

Introduction

I A Guide to the Portfolio

This update to the 1996 Commonwealth Portfolio is intended to serve as a guide to good managerial and organisational design practices in areas of topical concern to senior public service officials and politicians in the Commonwealth. It is hoped that the material reflects current thinking and developments in public sector management and administration, and in the delivery of services to citizens. The Portfolio is based on the assumption that sharing experiences within a framework of similar values in Commonwealth countries is an important contribution to continuous improvement and learning in public service development. The format is designed to provide practitioners rather than external experts with the ability to drive the debate on good practices in public service management.

The areas covered in the Portfolio include traditional public service management concerns such as accountability and improving policy implementation but also more recent areas of concern such as e-government, knowledge management and partnerships. Since performance improvement is a continuous process, and as perceptions of good practices shift over time, the Portfolio does not aspire to be the last word on its selected topics. This is the first update of the Commonwealth Portfolio and it is anticipated that updating will be an ongoing process producing future editions.

The Portfolio update is designed to provide a companion resource to the first edition published in 1996 by CAPAM and the Commonwealth Secretariat. It is designed as a convenient resource for senior public sector officials and a quick reference on a number of important management topics. Although the sections are written and organised based on the recognition that management topics are integrated, sections have been written to also be used as reference material. Building on the first Portfolio, the content summarises the key principles underpinning good practice in seven sections: staff performance, efficiency, service quality, partnerships, managerial effectiveness, financial management and policy making. As outlined in the Table of Contents, some of the existing sections have been updated and several new sections have been added to cover topics such as governance, managing government transitions, e-government, and knowledge management.

Within each section, the content describes current good practices under specific sub-headings. Each section begins with a background section providing an overview of current thinking on the given topic and includes definitions of key concepts and terms. Each section generally includes the following subsections:

The context for change: a description of the pressures on existing systems, policies and management practices and the measures and reforms taken which are perceived to improve and solve the problems.

Reasons for Caution: a warning note concerning the risks and uncertainties involved in making changes.

Achieving Change: some insights into the typical steps or stages in implementing improvements seen across the Commonwealth.

Examples of Change: selected indications of Commonwealth countries where such changes or new initiatives have taken place.

Other Useful Materials: a short list of related resource materials referenced in the section or available from other sources such as the Commonwealth Association for Public Administration and Management's (CAPAM) Practice Knowledge Centre (see Appendix).

In some sections additional subtitles are included to highlight specific developments related to the topic or simply to organise the above subsections by using further section titles.

The Portfolio update is also designed to be used as a companion resource with Public Service Country Profiles also published by the Commonwealth Secretariat. The sections in the Portfolio provide material on current good practices and brief examples of countries which are leaders or experienced with good practices across the Commonwealth. The material in the Public Service Country Profiles provides more detailed information for more specific comparisons on selected management topics and public sector reform initiatives. Together the two documents can be used as a basis of benchmarking to compare activities and best practices across different national settings.

This Introduction to the Commonwealth Portfolio Update is organised into three parts. The first part introduces the context for change in the Commonwealth through an overview of the governance and public service management environment. This section lays the foundation for a more detailed discussion of the ways and means of promoting good governance in subsequent sections.

The second part of the Introduction deals in more detail with current approaches to the promotion of good governance and the implications for public service management, organisations and citizens. This part of the Introduction highlights the varied experiences, trends and good practices across the Commonwealth in both developed and developing countries using a framework that outlines the spectrum of reform programmes.

The third part contains reflections and observations on the economic and administrative reforms implemented in developing countries in the last decade for the purpose of learning from past mistakes and charting the way forward.

II The Context for Change in the Commonwealth: Governance and Public Administration

Governance may be seen as the process through which decisions are made in societies. It encompasses elements relating to how a country is governed and how its affairs are administered and managed. The central importance of governance to the latest developments and thinking in public administration across the Commonwealth is clearly reflected in the visions, missions and agendas declared by the Commonwealth Heads of Governments at their biennial meetings.

The Harare Declaration of 1991 set a course of action for the promotion of democracy, good governance, respect for human rights and the rule of law. This vision has been reaffirmed at subsequent meetings and provides the backdrop for much of the current activity on governance in the Commonwealth. A decade later, Commonwealth countries are still committed to work with vigour on the following areas.

- the protection and promotion of political values;
- equality for women;
- universal access to education;
- continuing action to bring about the end of apartheid and the establishment of a free, democratic, prosperous South Africa;
- the promotion of sustainable development and the alleviation of poverty;
- extending the benefits of development within the framework of respect for human rights;
- the protection of the environment;
- action to combat drug trafficking and abuse and communicable disease; and
- help for small Commonwealth states in tackling their particular economic and security problems.

Many of these remain outstanding governance and public policy challenges have been reiterated as important areas requiring public service reform. At the conclusion of the Commonwealth Heads of Government meeting in Durban, South Africa in November 1999, the Commonwealth Heads of Government issued the “Fancourt Commonwealth Declaration on Globalisation and People Centered Development.”

