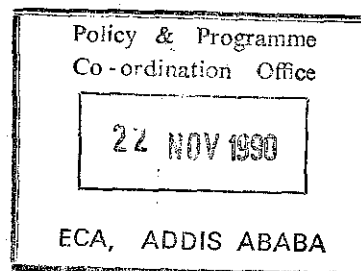


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UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA

Public Administration, Human Resources
and Social Development Division



REPORT OF A MISSION TO KENYA

(3rd Seminar for Heads of Public/Civil Services of Eastern and
Southern African Countries, Mombassa, July 9 - 11, 1990)

by

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Addis Ababa, August 1990

Introduction

The third in the series of seminars organized by the Eastern and Southern African Management Institute (ESAMI) for heads of public/civil services in eastern and southern African countries, took place in Mombassa, Kenya, between 9 and 11 July 1990. The theme of the Mombassa seminar is 'In Search of Optimum Size of the Public/Civil Service in Managing the Development Challenges of the 1990s'. It was based on the conclusion reached by the delegates at a previous (the second) seminar held in Kampala between 24 and 27 July 1989. The central issue before the Mombassa Seminar was whether there was an optimum size of the civil service in any given country. If the answer was in the affirmative, delegates were to further ask if a formal and rational model existed which could be applied in determining the optimum size of the civil service in any country at a given stage of development. The dependent and independent variables of this model were also to be identified.

Specific Seminar Objectives

Apart from addressing the issues of major concern, the Mombassa Seminar was expected to:

- (a) re-examine the size of the civil services in eastern and southern Africa with a view to developing a framework for determining the optimum size of the civil service in given country-specific circumstances;
- (b) explore and identify developmental functions of the heads of civil services in their roles as agents of change;
- (c) identify country-specific civil service strategies for addressing developmental challenges (growth and sustainability) of the 1990s.

Content of Seminar

In light of the broad and specific objectives of the seminar, papers were commissioned focusing on the following topics:

- (a) the Public/Civil Service in Eastern and Southern Africa and the Challenges of the 1990s: Issues, Problems and Opportunities;
- (b) the Demand Approach in Determining the Size of the Civil Service;
- (c) the Public/Civil Service External Influences: Structural Adjustment and Conditionalities in Development Assistance;

- (d) the Public/Civil Service Mission, Roles and Tasks in the 1990s: The Case for Adjustment;
- (e) planning for and Measuring Productivity in the Public/Civil Service: The Key Issues;
- (f) strategies for Sustainable Productivity Development in the Public/Civil Service of the 1990s.

Seminar Participants

Participants at the Mombassa Seminar were drawn largely from the top cadres of the public/civil services of eastern and southern Africa - heads of public/civil services, secretaries to cabinet, and permanent secretaries responsible for public service ministries/departments (see the list of participants attached as Annex A).

Role of ECA

In view of ECA's widely known position on structural adjustment and structural transformation, the organisers of the Mombassa Seminar invited the ECA to present a paper outlining its view on civil service reform. Although planning and logistics constraints prevented the ECA's representative, Dr. M.J. Balogun, from attending the seminar, a paper titled 'The African Civil Services within the Context of Structural Adjustment and Structural Transformation: a Review and a Synthesis of contending Reform Strategies for the 1990s' (Annex B) was read on his behalf by Dr S.T. Agare, Permanent Secretary, Ministry of Public Service, Harare, Zimbabwe. The issues raised in the paper include the link between overall economic recovery/development strategies and public service reform, the futility of searching for a magic formula to determine the optimum size of the public/civil service, the reform priorities dictated by the challenge of self-reliance and structural transformation, and the role of the heads of public/civil services in sensitizing individuals and groups to the challenge. With specific reference to the issue of public sector reform, the paper stressed the need to institute measures which were not inconsistent with Africa's economic recovery and developmental aspirations. The measures include:

- (i) the restructuring, re-staffing and re-orientation of policy-making (including policy analysis) units;
- (ii) the re-invigoration and monitoring of the policy implementation sub-systems (the civil service, the public enterprises, 'field' administrative and local government units, the 'organized' and 'informal' private sector);
- (iii) entrepreneurial development;
- (iv) improvement of economic and financial management;

- (v) improved revenue management;
- (vi) improvement of and coordination and debt management;
- (vii) human resource development, management and utilization;
- (viii) dissemination of information on the strategies and tactics of collective self-reliance.

From the feed-back received at the end of the seminar, it would appear that the ECA paper raised issues which the delegates considered not only topical but also vital.

