less well,
remaining constrained by various governance, resource and capacity gaps. Some challenges are attributed to flaws in reform approaches, while others stem from weak implementation. **Over time, there has been growing emphasis on adopting appropriate institutions and governance mechanisms.** As reforms have unfolded, the global and local landscapes have changed and many new actors--governmental and nongovernmental, as well as international, regional, national and local--have entered the field.

The course begins with a brief **overview of debates about the role of government and how it should function**, following the movement from narrower and more technical to broader and more institutional/political approaches. **The bulk of the course focuses on specific reforms intended to improve government performance through restructuring and redefining how it operates** as rapid economic, political and social changes—both global and local—evolve in different countries at various stages of development. One set of reforms covers establishing and enhancing **basic institutional mechanisms** that define relations between the public sector and private firms and citizens. Another set considers the **organizational structure and management of government**. As we work through the topics, we consider competing theoretical perspectives and empirical evidence, often acknowledging that there are few definitive policy prescriptions for improving government performance. An underlying theme is the **need to go beyond the tendency to use fixed goals, pre-packaged tools and narrow frameworks in pursuit of “best practice” answers**. Instead, the course uses diverse readings and cases to challenge participants to **think rigorously and creatively in seeking levers of change that matter and are feasible for the pursuit of effective public sector reform in specific contexts**.

**Course Objectives**

By the end of the course participants will:

1. **Understand the evolution of the theory and practice of thinking about institutions and governance** in managing societies, including current trends and challenges;
2. **Acquire a critical perspective of conventional blueprints, received wisdoms and misconceptions** prevalent in mainstream discourse about the role and operation of government;
3. **Identify and analyze the potential and actual roles played by various key actors**--international organizations, national and local governments, private businesses, NGOs and citizens--in promoting effective government and collective action; and
4. **Think more analytically, holistically and strategically** about existing avenues for institutional reform and opportunities for pragmatic and sustainable change.

**Course Format**

**The course meets on seven Saturdays** (listed above). The format will blend lecture, discussion, in-class participatory assignments, and guest speakers.

Please note that it has been challenging to schedule speakers since we moved this course to selected Saturday afternoons (it used to meet weekly midday). We have been unable to secure speakers on some topics on the date we would have preferred. Accordingly, **there may be a few times when a guest presents out of the order of the logical flow of the class material or at an optional session on a weekday evening**, but it will always be on a topic that we have already covered to some extent in class.
The course is composed of five modules:

- **The first module** offers a brief survey of the history of thinking on the role of government, culminating in the present focus on improving institutions and governance in a globalizing context.
- **The second module** examines core public sector institutions that define the basic rules of the game for the behavior of businesses and citizens—rule of law, property rights, and regulatory regimes, and examines if and how they can promote or impede the attainment of priority economic, political and social goals.
- **The third module** explores the challenges of reforming public management and governance systems, i.e. the structures and processes that governments and societies adopt to manage collective action—administrative, fiscal and civil service frameworks and decentralization and intergovernmental relations.
- **The fourth module** considers the role of the private sector and civil society in the evolving governance systems (covered in the third module) and beyond, including public-private partnerships, civic participation and social accountability.
- **The final module** concludes the course with a synthetic treatment of how to think innovatively and realistically about public sector reform and the role of nongovernmental actors. This module will be built around presentations prepared by the class participants.

Please keep in mind that the topics covered in the various modules are interrelated, so some issues will emerge multiple times and in various forms. Indeed, one core goal is to challenge you to think in a holistic way about the science and art of reforming institutions and governance. The assignments are designed in a way that allows you to focus on topics of most interest to you.

**Readings**

There is no textbook for the course. Assigned readings cover a wide range of topics. Authors represent diverse political positions, academic disciplines, research traditions and nationalities, as well as varied parts of the world of practice. The topics are broad, and readings are only intended to be illustrative of key issues and debates rather than comprehensive in coverage. Some readings are old, but they make important points that remain valid and/or are the original articulation of a powerful idea. In some cases, "readings" are in the form of website postings, videos or podcasts (links provided).

Readings are divided into primary (some are marked high priority and the others are recommended) and supplementary. We will give guidance on the content and relative importance of readings before each class. **We expect everyone to have read the high priority material prior to class.** Beyond that, you are free to make your own decisions about what to focus on. The primary and many supplementary readings (except books or readings that cannot be posted due to various constraints) are mostly available under the Resources tab of the NYU Classes course site or through links provided in the syllabus. Other supplementary readings are largely accessible through the NYU Library system or can be searched and downloaded online.

