

Abstract

Many developing countries are constantly seeking to reform their public services as part of a wider agenda which supports moves to a market economy and better governance arrangements. Some have embraced public management reforms as the template for their activities with limited success. This paper considers existing research on the impact of public sector reform in developing countries and offers an alternative approach, through case studies of Azerbaijan, Georgia and Kazakhstan, based on two key elements: an agenda which attempts to shift developing countries to an outcomes-based approach operationalized through a “quality of life” framework; and, peer-to-peer learning which acknowledges one of the key variables that influences the success of embedding public sector reform – context.

Key Words: *Public sector reform, Central Asia, Caucasus.*

Introduction

Many of the former Soviet Union states have sought to embrace a public sector reform agenda as part of a wider programme of economic liberalization and transitioning to greater social development and prosperity. These countries have often looked to developed economies for comparative learning and ‘read-across’ of ideas to their societies. This approach was encouraged by funding (donor) organisations, management consultants, and the mantra of new public management as a ‘one-size-fits all’ global framework which could be easily adapted for developing countries. This paper looks at the research evidence of applying public management reform in emerging economies and highlights the importance of context as a key consideration therein. It offers an alternative pathway to public sector reform based on two key components: the need to move to an outcomes-focused approach, quite different from a pre-occupation with structural/institutional reforms; and, the adoption of peer-to-peer learning based on a quality of life framework which helps to identify what exactly developing countries can learn from each other in a way which will increase the well-being of their citizens. The paper uses three case study countries: Azerbaijan, Georgia and Kazakhstan to illustrate the potential for this approach and identify some of the conditions necessary to optimise peer-to-peer learning. We begin by locating the research within existing literature on the success of public sector reforms in developing countries.

Public Sector Reform in Developing Countries

Early research by Polidano and Hulme (1999) offers a broad analysis of public management reforms in developing countries through the thematic areas of capacity building, controlling corruption, decentralization, and local empowerment. They conclude: ‘public sector reform - new public management, old public administration, or otherwise - generally fails. This applies to industrialized as well as developing countries, but much more so to the latter’ (Polidano and Hulme, 1999: 129). They explain the reasons for these conclusions as a combination of: the inadequacies in the design of the reforms (e.g. an over reliance on training as a mechanism for capacity building and the preponderant role played by donors in

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the process), or simply the intractability of public management problems in developing countries. They conclude that the challenge for public sector reform is around the scope of changes and pose the question how to design a reform programme that is limited enough to be achievable, yet ambitious enough to be worthwhile.

Polidano's follow-on research (2001:346) begins with the assertion that 'most reforms in government fail. They do not fail because, once implemented, they yield unsatisfactory outcomes. They fail because they never get past the implementation stage at all. They are blocked outright or put into effect only in tokenistic, half-hearted fashion'. He offers evidence of this assertion by examining three themes: the scope of reform, the role of aid donors, and the leadership of change. Failure, he argued, results from: reform plans which were too ambitious rather than incremental in nature; the imposition of donors' own agenda on client governments; and, giving reform firm leadership while simultaneously allowing for line management discretion. Nunberg and Taliencio (2012:970) are similarly critical of the role played by international donors in civil service reform, describing their actions as 'sabotaging civil service capacity development over the longer term'.

There is a recurring theme in the literature on public sector reform in developing countries on the importance of context as a key variable. Andrews (2008), for example, argues that reform strategies often fail to take contextual factors into account and because developing countries have distinctive characteristics, they require particular reform strategies. She asserts that: 'in an ideal world, public institutions would perform at high ethical standards, setting an example of behaviour for citizens. In practice, however, contextual factors seem to overwrite the efforts of reformists. The fact that so many administrative reforms have failed, especially in developing countries, suggest that institutional reform is a lost battle' (Andrews, 2008: 174). She concludes that poverty and inequality are the main impediments to development and hence reforms need to concentrate on these issues to deliver wider public sector reform strategies. In a similar vein, Dass and Abbott (2008) argued that public management reforms in Malaysia were Western-inspired and exhibited a cultural bias. Their work involved developing a contingent model of public management which could be applied to other developing countries. Xavier (2013), also looking at public management reforms in Malaysia, acknowledges that 'context is everything' (drawing on the World Bank *Approach to Public Sector Management* Report, 2012) but argues that best practice can also be the basis for successful reforms. An enabling environment in terms of implementation and political commitment is also crucial. The themes of context and learning from best practice are ones which we return to later in the paper.

