The handle http://hdl.handle.net/1887/25307 holds various files of this Leiden University dissertation.

**Author:** Elayah, Moosa Abdo Ali  
**Title:** Donors-promoted public sector reforms in developing countries and the Local Knowledge Syndrome : the Dutch-Yemen NPT Program for developing the Higher Education Sector in Yemen  
**Issue Date:** 2014-04-17
Donor-Promoted Public Sector Reforms in Developing Countries and the Local Knowledge Syndrome

The Dutch-Yemen NPT Program for Developing The Higher Education Sector in Yemen

Abstract

By Moosa A. A. ELAYAH, Ph.D.
University of Leiden, Campus Den Haag
February, 2014
Promoters: Prof. Dr. David Lowery, Prof. Dr. Frist van der Meer, and Prof. Dr. Rene Torenvlied

This dissertation examines in depth the Local Knowledge Syndrome (LKS) as one of the possible causes for the ineffective assistance from donors in the public sector reforms in developing countries. The LKS arises when donor aid policies and programs do not tailor to recipients' unique context and needs, and instead import unsupported reform assumptions and formal models from selected developed countries. It can also arise when aid policies just focus on reforming the formal organizations and institutions, which is also called “explicit-knowledge”, and neglect the “implicit knowledge” of informal organizations and institutions. The quality of knowledge and ideas provided to foreign aid donors can seriously affect the course of an aid program and consequently the effectiveness of that aid. In many developing countries or poor nations, there are strong informal institutions and organizations in the public sector functioning besides the formal structures. There is what I call ‘the rule of the game’, and has a strong grip on all matters related to development aid.

In this dissertation focus on Dutch aid in Yemen. Yemen is a ‘fragile state’ and the only low-income country in the Middle East. It faces plenty of challenges, including poverty, corruption, social and political unrest and more recently, security. These problems can lead to violence and crush livelihoods, jeopardizing citizens, regional neighbors, and the wider world. The state of Yemen is unable to govern its territories well. It is a spawning ground for global threats like terrorism, drug trafficking, environmental devastation, and disease. The country has received almost US$18 billion of aid commitments from different donors including the Netherlands to develop the capacity of the state and its public sector. However, the donors’ development efforts have not prevented Yemen from turning into an almost-failed state. Yemen has yet to witness dramatic improvements in terms of development outcomes that have meaningful impacts on security and stability. It is clear that these bad development outcomes have formed the major roots of the Yemeni people's revolution that is still ongoing, despite the signing of the political settlement agreement by the different political and social factions in Yemen.
My particular focus here was on the education sector reform because more than 40% of Dutch foreign aid goes directly to the education sector at all levels. The Netherlands’ Programme for Institutional Strengthening of Post-secondary Education and Training Capacity (NPT program) included 14 projects implemented in different higher education institutions in Yemen. In this study, I selected just four projects (N=4) by using a Most Similar Case Selection strategy. These projects are (1) Establishment of an MBA Degree Programme at Sana’a University; (2) Establishment of an executive MPA Degree Programme at Sana’a University, in partial partnership with the National Institute of Administrative Sciences (NIAS), Ministry of Civil Service; (3) Strengthening the Water and Environment Centre of Sana’a University Graduate Programme in Integrated Water Resource Management (IWRM); and (4) the Women’s Research and Training Centre (WRTC), Aden University, which are all similar because all the projects are funded and implemented by the Dutch government for the same recipient (HE sector in Yemen) and especially Sana’a University, within approximately the same timeframe. All the selected projects had specific objectives to build the institutional capacity and capability of the host organizations by building their organizational and administrative structures and increasing the quantity and quality of the staff members. The aim was to provide training services for promoting capacity development within the Yemeni public, private and non-governmental sectors in line with the overall objective of the Dutch program in Yemen.

This dissertation has taken a look at the factors influencing the incorporation of information on local knowledge during aid policymaking and implementation using theories such as institutional theories, cultural theory, the actor network perspective and explicitly its development associability approach and the social-engineering model. I used the methodology approach to analyze one policy area in depth based on the theoretical ideas.

