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Micro-foundations of Socially Embedded Bureaucracies

A TWP Working Paper

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About this publication

This working paper explores how 'embeddedness' might help improve public-sector effectiveness in a way that can contribute more broadly to renewing the legitimacy of the public domain. It sets out the theoretical and empirical arguments for micro-foundations. The companion TWP Think Piece presents a summary.

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1. Introduction

In these times of democratic malaise, might the conventional agenda of public-sector reform be framed too narrowly? Complementing mainstream approaches, might there perhaps be another way forward – one that can both help improve public-sector performance and do so in a way that helps to renew the legitimacy of the public domain?

Mainstream efforts to improve public-sector performance largely remain within the confines of the classic hierarchical logic of how public bureaucracies *should* be organised in principle. Their focus is on how to reconcile a variety of seemingly contradictory imperatives.[1] These include navigating the tension between top-down political control and technical expertise; balancing rule-boundedness and day-to-day autonomy for public officials responsible for implementation; engaging civil society in holding the public sector to account from the 'demand side' without disrupting the routine work of public officials. All this too without fuelling disillusion in the face of the inevitable complexities of public governance. However, none of this has slowed the rise of popular scepticism about the public sector's effectiveness or about whether the purposes bureaucrats pursue are those for which they have a mandate and are in the national interest.

Over the past two decades, there has been increasing scholarly interest in both high-income and lower-income countries in an approach to governance reform centred around a reformulation of the state–society interface. As Laura Cataldi (2024, p. 42) put it in a recent review of research on New Public Governance (NPG), '*NPG promises a re-democratisation of the public sector after what is recognised as a period of destructive dominance by New Public Management'.*

The NPG agenda of 're-democratisation of the public sector' is often met with scepticism. Part of the reason is that NPG appears to be radically at variance with the hierarchical logic of the mainstream, but also because enthusiasm among its champions has all too often outrun both conceptual clarity and empirical evidence. Indeed, while Cataldi (2024, p. 19) is generally supportive of the NPG agenda, she concludes that:

> *NPG may be an umbrella concept under which a large variety of governance innovations are assigned that may have very little in common……Most of the proposed NPG solutions are situated at the level of principles such as participation, deliberation and co-creation of public value, rather than being concrete tools……NPG seems to propose models of management, governance and reform that are too abstract, and ultimately lacking in terms of concrete administrative tools.*

[1] For in-depth comparative analysis of the range of possibilities, see Fukuyama (2004) and Bersch and Fukuyama (2023).

This paper aims to help fill this gap by examining one aspect of the NPG agenda – the potential to improve the performance of public bureaucracies by strengthening their 'social embeddedness'. The analysis proceeds as follows. Section 2 lays out the conceptual underpinnings of 'socially embedded bureaucracy', or SEB. Section 3 details (both conceptually and with case-study examples) three distinctive ways in which social embeddedness can add value. Section 4 explores from a meso-level perspective whether and how SEB's more participatory and horizontal approach to governance can be aligned with the hierarchical approach that generally underlies public bureaucracies. Section 5 explores how, going beyond the micro level, SEB might contribute more broadly to achieving systemic gains in the performance and legitimacy of the public domain.

2. Introducing social embeddedness

2.1 Socially Embedded Bureaucracy (SEB)

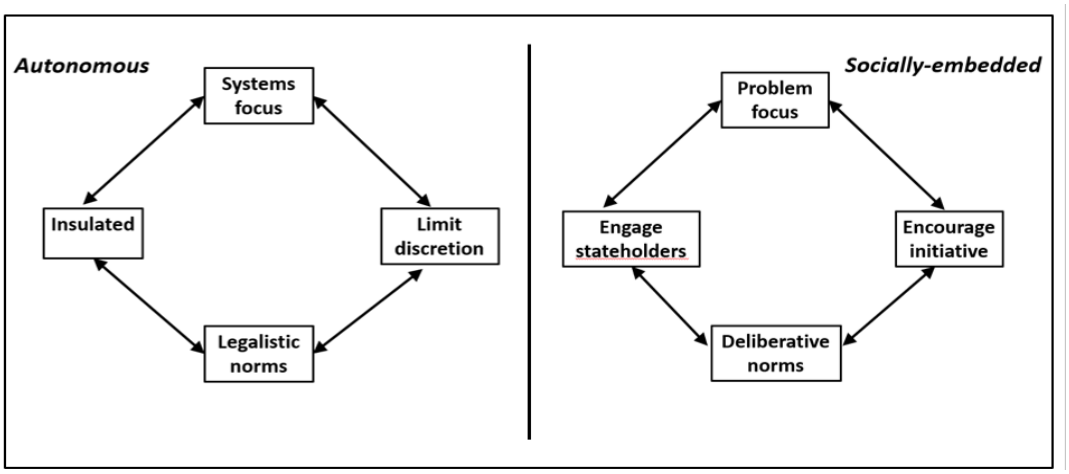
As defined in this paper, SEB[2] is characterised by problem-focused relationships of cooperation between staff within public bureaucracies and stakeholders outside government, including governance arrangements that support such cooperation.

Figure 1 contrasts SEB and a conventional (autonomous or 'Weberian') characterisation of how bureaucracies 'should' work across four dimensions:

- whether bureaucracies are governed by hierarchical institutional arrangements that insulate them from direct pressures from society or whether they also incorporate some aspects of horizontal governance, and thus are open to engaging multiple stakeholders;
- whether modes of interaction (both within the bureaucracy and at the interface with other stakeholders) are legalistic or deliberative;
- whether public employees' scope for discretion is constrained or initiative is fostered; and
- whether the presumptive entry point for improving performance is systems-focused ('getting the rules right') or problem-focused.

[2] Note that since this paper focuses on relationships between non-governmental stakeholders and public bureaucracies, there is less emphasis on wholly upstream, deliberative-democracy-like participatory processes of priority-setting, and more on downstream challenges of implementation.

Figure 1: Autonomous vs socially embedded bureaucracies



Source: Author

The paragraphs that follow elaborate.

2.2 Institutional arrangements governing the bureaucracy-society interface

The first set of contrasts concerns the institutional arrangements that govern the relationships between public bureaucracies and society. Economics Nobel laureate Douglass North (1990) defined institutions colloquially as 'the rules of the game' and, more precisely, as 'humanly devised constraints which govern human interactions'. In the conventional vision of bureaucracy, a hierarchical chain of principal-agent relationships provides the basis for framing the relationship between the bureaucracy and society. The 'long route of accountability' laid out in the *2004 World Development Report* (World Bank, 2004) provides a useful summary depiction. In the long route:

- Impartial elections resolve which competing political leaders will have power.
- Political leaders and senior, technically skilled, public officials then interact in structured processes to craft coherent policy goals, aligned with the winning political platforms.
- After goals and policy have been set, rule-bound processes insulate public bureaucracy from political pressures, sustaining policy coherence.
- Within the rules-bound framework, hierarchically organised public bureaucracies proceed with implementation.

Accountability for performance is also supported by various horizontal mechanisms. These include the justice system and other formal institutions of checks and balances, as well as a range of less formal 'demand-side' mechanisms for 'holding government to account' (e.g. advocacy/protest; championing transparency; investigative journalism).

A hierarchical relationship between principals and agents is, however, only one of various forms that institutions might take. Horizontal engagements among multiple principals are another. Elinor Ostrom, who also received the Nobel Memorial Prize for Economics, explored the latter under the rubric of collective action, which she defined as a process whereby '*a group of principals can organise and govern themselves to adopt coordinated strategies to obtain (and maintain) higher joint benefits when all face temptations to free ride, shirk, or otherwise act opportunistically'* (Ostrom, 1990, p. 29).