Kazakhstan, one of the case study countries examined below, is an example which adopted Western-style public management reforms to modernise its civil service, reported on by Emrich-Bakenova (2009). She examined three stages of civil service development in Kazakhstan during 1995, 1999 and 2007 and assessed the extent to which it was free from political influence particularly on issues of selection, remuneration and promotion. She found that during the early years of independence, Kazakhstan embraced new public management changes alongside significant reforms in the field of economic liberalisation. She concluded however, that the development of civil service law was aimed at fostering a merit-based, professional and stable civil service, however 'each step forward has also had a counterbalancing element undermining the very same objectives of merit, professionalism and stability' (Emrich-Bakenova, 2009: 739). She arrived at this conclusion by arguing that the adoption of civil service law becomes an end in itself. The laws were subsequently violated and there is, at times, open abuse of power through politicisation of the civil service

(see also Schneider and Heredia, B, 2003) on the politics of administrative reform in developing countries). Emrich-Bakenova argued that civil service development and reforms in Kazakhstan showed 'inconsistency between attempts to promote professionalism among administrative civil servants free of political interference and the ongoing trend of their actual politicisation' (2009: 740). In short, Western-style public management reforms of the civil service in Kazakhstan proved limited in scope and substance.

Pollitt (2013), in an interesting contribution which compares public management reforms in developed and developing countries, asked in a provocative way whether the European Union [EU] and the Organization for Economic Cooperation and Development [OECD] countries are more successful at implementing reforms or, put differently, if reform failure is more likely in developing countries. He concludes: 'what works in public sector management is highly context-dependent and explicit evidence remains limited. This observation applies almost as much to the developed world as to the developing' (Pollitt, 2013: 411). In short, he claims that there is very limited evidence about the results of public sector reform (our emphasis), rather there is 'an ocean of literature but only a trickle of high-quality data on efficiency and effectiveness' (Pollitt, 2013: 409). The importance of context is also confirmed by the work of Grindle (2012: 244) who noted that 'all reforms take place in historical contexts that shape and constrain possibilities for change, as the increasingly influential literature on historical institutionalism argues'.

This particular issue on the lack of evidence on reforms' impact or outcomes is picked up in two key documents of relevance to this paper. The first is the World Bank Report on their approach to public sector management in developing countries over the next ten years. The World Bank Report (2012) notes that reforms are often thought of as changes to the formal institutional and managerial arrangements at the centre of government and in sector agencies such as new civil service laws etc, but argues:

Beyond changes to formal arrangements, public sector management reform is about changing the de facto behaviours and functioning of agents within the public sector. A more complete review of public management reform is that it is improvements to the public sector results chain that determines fiscal and institutional stability and sector outputs and ultimately contributes to objective and subjective development outcomes (World Bank, 2012: 6).

The World Bank also noted that earlier reviews of their civil service reform projects found them generally unsatisfactory because the Bank's support was often insufficiently grounded in an understanding of the country's political economy – the context for reform (World Bank, 1999).

In summary, the four recurring themes both in the research literature and funders' reviews of public sector reform in developing (and developed?) countries are:

- Understanding context is critical to the success of public sector reforms, particularly in developing countries, given the different stages of their development.
- Insufficient attention is paid to the implementation phase of public sector reforms.
- There has been an over-emphasis on institutional reforms which are necessary but insufficient in creating efficient and effective governance, including an improvement in public services. In short, limited attention is paid to the impact of public sector reforms. An OECD report on Kazakhstan, for example, concluded that in an attempt 'to advance performance and accountability for programme and management results... indicators appear too numerous, often focusing on output

and process indicators' (OECD, 2014: 209).

- The influencing (or perhaps dominant) role which donors have played within developing countries in setting the course of a reform agenda that has drawn largely on Western-style public management approaches, the impact of which is now being challenged.

Based on the findings of existing research, we propose an alternative approach characterized by two features: the first is to consider the impact of reforms or interventions through an outcomes-based accountability approach – do they make a difference to the quality of people's lives; and the second is to acknowledge the importance of context in attempting public sector reforms through a model of peer-to-peer learning. We attempt to illustrate this through three case studies in Central Asia and the Caucasus. Before looking at the detail of the three countries we outline the two concepts which underpin the alternative model set out in this paper: quality of life and peer-to-peer learning.

Underpinning concepts: quality of life and peer-to-peer learning

One of the most obvious problems in developing countries is that public services are provider-led, top-down, and disjointed for citizens who receive them. The problem with complex multi-level governance structures is that ministries, regions, and local government work through separate functional mechanisms which offer citizens very fragmented public services, resulting in a lack of 'joined-up' government. Yet citizens' needs in health and social care, education, employment etc. often straddle several public sector organisations. Decentralisation of functions to local government creates further opportunities for fragmentation of provision and institutionalism with a greater propensity for 'budget maximizing bureaucrats', more concerned with their own career aspirations than the efficient and effective delivery of public services for which they are responsible (Dunleavy, 1991). In short, the problem is one of top-down bureaucratic paternalism ('we know best') which emphasizes processes and outputs but fails to focus on outcomes or the impact of public services on those who use them. While such criticisms could also be leveled at some developed countries, the legacy of centralized planning exacerbates the problem in former Soviet states.

