Chapter 1

Coping With Uncertainty in Development Aid Relations

The courage and ability to take on complex and uncertain coordination across distances in time, space, and cultures has been a characteristic of human affairs since ancient times (Harari, 2012). Long before our current times of space journeys, gene manipulation, and the internet – international trade, warfare, colonization, and religious missions and crusades entailed coping with great complexity and uncertainty. Today, the need to tackle "wicked" problems of coordination in complex settings under highly uncertain conditions, as illustrated the recent global COVID-19 pandemic and our critically deteriorating climate, remains as vital as ever before (Ferraro et al., 2015; Gray & Purdy, 2018; Ramalingam, 2013; Rutter et al., 2020; Schreyögg & Sydow, 2010; Verweij & Thompson, 2006).

In this volume, we present data from a field on the world's top list of highly complex settings – foreign development aid, a field in which ideas and resources make their way through an intricate web of organizations – *aid organizations* – to hopefully reach societies and people in need. More precisely, we present and discuss findings from our studies of some of the aid field's many interorganizational project relations, where the main characters of our field story – *aid bureaucrats* – find themselves engaged in managing projects aimed at tackling complex problems such as poverty, hunger, inequality, disease, and climate change.

How Do Aid Bureaucrats Cope With Uncertainty?

As the title of our book suggests, a central point of departure for our research project has been the concept of "obsessive measurement disorder" coined by Natsios in 2010. Natsios (2010) argued that the pressure on the US Agency for International Development (USAID) to demonstrate results brought about a state of obsessive measurement disorder (OMD) in aid organizations. Natsios defines OMD as a counterproductive condition where organizations become so preoccupied with measurements and formal control that they risk losing touch with other fundamental aspects that matter to their mission. The background Natsios' observation and warning about OMD in development aid administration was that demands to demonstrate results and to control the use of resources in aid projects had increased over recent decades (Eyben, 2010; Eyben et al., 2016; Shutt, 2016; Vähämäki, 2017).

The field of international development aid can be categorized as an extreme case in the sense that its typically very dedicated aid bureaucrats find themselves faced with highly complex conditions from which arise numerous uncertainties that they feel obliged to respond to (see Chapter 2). In their view, they need to at least try to create a sense of certainty, and a common response is to do so through attempts at controlling and measuring the results of aid. Together with others within the realm of their organizations and interorganizational relations, aid bureaucrats struggle, seeking and learning to find ways forward through the often dense administrative jungle. Our ambition with this volume is to examine how the demand for certain results affects aid bureaucrats and their organizations and, more generally, how quests for certainty are responded to in interorganizational project relations. At the heart of our inquiry is the question: *What do aid bureaucrats in interorganizational project arrangements do to cope with uncertainty, while facing great demands for certainty*?

When studying how administrative ceremonies, coping mechanisms and responses to uncertainty develop and spread, and how they come to occupy the time and minds of those involved, it is not terribly surprising to find that the rational "plan and measurement frenzy" tends to be most intense where uncertainty is the greatest. Such is the logic of the "mechanisms of hope" most modern

organizations apply today in an effort to uphold the rational decision-making ideal (Brunsson, 2006). Against this backdrop, our point of departure as critical management scholars is that certainty can be seen as a powerful modern myth – a myth that greatly influences governance and management. In following with this reasoning, we also assume that the slighter the chances of actually *reaching* a state of certainty, the more attractive the myth (Shenhar, 2001; Tsoukas, 2018). This presents us with a mirage, an illusion that can be likened to the pot of gold at the end of the rainbow: a quest for something that, in reality, is nowhere to be found. But as the world is becoming increasingly complex by the minute, we believe it is both timely and interesting to learn from those who, despite all, take on this compelling "mission impossible."

In terms of empirical data, our study is based on the analysis of hundreds of documents and some 80 interviews with aid bureaucrats working at different levels and in different organizations, including public agencies, private companies, nongovernmental organizations (NGOs) and universities, all involved in development aid projects financed fully or in part by the Swedish taxpayer. (For a detailed account of the methods, materials and analysis, see the Methods Appendix.) More specifically, the theoretical purpose of our project has been to identify coping mechanisms and responses that may help to prevent the extremes of obsessive measurement disorder, and foster instead pragmatic, constructive organizing and learning that benefits not only aid organizations and their employees but also – and more fundamentally – the people and societies in need. In essence then, our study investigates the question of why performance management and measurement requirements seem in some instances to hinder, and in others to support the implementation of aid projects and programs.