EASTERN AND SOUTHERN AFRICAN MANAGEMENT INSTITUTE

3RD SEMINAR FOR HEADS OF PUBLIC/CIVIL SERVICES
OF EASTERN AND SOUTHERN AFRICAN COUNTRIES

Hotel Inter-continental, Mombasa, Kenya
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THE AFRICAN CIVIL SERVICES WITHIN THE CONTEXT OF STRUCTUREL
ADJUSTMENT AND STRUCTURAL TRANSFORMATION: A REVIEW
AND A SYNTHESIS OF CONTENDING REFORM
STRATEGIES FOR THE 1990s *

By

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* The views expressed in this paper are the author's and are not necessarily shared by the ECA or the UN.

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Introduction

I wish to begin by thanking ESAMI for honoring me with an invitation to present a paper at this gathering of eminent policy-makers and administrators. I was requested to examine 'ECA's Perspectives on African Civil Services Structural Adjustment and the 1990s.' However, since the topic could not be adequately treated outside the framework of the contemporary debate on the recovery and development strategy for Africa, I have modified the title of my paper to reflect the link between overall development strategies, on the one hand, and proposals for civil service reform, on the other.

At least two different perspectives can be identified in the on-going efforts at turning around the ailing economies of Africa - viz; structural adjustment, in its pure form; and structural transformation as proposed under the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (hereafter referred to as AAF-SAP).

This distinction between SAP and AAF-SAP may come as a shock to those who insist that there is no alternative to structural adjustment. If SAP and AAF-SAP are actually one and the same thing, the ECA's prescriptions for civil service reform would not be fundamentally different from the orthodox structural adjustment formula. However, as this paper points out, SAP, in its original form, differs from the ECA-supported alternative not only in terms of the diagnosis of Africa's development crisis but also the prescriptions for economic recovery. The crucial phrase here is 'in its original form'. After all, the harshness of structural adjustment has been tempered, and its claim to universal, unfailing knowledge refuted, by the stark realities of socio-economic life in structurally adjusting Africa. It is true that in response to critical comments, the advocates of SAP have reworked their equations and re-packaged their proposals. Even if the substance remains the same, the style has changed. It is now recognized that the short-term orientation of SAP places it at a great disadvantage vis-a-vis AAF-SAP. There is therefore a clear interest in finding a common ground for resolving Africa's development crisis. It is perhaps the SAP advocates' efforts to promote a convergence of views that have blurred, in the eyes of some observers, the dividing line between SAP and AAF-SAP. All the same, the differences between the two persist. This paper, for instance, begins by comparing the two strategies. It then proceeds to examine the recent moves, especially by the World Bank, to work out a consensus on recovery and development strategy. The third section of the paper focusses specifically on the implications of the ECA-supported strategy for civil service reform. The fourth section discusses the role of leadership (political and administrative) in promoting the cause of civil service reform.

I. Structural Adjustment and Structural Transformation:

Similarities and Differences

It is perhaps fitting to start with a view recently expressed by the President of the UN General Assembly, General Joe Garba, on the relationship

between SAP and AAF-SAP. According to the distinguished soldier-diplomat, there is no alternative to SAP. General Garba recalled the role he played in presiding over the plenary session of the UN General Assembly which adopted AAF-SAP. Apparently he has since had second thoughts. In an address delivered at a World Bank/EDI seminar on 24 May 1990, he noted that:

'The adoption of AAF-SAP had engendered very palpable emotion. The truth is that, bitter as Structural Adjustment Programmes may be for African States, I sincerely doubt that there is an alternative to SAP. Bitter problems demand bitter solutions. Africa's economic problems could hardly be any exception.' 1/

Coming from no less a personality than the President of the General Assembly, this observation is likely to carry a lot of weight. However, it is doubtful if the observation fits the facts. A comparison of SAP with AAF-SAP will put things in their proper perspective.

SAP: The Thesis

SAP is based on the premise that the deepening socio-economic crisis in Africa is the culmination of years of excessive government intervention in, and mismanagement of, the economy. It is argued that in the nature of things, government is an ideal instrumentality for the enactment and enforcement of laws, the defence of each nation's territorial boundaries, the administration of judicial, police and prison services, and, under special circumstances, the construction of economic infrastructures and the running of nominal social services. By the same token, it is not the business of government to embark on large-scale investments in industry, mining, and manufacturing, or to manage commercial banks, insurance companies or auto repair workshops. Wholesale and retail trade are definitely off-limit. In effect, therefore, that government is best which intervenes the least.

In defiance of the 'natural order' the SAP thesis continues, governments in Africa have taken upon themselves roles and responsibilities which properly belong within the province of private enterprise. Especially during the First and Second Development Decades (the 1960s and the 1970s), Africa's public sector grew by leaps and bounds. The civil service, essentially, a law and order organization, extended its wings to economic sectors such as agriculture, housing, civil aviation, telecommunication, and the administration of ports and harbours. This entailed the establishment of new ministries, or the creation of additional departments and units within existing ministries. The parastatal sector has witnessed a more phenomenal growth. In contrast to the latter part of the colonial period when a handful of marketing or commodity boards and multi purpose development corporations co-existed with a few public utilities, the post-independence period heralded the birth of an increasing number of public corporations and state-owned companies.