By contrast, outcomes-based accountability is a conceptual approach to planning services and assessing their performance that focuses attention on the results or outcomes that the services intended to achieve (Friedman, 2005; Pugh, 2010; Knox and Carmichael, 2015, and, Bouckaert and Van Dooren, 2016). The aim is to move organisations away from a focus on 'efficiency' and 'process' towards achieving better outcomes, the primary purpose of their organization and its officials. One way in which to operationalize an outcomes-based accountability approach is to use a "quality of life" framework where the ultimate outcome is to improve the quality of people's lives. To do this requires a shift in the way in which public services are provided towards an outcomes-focussed, multi-agency approach offering better value for public money spent. We do this by asking the question: how do public services impact on the quality of people's lives? Often this will depend on a range of social, economic and environmental services which collectively go towards improving quality of life. What is important to highlight here is that these services will be context specific.

Existing research illustrates the use of quality of life indicators as an outcomes-based approach in the United Kingdom, European Union and more generally in OECD countries. The former UK Audit Commission (which closed in March 2015) developed a range of 45

indicators within nine thematic areas that offered a composite picture of quality of life for citizens in the UK at the local authority level (UK Audit Commission, 2015)². The European Union also publishes quality of life data through Eurostat (European Union, 2016). The publication presents a detailed analysis of 8+1 dimensions which can be measured statistically to represent the different aspects of quality of life, complementing the indicator traditionally used as the measure of economic and social development, gross domestic product. Eight of these dimensions concern the functional capabilities citizens should have available to effectively pursue their self-defined well-being, according to their own values and priorities. The last dimension refers to the personal achievement of life satisfaction and well-being. For each quality of life dimension, a set of selected relevant statistical indicators is presented and analysed. Trends over time and differences between countries or demographic groups can be analysed. The 8 + 1 dimensions are as follows: material living conditions (income, consumption and material conditions); productive or main activity; health; education; leisure and social interactions; economic and physical safety; governance and basic rights; natural and living environment; and overall experience of life.

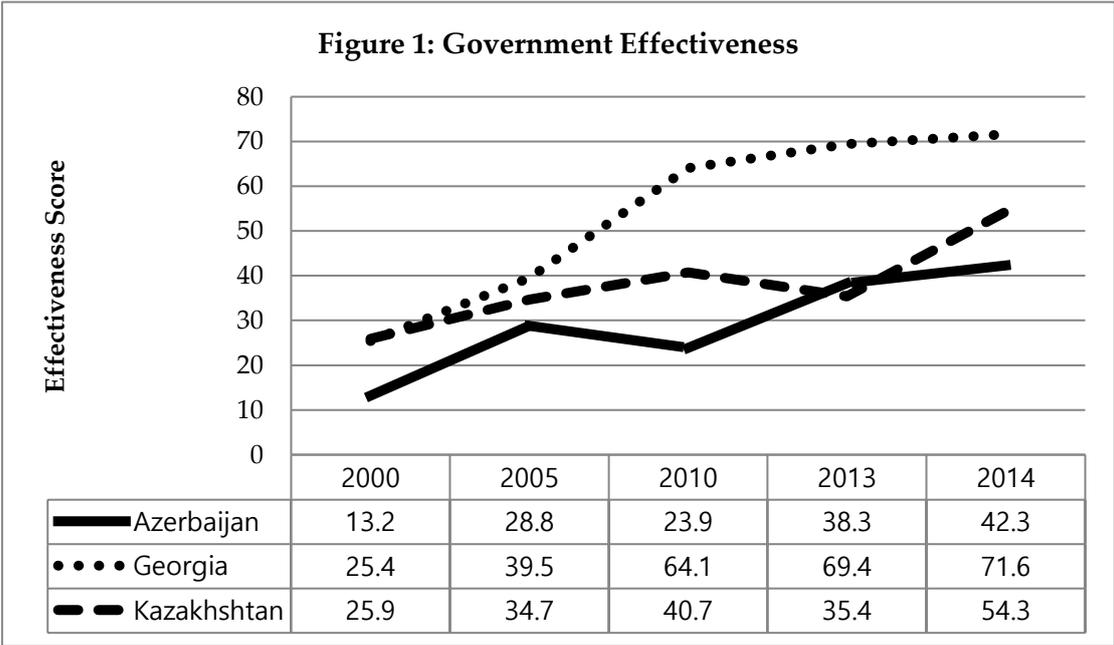
The OECD has developed a similar framework to measure well-being outcomes in OECD countries. They define well-being as ‘encompassing the aspects of life which are considered as essential to meet one’s needs, to pursue one’s goals and to feel satisfied with life’ (OECD, 2015: 45). They have tailored this tool to measure well-being outcomes in non-OECD countries according to two broad pillars. The first pillar, material conditions, comprises consumption possibilities, work, housing conditions and infrastructure dimensions. The second pillar, quality of life, comprises health status, education and skills, social connections, empowerment and participation, vulnerability and subjective well-being. These ten dimensions are used to measure well-being and are complemented with another set of indicators to assess the sustainability of well-being into the future (Boarini, Kolev, and McGregor, 2014). While the UK, EU and OECD quality of life frameworks offer real potential as a route map towards outcomes-based accountability in developing countries, there are limitations. The research tells us that context is key to successful public sector reforms. Taking a generic model, adapted by the OECD for developing countries, appears to ignore the importance of context so clearly highlighted in the literature.