Demands for Certainty in Public Administration

Although being able to show results has always been an important societal issue, the New Public Management (NPM) wave of the past decades has led to intensified pressure to do so, a demand driven by a strive for increased efficiency, transparency and accountability, and a higher quality of public services, and the strive to make policy implementation more effective (Hood, 1991;

Pollitt & Bouckaert, 2011). At the same time, countless studies have raised criticism of management trends associated with NPM (Forssell & Ivarsson Westerberg, 2014; Lapsley & Knutsson, 2016; Reuter et al., 2012; Van de Walle, 2010), with scholars having pointed out unbidden consequences such as an increased focus on short-term, measurable targets and outputs, increased audit and control practices, and too much time allocated to administration, with the implication that professionals are being left with too little for other work practices (Agevall et al., 2017; Alexius, 2021; Alvesson, 2021; Bornemark, 2018; Bringselius, 2018; Forssell & Ivarsson Westerberg, 2014).

It is also well-known that control efforts can lead to even more control efforts (Power, 1997). There is a risk, for example, that an organization that perceives itself to be closely controlled will in turn attempt to control others. Such as when an aid organization finds itself pressured by the media or an external auditor (Vähämäki, 2017). Scholars have also argued that too great a focus on performance measurement may erode development policy implementation (Buntaine et al., 2017; Hoey, 2015; Honig, 2018; Natsios, 2010; Rottenburg, 2013; Wallace et al., 2007) and can lead to extreme states such as OMD (Natsios, 2010). Counterproductive effects of increased control and performance management requirements have also been reported in research related to the concepts of the "audit society" (Power, 1997), "results measurement society" (Bowerman et al., 2000), "evaluation society" (Dahler-Larsen, 2011), and "administration society" (Forsell & Ivarsson Westerberg, 2014).

Looking more specifically at the field of development aid, it is also the case that at all levels, from macro to micro, responses to uncertainty have largely taken the form of a quest for results and effectiveness. Over the past decades, development aid organizations, both in Sweden and around the world, have put a lot of time and energy into building a system of indicators, measurement and accountability mechanisms (Eyben, 2010; Eyben et al., 2016; Gutheil, 2020; Shutt, 2016; Vähämäki, 2017; Vähämäki & Verger, 2019). These efforts can be seen as rationalized responses aimed at reducing uncertainty since a reduced level of uncertainty is deemed important to protect the legitimacy of the aid system (Hood, 1991; Pollitt & Bouckaert, 2011). This has been a major concern for

Sweden's aid agency Sida ever since the birth of Swedish public development aid in the 1960s (Vähämäki, 2017). Consequently, new results initiatives have been launched in Sweden every decade (1971, 1981, 1998, and 2012), with all of these tides of reform having centered on reducing uncertainty by demonstrating that aid "works" and produces results (Vähämäki, 2017).

Whereas most previous research projects on aid regulation have taken their departure from established project documents, attempts to explore the regulatory translation and the associated organizational dynamics have been less common (Ferguson, 1994; Hoey, 2015; Mitchell, 2002; Mosse, 2005; Rottenburg, 2013). Calls have, therefore, been made to specifically study what happens in aid organizations where such regulations are crafted and responded to (Eyben, 2010). In response to these calls, Vähämäki (2017) investigated how these types of regulations are understood within a government aid agency, but studies on the interorganizational relations remain scarce, and there is a need to move beyond single organization case studies to a more complex systems perspective on the wider world of aid relations and its interorganizational dynamics (Wallace et al., 2007). This is relevant in order to gain a deeper understanding of *when*, *how*, and in particular *why* performance measurement requirements and other control and auditing demands have a performance-weakening effect rather than the intended performance-enhancing effect on development policy and its implementation. These are key research questions we discuss in this volume.

To sum up, there is widespread knowledge and awareness today that excessive use of performance management and control seeking measurements to reduce uncertainty in complex settings can lead to unintended consequences and perverse, counterproductive effects for management and operations (Adcroft & Willis, 2005; Diefenbach, 2009; Forssell & Ivarsson Westerberg, 2014; Holzapfel, 2014; Johansson & Lindgren, 2013; Meyer & Gupta, 1994; Natsios, 2010; Smith, 1993). This debate has in turn spurred a "post-new public management" frenzy. In Swedish public administration, for example, in the years following 2016, trust-based management became the new management fashion (Bringselius, 2018) and, in the development aid sector, most aid organizations joined the chorus of those eager to at least *talk* about other ways of governing aid

(Vähämäki & Verger, 2019). In this hope-filled discourse, concepts such as "adaptive management" and "learning-based management" took center stage (Dexis Consulting Group, 2017; Honig, 2018; Honig & Gulrajani, 2018; Shutt, 2016; Vähämäki & Verger, 2019), with "results" (as in "results-based management") at times updated to terms like "learning," "trust," "agile," or "adaptive." The new management fashion in public administration has also faced substantial problematization, however, and has not escaped critique (Björk & Tengblad, 2023; Ehn & Sundström, 2020; Örn, 2017).