The Declaration states:

“The greatest challenge therefore facing us today is how to channel these forces of globalisation for the elimination of poverty and the empowerment of human beings to lead fulfilling lives.”

In pursuit of this, the Heads affirmed the following:

“We believe that the spread of democratic freedoms and good governance, and access to education, training and health care, are key to the expansion of human capabilities, and to the banishment of ignorance and prejudice. Recognising that good governance and economic progress are directly linked, we affirm our commitment to the pursuit of greater transparency, accountability and the rule of law and the elimination of corruption in all spheres of public life and in the private sector.”

There appears to be an emerging consensus that the movement towards good governance must include initiatives to strengthen the institutions of government and civil society with the objective of making governments more accountable; more open and transparent; more democratic and participatory while promoting the rule of law. Public service management is a key component of moving the good governance agenda forward. Governance processes and related public service management challenges are shaped by a number of environmental forces. The following are some of the forces impacting on good governance and public service reform.

Globalisation

Although definitions of globalisation are varied, at a worldwide level globalisation may be seen to relate to economic interdependence across countries which is being facilitated by the increasing flow of goods and services, capital and know-how across borders. Globalisation is being driven by factors that include:

- an increasing number of countries are embracing the free market ideology;
- the acceptance of the World Trade Organisation and its principles and rulings;
- technological advance which includes information technology; and
- the opening of borders to trade, investment and technology transfers.

For many developing countries lacking strong governance institutions and the technology and skills base to harness globalisation the impact could be disastrous. While globalisation has brought economic reward to some in many countries, it has been characterised by economic and financial crisis, a widening of the gap between rich and poor, and social instability. While globalisation could serve to integrate, it has demonstrated a powerful capacity to marginalise. These forces demand governance approaches that embrace transparency, accountability and stakeholder participation in policy debates.

Information Technology

Information technology will continue to be one of the leading drivers of change and change management in the 21st century. All sectors of civil society have moved to embrace IT advances to increase efficiency and effectiveness. Some governments are attempting to ensure a basic level of access for all citizens and this could include programmes in schools as well as community-based access programmes.

The significance of information technology is evident in the significant role the Chief Information Officer (CIO) is now playing in organisational change and management in both the public and private sectors. CIO's are now taking responsibility for knowledge management, information systems strategy, standard setting and best practices in IT management and development.

Demand for Citizen and Community Empowerment

Technology now makes it feasible for governments to seek citizens' views on a wide range of issues and citizens are increasingly demanding access to government information and decision-making processes. Policy making must become more inclusive. Citizens want and expect efficient and effective performance from their governments. People also see a need for a strong civil society where citizens:

- are aware and informed;
- understand their rights and responsibilities;
- behave as active citizens in the family and community;
- show solidarity, generosity and mutual respect towards fellow citizens;
- participate in local associations and organisations to work on a common agenda;

- demonstrate assertive, caring and ethical leadership;
- are enabled and encouraged to connect with public institutions and officials; and
- are not passive, apathetic or self-centred.

A recent survey of how Canadians perceive the services that their government provides identified the following as critical drivers that determine service quality: timeliness, knowledge, competence, courtesy, comfort, fair treatment and outcome.

Questioning Existing Political/Parliamentary Systems

Related to the demand for citizen and community involvement is the growing scepticism and cynicism with respect to existing political and parliamentary systems. This question of trust also extends to the public service and other contexts of governance. The time has come to move away from the adversarial style towards finding ways for parties to work together, finding consensus rather than conflict. Focusing on problem solving rather than point scoring, looking for common ground rather than operating territorially and acting out of political vengeance and intolerance.

Ecological Concerns

Ecological issues are now recognised as being among the most critical challenges of our age. In addressing these concerns some governments are now insisting on environmental impact studies for all major investments. Environmental audits are increasingly being utilised by both private and public sector organisations.

Diversity Issues

Within countries, governments are challenged to ensure that all groups feel a sense of inclusion. Issues of race, ethnicity, gender, age, religious and sexual orientation are all elements that need careful attention and policies and practices that foster inclusion.

III Towards Good Governance: Responses Across the Commonwealth

Institutions in civil society have been responding to the challenges that the new governance environment creates. Responses to these environmental forces have been varied across the Commonwealth but common developments are evident on some fronts. Attempts to move towards good governance across the Commonwealth have led to spheres of convergence in a number of areas.

The New Public Administration

Discussions and research from senior public executives across the Commonwealth identify similar pressures driving public service reform and similar responses to these pressures. The development of New Public Administration, or New Public Management, has been used to describe many of the public service reform responses in Commonwealth countries. The Commonwealth Association for Public Administration and Management (CAPAM) has identified a number of components and values of the new public administration, which include:

- providing high quality services that citizens value;
- increasing autonomy for public service managers;
- the reduction of central agency controls, devolution and decentralisation;
- establishing performance assessment of both organisations and individuals;
- improving the development of human and technological resources;
- developing partnerships with the private sector and non-government organizations; and
- using citizens' charters and identifying service standards for public service agencies.