So, how can we draw on what is essentially a very useful outcomes-based model which seeks to capture quality of life but do so cognizant of the very different contexts which exist in Central Asia and the Caucasus? One way of doing this is through a peer-to-peer learning network in the form of a regional hub. The *Regional Hub of Civil Service* was established in 2013 by the United Nations Development Programme (UNDP) with the support of the Kazakhstan government and is located in Astana. Some 25 countries and 5 international organisations have signed up to participate in the hub and its mission is to contribute to the development of more effective civil service systems and more efficient public service delivery in Central Asia and the Caucasus. The hub serves as a ‘multi-level platform where participating countries are engaged in exchanging and testing up-to-date knowledge which will build capacity, generate innovative solutions and contribute to global agendas on civil service excellence’ (Regional Hub of Civil Service in Astana, 2014). The regional hub has adopted a peer-to-peer learning approach developed by the Effective Institutions Platform (2016) in which countries share knowledge, stories and lessons learned based on their

² The nine themes in the UK Quality of Life framework are: community cohesion and involvement; community safety; culture and leisure; economic well-being; education and life-long learning; health and social well-being; environment; housing; and transport and access.

reforms. According to the Regional Hub ‘this approach avoids copying best practices of advanced economies and identifies best fitting and effective reforms which are appropriate for their country-specific context through engaging peers in discussions, so they use lessons learned at home and implement what works best for them’ (Effective Institutions Platform, 2016: 3).

Azerbaijan, Georgia and Kazakhstan, for example, are currently involved in sharing their extensive experiences in One-Stop-Shops as the first peer-to-peer learning activity. It therefore seems appropriate to use these three countries, which have some similarities in their stages of development, as case study examples to test an outcomes-based approach facilitated through peer-to-peer learning. Figure 1 shows World Bank measures of government effectiveness since 2000 across the three countries. This measure captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies (Kaufmann, Kraay and Mastruzzi, 2010). The scale of measurement is from 0 - 100 (with 0 = lowest rank and 100 = highest rank). While these measures are a useful starting point to compare the 3 case study countries, they only provide an overview at the macro level. We therefore adopt a case studies methodology to explore an outcomes-based approach using the quality of life framework (see table 1 which sets out a comparative summary of the 3 countries selected).



Source: *Worldwide Governance Indicators: info.worldbank.org/governance/ (The World Bank)*

Table 1: Case study countries overview

	Azerbaijan	Georgia	Kazakhstan
Basic facts	<p>Population: 9.78m</p> <p>Ethnic groups: Azerbaijani 91.6%, Lezgian 2%, Russian 1.3%, Armenian 1.3%, Talysh 1.3%.</p> <p>Religion: Muslim 96.9% (predominantly Shia), Christian 3%</p> <p>Government type: Presidential Republic:</p> <p>Independence: 30 August 1991 (from the Soviet Union)</p>	<p>Population: 4.93m</p> <p>Ethnic groups: Georgian 83.8%, Azeri 6.5%, Armenian 5.7%, Russian 1.5%, other 2.5%</p> <p>Religion: Orthodox Christian (official) 83.9%, Muslim 9.9%, Armenian-Gregorian 3.9%</p> <p>Government type: semi-presidential republic</p> <p>Independence: 9 April 1991 (from the Soviet Union)</p>	<p>Population: 18.16m</p> <p>Ethnic groups: Kazakh (Qazaq) 63.1%, Russian 23.7%, Uzbek 2.9%, Ukrainian 2.1%.</p> <p>Religion: Muslim 70.2%, Christian 26.2% (mainly Russian Orthodox).</p> <p>Government type: presidential republic</p> <p>Independence: 16 December 1991 (from the Soviet Union)</p>
Economy	<p>Azerbaijan's high economic growth has been attributable to large and growing oil and gas exports, but some non-export sectors also featured significant growth, including construction, banking, and real estate.</p>	<p>Georgia's economy sustained GDP growth of more than 10% in 2006-07, based on strong inflows of foreign investment and robust government spending. However, GDP growth slowed following the August 2008 conflict with Russia, and sunk to negative 4% in 2009 as foreign direct investment and workers' remittances declined in the wake of the global financial crisis. The economy rebounded in 2010-13, but FDI inflows, the engine of Georgian economic growth prior to the 2008 conflict, have not recovered fully. Unemployment has also remained high.</p>	<p>Kazakhstan's vast hydrocarbon and mineral reserves form the backbone of its economy. The economic downturn of its Eurasian Economic Union (EEU) partner, Russia, and the decline in global commodity prices have contributed to an economic slowdown in Kazakhstan, which is experiencing its slowest economic growth since the financial crises of 2008-09. Kazakhstan embarked on an ambitious reform agenda to modernize its economy and improve its institutions, including a floating exchange rate that sparked further devaluation of the tenge (Kazakhstan currency)</p>