As the course progresses, we may add or remove readings or articles. This means that we consider the reading list to be a living document. If you run into articles or blogs that are relevant, feel free to alert us and/or circulate them to the class members through NYU Classes.
Requirements

The grade will be based on the following three requirements:

- Participation--in class and reading/topic reaction memos (30%)
- Individualized Topic Memo (25%)
- Final Project (45%)

Class Participation

Active class participation means coming to class prepared to engage in thoughtful and reflective discussion and being able to ask good questions and debate possible answers. Given the small size of the group, attendance and broad engagement in class discussion is important.

Please note that the attendance requirement is subject to the NYU Policy on Religious Holidays, which states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify us in advance of religious holidays so that we can plan to help you deal with any material you might miss.

As part of the participation process, we will ask each participant to serve as the resource person for two class topics (for which you will sign up in the first class). Each resource person prepares a reading/topic reaction memo of 4-5 pages (including discussion questions) and plays a leading role in promoting discussion and debate on the topic being covered. Guidelines on the reaction memo are posted on NYU Classes. The reaction memo should be shared with the class members through NYU Classes by 5 pm the day before the class meeting it is being prepared for.

Individualized Topic Memo

During the semester, each participant should be thinking about issues covered that are of particular interest and/or practical value to them. Not only will this help you to decide which material is most relevant for you, but it can also assist you to focus on the topic for your required final project (see below). To facilitate this process, you are required to prepare an individualized topic memo. The topic should be cleared by the instructors by October 12 and the memo is due in class by November 9. You should start thinking about the memo soon—we are happy to discuss with you and to comment on early drafts.

Some of you may wish to use this memo to outline your final project. Others may know early on what their final project will focus on and may instead prefer to write the memo on another course-related topic of specific interest that you want to learn more about. Given the nature of the class and the diversity of the participants, we want to be flexible in how you approach these memos. You could, for example, write a reflective commentary on what you have learned from the readings and discussion on a particular topic. Alternatively, you could compare and contrast multiple topics, write an essay on how a topic relates to an issue or case you are familiar with or interested in, or try to fill a gap in the way we have treated a particular topic. If you have any doubts about what constitutes a "legitimate" memo, please consult the instructors to discuss your ideas and options. There is no fixed length for the memo, but they have generally been in the 6-to-10-page range—please focus on effectively covering the material you want to deal with rather than filling a certain number of pages.
Final Project

The **final project** topic can be negotiated as long as it is **directly relevant for the subject matter of the course**. It could, for example, be a more comprehensive treatment of the material covered in your individualized topic memo, an attempt to apply an analytical perspective covered in the course to a specific case, or a critical examination of the literature on a relevant issue not covered in class. **Each participant should prepare a one-page abstract of the proposed topic by October 26, and you must clear the final topic with the course instructors by November 9.**

Each participant will make a **15-minute presentation (in PowerPoint) during one of final two class meetings** (November 23 or December 14).

**In addition to this presentation, you must select one of these three options** to follow up on the presentation:

1. **Enhanced/Annotated Presentation:** Embellish the presentation with detailed notes and bibliography (no formal paper required);
2. **Term Paper:** Write a formal term paper based on the presentation (with no additional work required on the presentation itself);
3. **Policy/Management Memo:** Prepare a memo to a client based on the presentation (with no additional work required on the presentation itself).

The final project can be based on academic research, reports from think tanks and agencies, government documents, personal interviews, etc. **The final project materials (which may be revised after the class presentation/discussion) are due on or before December 20.**

**Assignment Format and Submission:** All assignments should be written in Times New Roman 12, doubled-spaced, with one-inch margins all around. Please submit assignments on NYU Classes. PowerPoint presentations can use whatever formatting you wish as long as it is readable.

**Academic Honesty and Grading Policy**

This course will abide by the NYU Wagner School policy guidelines on academic honesty and grading. It is each student’s responsibility to become familiar with these policies. All Wagner students have already read and signed the [Wagner Academic Oath](https://wagner.nyu.edu/portal/students/policies/code) and are expected to pursue and meet the highest standards of academic excellence and integrity. Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student is unsure about what is expected of you and how to abide by the academic code, you should consult with us. Please see the NYU Wagner Student Portal for detailed information on the academic code and grading policy.

- [Academic Code](https://wagner.nyu.edu/portal/students/policies/code)
- [Grading](https://wagner.nyu.edu/portal/students/policies/grading)
Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the Moses Center for Students with Disabilities (CSD) website and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or mosescsd@nyu.edu) for information. Students requesting academic accommodations are strongly advised to reach out to the Moses Center early in the semester for assistance.