Yet, it is important to note that there are also studies that show how measurement and management of performance can be perceived as having a *positive* effect on monitoring, evaluation, and learning (Whitty, 2015), that emphasize how staff are able to adjust to requirements in ways perceived to be supportive of learning and which can contribute to effective aid (Wällstedt, 2016), and studies that show how performance measurement and management may enhance rather than reduce trust in certain settings, such as development aid (Alexius & Vähämäki, 2020).

Obsessive Measurement Disorder or Pragmatic Bureaucracy?

We know from previous research that attempts to simplify the complex and control the uncertain future can sometimes run amok and lead to "hyper-rationality" (Gustafsson Nordin, 2022; Tamm Hallström et al., 2022), where an intense and exclusive focus is placed on the rational processing of *everything*, including the interorganizational relationships that are key to the business of international aid. However, previous research also tells us that decision-makers gain and apply professional judgment and can possess a broad repertoire of strategic responses, including ways to ignore some external demands on rule-following and performance measurement requirements (Alexius, 2007; Eyben, 2010; Oliver, 1991; Vähämäki, 2017).

In the upcoming chapters, we present our findings on how aid bureaucrats cope with uncertainty in their everyday project operations. In essence, we find that they do so by navigating the tension between rigid bureaucracy and laissez-faire pragmatism, thereby

walking a fine line between the risks of obsessive measurement at one extreme, and the risk of corruption and nepotism at the other. By applying their professional judgment, we find that most aid bureaucrats aim for a middle ground on the continuum between the two dreaded extremes. Thus, in order to be happy at their post, they learn how to cope within the realms of or by way of more creative uses of and approaches to rule-following and rational decision-making procedures.

We call this position and approach of the aid professionals "pragmatic bureaucracy," which we define as: *the use of judgment to identify a sweet spot between the extremes of bureaucracy and pragmatism, where bureaucracy is used rationally when possible, and pragmatically when needed*. The different chapters of the book contribute different facets of this concept, with the closing chapter devoted to an in-depth account of how pragmatic bureaucracy is performed and what its consequences are. Our work hence builds on and aims to contribute to previous research on the conditions under which performance measurement requirements improve or erode development policy implementation in complex fields such as that of development aid (Hoey, 2015; Hood, 2012; Natsios, 2010).

Chapter Outline

Chapter 2: Complexities, Uncertainties, and Responses

In this theoretical chapter, we first define three key characteristics of a complex system such as that of development aid: (1) multiple interacting components, (2) fluid boundaries, and (3) unpredictable dynamics. Next, we discuss how these complexities give rise to three kinds of uncertainties: (a) uncertainties of state, (b) uncertainties of effect, and (c) uncertainties of response. To complete the theoretical backbone of the chapter, we then cut to the core of our research question to discuss two types of responses aimed to reduce uncertainty: (1) approach-oriented responses, and (2) emotion-oriented responses, including trust. Here, we introduce the concept of *trust transference* and explain why, in highly complex systems, trust transference from *impersonal sources of trust* (such as organizational structures and processes, third-party standards and assessments, management technologies and methods) are typically the

most legitimate ones. To tie in closer with our field of study, throughout the chapter, we illustrate the theoretical concepts and take – always with empirical examples.

Chapter 3: Recipients Are Responsible Donors Too: On Plural Actorhood and Role-Switching

In this second theoretical chapter, we continue to lay the foundations for upcoming empirical chapters by analyzing the identity and social roles of aid organizations, and how their bureaucrats manage uncertainty by following institutionalized expectations of proper, responsible behavior. We propose that the concept of *plural actorhood* has the potential to update outdated notions of intermediaries by shedding light on the aid organizations' abilities to perform and switch between *several* equally genuine roles. Most of the aid organizations are characterized by the duality of being *both* a donor *and* a recipient of aid, *both* a rule-follower *and* a rule-setter, *both* an auditor *and* an auditee. Therefore, the mechanism of *role switching* opens up for a more complex understanding of aid organizations which also allows us to better explain how aid bureaucrats balance the fine line of pragmatic bureaucracy.