As the advocates of SAP insist, an over-bloated public sector is bad for the economic health of a country. Institutional proliferation, for one, invites the risks of duplication of effort and mis-allocation of resources. Rigid bureaucratic controls stifle the initiative of the bureaucrats, quite apart from impeding creative and entrepreneurial activities in the society at large. Wamalwa's summary of the case against the public sector is apt:

' Having been shielded for too long from the realities of the market place ... it is too late in the day to expect the public sector to understand, let alone live by, the (economic) law of supply and demand. Yet understand this law Africa must - if it is to survive in today's turbulent world.' 2/

The failure to abide by rational economic laws has cost Africa dearly. It has let loose a number of disequilibrating forces on the economy, among them, adverse terms of trade, widening trade and budget deficits, mounting import bills, growing external debt burdens (particularly, in view of rising interest rates) and the crippling debt-servicing obligations.

The thesis put forward by SAP is that the disequilibria in the economy could be rectified if certain policy measures were undertaken. The measures are mainly of a short-term nature. They can be likened to the shock-treatments administered on an emergency case in a hospital. However, in place of mouth-to-mouth resuscitation, SAP prescribes a number of bitter pills - or bitter solutions, as General Garba prefers to call them. These include pruning the size of the public sector, reduction in public expenditure (so as to wipe out budget deficits and 'balance the budget') imposing ceilings on government and private sector borrowing from the banking system, devaluation of currency, removal of subsidies and price controls, 'privatization' of public enterprises and liberalization of the economy. These policy measures are closely tied to structural adjustment loans and debt relief or rescheduling measures.

This then is the thesis: inappropriate policy and administrative responses to the pressures of the post-independence environment served to undermine the productive capacity of the African economy. Specifically, the pursuit of a strategy of massive government intervention resulted in wasteful allocation of resources and denied the entire society the benefits of private enterprise. To reverse the negative trends in the economy, instant measures must be taken to limit the scope of government and to transfer allocative and investment decisions to where they properly belong - the private sector. The adjustment from central planning or 'command' economy to one governed by market forces is not going to be without pain, but this is a small price to pay compared to that of permanent recession.

AAF-SAP: Anti-thesis

Is there an anti-thesis to the SAP thesis? To be specific, does AAF-SAP see things differently or is it all a matter of linguistic subtlety? If we make a serious effort to overcome the 'palpable emotion' which some observers linked with the adoption of AAF SAP, we are likely to perceive at least four clear differences between AAF SAP and SAP viz: diagnosis of the socio-economic malaise, prescription, time-span and velocity of change, and the universalist reach of reform measures.

Diagnosis of Developmental Problems

Unlike SAP which holds government intervention solely responsible for Africa's economic crisis, the authors of AAF-SAP are convinced that the causes of the crisis are far more deep-rooted than ever imagined. As argued in the Lagos Plan of Action and consistently harped upon in subsequent documents (notably, APPER and UN-PAAERD), Africa's persistent economic backwardness is directly traceable to:

'The lack of structural transformation and the pervasive low level of productivity, aggravated by exogenous and endogenous factors.' 3/

While not explicitly stated in AAF-SAP, it could be inferred that SAP's tendency to attribute the constant decline in productivity to government intervention is an oversimplification. The critical factors affecting the productivity of the African economy, according to AAF-SAP, are excruciating poverty, serious deficiencies in basic and social infrastructure, and in technological know-how. The excessive outward orientation of the African economy does not help matters much. In fact, because of the dependence of the economy on the industrialized economies (especially for capital and consumer goods), and taking into account the limited options available to it in the areas of export trade, the African economy is susceptible to the vagaries of the international environment. In recent years, the growth of the economy has been constrained by factors such as the collapse of commodity prices, the decline in official development assistance, increased protectionism and the imposition of non-tariff barriers, high interest rates, currency fluctuations, and crippling debt-service obligations.

Therefore, in contrast to SAP which treats Africa as an 'emergency case', AAF-SAP insists that the African economy did not suddenly fall into a coma - that the symptoms of the malaise had lain dormant for years until the crisis brought them to the surface. In other words, structural and historical factors account for Africa's socio-economic crisis.

Prescription

Convinced that the solution to Africa's socio-economic crisis lies in structural transformation and self-reliance, AAF-SAP is particularly critical of the short-term orientation of SAP. The latter's insistence on drastic reduction in public expenditure would, in the view of AAF-SAP, fail in its intention to balance the budget, but would succeed in starving critical sectors (like education and health) of needed resources and in triggering off the socio-political consequences of retrenchment and unemployment. Other measures such as the servicing of external debt obligations, devaluation, and the tightening of credit facilities may also compromise the welfare of the people and the long-term development needs of the African economy.

