The case for an international online public service academy

by David Fellows [1]

Introduction

The purpose of this post is to consider how digital communication could be developed for the provision of structured professional education for public servants in developing countries using an academy model. This proposal is based on the proposition that there is a widespread need for professional training to improve administrative effectiveness through a general grounding in the nature of public administration and its place in society; the study of key aspects of public sector management, relevant techniques and organisational values; and the examination of reform objectives and the means of achieving them.

Why open learning for developing countries? Well, a campus format bears a heavy cost-base and brings the practical difficulties of assembling the teaching staff necessary to deliver the standard of professional education required. It also incurs the loss of students from the workplace for substantial periods of time, together with the costs of student travel and accommodation. The positive advantages of an open learning format include the flexibility of study time

demands on student availability and, potentially, the benefits of an international experience for participating students given their interaction with students and teachers from around the world. This kind of initiative is not irrelevant to developed countries but I suggest that the priority and funding model should address the needs of developing nations first and foremost.

Geographical reach

The use of digital communication provides for flexibility of student and teacher location. Seminars and staff meetings could be held online, academic material developed collaboratively over document handling systems, and student work could be dealt with by email or in-house systems. This would not be far removed from how most higher educational institutions are developing staff/student communication even where they are campus-based.

There may be merit in some courses being directed to regional groupings of students in order to provide greater focus on regional issues and it would make sense to do this using tutors who are immersed in the regional context. There may even be merit in some courses being run on a purely national basis. It would certainly be important to ensure that student study programs are aligned to the needs of the employing governments, possibly reflected in the nature of assignments or course options.

There could be a single worldwide institution with regional coordination to foster government relationships and accommodate periodic student workshops, although this is not essential in order to gain advantages from this format. There could be regionally based institutions or some states could operate primarily on a national basis.

Student body

The students would be permanent officials of the public service in developing countries. There could be extensive flexibility about study arrangements including varying amounts of office time allowed for study purposes. This would be part of the arrangements to be agreed with the institution, and individual student study programs would take this into account.

Students could be encouraged to come together regularly online on a national or international basis to discuss their needs and course provision. Academic staff could join such meetings on request. Regular physical meetings of students could be possible on a national or departmental basis as well as at occasional regional workshops.

Prospectus

Initially the prospectus should be developed around core governance-related topics: policy development; management and leadership (including roles and responsibilities of politicians and officials); human resources (including capacity development, appointment processes, records); public financial management; law; ethics; and economics (as a more contextual subject). Student programs could identify specific elements to be taken at a more advanced level (e.g. taxation or international trade). Some elements could be country specific.

The student program-based approach should allow flexibility in syllabus scheduling to reflect the time commitment made by each student. This does not mean that study would be unscheduled but that work schedules would be agreed with employers and students with the intention of building student cohorts around particular schedules. Tutors would be assigned to support each student cohort in making the necessary progress.

Courses would have action-oriented elements so that demonstrable benefits are gained for client governments from each program of study. Relevant benefits would be stated at the outset and evaluated in student assessments and satisfactory course completion would be formally certified.

In addition, short courses on service specialisations could be developed or a mentoring service could be provided for newly promoted administrators.

The foundations

There is no need to create a completely new institution. There are a variety of bases on which the proposals could be founded. Various universities, civil service colleges and development agencies (e.g. the new online Public Financial Management Course just launched by the International Monetary Fund) around the world could establish the kind of institution proposed as an adjunct to their existing courses and program. Doing so would also provide the governance and administrative arrangements on which to base the new institution.

There is also no need to make extravagant claims about the possible size and scope of the institution. It could perhaps take a modest group of nations and development partners as a starting point. It is interesting to note that three conventional universities in the UK offer online Masters of Business Administration (MBA), one of which offers a two year course, and the others are more flexible with UK citizens forming a minority of each student body (ranging from 11% to 48%). In addition, the UK Open University Business School offers two and three year MBAs worldwide.

Nor is there any necessity to suppose that the starting point would be located in the northern hemisphere amongst the traditional developed nations. There would simply need to be familiarity with the concept of an open online college. Is the Singapore Civil Service College a prospective starting point? Could India launch an online Civil Service College to

satisfy its own needs, while also attracting students from further afield?

Client state engagement in governance arrangements would also offer the opportunity of using the institution to further South–South collaboration and the greater ownership of development philosophy by the developing nations.