SEB, as a distinctive institutional form, grafts horizontal interactions between public officials and non-governmental actors onto bureaucratic hierarchies.[3] As this paper will explore, one consequence of these more open, multistakeholder modes of engagement is that the power dynamics surrounding bureaucratic behaviour are very different from those in more closed systems – for good and ill.

2.3 Norms of interaction within bureaucracies

A second set of contrasts between the conventional view of bureaucracy and SEB is the centrality in the latter of deliberative (as distinct from legalistic) norms of interaction. Mangla (2022) defines bureaucratic norms as '*the informal rules that influence how bureaucrats relate to one another and understand an agency's collective purpose*'. As he argues in an in-depth comparison of prevailing norms in bureaucracies in the Indian states of Uttar Pradesh and Himichal Pradesh (Mangla, 2022, pp. 52–55),

> *Legalistic bureaucracy urges fidelity to administrative rules and procedures.... The ideal-typical Weberian state motivates bureaucrats to set aside their private interests and advance the public good...by insulating bureaucrats from political pressures and instilling a commitment to rational-legal norms.... Bureaucrats are judged for following rules and not for the consequences that emanate from their actions.*

By contrast Mangla (2022, pp. 52–55) states that,

> *Deliberative bureaucracy promotes flexibility and problem-solving....it induces a participatory dynamic that urges officials to negotiate policy problems through discussion and adjust their outlooks to shifting circumstances.*

Mangla should not be interpreted as implying that horizontal and deliberative approaches to public governance are necessarily superior to hierarchical and legalistic ones.

[3] Along similar lines, Bertelli and Smith (2009, p. 24) suggest that 'one of the primary roles for managers in the new governance is balancing the predominant values of accountability, equity and responsibility inherent in the vertical model, with efficiency and flexibility characterizing the horizontal model'.

Box 1: Institutions and their transaction costs

Oliver Williamson (1985; 2000) analysed the relationship between institutions and their transaction costs. His analysis centres around two sets of variables: i) the information protagonists have about each other's behaviour; and ii) the goals and values that protagonists bring to their engagement. In contexts where all protagonists have full information and/or where they all engage altruistically, both hierarchical and horizontal governance can proceed in a straightforward and costless manner. In the real world, neither condition is met. Consequently:

- Even where there are evident joint gains from working together, continuing disagreement among protagonists over what should be the distribution of benefits can undercut almost entirely the prospects for cooperation. (This is the game of 'battle' in game theory parlance.)
- Any agreement on the distribution of benefits might involve ex-post redistribution of gains, creating a 'time inconsistency' problem – an increase in value added having been achieved, those who gain the most could potentially renege on their prior agreements to share these benefits. (In game theory, this problem is reduced in open-ended, repeated games.)
- Credible commitment also can be difficult insofar as prior agreements may (at least in part) be unobservable to others, or unenforceable by others, which can lead to free-riding or shirking. (This is the classic game theory problem of the 'prisoner's dilemma'.)

Institutions – rules of the game, and their monitoring and enforcement – mitigate these; but establishing and sustaining them also entail transaction costs. Workable institutions are ones where the gross benefits that they make possible exceed the transaction costs that they generate – with the balance between benefits and costs varying according to the broader political and (higher-level) institutional context.

Institutions can be both formal and informal. Strong formal institutions (notably including in the justice system) provide credibility that the rules of the game will be enforced. Yet an exclusive focus on formal institutions is too narrow. Among other things, formal contracts are costly and cannot cover all eventualities, while adaptation to unanticipated circumstances will invariably be required. As North, Wallis and Weingast (2007) also argue, 'impersonal' (formal) institutions generally emerge as an evolution from prior, informal rules of the game. In many contexts, formal institutions are weak and cannot magically be conjured into being.

For one thing, as Box 1 suggests, there can be high transaction costs to both horizontal and hierarchical governance. For another, whether hierarchical or horizontal governance arrangements are preferred varies according to the relevant task. As Wilson (1989) detailed, legalistic bureaucracies can undertake logistical tasks effectively but are not well placed to implement craft-oriented tasks that call for adaptability and creativity. Further, in messy governance contexts, the first-order challenge may indeed be to strengthen bureaucratic coherence. The exploration of SEB in this paper is thus in the

spirit of institutional pluralism: its intent is to broaden the range of possibilities, not replace one institutional dictum with another.

2.4 Scope for entrepreneurship by public/civic actors

A third, and related point is that SEB helps unleash human agency by opening up space for public/civic entrepreneurs to champion change. Both deliberative norms and horizontal, multistakeholder engagement underpin the evocation of agency – they loosen the straitjackets of insulation and legalism that frequently inhibit initiative on the part of public officials, many of whom may have gone into public service out of a sense of mission.

2.5 Problem orientation

Fourth is the contrast between the systems orientation of Weberian bureaucracies and the problem orientation of SEB. A focus on systems follows directly from the presumption that bureaucracies should be (formal) rule-following, and thus that the priority for bureaucratic improvement is to 'get the rules right'. By contrast, problem orientation champions deliberative engagement – not only (as already noted) as a necessary condition for multistakeholder engagement, but also as key to a practical way of addressing concrete challenges.

Andrews, Pritchett and Woolcock (2017) make a far-reaching case for the superiority of a problem-driven approach. They argue that a focus on problems fosters coalition-building among stakeholders. As they put it, *'[p]roblems provide a rallying point for coordinating distributed agents who might otherwise clash in the change process'* (Andrews et al., pp. 141–142).

Further, according to the authors (Andrews et al., pp. 141–142), a problem focus:

- Avoids the 'best practice' trap that too often accompanies efforts to fix systems (it *'focuses on actually solving specified problems as the goal, rather than introducing a pre-designed solution'*);
- Evokes agency (it '*offers a true north" destination of "problem solved" to guide, motivate and inspire action.... A good problem cannot be ignored and matters to key change agents; can be broken down into easily addressed causal elements; allows real, sequenced strategic responses'*); and
- Fosters learning about context (a '*problem-driven process forces a reflective shift in collective consciousness about the value of existing mechanisms, which is needed to foster change.... Forces agents to examine their contexts, identify necessary changes and explore alternatives'*).

More on this throughout the paper.

3. How social embeddedness can add value

Having defined SEB, this section details three distinct channels through which it can help improve the performance of public bureaucracies:

- *Fostering synergies*: synergistic gains between public bureaucracies and non-governmental actors.
- *Clarifying goals*: championing alliance-building among reform-oriented public officials and civil society actors as a way of bringing greater clarity to the (problem-level) goals to be pursued by public agencies.
- *Streamlining monitoring*: transforming the governance arrangements for monitoring and enforcement from a source of process compliance to a means of fostering pro-social norms.

Each is considered in turn.

3.1 How social embeddedness can foster synergies

Gains from the prospect that (as in the first part of Ostrom's definition of collective action cited above) '*a group of principals can organise and govern themselves to adopt coordinated strategies to obtain (and maintain) higher joint benefits'* (Ostrom, 1990, p. 29) are ubiquitous. The prospect of gains underpins the core economic concept that social value is created through any change in which winners can compensate losers and still be better off.[4] It can be applied to a wide range of challenges of public-sector policy-making and implementation,[5] not only the governance of common-pool resources which was the focus of Ostrom's work.

Under the rubric of 'collaborative governance', there has been extensive research on the synergies that arise from combining the distinct, complementary skills and resources of government and non-governmental actors to address concrete problems in a way that enables the co-production and provision of specific goods and services that neither could provide on their own. Collaborative governance has been defined in a variety of ways:

[4] Economists call this a 'Pareto-improving' policy. The logical corollary is that gainers would indeed compensate losers; but economists describe many policies (e.g. trade liberalisation) as Pareto-improving even if compensation does not actually happen.