General Reforms	Corruption in the country is problematic, and the government, which eliminated presidential term limits in a 2009 referendum, has been criticized. Although the poverty rate has been reduced and infrastructure investment has increased substantially in recent years due to revenue from oil and gas production, reforms have not adequately addressed weaknesses in most government institutions, particularly in the education and health sectors, as well as the court system.	Progress on market reforms and democratization has been made in the years since independence, but this progress has been complicated by Russian assistance and support to the separatist regions of Abkhazia and South Ossetia. Popular and government support for integration with the West is high in Georgia. Joining the EU and NATO are among the country's top foreign policy goals.	Current issues include: developing a cohesive national identity; managing Islamic revivalism; expanding the development of the country's vast energy resources and exporting them to world markets; diversifying the economy outside the oil, gas, and mining sectors; enhancing Kazakhstan's economic competitiveness; developing a multiparty parliament and advancing political and social reform; and, strengthening relations with neighbouring states and other foreign powers.
Civil service reforms	There have been significant initiatives in e-government and the development of one-stop-shops. There are renewed efforts to expand the fight against corruption, including giving citizens greater access to information. Partnership with the private sector in delivering public services is also a key element in current and future reforms.	Very successful anti-corruption initiative in the police system within the Ministry of Internal Affairs and roll-out to other parts of the civil service. A Civil Service Reform Concept has been developed which will ensure the independence of civil service free from political influence and offering a fair system of career promotion.	Radical reduction in the number of political appointees and greater professionalization of the senior civil service through the introduction of 'Corps A' officials. Current proposals under '100 Concrete Steps' to build a professional civil service, incorporating a competency and competitive approach.

Sources: United Nations Data Country Profiles; CIA: The World Fact Book; The World Bank Country Profiles; UNDP Regional Hub Country Profiles; United Nations Conference on Trade and Development statistics

Case studies in quality of life: Azerbaijan, Georgia and Kazakhstan

In each case we developed a basket of comparable indicators which defined for us 'quality of life' in the selected developing countries (the Official Development Assistance (ODA) list shows Azerbaijan and Kazakhstan as 'upper middle income' countries, and Georgia as a 'lower middle income' country). In other words, we have taken the outcomes-based framework as the starting point for this analysis and adapted it to suit the needs of our case study countries. It is, of course, the case that the indicators we have selected are somewhat subjective in terms of the measures which constitute the quality of people's lives in the 3 case study countries.

Table 2: Quality of Life Indicators: comparing the 3 countries³

Indicators of quality of life	Azerbaijan	Georgia	Kazakhstan
Happiness index (highest score the best)	5.29	4.25	5.92
GDP per capita (US \$)	3,702	3,791	6,472
Homicide rate per 100,000 people	2.5	2.7	7.4
Burglary rate per 100,000	11.3	39.8	351.4
Assault rate per 100,000 people	1.7	5.7	7.9
Robbery rate per 100,000 people	2.5	11.7	110.1
Car theft per 100,000 people	0.6	2.8	5.1
Health expenditure as % of GDP	6.0	7.4	4.4
Government expenditure on health per capita (US\$ per capita)	91	75	308
Healthy life expectancy (years)	63	65	60
Life expectancy (years)	70.8	74.7	71.6
Hospital beds per 1,000 people	4.6	2.9	7.6
Poverty head count ratio as national poverty line (% of population)	7.6	17.7	5.5
Unemployment rate (% of total labour force)	6.0	12.4	5.0
GINI index (score of 0 = perfect equality)	16.64	41.58	27.42
Poverty headcount ratio at \$5 a day (PPP)	40.35	80.55	34.72
Adult literacy rate	99.8	99.7	99.7
Public spending on education as % of GDP	2.1	2.0	3.1
Gross graduation ratio (tertiary education)	15.4	24.9	61.4
Out of school rate % (secondary schools)	12.8	6.8	0.1
CO ₂ emissions per capita (metric tons of carbon)	0.99	0.49	4.43
Improved sanitation (%)	89	86	98
Improved water supply (%)	87	100	93
Human Development Index (1= most developed)	0.75	0.75	0.79
Corruption Perceptions rank (lowest = very clean)	119	48	123
Civil Liberties (1 = highest)	6	3	5