Funding the academy

The academy model is capable of being funded jointly by client governments and development partners. Cost-sharing could be flexible. Costs could be contained through collaboration agreements with appropriate institutions and the variety of expertise achieved in this way would add to the benefits of the model. The cost-benefits of online education have been demonstrated by existing institutions and must be exploited for this purpose.

The set-up cost would depend to some extent on the institutional foundations. Digital infrastructure costs would be scalable through agreement with application service providers with concessionary pricing being sought particularly at the outset.

Conclusions

The purpose of this brief note is to suggest that it is now possible to provide extensive and high quality professional training for the public servants of developing countries with courses delivered predominantly via digital technology. It is further suggested that such an initiative would be cost-effective and possibly developed incrementally out of an existing institution(s).

At the current time capacity development has fallen out of favour with development partners due to the lack of clear linkage to measurable reform. I suggest, however, that without increased professional development for government officials the very ambition of improving state institutions is

fundamentally flawed. It is for those engaged in the formation of new institutions to demonstrate the effectiveness of such initiatives through the delivery and assessment mechanisms that are embedded within them.

[1] The author is a Co-principal of PFMConnect. A slightly abbreviated version of this blog is available at the Devpolicy Blog of the Development Policy Centre based at the Australian National University's Crawford School of Public Policy.

An International eCollaboration Route to Public Service Reform

Author: David Fellows

Governance of public affairs is a complex topic. It includes the processes by which decisions are made, the means by which service performance is assessed, the standards of behaviour to which public servants are held, the transparency applied to public life and the extent to which ordinary citizens are

engaged in policy-making. In this respect, developing countries provide a wealth of expertise and examples of outstanding practice, research projects, and reform programmes.

In this post I propose an approach to governance reform in developing countries that is owned and developed more extensively through multinational collaboration, and that uses digital media as a basis for that collaboration. This is not to suggest that development partners should be excluded from generating ideas or providing support but that developing countries should become more dominant orchestrators of their own development through more effective collaboration.

Working with an International Perspective

Each nation requires its own strategies and implementation plans for governance reform, reflecting its specific needs, capacities, cultures, geographies and priorities. Nevertheless, multinational collaboration can offer a valuable combination of experience, ideas and expertise from diverse perspectives. At the centre of such an approach would be those who are responsible for achieving administrative reform, both civil servants and politicians, and who are intimately familiar with the challenges of the operational situation.

Such an approach would require an open and honest sharing of key problems and possibilities, the reality of progress made and the means by which achievements are being realised. Research could be shared at an early stage, development programme progress could be followed as it is rolled out and promising initiatives could be emulated promptly. Practical solutions could be sought to common problems, including mutual dependences.

This shared approach could involve officials, academics, staff from development agencies and the private sector, journalists and other experts. Technology can facilitate virtual exchanges that would not otherwise be feasible due to time, cost, and travel restrictions. It could enable the engagement of those best placed to assist, rather than those who are most readily available. In short, digital technology is an excellent medium for bringing the most appropriate combination of people together in a low-cost, time-efficient manner.

There are very many collective organisations in most if not all regions of the world, including organisations with broad national representational remits, organisations consisting of specific types of institutions, and professional bodies. The purpose of this proposal is not to supplant these organisations, but to use them as a source of expertise, conduits for dissemination and platforms for discussion. Regional collaboration whether of formal groupings or ad hoc alliances can also provide a highly effective means by which these proposals can be approached in their entirety.

New Ways of Working using Digital Technology

There are four basic strands to my proposed approach: (i) collaborative development arrangements; (ii) expert advice and mentoring; (iii) professional training for public servants; and (iv) public transparency and engagement.

(i) Collaborative development. Central to this proposal is the notion of collaboration: sharing current practice; learning from research and reform programmes; and identifying more effective ways of working through collective consideration. Relevant subject matter could include: public procurement; budgeting and performance management; auditing and risk management; broad-based annual reporting; the appointment of public officials; the conduct of elections; declarations for

public office; small business development; cross border trading; taxation policy and the administration of justice. Broader themes are also relevant, such as strategic planning; combatting corruption and equality of opportunity.

A key aspect of the collaborative approach is to engage a broad range of relevant people to contribute their ideas, experiences and judgements. The emphasis should be on how national priorities might be identified, reform programmes constructed, and viability tested. Their objective would be the creation of reasonably effective solutions that are affordable, feasible and sustainable.