[5] These include participation by stakeholder groups in the governance of frontline service provision (Levy et al., 2018; Levy, 2022); public budgeting (Tang, Callahan, & Pisano, 2014): multi-stakeholder oversight of public-sector procurement; collaborative, multi-stakeholder arrangements to govern the operation of state-owned entities, and of other arms-length public agencies. For further discussion, see Levy, 2014; and Ferguson, 2013, 2020.

- As 'a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and that aims to make or implement public policy or manage public programs or assets' (Ansell & Gash, 2008, p. 544).
- As 'open and dynamic collaborative systems of public governance…that can emerge where issue complexity requires ongoing engagement among interdependent stakeholders… (and thus) where autonomous organisations work together over time to achieve some collective public purpose' (Emerson & Ahn, 2021, p. 62).
- As 'carefully structured arrangements that interweave public and private capabilities on terms of shared discretion – production discretion (to create extra value by leveraging private capabilities), payoff discretion (how extra value will be divvied up), and preference discretion' (Donahue & Zeckhauser, 2011, p. 4).

Notwithstanding differences in detail, the various definitions of collaborative governance all point to the value of bringing together stakeholders with disparate capabilities around a shared purpose and fostering learning among them over time.[6] Gitterman and Britto (2021, pp. 5–6) highlight this feature:

> *[Collaborative] societal arrangements combine complementary organisational logics, rationalities, roles, values and societal positions. The public, private and nonprofit sectors each generate complementary goods and services, and thereby add value to society. They provide the potential to create new ways to govern and to manage relations in society, and to form new kinds of goal- or purpose-oriented institutional configurations to address societal challenges.*

While much of the literature on collaborative governance has focused on its possibilities in settings where bureaucracies already perform relatively well, its problem orientation makes it especially relevant to the performance challenges of messier governance contexts. In these contexts, for reasons discussed later, the potential for improving bureaucratic systems is limited. Gains in bureaucratic performance (and perhaps momentum for cumulative change) are more likely to come from problem-focused initiatives within 'pockets of effectiveness' than from a systems-wide focus.

Box 2 lays out a four-phase process through which cooperation can take hold.

[6] But note that, as Tang and Mazmanian (2010) detail, the literature on collaborative governance gives inadequate attention to two central issues that are the focus of the next two sections of this paper – power dynamics and the institutional arrangements that govern.

Box 2: Cooperation as social learning

This text box identifies and details four phases in the evolution of

- *Phase 1: Activating the problem space*

In this phase, a group of stakeholders identify a concrete problem where cooperation offers the prospect of social gains. They initiate contact with others who would need to participate in order for those gains to be realised. All are intrigued, but mutual trust is low. For cooperation to add value, there need to be lower transaction costs. This involves initiating an effort to build (formal or informal) institutions. Thus:

- *Phase 2: Establishing rules of the game*

In this phase, protagonists embark on learning how to work together. They begin to specify the roles of the various protagonists, and (as explored further below on monitoring) the rules of the game by which each will abide.

Phases 1 and 2 progress iteratively, beginning with relatively straightforward concrete problems, building confidence step by step, and progressively taking on more complex challenges. The collective process of working to address a concrete problem – clarifying and agreeing on rules, monitoring and enforcement mechanisms – potentially fosters social learning. As a result:

- *Phase 3: There is a mutual increase in 'trustworthiness' as confidence grows among participants that each is engaging on the basis of the agreed rules of the game*

This increase in 'trustworthiness' comprises a change in ideas about the 'other'. People's propensity to be 'conditional cooperators' increasingly results in a positive outcome. There is a shift from a context of low trust and high transaction costs to one where the transaction costs of are lower, and increasingly complex challenges can be addressed. As participants in a collective endeavour learn to work together, ideas might continue to evolve in a pro-social direction, with participants giving greater weight not only to their private benefits from cooperation but also to the gains realised by the collective endeavour, including gratification at the gains achieved by others. Insofar as this happens, there can be a further phase:

- *Phase 4: The emergence of pro-social norms, characterised by 'in the interest of others" pro-sociality*

A recent special issue of *Daedalus* (Levi & Farrell, 2023, pp. 7–9) on 'creating a moral political economy' suggests that: *'A new moral political economy…. [will be centred around]….some form of sociality and cooperation…. It demands attention to the governance arrangements that facilitate, even generate, prosocial behaviour'.* This text box, and the theory on which it builds, outlines a pathway through which pro-social behaviour might be cultivated at the level of specific problems, via a more cooperative approach to public governance.

Problem-focused cooperation evolves through iterative interactions between social learning and institutional development. In diverse societies, and especially on those that have been

afflicted by conflict, protagonists are likely to be initially suspicious of one another,[7]so there will be high transaction costs associated with it. However, as the evidence suggests, over time people have a propensity to become conditional cooperators – willing to engage in pro-social behaviour, as long as those with whom they interact do the same. With continued cooperation, this can perhaps further evolve into a strong version of pro-sociality, were people act 'in the interests of others' (Levi & Ugolnik, p.7).[8]

How do collaborative governance initiatives work out in practice? Emerson and Ahn (2021) review dozens of case studies, undertaken across multiple sectors (including alcohol and drug prevention; international vaccine development; renewable energy; integrated youth care; water governance; e-government; hydro-dam relicensing; and economic partnerships) and a variety of country contexts. Their findings suggest that the transformation laid out in Box 2 is not easily achieved, but can be achieved some of the time. As the authors put it (Emerson & Ahn 2021, p.66):

> *Collaboration dynamics may not develop in a straight line, and there will be setbacks: a key player will leave, a dispute will create an interpersonal rift, new knowledge will challenge prevailing assumptions, and money will run out. Some [initiatives] will not cohere or be sufficiently robust to withstand such [changes].... Others will coalesce early and forge ahead to create a bold agenda and a shared theory of change that is realised in actions and outcomes.*

The next two subsections explore two key aspects of requisite social learning – clarifying problem-level goals and finding streamlined and effective ways for mutual monitoring.

3.2 How social embeddedness can help clarify goals.

Purposeful action requires clarity of purpose. In the conventional principal-agent narrative of how organisations (both public and private) function, goal-setting is the task of the principal. Considered from this perspective, collaborative governance complicates public governance – and these complications are one of the reasons for caution vis-à-vis the embrace of SEB. But the conventional narrative glosses over the complex challenges that are inherent in the formulation of social goals, even in the absence of SEB. Indeed, we argue here that, once these complexities are taken seriously into account, SEB emerges as a way of enhancing both the clarity and developmental purpose of the (problem-level) public domain.

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[7] Here is how Robert Sapolsky (2017, p. 388) summarised the evidence: *'Our brains form us/them distinctions with stunning speed.... The core of us/them-ing is emotional and automatic... Feelings about "us" centre on shared obligations, on willingness and expectation of mutuality... inflating the merits of 'us' concerning core values.... A consistent pattern is to view "them" as threatening, angry and untrustworthy'.*

[8] For some preliminary evidence that learned pro-sociality can broaden beyond its immediate domain, see Rand et al. (2009); Fehr et al. (2002); and DeWall et al. (2011). This is further discussed in Section 5.

For private organisations (especially those that are for-profit), the formulation of goals is relatively straightforward. Public organisations have a parallel, and seemingly similarly straightforward task – though in their case, of course, the goals are social, not profit. But how is 'social' given concrete meaning? In a narrative of public governance as a linked principal-agent chain, social goals are set upstream via hierarchical interactions among citizens, politicians, and policymakers. Citizens express their preferences via their choice of political leaders; leaders then engage with technocrats to turn their political preferences into coherent policy goals. Implementation follows.