The new public administration has also recognised the need to focus on the interface between the political and administrative spheres of government. The separation of policy making and oversight, and implementation and service delivery are central features of the new public administration. The clarification of roles and the development of appropriate relationships are critical in this interface.

Developments in the Non-Government Organisation (NGO) Sector

The growing number and role of NGOs is also viewed as a central pillar of good governance across the Commonwealth. A number of regional workshops and pan-Commonwealth seminars formulated an action plan for continuing to strengthen and understand the relationships between government and non-government organisations based on six main recommendations:

- 1 the distinctive purposes and activities of NGOs and the vital roles they play in the development process should be recognised and promoted;
- 2 formal mechanisms should be established through which NGOs could participate in official policy making as part of open governmental processes;
- 3 legal frameworks and regulatory mechanisms should be developed which reflect the increasingly diverse nature, scope and purposes of NGOs in contemporary society;
- 4 civil society demands ethical conduct, accountability and transparency from both governments and NGOs;

- 5 action should be taken to strengthen the capacity of NGOs to achieve their objectives, maintain their values and discharge their responsibilities; and
- 6 action should be taken to improve the viability and sustainability of NGOs.

Local Government Perspectives

Governance and public service management issues at the local level have also brought local governments to the forefront of change and reform initiatives across the Commonwealth. The Commonwealth Local Government Forum, at its meeting in Edinburgh in 1997, confirmed the growing recognition throughout the Commonwealth for greater democracy, decentralisation and good governance at local levels. It recommended some of the following good practices and roles for local governments:

- an active role in the promotion of sustainable economic and social development;
- strategies to ensure environmentally sustainable development;
- cost effective provision of quality services to the community via a range of service provision options;
- transparent and open government with close involvement of the community and the adoption of participatory decision-making processes;
- development of effective management and communications capabilities;
- commitment to the development of internal council capacity including training;
- good employment and industrial relations practices;
- implementation of equality of opportunity policies;
- emphasis on addressing the needs of the poor and disadvantaged groups in the community;
- respect for local democratic processes;
- adoption of innovative institutional reforms designed to improve accountability; and
- debate and discussion on models of governance.

Rethinking Political and Parliamentary Systems

Related to the governance issues of demands for citizen engagement and questioning of existing political and parliamentary systems, some Commonwealth countries have now begun to rethink their parliamentary structures and processes. The impetus for this also comes from concerns about representativeness and the need to facilitate a more inclusive political culture and policy-making process. The electoral and voting system is one element being reviewed in some countries. There are also concerns about the fundamental operations and powers of Parliament. The issues of training for parliamentarians and local government councillors has also been raised.

Parliaments and local government are also being challenged to be more accountable and open. The political and parliamentary systems, therefore, need to be the drivers of change and facilitate inclusion.

Evolving Management Thought

One other stream of convergence has been the evolution in management thought and practices. The concept of continuous improvement is very central to the quality management approach in many Commonwealth countries. Another stream of management thought which resonates with new governance principles, has been the concept of the learning organisation. The concept of a learning organisation identifies the following as critical disciplines:

- **Personal mastery:** this discipline causes a focus on personal vision and a reflection on the self and how our individual behaviour impacts on others;
- **Mental models:** this discipline of reflection and inquiry skills is focused on developing an awareness of the attitudes and perceptions that influence thought and interaction;
- **Shared vision:** this focuses on developing the shared vision of the future and the principles and guiding practices to get there;
- **Team learning – group interaction;** and
- **Systems thinking:** in this discipline people learn to better understand interdependency and change

The challenge of becoming a learning organisation goes beyond the provision of training and development.

Some Common Elements

Across the Commonwealth in both developed and developing countries there are some common threads that link the responses to environmental pressures in the new governance context. These elements are central features of the movement towards good governance, as well as core elements of the new public administration. These elements are:

- **People centredness:** There is a clear concern with focusing on people issues and ensuring they are the focal point for development. At the national level this is manifested in concerns about poverty eradication, while at the organisational level this is concerned with citizen engagement;
- **Holistic:** This is manifested in the discipline of the need for more comprehensive frameworks, as well as more comprehensive reform agendas;
- **Inclusion:** All the spheres of convergence point to the absolute essential of stakeholder participation and involvement. This points to the importance of mindsets that value diversity, and the need for institutional frameworks that facilitate full involvement and participation;
- **Shared visions:** The concept of the learning organisation explicitly focuses on the importance of shared vision;
- **Accountability:** An element of the reform agenda for all sectors is the importance of accountability;
- **Openness:** This element also underscores the importance of known systems and procedures for decision-making as well as the need for public access to information.;
- **Performance focused:** An increased focus on outputs and outcomes, and a move away from traditional concerns with inputs;
- **Continuous learning:** The Learning Organisation Model argues that a commitment to continuous improvement and human resource development is the only way to ensure ongoing organisational success and effectiveness;
- **Ethics and values:** A central feature of good governance and the new public management is the need for clear ethical principles; and
- **Partnering and leadership:** Recognition of new network forms of governance, the concept of stewardship and the need for all sectors to work in partnership.