The use of digital technology would allow flexible connectivity between people and ready access to information resources. Databases capturing a wide variety of policies, plans, reviews, process descriptions and standards would need to be constructed and made available for interrogation. Updatable schedules of financial and performance data would be required together with platforms to facilitate multiple authoring of documents. Working group meetings could be conducted over video conferencing systems offering document display and a record of proceedings.

(ii) Expert advice and mentoring. Beyond large group collaborations, the proposal also offers the opportunity for knowledge and experiences to be shared on a more personal basis. The key technological contributions here would be email, chat rooms and video conferencing with some use of databases as discussed under (i) above.

(iii) Professional training for public servants. Professional training is an essential aspect of public service development. However, traditional training methods can be highly expensive when physical attendance is required and can make significant demands on the student's time away from the office.

'Open university' approaches to further education have been in

operation for decades in many countries and new technology has given them a boost [1]. There is no reason why the model cannot be extended to suit the particular professional development needs of public servants from developing countries.

Digital technology can enhance the learning experience with video packages, interactive learning modules, online assessments, conventional study material, chat rooms and email exchanges together with video conferencing for tutorial sessions. Existing study programmes (e.g., World Bank courses) could be incorporated. Academics from major institutions around the world, experts from development agencies and specialists from international centres of excellence could be approached to lend support, providing a rich learning experience. It is possible that some existing public service training institutions could provide the basis for this type of provision.

Financial support for traditional training facilities has tended to fall out of favour with development partners. Perhaps this should be reconsidered using an evidenced-based approach to the value derived. A recent study [2] undertaken by PFMConnect provides substantial support for the feasibility of such an approach.

(iv) Public transparency and engagement. This can equip citizens to contribute ideas for the development of public service and hold officials to account for their judgement, integrity and effectiveness. Going further, it can also help to reduce costs and improve service benefits, root out corruption, and create confidence in public institutions.

This process of accountability and engagement can be effectively achieved through official websites, chat rooms, email and social media. There is considerable scope for all governments to improve two-way communication with their citizens. A professional training institution as discussed

above should seek to play a leading role in advancing key developments in administrative reform, including public transparency.

Key Technical Considerations

This proposal mainly concerns the infrastructure available to central government services in capital cities, as central government offices are the principal subject of these proposals. In this respect there is already a fairly high standard of general internet connectivity and the capacity to implement facilities of the kind required. The public engagement aspects must, however, rely on whatever public networks are available in a particular locality and these can be expected to improve over time.

In terms of government offices, there appear to be three principal technological issues. Firstly, individual offices need to have appropriate internal facilities. Secondly, there will need to be agreement to a range of key considerations concerning the digital architecture, service providers and core software products. Some issues must be decided internationally and some can be left to local discretion. For example, video conferencing requires basic software decisions to be made on behalf of all users with operating systems and browsers having the capacity to support the chosen software but beyond this there can be considerable desktop flexibility. Thirdly, it may be useful to establish document standards for certain purposes [3].

A balance would need to be struck between the sharing of information across a broad network of participants and the need for confidentiality and security over some material. Clearly such a proposal will not take root if it is based on stipulations that are highly complex and expensive. An evolutionary approach is clearly required.

Conclusion

In a previous blog covered by the World Policy Journal the author and colleague John Leonardo set out the case for governance reform in developing countries in order to reduce corruption and thereby improve economic performance and public service delivery.

Shifting the balance of responsibility and organising power for governance reform towards developing nations could give this agenda new impetus. An imaginative use of digital technology could enrich the inclusivity and practicality of such an approach.

This is a very tentative proposal. I have not started to discuss whether it would constitute a unified system or a series of ad hoc arrangements; how such a proposal would gain traction; and how the system would be financed. Observations and reactions would be welcome.

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Thanks are extended to Chris Fellows of ITI Europe for his views on the application of digital technology.