If SAP is considered deficient, what alternative and specific solutions does AAF-SAP offer? In broad terms, AAF-SAP regards structural transformation as the key to future success. This presupposes repudiating 'those policies and programmes which focus almost exclusively on symptoms' ⁴ as against the fundamental causes of the economic malaise. In the words of the Executive Secretary of the ECA, Professor Adebayo Adedeji,

'We must make a sharp break from our unenviable colonial economic legacy, and we must do so by occupying the driver's seat in directing and piloting our recovery and transformation process.' 5

AAF-SAP accordingly re-emphasizes the need for collective self-reliance as enshrined in the Lagos Plan of Action. While allowing for policy flexibility, the new strategy entails the adoption of a programme of action the basic elements of which include:

- (i) intensification of efforts at domestic resource mobilization, including plugging financial leakages and ensuring optimum (and ethically right) use of resources;
- (ii) continued investment in the social sector (education, health, and water etc.) to enhance human resource capacity;
- (iii) transfer of resources from non-productive to productive sectors, that is from consumption to investment and production, and from routine administration to research and development;

- (iv) democratization of the development process (including mobilization and empowerment of the people for sustainable development, fostering investment and entrepreneurial activities, improvement in patterns of income distribution; and elimination of civil strife and instability;
- (v) promotion of inter-African economic cooperation and collective self-reliance;
- (vi) improved management of foreign debt, and proper coordination of foreign aid;
- (vii) strengthening the scientific and technological base to facilitate the transformation of raw materials in the agriculture, forestry, mineral and other sectors;
- (viii) vertical and horizontal diversification (production for domestic consumption as well as for exports, lessening of dependence on a narrow range of export commodities);
- (ix) establishing a pragmatic balance between the public and private sectors;
- (x) debt re-negotiation to secure debt cancellation and limit the percentage of export earnings devoted to debt servicing to between 10 and 15 per cent;
- (xi) embarking on diplomatic initiatives with a view to obtaining a moratorium on debt servicing and persuading the Group of seven to remove restrictions on resource inflows to Africa.

Time-Span and Velocity of Change

SAP's concern with finding immediate solutions to problems posed by the imbalances in the economy sometimes produces hasty and ill-considered socio-economic decisions. As observed elsewhere by the author,

'Orthodox structural adjustment compels the policy maker to tackle too many problems at the same time and to proceed with unseemly haste. The consequence of the high velocity of change is confusion at the policy and managerial levels. The costs include political instability and civil disturbances.' 6/

To overcome this limitation, AAF-SAP places strong emphasis on reforms having fundamental and long term consequences for the development of the African economy- e.g. the operationalization of the doctrine of self-reliance; the provision of an enabling environment for the development of a self-supporting technological base and of entrepreneurial and

productive activities; encouragement of popular participation in the development process; promotion of inter-African trade and economic integration; vertical and horizontal diversification; and improved management of foreign debt and foreign aid.

Universalist Reach of Prescribed Solutions

Structural adjustment approaches public policy as if it was a mathematically precise science. AAF-SAP does not entertain such an illusion. The latter strategy accordingly refrains from tackling economic recovery and development problems with one grand, over-arching theory, preferring instead to establish a general framework which policy-makers could adapt to their peculiar situations. Like SAP, AAF-SAP favours change, abhors staidness, and advocates improved management of the economy. However, unlike the former, the latter,

'recognizes that certain policies and programmes are crucial to the survival and development of each country. It (AAF-SAP) proceeds on the assumption that there can be no policy without people, and there can be no people if policies are simply concerned with whether figures add up and not where human beings fit in.' 7/

II. Recent Move Towards Convergence

Attempts have been made in recent months to reconcile the divergent positions on recovery and development strategies for Africa. The World Bank has particularly acknowledged the weaknesses of SAP and proposed ways of overcoming them. Like the IMF, it has not officially abandoned SAP. It has only conceded that the critics of SAP might have a point or two worth reconsidering. One such point is the increasingly unbearable (social) cost of structural adjustment. Another is on the need to situate structural adjustment within the broad context of structural transformation to emphasize the long-term developmental requirements of Africa over the immediate monetary and fiscal measures.