These common responses are evident across both developed and developing countries in the Commonwealth. However, there are many challenges remaining depending on the path to economic and administrative reform taken and the state of public service management in many countries. In the discussion that follows, the concept of good governance and its implications on various parts of society and state will be explored in more detail. A brief review of the type and nature of the economic and administrative reforms in Commonwealth countries will be made with a view to learn

from past experience. The review also helps to avoid mistakes that have been made in the past and to develop new ideas, innovations and improved ways and means of delivering public services to citizens through the critical analysis of the methods and approaches used. Observations from the past decade of public sector reforms in Commonwealth countries provide an important baseline for future pursuits of good governance principles and practices.

IV The Types and Characteristics of Economic and Administrative Reforms in Commonwealth Countries

Many countries in the Commonwealth are, and have been, implementing economic and administrative reforms of one type or another in response to the environmental forces associated with the changing governance context. The implementation of these reforms exhibits peculiar features and characteristics that reflect on the nature of the State and the role of governments in societies. The tactics and strategies that are used are a symptom of the strength and weakness of the State, reflect the dominance of external influence and in some cases show that the state is or is not in control of its own resources. In analysing these reforms it is possible to differentiate between those countries that show a heavy dominance of external influences and those that determine their own policies. To some degree it is also possible to clearly distinguish the countries that have been responsible in formulating their own policies from those in which policies for reform are externally determined and financed. The purpose of the reform, the strategies and instruments used, the pace and costs of the reform vary in accordance with the ownership of policy formulation, political will and commitment and the extent to which countries control their own resources and are therefore not dependent on external sources.

For the purpose of this Introduction to the Portfolio, comparisons are made between those countries whose reform programmes were dominated by economic considerations from those that placed emphasis on human resources. There is an assumption in this analysis that some countries have placed equal emphasis and attention on both the economic and human resource considerations with the appropriate mix, while the majority have emphasised economic imperatives. In general, there has been a heavy concentration on economic and financial reforms with less attention being paid to human resources management. Accordingly, many countries have tended towards elements of human resource management approaches as an afterthought or as a consequence of the financial and economic reforms but not as a priority.

The framework in this section attempts to outline the reform responses along a spectrum with economic factors as determinants at one end of the spectrum and human resource factors at the other. Summaries of specific factors for each of these approaches are outlined below for the following: purpose of reform, type and range of programmes, mechanisms used, and impacts on the behaviour of senior public service managers. The analytical framework can also be used to more fully describe and assess economic and administrative reforms in any Commonwealth country based on general observations. Some of these observations become particularly clear when the objectives of the reform have not been achieved. What is evident from this analysis is that those States which use elements from both approaches seems to have better results in terms of public service reform and moving towards good governance.

Purpose of Reform

In many developing countries in the Commonwealth, the emphasis has been more on economic reforms with less attention paid to human resources. This is a reflection of the dominance of the push factors for reform such as economic imperatives e.g. debt settlement, deterioration of economic performance and the dire need for financial assistance irrespective of conditionalities imposed by those who provide financial assistance.

Economic ←————→ **Human Resources**

<ul style="list-style-type: none"> • Reduction of budget deficit and liberalisation of trade; • Removal of controls; • Encourage private enterprise; • Privatised public enterprise; • Achieve fiscal and monetary discipline, removal of subsidies; • Elimination of black market; • Less government; 	<ul style="list-style-type: none"> • Improve service delivery; • Make services affordable, acceptable and available; • Prompt responsiveness to the needs of the people; • Better government;
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The drivers of economic and administrative reform have also had some distinct approaches depending on whether the reforms were initiated and driven using a “top-down” approach, which does not include debate or discussion on the merits of the reform, or a more “bottom-up” approach which focuses more on reform of human resources.

In analysing the characteristics, purpose and assumptions of the economic and administrative reforms, it is possible to differentiate between those countries that own and control the reforms and those that do not. This distinction is related to the origin, initiative or source of the reforms and whether it is externally or internally determined. Taking into account all these distinctions, it is evident that most developing Commonwealth countries have had their reforms initiated from external sources as conditionalities for assistance.