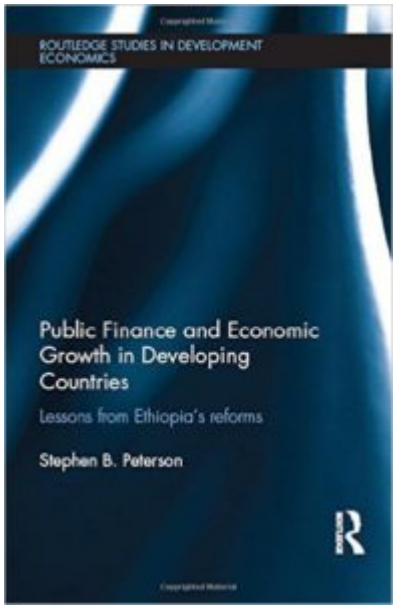
[1] See this example from a British university: http://www.wbs.ac.uk/courses/mba/distance-learning/teaching/

[2] Commonwealth Africa Anti-Corruption Programme Evaluation – see http://blog-pfmconnect.com/wp-content/uploads/2017/05/Anti-Corruption-Africa-Programme-Evaluation-Feb-2017.pdf

[3] For instance: Horizon 2020 EU programs must include a deliverable called “data management plan” that, in part, describes the kinds of formats that will be adopted within the consortium. See http://www.sussex.ac.uk/library/researchdatamanagement/create/biddingforfunding/horizon2020dataplan and

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/oa_pilot/h2020-hi-oa-data-mgt_en.pdf)

Book Review –" Public Finance and Economic Growth in Developing Countries"



Review by David Fellows of: 'Public Finance and Economic Growth in Developing Countries: Lessons from Ethiopia's reforms' by Stephen B Peterson PhD, Professor of Public Finance, Melbourne School of Government, Published by Routledge

This is a remarkable book. It has the ring of coruscating honesty which is unique in my experience of case-based literature that all too often proceeds seamlessly from challenge to solution. No battles, no reverses and a job well done, leaving the informed reader with an abiding sense of improbability.

As a stark contrast to the norm I found this book highly insightful about public financial management in general, not simply in relation to developing countries. The author tells of his attempts to develop systems that are appropriate to place and people and provide the Ethiopian state with a serious reforming experience as it recovers from a devastating civil war. We see the challenges he faces both from the state and from external agencies.

In particular, we see a huge range of requirements for financial systems, limited personnel and a low skill base supported by a development community that thinks in short timescales and finds it hard to accept the time needed to develop and embed major administrative reform.

We also see a development community presumption that favours advanced accountancy systems almost irrespective of their applicability. The potential danger being the creation of fundamentally unimproved public administrations either hooked on external consultancy or heading to chaos. We witness the tension between the author’s wish for the simpler approach that carries a greater learning potential contrasted with the leap forward desired by the World Bank but successfully resisted at least for the time being.

Devolution has a prominent position in this narrative too. Many see it as a way of resolving a whole range of problems including ethnic diversity, service priorities, performance management, corruption, public engagement, taxation and the administrative demands of a highly centralised bureaucracy. While devolution is helpful in some ways it often opens up new problems. The Ethiopian imperatives and the author’s stratagems are revealed and progress tracked.

Towards the end it appears that Ethiopia had developed a sustainable, not overly complex, accountancy solution that could be of widespread interest elsewhere only to discover

that the authorities had changed their minds and opted to install a major accountancy package once the author had move on. Nevertheless, the scale of the contribution made by the author and his team in establishing the basis of financial administration in this war torn country is remarkable.

In all it is an enthralling read for those with a general interest in the challenges of international development as well as experts the field of public financial administration wherever they ply their trade.

International Development and the Challenge of Public Sector Corruption

By David Fellows, John Leonardo and Cornelia Körtl[1]

Revelations in the Panama Papers released earlier this month have focused international attention on the hidden financial structures that facilitate the transfer of assets obtained through both legal and criminal means to offshore tax havens. In a recent report, the research organization Global Financial Integrity suggests that illicit financial flows from

developing countries have reached the staggering sum of $1 trillion a year.

Is corruption in developing countries of any legitimate concern to the West? The U.N. Economic Commission for Africa in its recent African Governance Report IV implicates the West when it suggests that "the role of private sector actors in fuelling corruption … should not be ignored." Yet Western nations are increasingly expected to act as trading partners to developing countries. They must also be accountable to their electorates for obtaining value from their aid expenditure.

Corruption concerns the use of public position to gain private advantage, such as wealth, power, or status. In the public sector, corruption can take on many forms, ranging from the misappropriation of funds to extortion and the abuse of patronage. We provide further examples here. It can reduce state revenues, increase state expenditures, diminish economic development, and impair the capacity of public services. It can also hamper the transition from aid as project-funding to aid as direct budget support. Corruption can undermine nationhood by destroying confidence in public administration and the political process, impoverishing communities and denying opportunity.