The first indication of a re-thinking of the theoretical basis of SAP came in October 1989 with the release by the World Bank of a document titled Sub-Saharan Africa: from Crisis to Sustainable Growth: a long-term Perspective Study. In contrast to an earlier publication issued jointly with the UNDP 8/, the perspective study was prepared to accommodate contrary views on SAP, even if unwilling to dis-own the recovery strategy entirely. As the President of the World Bank, Barber B. Conable, pointed out in his foreword, a central theme of the new publication,

'Is that although sound macro-economic policies and an efficient infrastructure are essential to provide an enabling environment

for the productive use of resources, they alone are not sufficient to transform the structure of African economies. At the same time major efforts are needed to build capacities - to produce a better trained, more healthy population and to greatly strengthen the institutional framework within which development can take place. This is why the report strongly supports the call for a human-centered development strategy made by the ECA and UNICEF. 9/

The World Bank President went on to add that even though the public sector had previously been held responsible for the poor economic performance in Africa, the report agreed that increased privatization must go hand in hand with good governance. In a manner of speaking, the World Bank was no longer out to dismantle the entire state apparatus, but it was keen on seeing a substantially reformed public service - that is,

'A public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public.' 10/

That is precisely what the ECA wants - an appropriate balance between 'state control' and 'people power', between public and private enterprise, and between centralization and decentralization. It is essentially the basic thrust of the structural transformation strategy as advocated in AAF-SAP. But while the advocates of SAP have recognized its weaknesses and conceded a few points to AAF-SAP, the conflict over Africa's development strategy is far from resolved. The next section examines the implications of one strategy (AAF-SAP) for civil service reform.

III. Implications of AAF-SAP for Civil Service Reform

At the height of the debate on structural adjustment programmes, the ECA outlined its position on public sector reform. In a paper titled 'Re-dynamizing Africa's Administrative/Managerial Systems for Economic Recovery and Development', it suggested that as part of the efforts to resolve the deepening socio-economic crisis in Africa, attention should focus on the following priority areas:

- (i) the re-structuring, re-staffing, and re-orientation of policy-making (including policy analysis) units;

- (ii) the re-invigoration and monitoring of the policy implementation sub-systems (the civil service, the public enterprises, 'field' administrative and local government units, the 'organized' and the 'informal' private sector);
- (iii) entrepreneurial development;
- (iv) improvement of economic and financial management (including measures designed to instil budget discipline, promote accountability, and eliminate fraudulent and corrupt practices);
- (v) improved revenue management;
- (vi) improvement of aid coordination and debt management;
- (vii) human resource development, management and utilization;
- (viii) dissemination of information about the goals, strategies and tactics of collective self-reliance.' 11

Developments since 1987 (when the paper was released) have confirmed the need for such a pragmatic approach to administrative reform. While AAF-SAP has elaborated on the structural transformation strategy of recovery and development, the points made in 1987 about re-dynamizing Africa's public services are still relevant. In subsequent paragraphs, an attempt is made to summarize the up-to-date position on public service reform. Suffice it to say that while the ECA has not produced a formula to determine the 'optimum size' of the public service at any given time and place, it is of the view that public service is best which facilitates the process of development. Based on this simple logic, the ECA is anxious to see a citizen-oriented, ethically up-right, and accountable public service instead of a predatory, un-responsive, and growth-inhibiting apparatus. It is thus clear that the public service which, in ECA's vision, could be relied on to meet the challenge of the 1990s and beyond is one that gives back to society more of the good things that it takes. This is different from a public service which collects taxes with the left hand but overwhelms the productive sector of the society with rules and regulations written by the right hand.

Re-dynamizing Institutions for Policy Analysis and Formation

The view is sometimes expressed that there is no bad policy but shoddy implementation. The ECA, while acknowledging the role of career officials in influencing public policy, believes that administrative errors tend to spring from wrong-headed policies. This means that

even with the best of intentions, an administrative system cannot make to succeed a policy which has been 'programmed' from the outset to fail.

In any case, the on-going socio-economic crisis originates in part from inadequate or inappropriate policy response to the challenges of the external and domestic environment. As a means of overcoming the crisis and warding off future disasters, it is imperative that the policy process be critically examined. In concrete terms, the institutions responsible for central policy direction should be identified and their relationship with the sectoral agencies clearly defined. As much as possible, attention should focus on the 'checks-and-balances' mechanisms to ensure that the principal organs of government operate in unison and that no actor or agency is 'above the law'. The alternative is a machinery of government with 'enclaves of authority' each interpreting policy guidelines (e.g. on external financial commitments, foreign loans, and domestic contractual obligations) as it seems fit. Political and administrative leaders now have to establish (or revive) and enforce a code of conduct on institutional behaviour at the highest level of government. If a country's salvation depends on self reliance, any action which runs counter to it should be met with high-level reprimand and/or severe penalties.

In addition to re-establishing the integrity of policy-making institutions and restoring people's confidence in government, it is essential that strategic thinking be made an integral part of the policy process. This entails the development of policy analysis capacity in the public service. Apart from the independent think-tanks operating within the institutions of higher learning, the policy planning staff advising the President and his cabinet should be adequately trained to undertake long-range studies and to propose measures aimed at coping with short-, medium- and long-term problems. The research and planning units located in the sectoral ministries should also be organized in such a way that they could acquire information, send 'early warning signals' to the appropriate quarters, and design new production processes.