Late Policy

Extensions will be granted only for exceptional circumstances. This policy is adopted out of respect to those who have abided by deadlines, despite equally hectic schedules. Assignments handed in late without authorized extensions will be penalized one-third of a grade per day.

This Course in the NYU Wagner EMPA Context

This is one of four required courses for the NYU-UCL Global EMPA program and is an elective for other NYU Wagner EMPA students. It is not open to students in other NYU Wagner programs.

Selected Governance Indexes and Assessment Diagnostics

There has been substantial growth in the development of diverse tools to assess institutions and governance by international organizations, think tanks and nongovernmental actors. Some are very broad, covering many aspects of governance, while others focus on a specific aspect (e.g. rule of law, property rights, human rights) or specific public service sectors (e.g. health or water).

There are many such tools and there is often overlap among them, and they vary in quality. A few that might serve as a starting point for those who wish to explore these resources include the following:

Worldwide Governance Indicators:

These indicators developed by the World Bank assess six dimensions of governance in over 200 countries: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption. The online searchable database and detailed documentation are available at: World Bank Governance Indicators

Universal Human Rights Index:

The UN Office of the High Commissioner for Human Rights provides a Universal Human Rights Index, a searchable database on general and specific human rights mandates/recommendations/assessments: Universal Human Rights Index

Commitment to Development Index:

The Center for Global Development annually ranks 27 of the world's wealthiest countries on how they interact with developing countries. The index covers not only development assistance, but also how other
policies--exports, investment, financial transparency, migration, environmental policies, international security, and support for technology creation and transfer--affect developing countries: Commitment to Development Index

Global Governance Report Card:
The Council on Foreign Relations has developed with other think tanks a report card that assesses responses to ten global challenges: climate change, global health, nuclear proliferation, development, managing the global economy, combatting terrorism, violent conflict between states, cyber governance, global trade, and internal conflict: Global Governance Report Card

Rule of Law Index:
The World Justice Project assesses performance using 44 indicators across eight categories, each of which is scored and ranked globally and against regional and income peers: constraints on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice and criminal justice: Rule of Law Index

International Property Rights Index:
The Property Rights Alliance produces this index for 131 countries. It measures the legal and political environment (judicial independence, rule of law, political stability, corruption control); physical property rights (protection, registration); and intellectual property rights (protection, patents, copyrights): International Property Rights Index
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Course Schedule Fall 2019

Note: This schedule may require some modifications and the precise division of topics on specific dates will be explained in advance of each class.

I. Historical Overview: An Institutional Perspective on Public Sector Reform (9/14, 9/28)
   1. Governments & Markets: Mainstream Thinking, Enduring Debates, New Perspectives
   2. The Prominent Emergence of Institutionalism and Good Governance
   3. Global Governance: Traditional and Emerging Approaches and Organizations

II. Institutions: Shaping the Rules of the Economic Game (9/28, 10/12)
   1. Overview/Rule of Law: Rights, Obligations and Enforcement
   2. Property Rights: Public Goods, Investment and Innovation

III. Governance Reform: Structures, Processes, and Functions (10/12, 10/26, 11/9)
   1. Overview and The Administrative/Fiscal Framework
   2. The Civil Service
   3. Decentralization, Intergovernmental Relations and Local Governance

IV. Governance Reform: The Role of Nongovernmental Actors (11/9, 11/23)
   1. Public-Private Partnerships
   2. Civic Engagement, Civil Society and Social Accountability

V. Synthesis & Wrap-up: Pragmatic Reform of Institutions and Governance (11/23, 12/14)
   1. Class Presentations
   2. Open Discussion: Reimagining Institutional and Governance Reform

FINAL PROJECT/PAPER DUE December 20th
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Outline and Reading List

Note:

- High priority readings/links/podcasts/videos are indicated by a star symbol: “★”
- All primary readings are posted on NYU Classes unless links are provided or otherwise indicated; selected supplementary readings are also posted.

I. Historical Overview: An Institutional Perspective on Public Sector Reform

A. Governments and Markets: Mainstream Thinking, Enduring Debates, New Perspectives

Primary Readings

- ★ Mazzucato, Mariana. The Entrepreneurial State. London: Demos, 2011. (You can view the Financial Times interview Mazzucato FT or the TED talk: Mazzucato TED Talk)

Supplementary Readings

- Winston, David. Government Failure versus Market Failure. Washington, DC: AEI-Brookings Center for Regulatory Studies, 2006. (This is an overview for those without a strong background in or wish to review debates about the role of government).
B. The Emergence of Institutions and Good Governance

Primary Readings


Supplementary Readings


The World Bank web page on *Institutional Reform* is a valuable resource with a focus developing and middle-income countries. [World Bank Institutional Reform](https://www.worldbank.org/en/programmes/institutional-reform)