Other researchers may select (slightly) different indicators to assess quality of life as a concept. However, three things are clear from this research. First, illustrating the use of this approach in practice will promote debate about moving towards outcomes-based

³ Sources included: IMF World Economic Outlook (WEO), April 2016; world-development-indicators-wdi-july-2016; UNODC International Homicide Statistics, 2014; UNODC International Burglary, Car Theft and Housebreaking Statistics, 2014; unodc-assaults-kidnapping-robbery-sexual-offences-sexual-rape-total-sexual-violence-2014; National Health Accounts, 1995-2014; UN World Health Statistics, 2014; World Development Indicators (WDI), July 2016; Poverty and Equity Database, 2015; Education Statistics (World Bank), June 2016; Fossil-Fuel CO₂ Emissions by Nation, 2015; WHO/UNICEF Water Supply Statistics, 2015; Transparency International; and, Knoema data.

accountability, rather than the routine focus on inputs, process and outputs which has traditionally dominated how governments approach public service provision and reform. Second, quality of life as a concept has widened the debate about how governments are performing, well beyond the narrow confines of economic development, towards a bottom-up focus on whether the lives of their citizens are actually improving. Third, benchmarking countries (or indeed regions within countries) will allow for quality of life comparisons which will inevitably drive up performance and allow best practice to evolve and be shared in a context-specific way.

The indicators: The indicators selected to illustrate quality of life as a composite measure are set out in table 2. The data were collected from a variety of secondary sources and represent the most up-to-date data available at the time of writing. They are listed in no particular order of importance.

The analysis: Even a cursory examination of these data indicates some interesting comparisons. Consider, for example, some of the large differences in crime rates across the three countries where Kazakhstan performs poorly. On the other hand, look at the large amount of government spending in Kazakhstan on per capita health care compared to Azerbaijan and Georgia. Consider also, Georgia’s performance in terms of corruption and civil liberties where they perform extremely well by comparison with Azerbaijan and Kazakhstan. And finally, note Azerbaijan’s GINI index score which shows greater income equality across the distribution of income or consumption expenditure than either Georgia or Kazakhstan. This kind of benchmarking exercise should therefore prompt questions about what good practice countries can share with each other in a peer-to-peer learning medium to ultimately raise the quality of life of their citizens as a collective.

A higher order of analysis is also possible with these data. We can make an overall quality of life comparison across the three countries using the statistical technique one-way between-groups analysis of variance. So, we can make a composite assessment of quality of life using the collective of indicators above, each of which uses a different basis of measurement. This allows us to answer the research question:

Is there a difference in quality of life between citizens living in Azerbaijan, Georgia and Kazakhstan (based on the selected measures above)?

The analysis therefore comprises: one categorical variable with 3 distinct groups – the categorical variable is ‘country’ and the 3 groups are Azerbaijan, Georgia and Kazakhstan; and one continuous variable – the quality of life scores from the table above, standardised using z-scores to allow for direct comparison across the disparate range of measures.

The results from the data analysis are as follows:

Table 3: Descriptive statistics⁴

	N	Mean	Std. Deviation	Std. Error
Azerbaijan	26	-.2108268	.58025355	.11844376
Georgia	26	-.1344095	.57195854	.11675055
Kazakhstan	26	.2913162	1.51952016	.31017075
Total	78	-.0179734	1.00623128	.11858549

Table 3 gives information on each of the 3 countries: the number of quality of life

⁴ Table 3 gives information on each of the 3 countries: the number of quality of life measurements, means and standard deviation, standardized to reflect the different measurement types.

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Table 4: Analysis of Variance (ANOVA)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.514	2	1.757	1.773	.177
Within Groups	68.374	75	.991		
Total	71.888	77			

Table 4 gives both between-countries and within-countries sums of squares, degrees of freedom etc. The key statistic here is the column marked Sig. If the Sig. value is less than or equal of .05, there is a significant difference somewhere among the mean quality of life scores for the 3 countries. In our analysis the significance value is .177 (which is greater than .05) indicating that there is no statistically significant difference in the quality of life across Azerbaijan, Georgia and Kazakhstan. There are however opportunities for learning across the three countries.