The need for policy evaluation in this period of rapidly diminishing resources cannot be over-emphasized. Political leaders and career officials should therefore be interested in critical assessments of contemporary policy. The import of this is that 'open' policy systems should now replace the 'closed' ones. Policies and programmes must be subjected to the litmus tests of effectiveness, efficiency, impact, and client responsiveness.

Revitalizing Implementation Agencies

By rejecting a doctrinaire approach to the privatization of public enterprises, the ECA is committed to a policy of establishing proper balance between public and private ownership, and among different

levels of state administration. The first priority therefore is to ascertain the purpose for which each institution (whether public or private) is created, and identify ways of eliminating techno-structural and behavioural obstacles to the realization of stated objectives. In deciding on what each agency is to accomplish by way of objectives, the policy-makers need to be guided by Jan Tinbergen's 'law of external effects'. Simply stated, this law stipulates that decisions should be taken at the appropriate level. If any decision is taken at too high or too low a level, external diseconomies would be the outcome.

Each implementing agency is subject to a variety of constraints. The regular civil service, in particular, is apt to be organized and operated along classical bureaucratic lines. To this extent, and unless deliberate measures are taken to make it innovative and results-oriented, the civil service may impede socio-economic growth because of its predominantly hierarchical orientation, and its bias towards rules and regulations. The civil service may also suffer from other institutional weaknesses - notably, the absence of quantifiable performance indicators, and the reluctance to experiment with contemporary motivation and productivity techniques. Certainly, agencies such as the ministries of agriculture, works, posts and telecommunications, education and health, can benefit from the application of these techniques. All civil service departments without exception need to become increasingly citizen- and service-oriented, cost-conscious, and accountable.

With regard to the 'parastatal sector', the issues to address as part of a comprehensive reform package include those of clarification of mandate/mission; establishment of measurable performance indicators; determination of the appropriate balance between external (political and civil service) control, on the one hand, and managerial autonomy, on the other; as well as the enhancement of productivity through improved financial and inventory practices, personnel processes, and revenue collection and debt management.

The decentralized level of government itself deserves attention. To start with, the latent potential at the local level needs to be fully explored with a view integrating lower-level planning with national macro economic decisions. The recent years have witnessed too many rhetorical statements on popular participation. If Africa is to overcome the present socio-economic difficulties, it is essential that substantive action be taken to empower local communities to plan their own future and to contribute to the realisation of their dreams. Empowerment takes various forms. It ranges from a meaningful programme of devolution of powers and the transfer to resources to representative bodies at district, and village levels, through the fostering of private entrepreneurial activities, to the acknowledgement of the role of voluntary associations, cooperative movements and other non-governmental organizations.

Entrepreneurial Development

The public sector is seldom regarded as a business enterprise or associated with risk-taking. However, a number of activities carried out by the sector, particularly in Africa, are business-oriented. Examples are produce marketing, banking and insurance, international trade, civil aviation, inter-continental communications, shipping, electricity generation and transmission. These are the activities which public enterprises and state-owned companies are set up to manage. Unfortunately, rather than apply modern management techniques which guarantee success in a competitive setting, managers of public enterprises frequently hide behind their monopolistic cover to perform below minimum standard. It is recognized that they face obstacles (political, environmental, and resource constraints), but only few of them ever attempt to convert challenges into opportunities. Perhaps if the government concludes performance contracts with the board and management of each public enterprise, the latter would be compelled to become entrepreneurial.

Even the regular (and generally bureaucratic) civil service will profit from an investment in entrepreneurship. At the very least, the investment will make the service increasingly disposed towards innovative activities in the private sector and to research and development projects handled by the institutions of higher learning. It is also a sure way for the civil service to swap its obstructionist's reputation with the growth-facilitating one.

Improved Economic and Financial Management

It is a fact beyond dispute that the answer to Africa's economic problem does not lie in starving the social sector of resources. In fact, that strategy would work against the continent's long-term development interest since it would further undermine the already weak institutional and technological capacity. The gap between the industrialized and the less developed societies continues to widen precisely because the latter earmark large chunks of resources to research and development. The investment has paid off tremendously judging by the progress already recorded in different areas of human endeavour - energy, transportation, communications, and information technology. In contrast, conditions in Africa's educational and research institutions seem to have deteriorated over the years thanks to the progressive reduction in the resources allocated to them. It is doubtful if any serious research work has taken place in any of these institutions in the last fifteen years. And nothing of consequence has emerged from the institution's efforts which could have substantially altered the way the people live and work. It is illogical to talk about 'growth' or 'development' when there appears to be no sign of life in the economic system's heart-beat - i.e. the research and development institutes!