In practice, however, the upstream links are filled with gaps and ambiguity, even in seemingly well-functioning democracies. Voters select one set of politicians over another for multiple reasons. Politicians, even within the same party – and even if the parties themselves seem to be reasonably coherent ideologically – thrive by skilfully enabling a variety of disparate groups to project their disparate hopes and dreams onto them. Even within the same party, there is likely to be much disagreement at the level of detail, with the resulting ambiguity cascading down into public bureaucracies. Here is how James Q. Wilson (1989, p. 121) described the consequence in his classic book, *Bureaucracy:*

> *The complexities of doing business with government – in hiring, purchasing, contracting & budgeting – are well known to citizens and firms. They often are said to be the result of the 'bureaucracy's love of red tape'. But few, if any, of the rules producing this complexity would have been generated by the bureaucracy if left to its own devices, and many are as cordially disliked by the bureaucrats as by their clients.... These rules have been imposed on the agencies by external actors, chiefly the legislature. They are not bureaucratic rules, but political ones. ... Legislators find it easier to constrain inputs than outputs.*

The problem of eliciting clarity of purpose runs even deeper in the many contexts where democratic political institutions and bureaucracies work less well than they did in the United States in the latter half of the last century (the focus of Wilson's book). Recent work on political settlements provides a useful point of departure for exploring how context influences goal formation in 'messy governance' contexts. Kelsall et al. (2022, p. 27) define a political settlement as '*an ongoing agreement (or acquiescence) among a society's most powerful groups over a set of political and economic institutions expected to generate for them a minimally acceptable level of benefits, which thereby ends or prevents generalised civil war and/or political and economic disorder'.*

As this definition suggests, it can be difficult to reach an agreement, so settlements vary in their coherence.[9] Some settlements are highly coherent in the allocation of decision-making procedures

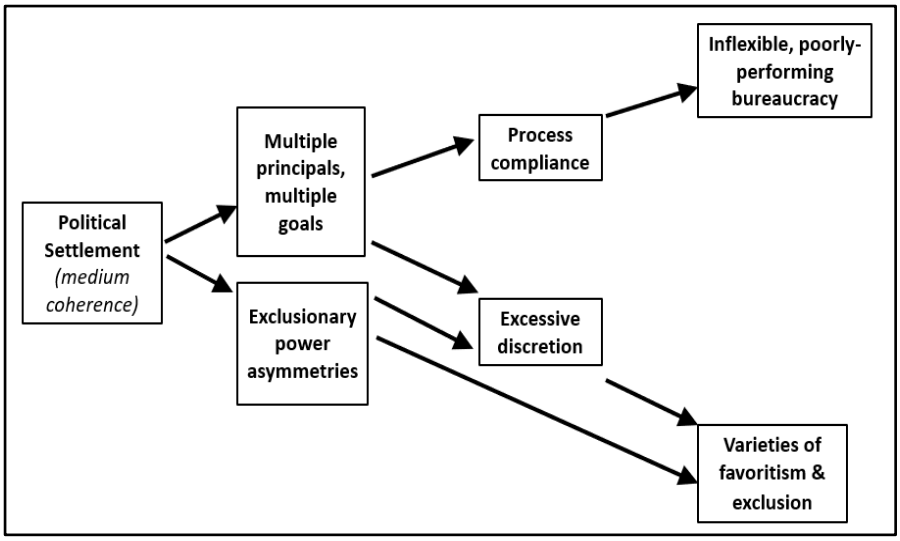
[9] This paragraph paraphrases a measure of the extent of power concentration, introduced by Kelsall et al. (2022).

and authority. Others lack coherence, with continuing contestation among insider groups, and non-acquiescence by opposition groups to the rules of the game.[10]

Box 3: 'Messy governance' and the paradox of process compliance

'Rule-bound governance' and 'good governance' often are used synonymously Yet, as the figure below highlights, where politics lacks coherence, the practical consequences of rule-boundedness can be far from 'good'– even in settings with mature, rule-bound bureaucracies.

Bureaucratic discontents and their political origins



Source: Author

A lack of coherence cascades down to the problem level. Public managers can find themselves having to navigate endlessly among multiple principals, each with distinct goals. Some principals are single-issue champions of any one of a variety of distinct social purposes; others seek to use their influence in pursuit of their (disparate) private goals.[11] As Box 3 details, the consequence can be one (or more) of a variety of endemic public-sector dysfunctions.

As Wilson (1989) suggested, one possible consequence can be that bureaucracies become trapped in a mire of process compliance, entailing high transaction costs. When political leaders become preoccupied with formal processes as a way to conceal unresolved conflicts over purpose, they

[10] Note that the definition of a political settlement finesses the traditional distinction between democracies and autocracies; coherence can vary within each category. This paper focuses on the potential of SEB to add value within democracies.

[11] Note that being charged to pursue multiple goals is not necessarily inconsistent with clear principal–agent governance; multiple goals can in principle be brought into alignment, provided that each is clearly specified, weighted and costed.

enmesh public bureaucracies in a dense web of controls, with little room for discretion. A preoccupation with process compliance can lead to one or more of the following consequences:

- Mediocre performance and demotivated public officials – rigid formal rules, and process compliance – undercut the goal-orientation, motivation, and initiative that are key for the effective execution of an important subset of public tasks.
- A lack of access within the public sector to some key skills (both technical and relational) – in part a consequence of overly rigid public-sector recruitment practices, and in part a consequence of public-sector organisations being too bound down by rigid rules to work effectively with private, professional, and other non-governmental organisations.
- Organisational stove-piping – a failure to cooperate and coordinate across functionally specialised units within public bureaucracies, in part as a consequence of process compliance and in part a consequence of internal preoccupations with 'turf' rather than social goals.

These consequences of process compliance matter more for some tasks than for others. Wilson (1989) distinguishes between tasks that are 'logistical' and those that are more 'craft-oriented'. Tight, top-down controls can be a useful way for achieving blueprint-like logistical tasks (a national programme of classroom-building, for example) but such controls work less well for more craft-oriented tasks (for example, skilfully engaging with young minds) that call for adaptability and creativity.

Contestation among multiple principals can result in the opposite problem from an excess of process compliance: It can provide room for influential politicians and public officials to enhance their discretion by playing principals off against each other – and then surreptitiously use that discretion to capture bureaucratic resources for private or political rather than social purposes. Public resources can go disproportionately to insider political and bureaucratic elites. They can be used by politicians and public officials to reward their backers, to build clientelist networks of support – or simply misdirected corruptly for private purposes. Here, ranging from less to more egregious, are some possible consequences for the functioning of public bureaucracies.

- A non-level playing field in who gets access to public services.
- A non-level playing field in who gets access to public employment or procurement contracts – while qualifications and competency matter, among those who are qualified only politically favoured insiders are considered.
- A sub-variant of a non-level playing field in access to jobs or contracts – not only does patronage favour insiders, but it does so in a way that pays limited or no attention to qualification and competence.

- At the limit, out-and-out corruption – unconstrained abuse of control of public resources (jobs and procurement contracts) for nefarious private ends.

A 'worst of both worlds' outcome also is possible – a combination of a preoccupation with process compliance *and* excess discretion. In this combination, the morass of rules is the everyday experience of those working within a bureaucracy and those who interact with it. But the morass can also be a tool for those who understand the inner workings and are connected to powerful and influential networks, a façade beneath which they can act with impunity and, indeed, leverage rule compliance (and the offer of ways to bypass it) as a source of power. As discussed in the body of the paper, SEB offers a possible way out.

Especially (but not only…) in contexts of messy governance, social embeddedness offers an alternative to endless mixed signals. Continuing tensions among principals can open up space to build multistakeholder coalitions that reshape (problem-level) power dynamics in a more coherent and more inclusive direction. Two sets of literatures – one that builds on the historical experience of the United States, the other that draws on the contemporary experiences of lower-income countries – explore how this can be done.