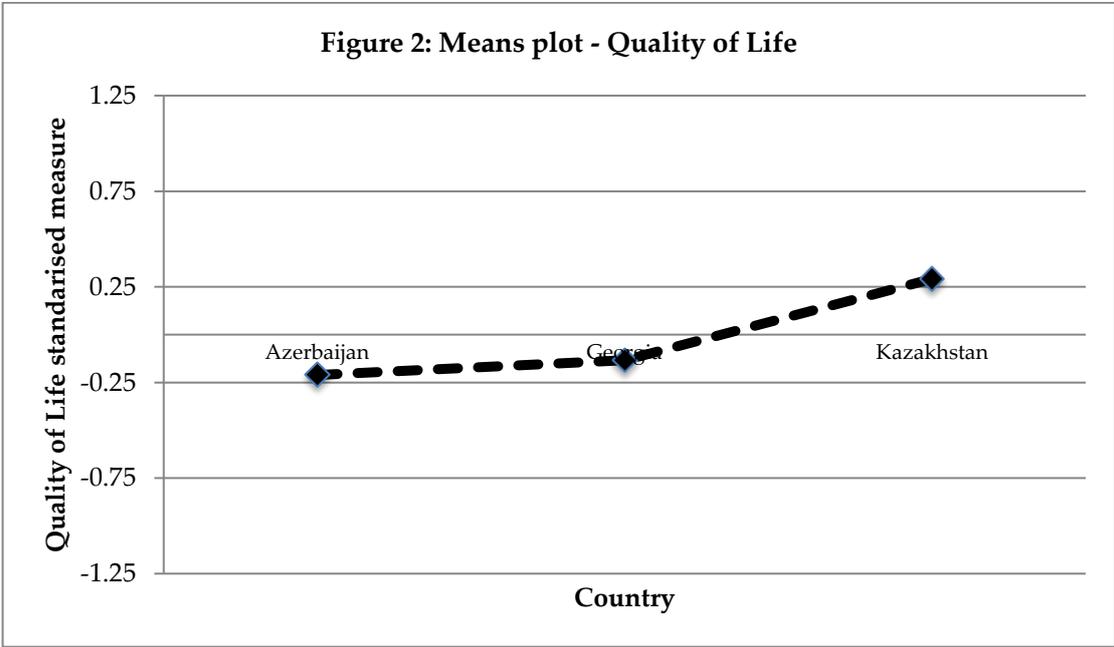


Figure 2 shows the means plot of the standardized indicators as an easy way to compare quality of life across the 3 countries. You can see that Azerbaijan and Georgia are fairly similar in terms of quality of life for citizens and Kazakhstan marginally better, but as the analysis above suggests the differences across the 3 countries is not statistically significant. Areas for sharing good practice where one country can learn from another are best detected from table 2 above and figure 3 below.

These case studies suggest several pre-requisites or conditions which will allow for the optimization of this approach, set out here in no order of importance:

- I. Peer-to-peer learning between developing countries is likely to be most successful where there is proximity in their stages of development. There is likely point in attempting peer learning when the countries involved are at such different stages of development that reciprocal learning is almost impossible.
- II. Even though context is critical, is there sufficient commonality in these measures to achieve consensus on what constitutes 'quality of life' in Central Asia and the Caucasus? Although the broad principles are likely to apply – quality of life in most

