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Viewpoint

Strategies for Overcoming Systemic Social Failures

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VIEWPOINT

Strategies for Overcoming Systemic Social Failures

Our work in Israel promoting socioeconomic equity for Arab municipalities demonstrates the importance of poor resource utilization and other institutional barriers to social change.

BY GUY AVRUTZKY & RANI DUDAI

On December 30, 2015, the government of Israel passed Resolution 922, which initiated a five-year plan to invest NIS 15 billion (\$4 billion) in Arab municipalities around the country. It sought to address the large socioeconomic gap between Israel's Jewish and Arab populations.

The initiative appeared straightforward on its face. The government identified reducing the socioeconomic differences between Israel's Arab and Jewish populations as a national priority, and it appropriated large-scale funding to improve outcomes across a range of public service areas.

But there was nothing simple about this effort, which required addressing systemic problems in public service provision. These issues include, for example, how to define and measure desired social impact, how to implement digital processes and ways of thinking, and how to establish cross-sector partnerships and relationships. Such problems occur repeatedly across the social service sphere, regardless of content area or professional domain, and involve multiple organizations with different perspectives and languages.

In particular, we were very cognizant of *resource utilization*: Even when funds are allocated for a particular end, municipalities regularly struggle to access and use them. The problem is particularly acute when the funds are spread across several government ministries, requiring local officials to submit multiple applications via different mechanisms. This burden demands time, resources, and expertise that the smallest and poorest municipalities, where funding is most

needed, do not have. We also learned about the absence of trust between central and local government, which was often due to simple lack of familiarity with the other side's needs, challenges, work, and language. There was also the challenge of navigating the cultural tension between Jews and Arabs in Israel.

Our consultations with government ministries have found that this is an issue not just for Arab municipalities but for all municipalities suffering from a lack of resources. As a consequence, we have established a new program focusing solely on local government resource utilization.

Taking a broader perspective, however, we would like to argue that this initiative represents something much more fundamental than just resource utilization. In fact,

this is just one case of how systemic failures can make it difficult to achieve policy goals in any context—whether national or local government, civil society organizations, or the private sector—in which collaboration is needed between multiple systems.

WORKING ACROSS ORGANIZATIONS AND SECTORS

The JDC ELKA Institute for Leadership and Governance is a unit of the Israeli branch of the American Jewish Joint Distribution Committee (JDC), an organization founded in 1914 that provides welfare assistance to both Jews and non-Jews around the globe. Since the early 1990s, JDC ELKA has worked closely with thousands of senior officials in Israel, from directors-general down, in government ministries, municipalities, and civil society organizations and cross-sector initiatives. Today, we define our mission as promoting and facilitating effective interfaces between and within the different sectors engaged in the provision of public services, and we have established several major strategic partnerships with the government and the nonprofit sector to this end.

Because of this prior experience, we at JDC ELKA were able to forge a partnership with several government ministries (Social Equality, the Interior, and Finance) that would work to ensure the best possible implementation of Resolution 922. At the heart of this collaboration was the creation in 44 Arab municipalities of a new salaried position—specialist resource utilization managers. They are responsible for all aspects of accessing government funds and resource development that will be employed directly by the Arab municipalities. Their success required not only training and regulatory reforms but also a shift in the organizational culture both



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within the municipalities themselves and in the ministries with which they would work.

Following extensive reflection on our efforts over the years, we have found that the systemic failures we are dedicated to solve are driven by two factors.

Organizational structures and mechanisms |

Government agencies and partners cannot address contemporary social issues through direct action within a single professional field. These problems tend to present complex challenges that cut across professional and regulatory subject areas. Alas, public and civil society organizations are, for the most part, designed to focus on a particular subject area or areas, and they are not set up to pursue complex activity in multiple arenas.

Moreover, the standard mechanisms of public service provision—such as regulations for government contracts, funding allocations, personnel, and so on—are not designed to allow flexible and effective collaboration; on the contrary, they tend to hamper any effort that involves multiple organizations from multiple sectors. In the case of Resolution 922, the mechanisms in place to funnel funds to local government via multiple government ministries were themselves part of the problem, and in this context, they threatened to derail the government's own initiative. These bureaucratic structures were created to safeguard the public purse—not to limit access to government funding for smaller, weaker municipalities.

Individual mind-set | Leaders and managers in providing public services are also used to operating in a particular context with clearly defined boundaries and resist working with people and organizations from different contexts in new and challenging ways. They may also define their range of freedom within the confines of their immediate organizational context, rather than as part of a larger and more complex system. Therefore, there is a need to foster systems thinking instead of thinking rooted in the context of individual organizations.

In the case of Resolution 922, senior managers in each government ministry tended to see their role as restricted to

overseeing disbursement of government funding to local projects in Arab municipalities. This would mean assessing any applications submitted based on the usual parameters and either approving or rejecting them. Few managers considered whether the existing procedures were suitable for the target population (Arab municipalities), or took responsibility for ensuring that as many applications for funds were submitted and approved as possible, in order to ensure maximum impact.

BUILDING A CULTURE OF COLLABORATION

Our analysis is likely to elicit nods of recognition from anyone engaged in addressing complex social challenges in settings that demand cross-sectorial collaboration. What is to be done? We have found that pursuing the following three strategies, in a mutually reinforcing manner, can help overcome systemic failures.

New organizational and regulatory structures |

Encouraging the formation of new structures and networks in public and nonprofit sectors enables greater flexibility and fosters collaboration. This approach can facilitate better outcomes without eroding institutional protections of the public purse and the public interest—indeed, it has the capacity to bolster them. In our initiative, the creation of the specialist resource utilization manager required a revision of interior ministry regulations and special funding from national government sources for an initial three-year period.

Processes for organizational change | Organizations need support and guidance for transforming the way they function so that they can better collaborate with other organizations and sectors. Defining clear objectives and incentives, agreed upon by all stakeholders, is an important part of this process.

Our 922 initiative included two parallel organizational-change efforts: one to help ministries identify and reduce the bureaucratic mechanisms that hamper Arab municipalities' access to resources; and a second,

in close consultation with leaders of Arab municipalities, to help redesign their internal planning and development processes in order to improve their ability to attract funds. This second reform was essential for addressing cultural gaps and enables the central government to make changes based on direct dialogue with representatives from the local community.

Changing leaders' mind-set | It is vital to provide development training to senior leaders in public and nonprofit sectors, so that they see themselves as part of a larger landscape and can work together with others from different sectors to overcome challenges in particular contexts. This idea, inspired by the concept of systems leadership, requires fostering substantial managerial courage—changing existing structures and norms is not an easy task.

Accordingly, the 922 initiative provided large-scale investment in professional development in order to encourage people in different organizations and sectors to see themselves as part of the same broad undertaking. This effort includes in-depth training and continued professional support for the newly recruited resource utilization managers.

Addressing systemic failures in this overt fashion promises impact that stretches far beyond the particular social issue in question. Long after the funding under Resolution 922 is exhausted, the new regulations, mechanisms, knowledge, and mind-sets created will support better collaboration between the central government and Arab municipalities—indeed, better collaboration with all other local government agencies.

Our threefold strategy—changing organizational and regulatory structures, leading organizational change, and investing in mind-set change—can improve cross-sector collaboration in all content areas and help public service provision become more efficient, effective, and adaptive. We would be delighted to hear from other organizations engaged in similar work around the world and to share our experiences. ■