At the most recent OECD's Anti-Bribery Ministerial Meeting, the president of the International Federation of Accountants stressed the importance of strengthening public financial management (PFM) systems to combat corruption in the public sector. PFM includes budget preparation, internal control, internal audit, procurement, monitoring and reporting arrangements, and external audit[2].

In this short piece we offer evidence that corruption hampers government effectiveness, including the quality of public services, and economic prosperity. While serious corruption

exists in both developed and developing countries, it is developing countries that can least afford the very significant cost and the collateral damage. We suggest that good PFM can help control corruption and we set out our thoughts on how this beneficial effect can be achieved.

Two sides to corruption

Worryingly, networks of corruption can normalize corrupt behaviour and offer mutual protection to those involved. In an insightful report on Indonesia in 2003[3] the World Bank stresses the importance of organisational environment over salary level and suggests that political corruption usually requires the active complicity of civil servants. The international Anti-Corruption Resource Centre, U4, has developed a useful account of the personal and social considerations in play. For instance, the risk of detection and consequent penalties can be equally relevant considerations: when the risk of detection is low, corruption may thrive even in situations with significant penalties. Contrarily, corruption may be high with high risk of detection but low penalties. Similarly, Khan[4] argues that the underlying distribution of power between actors is essential to understand corruption in a particular context. Clearly, anti-corruption reforms must address the specific drivers of corruption in the national context.

Various international agencies have sought to discourage the provision of bribes by foreign nationals. The UN Convention against Corruption attempts to discourage corruption by making the payment of bribes abroad a criminal offense prosecutable in the home countries of foreign nationals. The OECD Anti-Bribery Convention takes a similar approach.

The empirical connection

We have examined the consequences of corruption and the impact on PFM performance from a statistical perspective in several

ways. We summarise our conclusions in this section (all correlations are significant at a 99% confidence level except where otherwise stated). We also illustrate here the chain of events implicit in the data.

Firstly, we have correlated control of corruption (capturing perceptions of the extent to which public power is exercised for private gain) and government effectiveness (including the quality of public services) for 184 countries using data from the World Bank's 2013 Worldwide Governance Indicators, together with World Bank 2013 per capita income data and Rand Corporation's Trace (bribery) Matrix risk scores for these countries (see Table 1).

Table 1: Corruption Correlations		
Corruption measure	**WGI Government Effectiveness**	**GDP/head**
WGI Control of Corruption	Significant correlation	Significant correlation
Trace (bribery) Matrix[5]	Significant inverse correlation	Significant inverse correlation

Indicators of corruption are highly subjective and therefore of questionable validity. Nevertheless we note the similarity of the significant relationships achieved from the two different indicators of corruption and hence believe in the validity of the relationships.

We also correlated some recent measures of PFM performance with measures of corruption and government effectiveness for 39 developing countries for which Public Expenditure and Financial Accountability (PEFA) assessments[6] were made available during the past three years from 2013 to 2015 (see Table 2).

This second set of correlations is more problematic. PEFA indicators are not designed to isolate activities that are most indicative of corruption and recent PEFA results together with government effectiveness, control of corruption and Trace risk scores were only available for thirty-nine countries. Despite this hindrance and the inherent weakness in the corruption data mentioned above we find some significant statistical relationships amongst the indicators that cover activities most vulnerable to corruption or concerned with its detection. This seems to suggest that PFM, or at least some aspects of PFM, is relevant to combatting corruption and securing government effectiveness.

Table 2: PFM Correlations to Corruption and Government Effectiveness

PFM quality assessed using PEFA Performance Indicators	Control of Corruption	Trace Risk Index	Government Effectiveness
Degree of integration & reconciliation between personal records and payroll data	Significant Correlation	No significant correlation	Significant Correlation
Effectiveness of internal controls for non-salaried expenditure	No significant correlation	Significant Correlation	Significant Correlation
Frequency and distribution of internal audit reports	Significant correlation*	Significant Correlation	Significant Correlation

**This correlation is significant at a 95% confidence interval.*

The general inference we take from this exercise is that good PFM practice is likely to be beneficial to the advancement of good public service delivery and economic performance in developing countries.

Effective PFM reforms to combat corruption

Endemic corruption should be confronted through location-specific action prioritized on three factors: national detriment, effectiveness of the measures proposed, and capacity of the administration to effect the proposals.