In his study of the forging of bureaucratic autonomy in the United States in the early twentieth century, Daniel Carpenter (2001) explored how mission-driven public entrepreneurs won space to pursue the public purpose by building alliances with non-governmental stakeholders. He argued that:

> *Bureaucratic autonomy requires the development of unique organisational capabilities…the belief by political authorities and citizens that agencies can provide solutions to national problems found nowhere else… It requires political legitimacy, strong organisational reputations embedded in an independent power base…linkages to the numerous power bases of politics* (p.14).

Improvements in internal organisational capability and stronger external alliances feed on each other – enhancing autonomy from top-down control, enabling managers to manage, and strengthening the motivation and morale of public employees.

As Carpenter (2001) argued,[12] a willingness on the part of public officials to be proactive is key for establishing clear goals within the (ambiguous) constraints and realities of the broader political environment in which they operate – not only within their bureaucracies, but also by outreach to both elected officials and non-governmental stakeholders. Carpenter (2001) identifies the mid-to-upper levels of bureaucracies as the best-placed locus for such public entrepreneurship to emerge.

[12] And also Wilson (1989). As he puts it, 'The executives that not only maintain their organisations but transform them do more than merely acquire constituency support; they project a compelling vision of the tasks, culture and importance of their agencies' (p. 217).

Effectiveness, he shows, is driven by a combination of sustained commitment to the public mission, the strategic patience needed to find the right position within the bureaucracy, a willingness to use that position to effect change both internally and through the building of external alliances – as well as a readiness to resist the temptation to move on to some new problem before the change process has been consolidated.

Paralleling the US research, the role of problem-level coalition-building as a way of fostering inclusive provision of public services has also been the focus of sustained work in lower-income countries, under the rubric of 'social accountability'. Various scholars (including Grandvoinnet et al., 2014; Fox, 2015; and Fox et al., 2023) have detailed, with abundant examples, the evolution of coalitional processes among service users, reform-oriented public officials, civil society organisations (CSOs), social movements, and other developmental stakeholders. That body of literature has helped to highlight how processes of social accountability are set in motion and how, sometimes, problem-focused coalitions of civil society actors and public officials can consolidate.

One common way in which change has been achieved is via a pincer movement (or, as Fox, 2015, terms it, a 'sandwich strategy') in which predatory local-level elites (and their supporters within the public sector) find themselves trumped by alliances between reform-minded state- and/or national-level public officials, supportive politicians, and CSOs. As the case studies in Fox et al. (2023) show, mission-driven public officials have been able to leverage these processes to both reorient agency goals in more inclusive directions and improve performance in realising these goals.

Stepping back from the details, both Carpenter (2001) and Fox (2015) point to four conditions that are necessary for coalitional governance to work. These include:[13]

- A critical mass of stakeholders who are willing to align around a shared public purpose; and are also sufficiently influential politically to trump incumbents who might resist changes to the status quo.
- Transparent processes that can mitigate risks of predatory capture (see further below)
- Leadership – spontaneous processes generally are insufficient to bring coherence around a shared vision, and to sustain engagement over the medium term. Leaders could come from within the public sector or could be non-governmental stakeholders who are skilled at building cross-cutting alliances that bridge public sector and civil society actors.

[13] For an early statement and elaboration of these conditions, see Levy (2014, pp. 158–160).

To the extent that these conditions are met, problem-level coalitions can help public agencies avoid getting enmeshed in the morass of process compliance and insider opportunism – and open up space for managers to manage more effectively in pursuit of better-defined and more developmentally oriented goals. Box 4 provides an illustration with an example from the education sector.

Box 4: Goal formation in basic education

On the surface, setting goals for basic education seems straightforward: Create opportunities for all school-age children to achieve basic literacy and numeracy, and then consolidate basic skills – and do so by drawing on the abundant, high-quality sector-specialist scholarship on how children learn, and how effective teachers teach. As in the conventional ('long route') approach to public governance, goals are set top-down by political leaders who draw on 'best practice' advice from policy-level technocrats. In most contexts, however, things are much messier than they superficially seem.

As the *2018 World Development Report: Learning to Realize Education's Promise* (World Bank, 2018) underscored, aligning goals is complicated by the reality that multiple stakeholders, each with distinctive aims and interests, are involved in the governance of education. Further, as a comparative analysis of the political economy of the adoption of education policy in 12 countries sponsored by the global Research Programme on Improving Systems of Education (RISE) showed (Levy, 2022) the way in which sector goals are formed varies radically from one context to another, with goal fragmentation rather than goal coherence the norm. How then to proceed?

Consistent with this paper's analysis of SEB, the RISE-sponsored Peru country study (Balarin & Saavedra, 2022) shows how a coalition of developmentally oriented stakeholders can help provide a good-enough platform for a country's education sector to thrive, even in the midst of governance messiness. Balarin and Saavedra detail an ongoing, decades-long back-and-forth jockeying among stakeholders, messy compromises with the teachers' union, and multiple policy reversals (including 20 ministers of education in 25 years). Despite this governance messiness, between 2000 and 2018 Peru achieved very large gains in learning outcomes. Paradoxically, the country's messy, iterative processes of policy formulation and adaptation helped build broad legitimacy among civil stakeholders (NGOs, universities, think tanks and research centres – importantly, including trust in the technocrats and professionals responsible for policy formulation –thereby enhancing their ability to push back increasingly effectively against idiosyncratic initiatives proposed by political appointees.

3.3 How social embeddedness can streamline monitoring

Monitoring and enforcement mechanisms capable of ensuring that all abide by the 'rules of the game' are integral to the governance of all organisations, public and private. Yet, for reasons explored in Box 3, in some contexts these mechanisms can enmesh public organisations in a dense, dispiriting web of process compliance. The problem-focused, multistakeholder and deliberative character of SEB creates new opportunities for monitoring and enforcement to proceed in ways that loosen the process-compliance straitjacket, via three complementary mechanisms:

- transparency and associated gains in the information available for monitoring and enforcement;
- participatory institutions and an associated shift in the incentive to monitor; and
- changes in the ideas that shape behaviour at the interface between the bureaucracy and civil society.

Transparency has been the most extensively studied of the three (Tsai, 2022).[14] From a SEB perspective, transparency centred around the engagement of local actors close to the frontline of service provision is of particular interest. Local actors can bring to bear knowledge of how service provision works in practice – knowledge that is not readily available to public officials far from the frontline of providing services. Such knowledge can enhance the efficacy of top-down approaches to monitoring, without adding layer upon layer of rules.

The second mechanism – participatory institutions that involve service users and communities directly in the governance of service provision at the frontline – potentially has a more far-reaching impact on monitoring and enforcement than transparency.[15] Participation along these lines leverages not only citizens' local knowledge, but also their high-powered incentives to ensure that service quality is high (see, for example, the school-level case studies in Levy et al., 2018). Ostrom's (2009) 'good practice' principles identify some arrangements that underpin successful participatory institutions. These include:

- Rules governing eligibility – clarifying who are the principals with the standing to set goals and define the roles of the various participants.
- Operating rules –once goals are agreed, institutional arrangements are needed to clarify the obligations and benefits participants should expect. Participants need to perceive these rules as fair, thereby helping to nurture trust – hence the emphasis in the 'good practice' principles on inclusion, proportionality and incrementalism.
- Rules governing monitoring – monitors should either be the participants themselves or should be accountable to participants.

[14] Tsai (2022) provides a detailed review and meta-analysis of the literature on transparency, with a particular focus on the causal channels through which it is hypothesised to have impact, and the evidence of its efficacy.