Economic – Supply Side ←————→ **Human Resources – Demand Side**

<ul style="list-style-type: none"> • Quantitative • Statistical • Control direction • Structural • Conditionality • Time limit • Externally determined • Profit-making 	<ul style="list-style-type: none"> • Qualitative • People centered • Process/Ownership • Management • Homegrown • Own pace • Internally determined • Improved knowledge and skills base • Evaluation programmes
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Type and Range of Programmes

The response to governance challenges has taken many different forms across the Commonwealth. In some cases, countries have used a number of the following programmes in both State-wide and more targeted initiatives to implement economic and public service reforms.

Economic ←	→ Human Resources
<ul style="list-style-type: none"> • Cost reduction • Downsize Civil Service • Commercialisation programme • Privatisation programme • Deregulation • Decentralisation 	<ul style="list-style-type: none"> • Human Resources Development • Performance Management Systems • Clarity of goals for reform • Develop Citizens Charter • Improve morale of Civil Servants • Improve delivery systems • Customer care

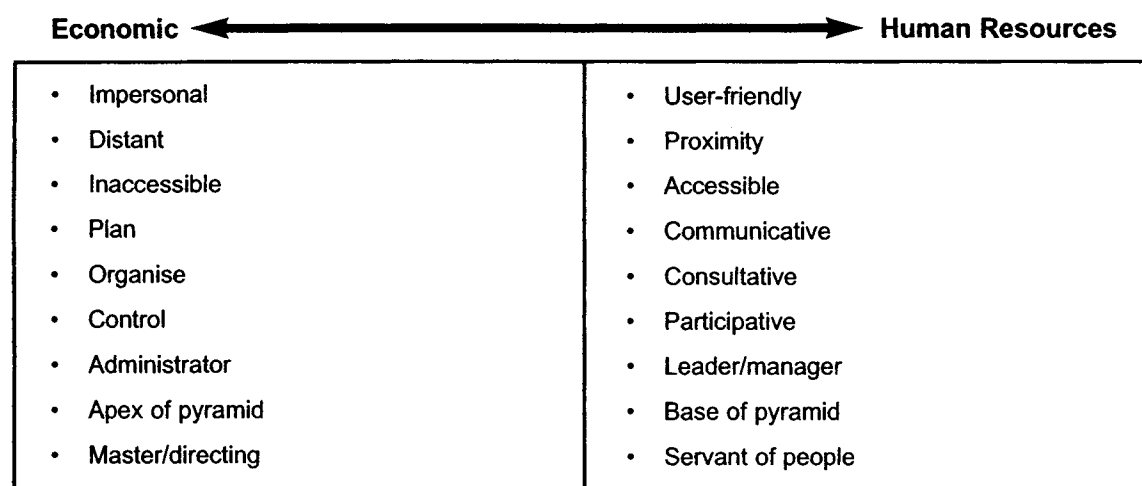
Mechanisms Used

Following the observation that many Commonwealth countries have focused primarily on financial and economic reforms and deemed human resource approaches a secondary priority, the mechanisms used more commonly fall on the economic end of the spectrum. The type of reform imposes the choice of instruments to be used in the reform process and the methodologies and tools used to achieve the economic and financial goals. In many cases, the mechanisms used to implement economic and administrative reforms have been varied but generally include a mix of the following, depending on the focus and emphasis of the reform programme.

Economic ←	→ Human Resources
<ul style="list-style-type: none"> • Budget control • Redundancy schemes • Accounting Instructions • Joint Ventures/Partnerships • Legislation • Directives • Hierarchical structure 	<ul style="list-style-type: none"> • Performance Appraisals Systems • Performance Agreements • Training Policy & Career Planning • Reward Systems • Develop code of conduct • Procedures manual • Records and Information Management Systems • Improve conditions of Civil Servants

Behaviour Patterns for Permanent Secretaries & Public Service Managers

Following the observation that the factors at the economic end of the spectrum have received more priority for policy makers in Commonwealth countries, it is not surprising that certain behaviour patterns and expectations of Permanent Secretaries and senior public service managers stem from this approach. The type of reform, therefore, also imposes the behavioural pattern of those who manage the reform. The dominance of economic approaches encourages certain behaviours and accountability frameworks for those holding senior public service positions, especially when they have not been involved in the policy formulation process and have received directives from their superiors. The outcome has resulted in less of a focus on human resource management functions and values.



This framework also allows for some specific observations related to countries in the Commonwealth. There are some countries that have used elements of both approaches and determined their own path towards reforms that promote good governance, and there are other countries which have followed one end of the spectrum more closely than the other.

- In most developed countries of the Commonwealth such as Australia, Britain, Canada and New Zealand, due emphasis has been placed simultaneously on both financial and human resources. The reforms have been determined and initiated from within rather than externally, are seen as a necessary process of change and are owned by the countries themselves.
- In the African Region, Botswana stands out as one country that has initiated, owned and implemented reforms at its own pace without much external pressure. It has placed emphasis on the development and management of human resources while at the same time efficiently managing the economy. It has regarded the reform as a process of change and not as an event which is given a time frame and other conditionalities.
- Within the developing Commonwealth and outside the Southern African region, Malaysia and Singapore have placed a lot of emphasis on human resources while at the same time efficiently managing the economy. These two countries designed their own reforms and determined on their own time frame within which reforms have to be implemented. Essentially, they own the reform process.