Reform proposals should be designed to cover key weaknesses but avoid technical complexity that cannot be sustained. For instance, does the state have a sufficiently robust communications network and the necessary information and communications technology skills available to enable public sector organisations to undertake their purchasing from private sector suppliers using internet-based systems; or, are manual system improvements coupled with greater transparency in awarding contracts preferable, at least in the short term? Next, financial regulations need to be coherent and simplified where necessary. They should be more exacting in areas of high risk and high value.

Internal audit often requires improved capacity and must have reporting access to the most senior government official. External audit reports should have full public disclosure and external auditors should have access to public accounts committees that are informed by independent expert support.

The public must be made aware of the service standards they can expect and have access to effective complaints mechanisms in order to ensure value for money. Also, business and professional associations must be encouraged to voice concerns about corruption and poor financial practices.

Transparency of policy decisions and of financial performance is imperative through government information systems, among which government websites are increasingly important. But free media reporting and comment are essential to securing all such reforms.

Wider supportive activities

Perhaps some of the most important PFM reform activities are not of a strictly financial nature. Senior officials and politicians must demonstrate exemplary leadership, civil service watchdogs should underpin standards of conduct and should be invested with investigatory powers, codes of conduct should be adopted as a condition of employment, recruitment must be made on merit, appraisal and disciplinary processes must be robust, and there must be adequate standards of induction and in-service training.

Judicial systems must be freed from corruption and political interference, and consideration should be given to establishing special courts for corruption.

Opportunities for corruption can be reduced by avoiding personal contact through the use of online service delivery (where feasible) and by eliminating unnecessary bureaucracy. Transferring services of a commercial nature from public to private sector providers should be considered, although this requires careful implementation and continuing regulation in some cases.

The role of development partners

International development partners, particularly the large aid organizations, are well positioned to establish appropriate incentive frameworks, identify opportunities, and adopt the necessary long-term perspective required for PFM reforms. These situations are not suitable for pre-packaged solutions. Rather, the frameworks should include actively managed, locally focused programs requiring collaboration between governments and development partners to track progress and drive change, with ownership of the programs vested in client states.

Development partner funding for reform activities should be linked to the attainment of specific milestones previously agreed with governments and released in tranches as agreed

reforms are realized. Such improvements are beginning to gain ground and must be complemented by effective advocacy for transparency in financial matters and press freedom.

Conclusion

The level of corruption in developing countries, including the use of tax havens for sheltering the proceeds of top tier corruption, has become a current issue. In addition, corrupt environments threaten trade relations with developing countries and the criminalization of bribery in the home countries of foreign nationals, although an essential development, adds to the deterrent effect for foreign-based businesses.

Economist Gabriel Zucman estimates that over 30 percent of all Africa's financial wealth is stored in tax havens, of which it may be assumed that a substantial proportion goes untaxed. The conclusion drawn from this is that even if the poor pay their fair share in taxes, the world's wealthiest often do not. Reforms of tax law and administration are clearly required as part of the PFM reform agenda.

The eradication of endemic corruption is an enormous challenge for developing countries. PFM reform has much to offer, but international development partners need to do more to support collaborative change processes and plan for the long haul.

[1] David Fellows and John Leonardo are Principals and Cornelia Körtl is an Associate of PFMConnect. Their work covers development projects in Africa, Asia, and the Pacific Islands.

[2] A wide-ranging discussion **of** PFM practice is well beyond the confines of this article. We refer only to practices that are particularly relevant to the control of corruption. *See* Stephen Peterson 'Public Finance and Economic Growth in Developing Countries: Lessons from Ethiopia's reforms' for a thought-provoking and very readable commentary on the

challenges facing those who would design financial systems for developing countries.

[3] World Bank: Combating Corruption in Indonesia *Enhancing Accountability for Development* 2003

[4] Mushtaq Khan understands corruption as a 'type of illegal rent seeking' (*Khan, 2006. State weakness in developing countries and strategies of institutional reform – Operational Implications for Anti-Corruption Policy and A case-study of Tanzania, p.9*). For a complete understanding of his theory on rent-seeking see Khan, M. and Jomo, K.S. (eds) (2000). *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia. Cambridge*: Cambridge University Press.

[5] The Trace Matrix assesses the risk of encountering business bribery in a particular country; higher scores imply higher risk of encountering bribery expectations (for more information see here). A discussion of the methodology employed to determine the correlations presented in Tables 1 (and 2) is available here.

[6] For the PEFA system and its findings see www.pefa.org