[15] Examples of embedded governance include non-governmental members on the board of directors of public agencies/enterprises, or parent and community participation in school governing bodies.

- Rules governing enforcement – including rapid, low-cost arenas for resolving conflicts, and graduated sanctions that start low but become stronger for repeated violation.

The third mechanism for streamlining monitoring and enforcement works principally by influencing the ideas that citizens and public officials have about each other. To understand what drives this shift in ideas, a useful point of departure is Robert Putnam's (1993) exploration of the role of social capital in facilitating cooperation, consolidating trust and thereby keeping transaction costs low. Putnam explored the long-term persistence of differences between northern and southern Italy in the propensity for citizens to cooperate. Key to this, he argued, was interpersonal trust – with trust built around a combination of shared norms of generalised reciprocity, plus dense networks of social interaction that provide the (reputational) mechanism for fostering adherence to the norms.

Putnam's conclusions are pessimistic regarding the potential for achieving change by reshaping norms, he argues that building norms and networks is a task of many decades, if not centuries. By contrast, Judith Tendler offers a more optimistic perspective on the prospects for problem-focused interactions to have a transformative, near-term impact on the ideas that citizens and public officials have about one another. Tendler (1997) explored how a high-profile, grassroots-focused initiative led to far-reaching gains in public performance in the Brazilian state of Ceará by reshaping the mutual perceptions of public officials and the users of public services:[16]

> *When workers talked about why they liked their jobs, the subject of respect from clients and 'my community' often dominated their conversation…It was difficult to separate out the story of the community as outside 'monitors' of the health workers from the story of the workers as embedded in that community through close relationships of respect and trust* (Tendler, 1997, p. 1783).

Tendler's analysis aligns well with Akshay Mangla's (2022) comparative analysis of bureaucratic norms in a subset of North Indian states. As the author detailed:

> *Legalistic bureaucracies [can] stimulate social monitoring of public services, but participation will tend to be episodic and fragmented. Citizens learn to communicate problems through official channels and grievance procedures, but they are likely to experience administrative burdens. Over time, these burdens dampen their expectations of what participation can accomplish* (Mangla, 2022, pp. 63–65).

[16] In the health sector, for example, between 1987 and 1992, a new public health programme increased vaccination coverage from 25% to 90%, reduced infant deaths from 102 to 65 per1,000 live births, and increased the proportion of counties with public health facilities from under 30% to over 95%.

By contrast: *In a deliberative bureaucracy the problem-based orientation of officials leads them to draw input from a more diverse set of societal actors….Instead of administrative grievance procedures, state officials tend to manage conflicts by promoting dialogue between contesting parties…..Through their participation, citizens learn how to address service delivery problems jointly with state actors, improving the chances of identifying locally appropriate solutions…Citizens will tend to experience tangible benefits from participation, which in turn would encourage them to continue monitoring services and provide complementary inputs that help achieve higher quality outcomes* (Mangla, 2022, pp. 63–65).

Put differently, in contexts where bureaucracies are capable but bogged down by a mass of compliance-oriented red tape, SEB has the potential to be an institutional complement, with possibly far-reaching cumulative consequences. At the problem level, the combination of open and deliberative bureaucracy plus participatory monitoring can foster pro-sociality at the interface between citizens and public officials. Pro-sociality can also enhance the motivation of public employees. Better motivated public employees and pro-social citizen engagement make it possible to sustain a focus on results as the straitjacket of process compliance is loosened. A virtuous spiral of continually improving public service provision can take hold.

Box 5: Local-level social embeddedness in action

The education sectors of Bangladesh, Ghana, and Kenya illustrate three distinct patterns of interaction between education bureaucracies and local participation, with each positioned differently along a spectrum between institutional substitution and institutional complementarity. Beginning in 1988, Ghana introduced a decentralised framework for the provision of public education (Ampratwum et al., 2019). The decentralisation reforms were extended in 1993, and then further elaborated in 1995 and again in 2008. On the surface, interactions between decentralisation and Ghana's clientelist politics added to the incoherence and politicisation of the education sector, although as Ampratwum et al. (2019, p. 61) argue, there was a silver lining:

> *Decentralisation of education service deliver created new mechanisms and structures to empower regional- and district-level stakeholders….. The drivers of improved performance and accountability do not flow from the national to the local level, but instead have to be regenerated at the level of districts and schools…. In [some] districts…. there was evidence of the emergence of a developmental coalition between community, school and district-level actors….including 'political officials and teacher unions…..evident at district level, and mirrored at the community level.*

In Bangladesh, the formal institutional arrangements for education-sector governance were more centralised than in Ghana (Hossain et al., 2019). In practice, though, local political dynamics trumped again:

> *Bangladesh features an education system which, while formally highly centralised is in practice fairly decentralised and discretionary in whether and how it implements reforms…..School management committee membership is among the spoils of local politics…..Learning reforms were adopted and implemented to the extent that the relationship between school authorities, the local elites involved in school governance, and the wider community aligned behind improved teacher and student performance* (p. 80).

In contrast, local participation in Kenya's education system has been less about local developmental coalitions carving out space and more about Tendler-style institutional complementarity at hyper-local levels. Cross-country standardised tests show Kenya is a strong positive outlier in its learning outcomes.[17] The country's relative success can hardly be attributed to the quality of its bureaucracy, the functioning of which is notoriously uneven. Rather, as the following description from a long-time practitioner/observer of the Kenyan education system highlights, what seems to have made the difference are some 'softer' dimensions of governance:

> *What one sees in rural Kenya is an expectation for kids to learn and be able to have basic skills.... Exam results are far more readily available in Kenya than other countries in the region. The 'mean scores' for the Kenya Certificate of Primary Education (KCPE) and equivalent KCSE at secondary school are posted in every school and over time so that trends can be seen. Head teachers are held accountable for those results to the extent of being paraded around the community if they did well, or literally banned from school and kicked out of the community if they did badly* (Piper, B., cited in Levy et al., 2018, pp. 280–281).

Active civic engagement in education can be traced back to some foundational ideas that shaped modern Kenya: to the vision of the country's first president, Jomo Kenyatta (himself a former school teacher and head of the anti-colonial Kenya African Teachers College) of an educated population as key for being a proud independent nation; to the inclusion of education as top priority in the country's first national plan; and to a commitment in the first decade of the country's independence to *Harambee* – 'self-help' – as the pathway to development.

Viewed through the lens of top-down approaches to the governance of bureaucracies, the social-embeddedness of Kenya's schools is thus both an historical anomaly and a signal of bureaucratic weakness. But perhaps this view draws the wrong lesson. As the final sections of this paper suggests, perhaps the Kenyan experience might be better viewed as a source of inspiration, as illustrative of how the embrace of SEB can not only support improved service provision at the local level but also contribute more broadly to the renewal of the legitimacy of the public domain.

Gains from participatory processes can also be far-reaching (relative to the counterfactual) in contexts where governance is especially messy – but for a very different set of reasons. In such contexts, the combination of fragmented power and personalised rules of the game can result in a public bureaucracy with formal systems that are both largely incapable of providing services effectively and impervious to efforts at reform; little is gained from reformers beating their heads against a brick wall of political and institutional constraints to bureaucratic improvements. They might do better by championing the 'social embeddedness' aspect of SEB – but now as an institutional substitute, rather than a complement. The result, as Box 5 above illustrates, (drawing again on the example of education) can be far-reaching gains in local service provision.

[17] Only Mauritius consistently outperforms Kenya in the 2007 standardised assessment of the Southern African Consortium for Monitoring Educational Quality (SACMEQ). As Levy et al. (2018, chapter 7) show, Kenya outperforms South Africa's Western Cape, with the differences especially large and statistically significant once the usual range of socio-economic variables are controlled for.