V Observations on Reform in Developing Countries of the Commonwealth

The general observation that countries have used a mix of the two approaches with an emphasis on the economic drivers and factors, however, is in contrast to reform responses in most developing countries in the Commonwealth. Public service reform programmes, emphasising economic factors, have been applied most extensively in the OECD member countries of the Commonwealth. The impact of public service reform based on the principles of the new public administration has been less evident and profound in developing countries. Although the new context of governance and appeal of the new public administration has broadened the menu of managerial choice and reform approaches within the public sector, there is also evidence that its implementation can be more difficult in developing countries.

The efforts associated with the new public administration and reforms have focused to an even larger degree on the economic end of the spectrum in developing countries and the implications have been very partial. In the past decade, the impact of economic and administrative reforms on developing countries has been felt primarily through development agencies and structural adjustment programmes.

Considering the importance of these reform initiatives on structural adjustment programmes, the impact they have on the lives of the citizens and the financial and social costs to the country, it is surprising to note that very few studies have been conducted to determine whether or not they achieve the desired results. Both the countries that have implemented the economic reforms as well as the donors that have recommended or imposed the conditionalities for reform have not committed human and financial resources to evaluate the impact of the reforms. This is surprising since this should be an ongoing exercise before further changes are made and funds committed for an extension of the programme.

Despite this seeming lack of commitment for evaluation of these fundamental economic and administrative programmes, a few studies have been conducted by the United Nations Development Programme, and the European Centre for Development Policy Management and Public Policy at the University of Birmingham. They have revealed the following weaknesses:

- The envisaged cost savings on downsizing the Civil Service fell far short of expectations. In some cases, the costs escalated, thereby leaving the major problem unresolved;
- There was an absence of institutional provision for co-operation between the two major Ministries responsible for reform, i.e. the Ministry of Finance and the Ministry of the Public Service. In still other instances, the Ministry of Finance reached an agreement with the International Financial Institutions without the knowledge of, or consultation with, the Ministry responsible for personnel, even in matters of redundancy and administrative reforms. There was great emphasis on saving financial costs at the expense of human costs;
- The reform process was very much dependent on top-down direction and external stimuli. In some countries, external forces dominated the form of change and were not well understood by those who were to implement the reform programme. The absence of a team approach in managing the reform left a vacuum in which the donor could effectively influence the pace and direction of the change process;

- There was an absence of a training policy that would facilitate and equip relevant human resources with adequate skills and knowledge to implement a new programme which had never been experienced before and in which they did not participate in formulating. The budget for reform did not include training. In the few instances where training was mentioned in policy reform documents, it was not made relevant to meeting the needs of Civil Servants, management and those who were to supervise the change process. It was assumed that once policy was formulated, the Civil Servants would simply obey the instructions and implement the policy whether they understood it or not. This is a traditional approach to policy development which is incapable of meeting the current demands and needs of a highly politicised public.
- The management development training institutions were not involved in the policy formulation and were equally ignored in both the implementation of the programme and in training public service managers in preparation for such a fundamental and structural change in society;
- The reduction in the cost and size of the Civil Service alone did not result in the automatic achievement of efficiency, effectiveness, responsiveness and increases in productivity. Consequently, the reduced Civil Service and budgetary allocations did not improve the delivery of services such as health, education, agriculture and overall performance in administration. With reduced budgetary allocations, agricultural extension services were severely curtailed, as there was limited allocation for staff to travel to deliver the relevant agricultural inputs necessary to increase food production. The same can be said about teachers and nurses;
- The reforms to structural adjustment programmes envisaged savings from cost-cutting measures. The savings were expected to be ploughed back into the system to improve the wages for Civil Servants. However, the new systems of incentives and employee motivation were not consolidated into the reform programmes and adjustment conditions and budgetary restrictions constrained improvements in salaries/wages and incentives. Since there were no savings, some countries proceeded to freeze the salaries of Civil Servants, thereby reducing their morale and performance. This was done without negotiation or consultation. One of the consequences of such a freeze in wages was the strained relationship between the State and public service staff associations. This often resulted in strikes or other forms of industrial action being taken by the loyal Civil Service. Furthermore, staff associations, in their negotiations with the State on wage increases, did not use the costs savings as a criterion but rather the increase in the cost of living and the devaluation of the currency, which resulted in the decline of their purchasing power;
- Economic and administrative reforms were introduced at a time when there was a noticeable decline in the performance of the Civil Service and when the weak capacities of the State administrative machinery had been observed. Various commissions, which had been set up to improve the performance of the Civil Service, prior to the economic reforms, had indicated many weaknesses of the different Ministries in the delivery of service to the people. Critics of the reform programme have wondered why the State would expect a weak administrative system to implement very complex and fundamental reforms in which it did not have the capacity, know-how and commitment.
- The environment of political instability, social unrest, political interference in Civil Service administration, economic mismanagement and highly institutionalised corruption, largely contributed to a degeneration of the entire public service system. Such systems could not be expected to reform themselves with success.