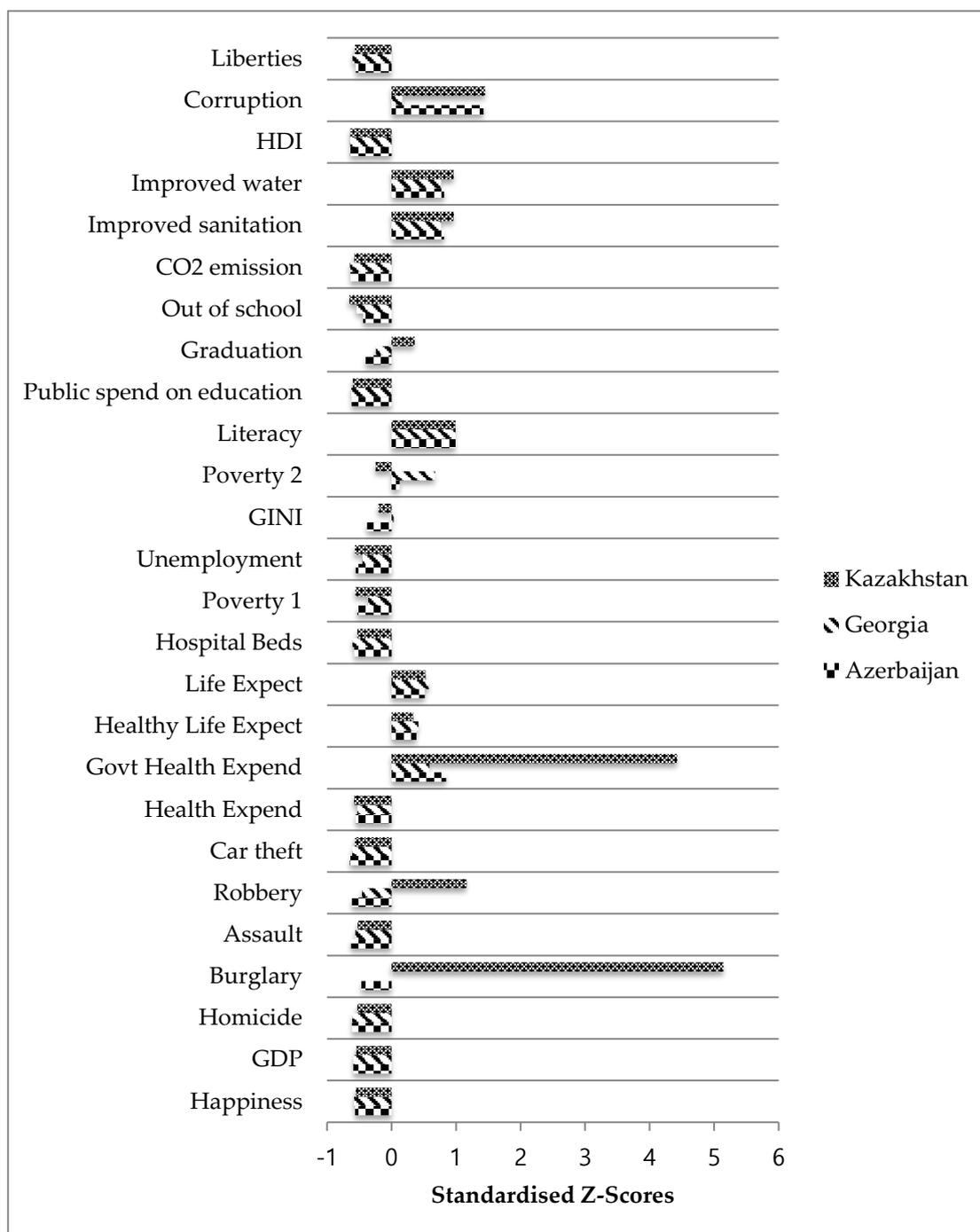
places will be affected by education, health and housing services – clearly, the baseline and expectations of progress will be different.

- III. It is important that the data which comprise the quality of life are robust, valid and reliable to make the exercise credible. There is little point in devising a quality of life based index on spurious data just to make particular countries look good.
- IV. It should be recognized that external factors could impact on the quality of people's lives which are outside the control of public service providers. Severe flooding could be an example that may not have been predictable and yet it will impact significantly on the quality of people's lives in the affected areas.
- V. Critical to this whole process is the willingness of, and support for, inter-agency working. Where this does not exist, moving to a model which embraces outcomes-based accountability and quality of life indicators will be problematic. There needs to be the political will for this to happen, clearly signalled and enforced.
- VI. Finally, the response of officials working within public sectors organisations is critical to the success of this model. Street level bureaucrats are well placed to implement these ideas fully or stymie the approach for their own career interests. Some officials may feel exposed if the data highlight poor performance in their countries or in particular public services and therefore try to discredit the model. Others will see it as a way to enhance their career ambitions and at the same time contribute to an improved quality of life for public service users.

Conclusions

The case study example set out above offers a framework for examining how the concept of 'quality of life' can be used in three developing countries actively involved in the UNDP regional hub network. The benefits of this approach are the sharing of good practice across a wider network of hub countries on what they need to do in order to improve the quality of life of citizens in their respective countries. It also shifts countries into thinking about outcomes-based accountability rather than inputs and processes, so often the approach taken by governments (in developed and developing countries). In this example there is no statistically significant difference between the 3 case study countries, yet there are lessons to be learned. What, for example, can Kazakhstan learn from Georgia and Azerbaijan in terms of crime prevention? Should Georgia be investing more public funding in health care? Is secondary school attendance a problem in Azerbaijan that is feeding into a lower graduation rate in tertiary education, and what can it learn from Georgia and Kazakhstan in this regard? A quality of life framework provides the evidence that allows cross-country learning and ultimately improves the way governments approach the delivery of public services. It attempts to do this mindful of context and may represent a move away from a 'one-size-fits-all' model associated with public management reforms which appeared to offer promise but have proved difficult to embed in developing countries. The focus of this paper, encouraging an outcomes-based accountability approach facilitated through peer-to-peer learning, could promote realistic improvements in public services at a pace of development consistent with the growth of emerging economies and mindful of their cultural, political and historical contexts.

Figure 3: Quality of Life across the 3 case study countries



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