Getting our priorities right is thus a major task in economic and financial management. In addition, it is necessary to bring to bear on decisions the concept of 'value for money'. Expenditures on health, education, social services, research and development etc. must be evaluated (like any other expenditure item) for impact and effectiveness, efficiency, and client-responsiveness. In some countries, contracts have been awarded and scarce resources expended, on phantom projects and on projects which were abandoned mid way. Apart from raising serious ethical questions (particularly, about who gets paid for contracts not executed and for services not rendered) non-existent or uncompleted projects divert resources away from the productive sectors to the 'black holes' of mis-management and maladministration. As a preventive measure, policy-makers need to ensure that no cent is allocated to a project until a project document (indicating in no uncertain terms how the project would be executed from the beginning to the end) is submitted by one party and certified by another.

As part of the efforts to promote improved economic and financial management, a national-(and subsequently, continental) crusade needs to be started and directed against reckless and/or wasteful allocation of human and material resources. Defective stock and inventory management, deliberate mis-handling of public assets, and slovenly attitude to work should now be met with stern measures. In this respect, it is appropriate to recall that the Great Depression of the 1930s placed the now industrialized societies of Western Europe in a situation not too different from that facing Africa today. How did they respond to, and finally conquer, the situation? These societies individually and collectively applied the principles of Rationalization. ¹² In other words, in their factories, offices, and homes, the citizens of these societies declared war on illogical, time- and money consuming methods, procedures and processes. The lesson for Africa is clear: faulty organization structures, chaotic work flow patterns, tortuous and confusing procedures, and undue protocol, must now give way to efficiency if the forces of recession are to be vanquished.

Improved Revenue Management

Resource mobilization is also essential at this critical moment in Africa's socio-economic history. However, the call is for a service-oriented not a predatory state. The course of economic recovery and growth will not be served if the public service collects taxes merely to pay salaries. A government department which sponges on society deserves to be abolished or 'privatized'. It is thus necessary to approach the task of revenue mobilization bearing in mind the services to offer, the facilities to provide and/or the productive activities to facilitate. It is equally important that steps be taken not to expend capital receipts on recurrent services. Above all, revenue collection mechanism should be frequently monitored to counter fraudulent practices, and guard against under-collection.

Debt Management and Aid Coordination

It is true that only a few central agencies (e.g. the Ministries of Finance, Economic Planning and the Central Bank) are directly involved in negotiations on foreign loan and debt re-scheduling. However many other government departments frequently enter into foreign financial obligations. These departments import machinery, spares, and raw materials in addition to hiring foreign experts to manage technology-intensive projects. Unless their 'appetite' for imports are controlled, these departments (and private business organizations) are apt to exacerbate the external debt situation through their various commitments. It is therefore necessary to establish a strong debt management unit within the Ministry of finance and Planning. Its terms of reference will include coordinating applications for foreign loans, and critically examining proposals having external financial implications. The unit should possess adequate analytic and research capacity, and it should frequently undertake studies directed towards promoting the ethos of self-reliance within the public service, in particular, and the economy in general.

Debt management is, in any case, one side of the coin. The other side is foreign aid. The paradox is that aid may be the precursor of indebtedness. The aid 'with strings' attached is not as insidious as the aid 'with traps and catches'. In the case of the former, the terms are laid on the table for all to see and the 'quid pro quo' basis is negotiated. The choice is then left to the interested parties to make. As for the latter, (the aid with traps and catches) the recipient may walk into a mine-field, not necessarily because the donor acts mischievously, but because the former (the recipient) did not take due care in accepting the latter's offer. Heavy duty trucks are beautiful gifts if only they would come with a ceaseless flow of fuel, and constant supply of lubricants and spare parts. A 'modernizing' economy can rejoice when a developed partner helps construct a modern airport and instal state-of-the-art communication facilities, but the joy will be short-lived as the local managers dip into the foreign reserves to pay for new equipment, replacement parts, and maintenance technology. If the public service is to contribute meaningfully to on-going economic recovery efforts, every actor in it must be sensitized to the need for self-reliance and made aware of the costs of foreign dependence.

Human Resources Development and Management

Critical to the realization of the objectives of public service reform is the quality of human resources. The best conceived reform programme is likely to come to nought if the personnel to implement it are poorly trained, wrongly deployed, and ill-motivated. It is

therefore imperative that careful attention be paid to the development of all categories of staff (from those occupying strategic policy making and senior management positions, through the middle management, supervisory cadres, to the lowly placed employees). Manpower development schemes which are designed specifically for administrative reform should focus on the enhancement of policy and institutional capacity, improvement in standards of performance, and change in attitudes and work habits.

Important as training is, it is far from being a panacea which some managers regard it to be. A well trained employee is useful to his organization only if he is able to apply the skills acquired and if the organizational climate is conducive to the application of new techniques. In contrast, when an employee is exposed to training in project analysis but posted to a personnel administration desk, the benefits of training are, at least, in the interim, lost. Above all, if the trainee's supervisor is a barrier to creativity, or the organization has no clear cut policy on motivation of change agents, a stint at a training institute will not be different from a holiday or a jamboree. In any case, much depends on leadership - political and managerial. The next section examines the role of leadership in public service reform.