A more recent evaluation indicates that there seem to be three likely explanations for why public service reforms under the banner of “new public administration” and “new public management” have delivered less in developing countries than initially claimed.

- 1 Public expectations of government in developing countries are fundamentally different than those found in developed Commonwealth countries. The populations are less homogenous and the concern about public service from a “customer” perspective is less evident as public expectations are lower. Also, the discontent at a local level is not with public service provision but more commonly with donor conditionalities.
- 2 Discontent with traditional public service disciplines and values as a condition favourable to public service reform based on economic factors has also generally been absent in developing countries. The assumption that a Civil Service culture based on hierarchy, budget discipline, authoritative accountability, and clear standards of behaviour as a foundation for reform is problematic and has made reforms more unpredictable in developing countries where informal administrative behaviour and corruption are still realities.
- 3 The marginal nature of economic and administrative reforms in developing countries has also hindered the impact of these reforms. Even in developed countries these impacts are debatable and difficult to assess. In the context of the economic performance and public services available in many developing countries the impact of reform programmes is not even detectable.

Clearly, motivation and capability are important factors in determining the extent and success of economic and administrative reforms in developing countries. Many developing countries remain incapable and unmotivated, with high levels of administrative corruption, little administrative competence, non-participatory governance and high State capture by unrepresentative, specialised interests. In this content, technocratic, economic and public management reforms are doomed.

Even in countries where governments are somewhat motivated and somewhat capable, economic and public service reforms need to address the limitations of these Commonwealth countries. In some cases capacity can be built through raising public expectations, public participation and strengthening local governments. In those countries where there is a civil society filling an accountability role, basic administrative reforms such as budget transparency and financial accountability may be relevant.

Although the reliance on the economic end of the spectrum and reforms associated with the new public administration has had an impact in developed countries in the Commonwealth and on development agencies, the impact in the developing countries has been more limited.

VI Lessons and Challenges

A review of economic and administrative reforms across the Commonwealth indicates that responses to the environmental forces of the new governance context have been multidimensional and varied. Many Commonwealth countries have placed an emphasis on economic types of reforms at the expense of human resource reforms. Those countries that have attempted to integrate the two ends of the spectrum seem to have made more progress in working towards good governance practices. It is also evident that progress related to public service reform has been more limited in developing countries.

The weaknesses and ineffectiveness of the implementation of public service reforms and structural adjustment programmes in many countries reveal the lack of appropriate approaches and strategies to policy development and management. They also demonstrate the lack of involvement of stakeholders, the absence of thorough studies on the nature of the problem to be addressed by the policy measures, the absence of a capacity to manage the policy and, above all, the lack of skills in the policy management process. In more general terms, the State has lacked ownership of the policy measures, thereby giving an impression that reforms were imposed by external forces and that many countries were desperate in accepting the conditionalities of assistance from donors. The conditionalities have exhibited an ideological bias and are exactly identical, whether in a small or a large State or in a poor or rich country, giving rise to the belief that they emanate from one source even if the countries themselves claim that such policies are homegrown.

The lack of understanding of the implications of reforms by policy makers is another significant challenge. The lack of skills and experience in designing policies of such magnitude and the absence of precedents from which to learn and share experiences demonstrate the need to examine some policy models that have been effective in other countries. The emerging best practices in policy management are also drawn from the most experienced and successful policy makers and managers, who tend to be from developed Commonwealth countries and may or may not have the same public service culture and values. This abdication of strategic policy analysis and policy making to external agents such as international financial institutions, donors and international development agencies creates a capacity challenge for many Commonwealth countries.

The implementation of structural adjustment programmes in some developing countries, for example, has demonstrated at least four key issues and problems that are experienced in policy development and management. The issues include:

- 1 Policy makers do not seem to understand or appreciate their policy environments and the kinds of problems they generate. This is attributed to the social distance between the policy makers and the rest of the population;
- 2 Policy makers seem to be making choices without adequate information because of the poor articulation of differences between political and administrative roles in the policy process. Often politicians would like to seize the initiative in making certain policies and tend to do so without adequate knowledge of the consequences; a problem that could have been avoided if they had listened to experts;
- 3 The inability to mobilise adequate resources and the inability to effectively utilise available capacity renders policy making a symbolic exercise. Many interest groups are not always aware of the content of the policy until the implementation process begins; and
- 4 The policy evaluation mechanism is sometimes deliberately weakened. Policy makers appear not to like to hear that their policies are performing poorly. Hence, previous mistakes remain undetected and uncorrected. At the same time, no meaningful lessons can be learned from past experience within this milieu.