4. SEB – A Meso-level Perspective

Having explored some channel-specific ways through which SEB adds value, this section and the next take a broader perspective. Looking beyond the problem level, does the whole of how SEB adds value amount to more or less than the sum of its individual parts? How to navigate tensions between SEB's distinctive 'horizontal' approach to the governance of public bureaucracies and the hierarchical way in which they are generally organised? This section explores these questions at a meso level. Section 5 takes a system-level perspective.

4.1 Social embeddedness, power and social learning

Table 1 characterises the interface between the public sector and non-governmental stakeholders across two dimensions[18]– social learning and power asymmetries. The resulting 2x2 surfaces some stark meso-level contrasts between SEB and mainstream approaches to governance.

Looking at the bottom row of Table 1, in the mainstream approach the interface between the public sector and non-governmental actors is governed by arms-length interactions; the role of social learning is limited. The table highlights two variations of these arms-length interactions:

- Contractual governance (in the bottom-left cell) – outsourcing the provision of goods and services to private providers is an arms-length approximation of SEB's collaborative governance channel. But unlike collaborative governance it is not centred around social learning among the parties, but on the careful prior specification of the terms of public procurement. Power dynamics play no formal role (although far too frequently formal contractual processes are manipulated for private ends).
- Accountability (in the bottom-right cell) is an arms-length approximation of the SEB channel centred around coalition-building and goal-formation. Power dynamics are central here – although as the phrases 'demand-side' and 'holding government to account' suggest, the emphasis is not on (mutual) social learning but on ensuring that government officials use public resources for their intended purposes.

Each of the above can add useful value in contexts with 'good enough' background institutions – albeit in ways that, at best, offer stability rather than dynamism. However, they are unlikely to be effective in

[18] See Guerzovich et al. (2022) for an earlier version of the Table 1 framework. See also Aston and Zimmer Santos (2022) for a comparative meta-analysis of the empirical literature on the relative effectiveness of adversarial and cooperative approaches to the governance of the interface between the bureaucracy and civil society.

contexts where the requisite background institutions are weak – and indeed might even fuel cynicism, disillusion, and corruption as their limitations become apparent.

By contrast, to the mainstream approach, social learning is central to SEB (how social learning unfolds was spelled out earlier, in Box 2). As the top row of Table 1 signals, social learning plays out differently across the three channels, shaped in part by the different power dynamics associated with each:

- At the collaborative end of the spectrum, the focus is less on power and more on the ways in which social learning can foster synergies from cooperation.
- At the coalitional end, power dynamics are central. Key here is the role of alliance-building - both in carving out space to pursue a developmental purpose, and in reaching agreement among participants on how to align around common goals in the face of (inevitably) mixed priorities – while resisting pressure from predatory elites inside or outside government.
- In between, SEB fosters an approach to monitoring that (as with the conventional approach) incorporates elements of accountability – but does so via mutual monitoring of a kind that foregrounds shared purpose and mutual learning.

Table 1: The interface between the public sector and civil society – some patterns

Role of Social learning	*HIGH*	**Socially embedded bureaucracy** *Collaborative*	*Coalitional*
	LOW-MEDIUM	**Contractual**	**Accountable** *"demand-side"*
		LOW-MEDIUM	*HIGH*
		Extent of opposition by status quo interests	

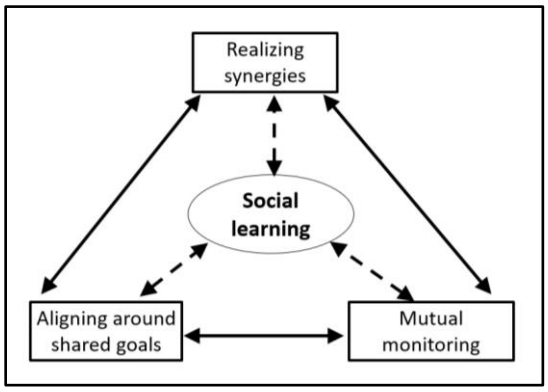
Source: Author, building on a preliminary version in Guerzovich et al. (2022)

As Section 3 detailed, neither cooperative governance nor coalition-building is easy, so SEB is no panacea. But when it takes hold, its value added can be large. Indeed, as Figure 2 suggests, learning among protagonists about how to work together in one channel potentially transfers directly into more effective cooperation along with the other channels as well:

- Clarity of shared goals help realise synergies from collaboration. Reciprocally, effective collaboration provides momentum for further refining a shared understanding of the purpose being pursued.
- Mutual monitoring and accountability build trust, thereby reducing the transaction costs of collaborating, and enhancing the potential for synergies. Reciprocally, effective collaboration further deepens trust, further reducing transaction costs.

- Clarity of shared goals and mutual monitoring also are reciprocal: clarity of goals provides the basis for monitoring; feedback from monitoring helps further refine goals.

Figure 2: SEB and problem-level social learning



Source: Author

When these work in tandem, they can provide a potent platform for finding innovative ways to address complex public policy problems. Beyond the problem level, they can also potentially add momentum to efforts to foster broader governance changes – the consolidation of an institutional framework to govern; an increase in mutual trust among protagonists; and, perhaps, the emergence of other-regarding social norms. More on this in Section 5.

4.2 Navigating tensions between horizontal and hierarchical governance.

Notwithstanding its potential, the deliberative, adaptive, and open orientation of SEB is radically at variance with the legalistic, rule-following, and insulated orientation of conventional approaches to public bureaucracies. What new complications might an embrace of SEB bring to public governance?

Insights from the literature on private organisations suggest that there may be less incompatibility (at least at the problem level) than is suggested by the continual wariness of mainstream public governance researchers and practitioners. Viewed from the perspective of that literature, the challenge of reconciling SEB with the hierarchical logic of bureaucracies is a familiar one, with a clear answer[19] – it is the challenge of reconciling innovation and mainstream organisational processes. Key to addressing the challenge is to 'shelter' innovation from an organisation's mainstream business processes. As Clayton Christensen (1997, p. 120) put it in *The Innovator's Dilemma*:

[19] In addition to Christensen (1997), James Q Wilson (1987, p. 231) drew a similar conclusion: 'To implement a proposed change often requires creating a specialised subunit that will take on the new tasks'.

> *'Disruptive projects can thrive only within organisationally distinct units…When autonomous team members can work together in a dedicated way, they are free from organisational rhythms, habits and reporting requirements and are free to forge new patterns of interaction and problem solving.'*

Don't directly challenge the status quo; rather innovate alongside it.

But there is another challenge that cannot readily be disposed of. Insofar as problem-level entrepreneurship and coalition-building loosen the restraints of a process-compliant status quo straitjacket, what follows in its wake? How to guard against a new cycle of capture, by a different set of actors? Even in the absence of predation, what is the basis of legitimacy of SEB entrepreneurs and their associated coalitions? One way to address these questions is to build the answers into the process itself – via openness and transparency, both upstream and downstream.

Upstream initiatives can help build legitimacy not only via coalitions, but also by embracing open problem-focused deliberative processes as a basis for consolidating an authorising environment that is complementary to, but goes beyond, the conventional top-down political–bureaucratic interface.[20]

Downstream, monitoring and enforcement challenges can be addressed through transparent (horizontal) processes of shared accountability among participating stakeholders – building confidence in what is being done while also reducing the need for heavy-handed top-down systems of process compliance. Gains in legitimacy and in effectiveness can be mutually reinforced. Results strengthen reputation. Reputation and results strengthen legitimacy – further enhancing autonomy and potential for problem-level effectiveness. This brings us to the systemic level.