Chapter 4: Practices of Approximation: Simplifying the Complex and Controlling the Future

Faced with uncertainty, aid bureaucrats commonly refer to approximations for actual outcomes and effects which are difficult to assess. The overall aspiration has been to tame the complexity and uncertainty at hand by providing simplified information, such as numbers on impacts and effects. New practices and methods have emerged over the years, but discussions on what should be counted as a result often lead to more, not less information being produced and processed, and to confusion, not clarity. Rather than being easy to comprehend, the numbers often spur new questions, and new numbers. The mismatch of temporalities in the field also implies that project managers are expected to provide reports *before* these results have had a chance to materialize. Nevertheless, most aid bureaucrats find results processes important as legitimizing rituals and mechanisms of hope, if not as validation of actual results.

Chapter 5: In Proper Organization We Trust: On Extrapolation From Proper Organization Proxies

Despite the high aspirations of the Swedish Policy for Global Development (PGD) and the 2030 Agenda for Sustainable Development, which call for variation and diversity in organizational forms, we see signs of increased conformity in the governance and management of aid projects across the various actor groups involved in development aid. Rather than valuing and trusting the specific features and processes of civil society organizations, companies, universities, and public agencies, we find that aid bureaucrats tend to aim for compliance with a general ideal of what we here call the "proper organization." When decision-makers need results produced at a faster pace than the underlying conditions allow, extrapolating results from "proper organization proxies" (POPs) such as legitimate organization structures, processes, and management technologies serve as pragmatic means of bridging this temporal mismatch. Core to this ideal is the idea that good results stem from sticking to a standard format for modern organizations – that are purposeful, autonomous, and rational. As a consequence, domain-specific or thematic expertise becomes less sought after, less valued, less used, and less trusted.

Chapter 6: Certainty for Sale?: A Historic Exposé on the Role of External Experts in Development Aid 1960s–2020s

Ever since the field of public development aid was established in the 1960s, external experts have been extensively employed in aid organizations' attempts to respond to the various uncertainties of aid operations. In this chapter, we take a closer look at what the Swedish development aid agency, Sida, has required from external experts and how the content and rituals of these contracted expert deals have contributed – or *not* – to perceptions of trust and certainty. We present an historic exposé from (a) the Quick-fix Implementer Era when aid bureaucrats were to contract an external expert to fix the problem, to (b) the Collaborative Turn Era where problems were perceived as much more complex and required close relationships and joint participatory approaches, to (c) the current Proper Organization Proxy Era where the role of aid

bureaucrats is reduced to that of a catalyst whose main responsibility is to justify that aid money goes to the right partners and where external experts are legitimizers of proper donor and recipient behavior. And all throughout, external experts have served an important function – that of making organizations in the donor role less uncertain of their decisions on which recipients should receive funding. Interestingly, however, the use of external experts has in all times given rise to more uncertainty, which, in turn, has called for more experts.

Chapter 7: Multivocal Brokering: Translating and Decoupling for Results

In this chapter, we take a closer look at some of the key competencies of professional aid bureaucrats and discuss how these may help to explain whether obsessive measurement disorder occurs or not. Our primary concern here is to examine the relatively under-researched contribution made by aid bureaucrats when they *broker* policies, relationships, and aid projects into tangible and meaningful actions and valuable results. By using *translation* and *de-coupling*, aid bureaucrats broker conflicting reporting requirements and understand and navigate the logics of different institutional and organizational settings. Guided by their *multivocality* – the ability to use several "languages of aid" – the aid bureaucrats can shape legitimate results that make good sense to those at a distance, while at the same time honoring and protecting efficient local aid practices. We suggest that brokering often functions as a highly valuable buffer that can counteract tendencies obsessive measurement disorder.

Chapter 8: Pragmatic Bureaucracy: An Antidote to Obsessive Measurement Disorder?

In this concluding chapter, we present and discuss our empirical findings and contributions as well as practical implications and suggested topics for future research. In essence, we argue that most aid bureaucrats in our study struggle to do good, seeking and learning to find ways forward through the often dense administrative jungle. Although somewhat unexpected, we found that *pragmatic*

bureaucracy seems to be the most common response to uncertainty in the complex development aid projects. Rule-following is key to the pragmatic bureaucrat, but rules are not followed blindly. Flexibility and professional judgment based on a rich set of experiential knowledge make the call. We suggest that pragmatic bureaucracy functions as a potent antidote OMD but also as a vaccine that may help prevent overregulation and control and instead foster constructive learning that benefits aid results.