Another important challenge is the institutional decline of the public service in many Commonwealth countries as evidenced by the inability to:

- attract and retain skilled personnel in the Civil Service;
- maintain strong values, ethics and professionalism or eliminate corruption;
- generate, store and disseminate information about the Civil Service itself, the economy and society;
- respond adequately to challenges from the environment, e.g. new economic blocks, new technologies, the effects of globalisation, etc.

From this discussion, it would appear that there is a need for the development of an effective framework for policy development and management capable of analysing problems, formulating intervention strategies and evaluating policy outcomes and impacts. The framework that is developed should be institutionalised and strengthened within the state machinery such as the Cabinet, legislature, Ministries and departments and other agencies of government such as public enterprises and local governments.

The policy framework which focuses on the public sector is an important instrument that facilitates the analysis of the problem or issue to be addressed and identifies key issues and practices that should be considered when developing and managing a policy. It also should assist in improving decision making at all levels in government and should provide an evaluation mechanism which is result-oriented and which provides feedback on the efficiency, effectiveness and performance of public policies and can be critical of reform initiatives and experimental innovations. Consequently, evaluation forms an important part of a wider performance management framework. In essence, the framework must contribute to accountable government. A successful framework is one that is based on collaboration between key participants such as consumers of public policy and other relevant stakeholders. It should be mentioned that frameworks vary from one country to another and depend very much on the political, economic and social conditions which often interact in complex and unforeseen ways in any one country.

Thus, although there are evidently spheres of convergence related to economic and administrative reforms, and movements toward good governance and learning have taken place across the Commonwealth, there are nonetheless some outstanding challenges. The challenges include:

- the need for overarching vision and leadership;
- the need for a comprehensive reform policy framework;
- partnering and new service delivery arrangements;
- communication, citizen engagement, stakeholder involvement and inclusion;
- human resources management approaches being emphasized in reform agendas;
- management of change;
- valuing diversity;
- effective policy co-ordination;
- performance measurement;
- improving the political/administrative interface;
- effectively using accessible technologies; and
- building civil society and local government capacity.

This brief overview only summarizes some of the contextual realities, lessons and challenges facing public service organisations and managers in Commonwealth countries. Lessons and progress towards addressing these challenges through good practices in a number of different management areas are reflected and discussed in more detail in sections of the Portfolio.

The first section of the Portfolio seeks to outline the importance of improvements in the performance of staff, particularly senior and top executives in the public service. This section also examines the role of management development institutions responsible for developing and training human resources. Good practices in performance management and the use of performance appraisal of organisations and individuals are also discussed.

Section 2 attempts to outline how to make government more efficient by examining how governments walk the tightrope between efficiency and accountability in selecting and designing the machinery of government. This section also identifies the obstacles to efficiency and provides some guidance on removing obstacles such as reducing or eliminating corruption in the public sector. The importance of managing change, promoting good governance, strengthening Cabinet decision making and managing government transitions are also reviewed in this section.

Section 3 outlines good practices related to service quality improvements across the Commonwealth. Preconditions such as open government and public reporting are reviewed as well as the importance of quality management frameworks and performance measurement.

Section 4 relates to the improvement of partnerships between the public/private sectors and civil society in the delivery of public services to citizens. This section comprehensively covers the variety and importance of partnerships in the new governance context.

Sections 5 and 6 focus on the important components of making management more efficient including management information systems, e-government, knowledge management and strengthening financial management systems.

The last section of the Portfolio focuses on the necessary improvements in policy making and management processes by examining the political and administrative environments within which policies are formulated and implemented. Suggestions are made on how to strengthen institutions and systems involved in policy development and management as well as how to improve the relationships between the elected leadership and senior leadership of the public service.

Other useful material (2nd edition)

Regional Commonwealth workshop of top and senior public officials held in May 1997 in Nairobi, Kenya.

Commonwealth Advanced Seminar for Public Service Reform organised by the Graduate School of Business and Government Management at Victoria University of Wellington, New Zealand, February 1997.

Robert Dadoo "Best Practices in Public Sector Management" in African Journal of Public Administration and Management vol. XI, No 1 July 1999.

The New Zealand Experience: Reforming the Public Sector for Leaner Government and Improved Performance. Paper presented by Basil Walker at the CAPAM Biennial Conference April 1996.

Draper, G., "Reflections on Governance at the Turn of the Century", paper prepared for the 2000 CAPAM Conference, Cape Town, South Africa, October, 2000.

Manning, N., "The Legacy of the New Public Management in Developing Countries", *International Review of Administrative Sciences* Vol. 67, No.2, 2001.

Status Report on Public Sector Reform Programme: Office of Public Sector Reform, Government of Barbados 1999.