Great Governance in Small Societies

Effective public sector practices in small-scale democracies

Scott Douglas
Great Governance in Small Societies

Effective public sector practices in small-scale democracies

Scott Douglas
Acknowledgements

PhD thesis for the University of Oxford

This book is an executive summary of a PhD thesis by the same author for the University of Oxford. The thesis is entitled Success Nonetheless: *Making public utilities work in small-scale democracies*, and was supervised by Professor Christopher Hood.

Respondents and anonymity

The interview data was collected with the kind cooperation of ministers, civil servants, managers and experts. To protect their contributions, the outcomes are presented anonymously. The examiners at the University of Oxford had a full insight into the data and verified its reliability.

Sponsors

The research was made possible by the financial support of the organisations below. In accordance with the rules and regulations of the University of Oxford, they had no control over the conclusions.

Berenschot / USONA
Alexander & Simon
United Trust
# Contents

Acknowledgements ................................................................. 5

1. Introduction .............................................................................. 9
   1.1 Starting from success ......................................................... 9
   1.2 Challenges for small societies ............................................. 10
   1.3 Exploring positive cases .................................................... 11

2. Methodology ............................................................................. 13
   2.1 The islands of Aruba, Curacao and St Kitts ......................... 13
   2.2 Measuring performance .................................................... 14
   2.3 Joint roots of success ....................................................... 15

3. Practice 1: Using formal rules to involve informal players .......... 17
   3.1 Challenge: Entangled relations .......................................... 17
   3.2 Artificial distance or complete intimacy? ......................... 18
   3.3 Results: Broad participation for performance ................... 19
   3.4 Translation into practice .................................................. 20

4. Practice 2: Turning patronage into leadership ....................... 21
   4.1 Challenge: Power imbalances ........................................... 21
   4.2 Free rein or constant supervision? ..................................... 22
   4.3 Results: Vital role for strong officials ............................... 23
   4.4 Translation into practice .................................................. 24

5. Practice 3: Structuring the flood of information .................... 25
   5.1 Challenge: Flood of gossip and misinformation ................. 25
   5.2 Shut up or speak up? ....................................................... 26
   5.3 Results: Educating for sustained success ......................... 27
   5.4 Translation into practice .................................................. 28

6. Conclusion .................................................................................. 29
   6.1 Research outcomes ......................................................... 29
   6.2 Small society settings, great expectations ....................... 30
   6.3 Learning from other success stories ................................. 30

Appendix: Question Tool for exploring success stories ............... 32
Introduction

1.1 Summary

- Most research on small societies emphasises the difficulties of their limited size, neglecting to learn from the successes that occur despite these restrictions.
- This study compares successful and failing public utilities in small societies, focusing on the interactions between the senior policymakers involved.
- The effective practices produced the same high level of governance as expected elsewhere around the world, but achieved this in different ways.

1.1 Starting from success

Every government faces challenges when trying to deliver public value to its citizens. Depending on the context, the limitation might be a lack of money, political stability, institutional capacity or any other deficiency. In the case of small-scale democracies, the obvious limitation would be the small size of the society. As a consequence, their governments are thought to be troubled by entangled social relations, lack of qualified people, or general interference by everyone in everything.

Most discussion of the governance in small societies focuses on the damaging impact of these limitations, often concluding that small societies should be more like large countries. This study claims, however, that a more fruitful approach would be to
start from the successes still achieved in the specific context of small societies. The question is: which governance practices have been proven to work, and what can we learn from them?

This book compares sixteen publicly-owned utilities across three small societies. It aims to identify the differences between the successful and failing cases, looking specifically at how they are governed. The outcomes suggest that small-scale democracies need not lower their standards of governance, but can achieve the same results in a different way. As one local official put it; ‘We have the governance systems, we have the knowledge, now we just have to make it work for this context.’

This first chapter introduces the concept of government success and the research questions. The next chapter details the research process and results. The following three sections each analyse one of the effective governance practices identified. The concluding chapter discusses the limitations of this study and suggests what to do next for policymakers and citizens.

1.2 Challenges for small societies

It is hard to define what success means for the public sector. In this study the standard is high. To be considered successful, the government should have done more than merely follow the law. That is only good governance in a narrow sense. True government success is about being both correct and capable. The few successful public utilities identified here genuinely did deliver such value to their community. That is why this study is not just about good governance, but about great governance.1

In the study of public management, such success stories are thought to come from a combination of beneficial institutional, economic or social factors. The social background is the focus point for this study. This does not mean that the other factors are unimportant. For example, the relevant governance laws, or ‘rules of the game’, should not be ignored. The choice was made to focus on ‘the play of the game’, as it is argued that the largest contribution can be made on this front.

This study builds on the work of Robert Putnam on social capital, a framework prominent in both the study and practice of public management. He argued that governments can perform better if there are egalitarian ties between citizens tying

---

together relative strangers. From this perspective, there could be three potential challenges for the governance of small societies:

- **Structure of governance**
  The connections between citizens may be too entangled. The official dealing with a planning application could also be one’s neighbour, cousin and business competitor. This may lead to policy serving the interests of specific factions, rather than the greater good of the community.

- **Nature of governance**
  The relations between players might be unequal. In many small societies, a few individuals have acquired disproportionate amounts of power, creating a system of patronage. This may turn public services into a favour rather than a right.

- **Expectations of governance**
  Poor government performance in the past may have led to low expectations. Citizens no longer believe they can attain their goals in a fair way. This will undermine their willingness to contribute to public initiatives.

### 1.3 Exploring positive cases

These social challenges complicate the governance of small societies. Yet although these problems do indeed need to be understood, this does not mean that the solutions should be ignored. Many public initiatives are successful despite these social limitations. Overlooking these achievements would be bad science, as it ignores significant exceptions; bad policy, as it neglects to build on existing results; and bad politics, as successes could draw more voters.

This book compares sixteen successful and failing policy fields in small societies. It explores which governance practices explain the difference in performance. The focus is mainly on the senior players involved; from the minister and ranking civil servants, to the supervising directors and community leaders.

---


3 For a literature review of the governance circumstances of small democracies, see: G. Oostindie and P. Sutton, *Good governance and small island states* (KITLV, Leiden, October 2006).
Based on the social capital theory of Putnam, the actions of these figures are explored through three questions:

- **Structure of governance**
  Who was involved in the governance process?

- **Nature of governance**
  What was the balance of power between the players?

- **Expectations of governance**
  What did players know and believe about the governance process?

There are of course several limitations to this approach. The lessons from these specific societies and utilities may not be applicable to different settings. Some of the data might be unreliable or ignore significant factors. So this study does not claim to have found the one and only way to achieve great governance. It wants instead to highlight the ingredients of several success stories and to stimulate further research into best-case practices.