5. Going to Scale

The previous sections have detailed various ways through which SEB can add value in addressing concrete problems; a key goal in arraying this evidence has been to, at the least, give pause to the common propensity to be dismissive of SEB's problem-level potential. As detailed, SEB can enable synergies between public and non-governmental organisations; it can help unleash human agency by opening up (problem-level) space for public/civic entrepreneurs to champion change; and it potentially can help address two classic conundrums of public governance – clarifying goals and reducing the transaction costs of monitoring. Ideally, all of this is sufficiently persuasive to help move SEB out of the margins of efforts to improve public-sector effectiveness.

But what of the systemic-level question that also was posed in the introduction? To what extent do problem-level gains in trust cascade beyond their immediate context and transform the perceptions of

[20] For a review of experience worldwide with some upstream processes, see Baiocchi and Ganuza (2017).

protagonists more broadly – thereby contributing to a renewal of the perceived legitimacy of the public domain? This paper's companion Think Piece provides an overview of the issues. What follows here examines some aspects of the questions in a way that hopefully helps set the stage for future work (both by the present author, and by others).

As Cataldi (2024) detailed in her review of the New Public Governance literature, many scholars champion socially embedded approaches to the governance of bureaucracies as part of a broader effort to renew democracy. Two longstanding scholars of developmental states, Peter Evans and Patrick Heller, made the case vividly in a 2014 article. As they put it,

> *The twentieth century developmental state's interaction with industrial elites gave these elites a reason to become a more collectively coherent class. The twenty-first-century developmental state needs to undertake a similar but more difficult task: constructing shared coherent goals whose concrete implementation can then be 'co-produced' by public agencies and the communities themselves* (Evans & Heller, 2014, p. 695).

A very different view was set out back in 2007 by the eminent political scientist Margaret Levi (with co-authors Karen Cook and Russell Hardin). They suggested that a preoccupation with relationships of trust between civil society and public bureaucracy is at best a distraction – and at worst a way of weakening rule-boundedness and increasing the risk of state capture. Championing institutionalism, they determinedly pushed back against a simplistic extrapolation from micro-level success stories of to the systemic level:

> *When we are assessing the reliability of governments and politicians, what we ultimately put our confidence in is the quality of the institutional arrangements within which they operate.... At the personal level, relational trust makes our day-to-day lives richer and more manageable. More often, however, and in many varied contexts, we co-operate without trust* (Levi et al., 2007, pp. 153; 197).

The above argument is eminently plausible in contexts where institutions are strong and stable. But in contexts where disillusion and institutional decay have taken hold, finding ways to renew hope in the possibility and desirability of achieving collective gains through cooperation matters more than yet another round of institutional engineering. In that spirit, and in contrast to the 2007 book, here is what Levi and Ugolnik (pp. 7–9) argued in the lead article of an ambitious 2023 exploration of pathways to 'creating a new moral political economy':

> *A new moral political economy.... [will be centred around] ...some form of sociality and cooperation....It demands attention to the governance arrangements that facilitate, even generate, prosocial behaviour.*

There are, of course, many ways to foster pro-sociality that have little to do with the interface between public officials and non-governmental actors; nothing in Levi and Ugolnik's 2023 argument makes an explicit case for SEB. But, especially in light of positive potential of SEB at the micro level, the notion that sustained efforts to foster pro-sociality at that level might cascade upwards into systemic change should, at the very least, not be dismissed out of hand.

Accepting, tentatively,[21] the presumption that habits of pro-sociality and trust learned at some specific problem level also carry over into other domains, what would it take for problem-level gains to translate into systemic change? In these final paragraphs, I introduce four distinct strategies: bottom-up; inside-out; outside-in; and top-down.

The micro level comprises the point of departure for both bottom-up and inside-out strategies. In the former, the accretion of experience and learning at the problem level might inspire others to initiate similar initiatives. Over time, multiple small initiatives might add up to more than the sum of their parts, with a new set of ideas, offering a new vision of what is possible, taking hold. Whether lessons of problem-level success diffuse more broadly is likely to depend in part on the magnitude, salience, and visibility of the problems addressed via SEB approaches. Successfully addressing major challenges (the crisis of homelessness and affordable housing in Los Angeles, for example, which is a focus of my current research) can have significant impacts on citizens' perceptions of what the public domain can achieve.

Conversely, an inside-out approach aims to foster deliberation and SEB within bureaucracies by championing changes in overly rigid and overly hierarchical rules, and in organisational culture. Reformers might champion seemingly small tweaks in the hierarchical rules themselves.[22] They might propose a minimum necessary set of rules that offers a better balance between constraint and discretion than process-compliant straitjackets. They might seek out tweaks in internal processes that foster interaction among hitherto disconnected intra-bureaucracy stovepipes – in budgeting prioritisation perhaps, or joint delivery of services with compelling inter-departmental synergies. While setting out the details of how to proceed with reforms along these lines goes beyond the scope of this paper, the general direction is clear: The aim is not comprehensive system reform, but to loosen unnecessary rigidities – to improve organisational 'hygiene' so to speak. Following the broader logic of organisational innovation laid out earlier, it is best to proceed incrementally. As Mangla (2022, pp. 344–345) puts it:

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[21] For some evidence that the pro-sociality induced by in one domain can also extend beyond that domain see Rand et al. (2009); Fehr et al. (2002); and DeWall et al. (2011).

[22] I am indebted to Andrew Boraine for insights (based on his decades-long efforts in South Africa's Western Cape province) into how tweaks in hierarchical rules can help foster more deliberative, open engagement by public officials.

> *It may be tempting to [try and] execute reforms rapidly, in a wholesale manner. However [the evidence] cautions against introducing deliberative reforms with haste. State-building…unfolds over the longue durée…… To sustain a shift in bureaucratic norms, participation from across the administrative hierarchy is needed including from frontline agents…Building deliberative bureaucratic norms is not a one-off intervention but requires incremental and continuous engagement.*

By contrast, outside-in and top-down strategies work at a more systemic level. Outside-in approaches are generally led by civil society activists, who are likely to respond sceptically to SEB as counter to a perceived mission of holding government to account. However, as a recent paper (Heywood & Levy, 2024) explores for the case of South Africa, in contexts where a combination of institutional decay and civic disillusion have taken hold, demand-side approaches risk fuelling rather than reversing institutional decline. In such contexts, a strong case can be made for civil society activism to shift from a confrontational to a more cooperative vision, centred around building coalitions that are cross-cutting and oriented towards problem-solving, including with reform-minded public officials.

Finally, we come to the potential of SEB as part of a top-down strategy for renewing civic perceptions of the legitimacy of the public domain. Might micro-level SEB successes help prepare the ground for forward-looking leaders to champion an electoral and governance platform centred around a vision of partnership between the public sector and non-governmental actors? Might myriad concrete, deliberative and problem-focused civil society initiatives serve as potential building blocks for a broader social movement?

Political and social mobilisation centred around deliberative problem-solving would be a radical departure from contemporary pressure-cooker discourses which thrive on raising rather than reducing the temperature. But, as Robert Putnam explored in his 2020 book, *The Upswing*, it happened between the 1880s and the 1920s, and it might happen again:

> *A distinct feature of the Progressive Era was the translation of outrage and moral awakening into active citizenship…Progressive Era innovations were a response – seeking to reclaim individuals' agency and reinvigorate democratic citizenship as the only reliable antidotes to overwhelming anxiety……[Similarly], our current problems are mutually reinforcing. Rather than siloed reform efforts, an upswing will require 'immense collaboration', [leveraging] the latent power of collective action not just to protest, but to rebuild* (Putnam, 2020, pp. 329–331).

More on the systemic possibilities in subsequent research. For now, we trust that enough has been said to make the case that an SEB approach is worthy of continuing attention.

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