### C. Global Governance: Traditional/Emerging Approaches and Organizations

**Primary Readings**

Supplementary Readings:

- Patrick, Stewart M. “The World Order is Dying. What Comes Next?” World Politics Review, January 15, 2019 (includes a podcast link to a larger discussion).
- de Haan, Arjan. How the Aid Industry Works: An Introduction to International Development (Sterling, VA: Kumarian Press, 2009)?
- Council on Foreign Relations podcast "Leaving the Paris Climate Agreement" June 9, 2017 CFR Podcast Paris Agreement

II. Institutions: Shaping the Rules of the Economic Game

A. Rule of Law: Rights, Obligations and Enforcement

Primary Readings

• Dara Lind, "Donald Trump's Drive for "Law and Order" Undermines the Rule of Kaw," Vox May 17, 2017 Lind Vox
• Barry, Ellen, "How to Get Away With Murder in Small-Town India," The New York Times, August 19, 2017 Barry NYT

Supplementary Readings

• Nossell, Susan, "Donald Trump Has Put America in Legal Hell," Foreign Policy, February 14, 2017 Nossell FP
• Domingo, Pilar. Rule of Law, Politics and Development. (London: Overseas Development Institute, 2016).
• Haberman, Maggie, "Trump's Brand of Law and Order Leaves Leeway on the Law;" The New York Times, August 27, 2017 Haberman NYT
B. Property Rights: Public Goods, Investment and Innovation

Primary Readings

- Hsu, Sara. "China is Finally Improving Property Rights Protections." Forbes, November 30, 2016. Hsu Forbes

Supplementary Readings

• Tottenberg, Nina. "Supreme Court Sides with Wisconsin in Property Rights Case, National Public Radio, June (short article and NPR audio) Tottenberg NPR

III. Governance Reform: Structures, Processes, and Functions

A. Overview of Public Sector Reform and The Fiscal Framework

Primary Readings


• ★Robinson, Mark. From Old Public Administration to the New Public Service: Implications for Public Sector Reform in Developing Countries. (Singapore: Global Center for Public Service Excellence, 2015).


• ★Cangiano, Marco, Teresa Curristine and Michel Lazare. eds. Public Financial Management and Its Emerging Architecture. (Washington, DC: International Monetary Fund, 2013). (Read the introductory chapter (pp. 1-17) and skim Chapter 2 by Allen Schick, pp. 21-78.


• Chakravarty, Praveen. "India's Tax Reform: The GST is an Important, Limited First Step." Foreign Affairs, August 2017. Chakravarty FA

Supplementary Readings:


B. The Civil Service

Primary Readings

• ★“Civil Service Reform: Modernizing the Mandarins,” The Economist, August 9, 2014.
• ★ “Reforming Leviathan: Mandarin Lessons” The Economist, August 9, 2014.
• Partnership for Public Service. “Civil Service Modernization” (includes links to a video of an event with the Volcker Alliance and more detailed reports on the US civil service.

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Supplementary Readings

- McCourt, Willy and Martin Minogue, eds. *The Internationalization of Public Management: Reinventing the Third World State* (Cheltenham, UK: Edward Elgar, 2001).

C. Decentralization, Intergovernmental Relations and Local Governance

Primary Readings


Supplementary Readings

• Bardhan, Pranab and Dilip Mookherjee, eds, *Decentralization in Developing Countries* (Cambridge, MA: MIT Press, 2006).


**IV. Governance Reform: The Role of Nongovernmental Actors**

**A. The Private Sector and Public Private Partnership**

**Primary Readings**

- ★ World Bank Institute and *Public-Private Partnership Reference Guide*. (Washington, DC: The World Bank, 2012). (This is a detailed overview; please focus on Module 1, pp. 15-44.)

**Supplementary Readings**


B. Civic Engagement, Civil Society and Social Accountability

Primary Readings

• NY City Council Participatory Budgeting Site: NYC City Council Participatory Budgeting
Supplementary Readings


V. Synthesis and Wrap Up: Pragmatic Reform of Institutions & Governance

The purpose of the final classes will be to try to bring some sense of synthesis and a forward-looking perspective to the diverse and complex material covered in this course. Most of the final sessions will involve presentations by the class participants, but we will also leave some time for open questions and discussion. We suggest below a few readings on approaches to thinking about reform that you may wish to review selectively, but none of these readings are required since the focus on the final classes will be on participant presentations.

Primary Readings

- Rocha Menocal, Alina. Getting Real about Politics: From Thinking Politically to Working Differently. (London: Overseas Development Institute, 2014)

Supplementary Readings