The Local Knowledge Syndrome explanation in this dissertation shows the blind spots in theories and the limitations of a macroeconomic analysis of foreign aid ineffectiveness. A major part of this dissertation contests with the public choice perspective (PCP) and its leading scholars. They assert and assume that aid is homogenous and even harmful to recipient countries. Their first reason for this assertion is that the self-interest of donors often works against the altruistic objectives of aid assistance and can lead to corruption of the aid projects’ outcomes, thereby reducing the effectiveness of aid interventions. In this study, however, I have seen evidence from Dutch-Yemen development co-operation that self-interest is not a homogenous causal explanation for foreign aid ineffectiveness. Donors in fragile states often intend to build recipients’ governance systems, but they lack the local
knowledge of how to do so in practice. Helping such fragile states become increasingly necessary, not just because morality demands it, but for reasons of global security. The second reason cited by PCP scholars is that the poor policy environment, such as weak and corrupt policies and institutions, is the main cause of shortcomings in foreign aid programs. According to me the problem however is not a poor policy environment itself but poor aid policies formulated with a lack of synthesis, research and institutional analysis to understand the poor policy environment.

Regarding the Local Knowledge Syndrome explanation, I found that the reform content of the Dutch-Yemen NPT policy has been largely based on ambiguous or inadequate information on informal institutions within recipient organizations. Dutch NPT policymakers within the Ministry of Foreign Affairs adapted international assumptions, assertions and western theories of good governance to identify the problems and to formulate the NPT program in the infamous one-size-fits-all policy. The implementation process of the NPT program implicitly adopted the top-down approach. The middle management represented by Nuffic, who took over the responsibility to conduct the Plan of Implementation for the NPT in Yemen could not perform this mission in an effective way. There was a lack of formal and informal data on the structure, organization, management and staffing and censorship at various levels, so there was no clear picture of the targeted organizations to realize “the policy fit”. The information in the Plan of Implementation did not give the Dutch contractors the necessary information to prepare for problems they could face when confronted with the local situation during the actual implementation. The local knowledge was in an unopened “black box.” Information on local knowledge, therefore, required effort on the part of the project implementation team to incorporate it.

The network perspective and the associability development approach are well suited for describing how to incorporate information on local knowledge during the actual aid policy implementation. A harmony associability model describes successful projects (for example MBA, WEC), whereas a conflict associability model describes a failed project (e.g. MPA-NIAS, WRTC). The patterns and theme that seemed to emerge among the four selected NPT cases are that implementers (contactors) are the players at the heart of the aid intervention process. This idea is interrelated with the actor-network perspective, which provided the associability development approach and its main idea that the LKS (opening the black box) might be solved through the direct and indirect interactions with all actors involved in the actual process of implementing of an aid project in a specific place and time. The associability development approach is an alternative analytical tool of aid policies that offers a unique lens for analysis and allows a deeper understanding of the dynamics of the aid
programs’ implementations process.

The advantage of the network perceptive for examining project success and failure allows us to move beyond the narrow concern with stated aims and look at the local knowledge of the specific context, such as ideas, formal and informal institutions, individuals and objects that all contribute to the development activities during “the translation process”. In order to have effective interactions, alliances must be built around the project. Rather than challenging powerful structures and powerful actors, the focus should be on bringing them to the table. This requires actors, especially the donor contractors or aid project implementers both at the middle management and at operational levels, to be more practical during the interactions with their counterparts, to achieve respect and develop trust and commitment. Observing and questioning what is not clear, and asking for clarifications on why counterparts act in a particular way, facilitates discussion on which actions should be taken by the program and which should not. The actors in this sense can see what is right and what will succeed. The actors should keep in mind that projects will not succeed by accepting dominant assumptions and ready-made objectives that have nothing to say about the local context, but rather by being adaptable to the local context. They need to form a cooperative and harmonized team which forges alliances with powerful actors.

The associability approach of development is important to ensure effective aid projects in poor policy environments, and to highlight the need to encourage shared responsibility. The findings of this study have significant implications for international development programs, international development institutions, policy makers, recipient nations and for the understanding of the factors that influence the outcomes of development projects.