IV. Role of Leadership in Public Service Reform

Up to now, this paper has left untouched the central theme of the on-going seminar, viz. 'In Search of Optimum Size of the Public Service in Managing the Development Challenges of the 1990'. There are, at least, two reasons for this. First, the topic of the paper is not specifically on the size of the public service. Secondly, if at all the question of size is relevant, the paper assumes that it ought to be discussed within the context of the pragmatic approach suggested by AAF-SAP. In other words, the paper does not believe that there is, or can ever be, a magic formula which may be used in determining the size of the public service. The critical factor at any point in time is leadership and what it is capable of making the public service to achieve. A 'lean' but rudderless public service is in no way superior to a 'fat' but achievement-oriented one. Indeed, many of the previous efforts at controlling the size of the public service aborted simply because they ignored the role of leadership in the reform process. What does this role consist of? It has to do with the following activities, among others :

- (i) in collaboration with the generality of the people and special interest groups, setting national strategic objectives;

- (ii) deciding what institutions in the public and private sectors (including NGOs) are capable of doing, bearing in mind the quantity and quality of staff employed in each sector, the state of technological development, and the extent to which the decision-makers in both (public and private) sectors could be relied upon to work towards the realization of the national strategic objectives;
- (iii) promoting the cause of excellence and discouraging mediocre performance;
- (iv) constant monitoring of progress and problems.

National Strategic Objectives

The pay and employment reviews which were undertaken as part of structural adjustment reforms most frequently failed to achieve the intended goal of reducing the size of the public services concerned partly because of the ad hoc nature of the reviews and partly because of the counter-measures taken to minimize the socio-political consequences of retrenchment. Both problems could have been anticipated if the pay and employment reviews had been carried out within the framework of national strategic objectives. This should not be taken as an advocacy of a return to rigid central planning. It simply implies setting broad goals and objectives in relation to which the performance of the different sectors of the economy (including the public sector) could be assessed. Besides, rather than the top-down strategy favoured by the 'command' economies, a bottom-up approach to the setting of national objectives is recommended. Thus, leaders are still expected to be visionary and forward-looking, but they are also expected to carry their followers along with them. Proceeding from the doctrine of self-reliance, the formulation of national strategic objectives may focus on issues impinging on economic recovery and structural transformation - e.g. the development of indigenous technological capacity, the revival or improvement of the food and agriculture sector, enhancement of employment opportunities and living standards, integrated rural development, urban renewal, improvement of health and education standards, promotion of sub-regional and regional economic integration and enhancement of opportunities for popular/democratic participation in all aspects of life.

Implementation of National Objectives

It is no use setting objectives if they could (or would) not be implemented. Among the objectives which a developing African country may find difficult to implement are those for which it lacks technical know how and maintenance technology. Such objectives can only be implemented at great managerial and economic peril.

With regard to the realistic objectives, above-average effort would still be required to follow-up their implementation. The starting point is the analysis of the capability of the different implementation agencies - public and private. The public sector would have reached the limit of its capability if it does nothing but pay workers' salaries. It would be within its limit if, in return for the inputs consumed by it, the public sector makes tangible contributions, and produces measurable and desirable outputs. In any case, its overall impact will depend largely upon its staff strength, the methods, techniques, and the technology available to it, and the motivation of its work-force.

As for the private sector, government fiscal measures may induce efficient allocation of resources, but these may not be adequate in filling patriotic gaps - especially where the private sector is dominated by the multi-national corporations and/or their trading-post agents. Where the private sector appears unsympathetic to the leaders' socio-economic aspirations (e.g. self-reliance and structural transformation) the leaders would need to double their efforts to promote innovative and entrepreneurial thrusts in the economy.

Excellence vs. Mediocrity

To support the cause of excellence in the public service, the policy makers and senior career officials would need to take positive steps in the direction of staff motivation, effective supervision, and performance improvement. At the same time, they have to combat mediocrity in any form. Apart from taking measures to remove cultural, institutional and organizational barriers to change, they should, in the decisions they take, send unmistakable signals to the entire society about how the challenges ahead would be met.

Monitoring Progress and Problems

Constant monitoring of the progress attained in implementing policies is imperative if the goals of economic recovery and structural transformation are to be achieved. This entails paying attention to the collection, storage, and retrieval of information. More than ever before, the policy-makers need to have at their fingertips data on the staff strength of the public service, the recurrent and capital budget, domestic borrowing, external loans, and the economic performance of the different sectors of the economy. If the policy-makers are to become masters of the environment rather than its captives, they need to acquire up-to-date information which can translate into knowledge, and develop into national power.

Thank you for your patience and attention.

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