Alternative Service Delivery Mechanism

There has been a growing challenge to traditional ministries and departments as the preferred organizational format to meet the goals of responsible government and good public management. Governments have experimented with alternative organizational designs because hierarchical, vertically-integrated departments have proven too rigid and unresponsive in a public sector environment that is increasingly complex, turbulent, and demanding. Unbundling bureaucracy through Alternative Service Delivery (ASD) is an innovative response to the pressures of scarce resources and the public’s insistence on improved service.

What is ASD?

ASD means different things to different people. It is a uniquely Canadian term that has gained currency as a worldwide phenomenon. It has been popularized under many names and in many different forms in OECD countries and across the Commonwealth. Ford and Zussman (1997: 6) define ‘Alternative Service Delivery’ as:

"… a creative and dynamic process of public sector restructuring that improves the delivery of services to clients by sharing governance functions with individuals, community groups and other government entities."

ASD is not exclusive. It includes privatization, as well as reorganization and reengineering of mainstream government. It is not just about deficit reduction, devolution, and central agency controls, but it does involve rethinking roles and functions. It depends heavily for success on a strong policy foundation and on a client service focus. This government reinvention strategy has offered developing countries attractive models to replicate, albeit with inherent risks and mixed results.

ASD options

The 1990s witnessed the emergence of a bewildering array of new types of service delivery mechanisms, some of which straddle whatever boundary remains between the public and private sectors. There is virtually no limit to the ingenuity of governments to invent new structural arrangements. Four clusters are discernable:

1. mainstream government (ministries, departments);
2. agencies (statutory, non-statutory);
3. partnerships (other governments, contracts); and
4. private entities (not-for-profit, for-profit).

A typical array of ASD options used in a government setting is depicted below. Descriptions and examples of each option are available from the author at the Manitoba Treasury Board Secretariat. Positioning on the grid is a function of autonomy (legal, structural, financial, employment) and accountability (policy, process, performance). The expected outcome of matching a program or service with the right delivery option is good governance.
ASD framework

ASD without proper regard for service characteristics and institutional underpinnings is risky. The unintended consequences can make things worse and create a backlash against other reforms. Poor financial discipline can damage the budget or entrench ‘islands of privilege’ within the public service. New delivery mechanisms need to be more than ‘enclaving’ as a quick fix.

There needs to be a threshold test to determine which ASD options might be a useful way forward. Policy-makers and advisors require a conceptual framework and critical thinking process to determine the criteria and risks that must be satisfied to arrive at the best-balanced choice. They need to assess the consequences of alternatives, to account for policy imperatives and political variables, and to anticipate managerial problems arising from the delivery option selected.

Six test questions are suggested. They are based on the framework for program review developed by the Treasury Board of Canada Secretariat. Together or individually, they lend strategic focus in assessing options and in building ASD into government business plans.

<table>
<thead>
<tr>
<th>Strategic Focus</th>
<th>Question</th>
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<tr>
<td>Public Interest Test</td>
<td>Does the program or service continue to serve a public interest?</td>
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<tr>
<td>Role of Government Test</td>
<td>Is there a legitimate and necessary role for government in this program or service?</td>
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<tr>
<td>Jurisdictional Alignment Test</td>
<td>Is the lead responsibility for this program or service assigned to the right government jurisdiction?</td>
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<tr>
<td>External Partnership Test</td>
<td>Could, or should, this program or service be provided in whole or in part by the private or voluntary sector?</td>
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<tr>
<td>Business Principles Test</td>
<td>If the program or service continues within the existing government context, how could its efficiency and effectiveness be improved?</td>
</tr>
<tr>
<td>Affordability Test</td>
<td>Is the program or service affordable within fiscal realities?</td>
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These test questions are used to narrow the range of acceptable alternatives when applied in association with the decision tree below.
ASD prospects

ASD is ‘different approaches for different realities’. The literature and experience point to the importance of reconciling:

- public service values and the marketplace; and
- autonomy and accountability

While ASD is not a panacea, it does help in ‘seeing the forest for the trees’, as new shapes appear through the swirling mists. Ford and Zussman (1997: 273) elaborate:

"In our analogy, the forest is the public sector in total; the trees are the traditional, vertical delivery systems; the mists are the uncertainties of change; the shapes are emerging forms of alternative service delivery. It is clear that more and more of the shapes are distinguishable as new or innovative – as true alternatives."
Recommended readings: