



Public servants' demand to strengthen state capabilities

Yetsedaw Emagne Bekele, Harry Dienes, Daniel Rogger, and Giulio Schinaia

- This brief summarises findings from a framed field experiment conducted with public servants in Ethiopia to understand the demand for ongoing professional activities that enhance civil servants' skills and capabilities.
- Civil servants in Ethiopia report a low willingness to pay for training, but only 10% of the sample demand payments in order to attend these opportunities.
- The brief suggests some policy recommendations to improve the social benefits of capacity-building activities that could vary the individual benefits and costs of attending these activities.

POLICY BRIEF ETH-22261

OCTOBER 2024

This project was funded
by IGC Ethiopia

theigc.org

DIRECTED BY



FUNDED BY



Policy motivation

A key determinant of state capacity is the effectiveness of the public servants who staff government bureaucracies. Given constraints on hiring and firing within the public sector, the professional development of existing officials is crucial for strengthening state capacity. However, a significant question arises: who is willing to invest in building these skills?

Public servants, much like employees in private organisations, may underinvest in their professional development to build their skills compared to what would be optimal for their organisation or society. This underinvestment directly affects state capacity, as it hinders the ability of public servants to perform effectively and respond to complex governance challenges.

Research overview

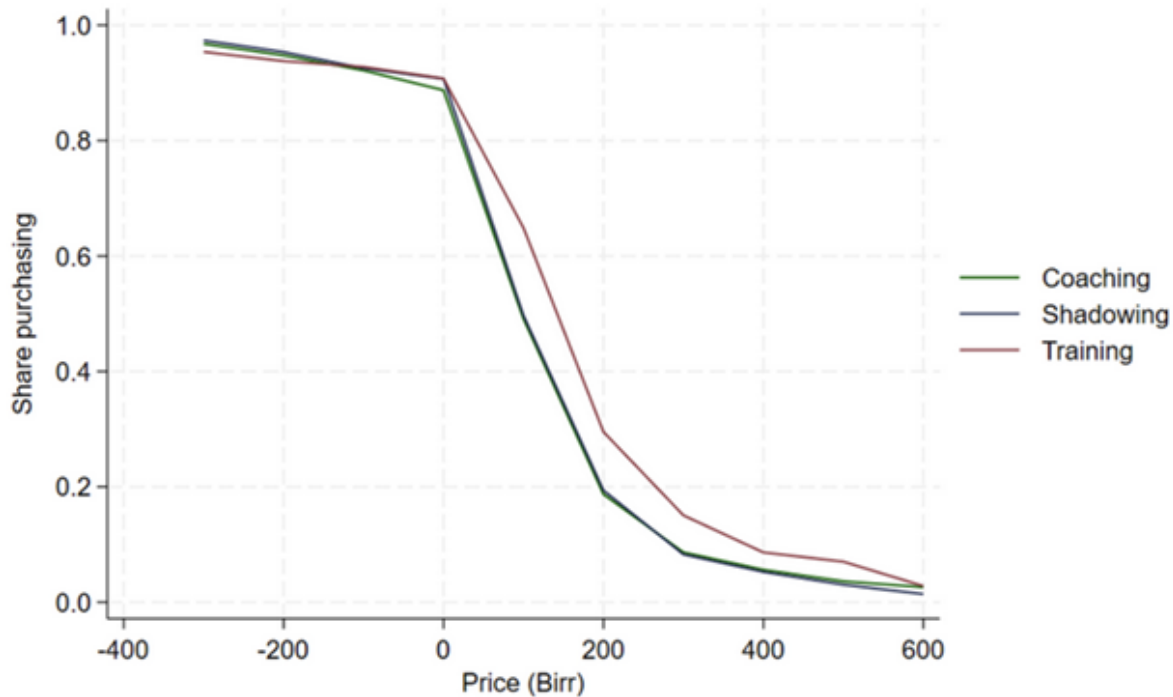
To better understand the demand for capacity building among public servants, we conducted a framed field experiment with public sector workers in Ethiopia to measure their demand for capacity-building opportunities, such as executive training, professional coaching, and work shadowing. Our research used a Becker-De Groot-Marshak (BDM) mechanism to create an incentive-compatible measure of willingness to pay. This experiment was conducted with public servants at the Civil Service University in Addis Ababa, Ethiopia, who are employed in various subnational government offices.

Public servants generally have a low willingness to pay for professional development, with the median offers well below the actual costs of the training programs. However, there is a small but significant group with a high willingness to pay, indicating that even modest financial incentives or subsidies could substantially increase participation in capacity-building activities. Only 10% of the sample demands to be paid in order to attend, suggesting that a full subsidy may only be necessary for a small group of public sector workers. This finding highlights the potential role of central actors in providing targeted subsidies to encourage public servants to invest in their own professional development.

Policy implications

Based on the findings of our study, several policy recommendations could be considered. In particular, our study shows that while civil servants would not be willing to pay the full cost of training, it suggests that policies such as continuous professional subsidies, training improvements, and more effective targeting could contribute to the effective capacity building of the state. In particular:

FIGURE 1: Willingness to pay for continuous professional activities



- Policies could attempt to vary the benefits and costs of attending training. Given the high elasticity of demand observed in the study, even minor reductions in cost could lead to significant increases in participation. Our results suggest that where training attendance is the priority, policymakers could consider small allowances, with smaller allowances for those with a higher willingness to pay, to ensure training participation at a lower cost. However, to increase the social value of training, policymakers could consider a number of alternative policies. Introducing a screening fee could help filter out less interested participants and ensure that resources are not wasted. One way of doing this would be to expect those trained to share the training content with their colleagues after attending a training session. The cost of sharing content may be less burdensome for the most motivated, encouraging them to attend training and increasing the number of people benefitting from it.
- Develop cost-effective training programs: Collaborate with training providers to design affordable and relevant professional development programs that align with public servants' needs and maximise the impact of the subsidies provided.
- Increasing career incentives for capacity-building: The government could implement mechanisms that emphasise the importance of knowledge acquisition and application as the primary outcomes of professional development. These mechanisms could include integrating post-training assessments that evaluate the practical application of skills, continuous

on-the-job mentoring, or linking promotions not only to the completion of training programs but also to demonstrated improvements in job performance. By ensuring that professional development leads to real knowledge gains and skill application, the government can better support the long-term capacity building of its public servants while still providing incentives for participation.

As of September 2024, the Civil Service Commission in Ethiopia is actively working towards adopting a competency-based framework to guide performance monitoring and career progression in the Civil Service. This framework is expected to reshape the value of continuous professional development by directly linking it to career progression and promotion within the public sector. As this framework is expected to be implemented soon, we anticipate that the motivation for continuous professional development will increasingly be driven by both the acquisition of skills and the prospects for promotion, thus enhancing the overall importance of training in public sector capacity building.

By strategically investing in the development of public servants, governments can enhance state capacity and better serve their citizens, fostering a more efficient and effective public sector.

For further information about this research and engagement with the IGC Ethiopia team, please contact Tewodros Makonnen Gebrewolde (tewodros.gebrewolde@theigc.org).