



Government in Transition

THE INAUGURAL CONFERENCE OF THE
COMMONWEALTH ASSOCIATION FOR
PUBLIC ADMINISTRATION AND MANAGEMENT

Charlottetown, Prince Edward Island, Canada

28-31 August 1994



The Commonwealth Association for
Public Administration and Management

GOVERNMENT IN TRANSITION

**THE INAUGURAL CONFERENCE OF
THE COMMONWEALTH ASSOCIATION FOR PUBLIC
ADMINISTRATION AND MANAGEMENT**

CHARLOTTETOWN, PRINCE EDWARD ISLAND, CANADA

28-31 AUGUST 1994

The views expressed in this document do not necessarily reflect the opinion or policy of the Commonwealth Secretariat or of the Commonwealth Association for Public Administration and Management.

Copyright © Commonwealth Secretariat 1995

Published by the Commonwealth Secretariat

Printed by the University of Toronto Press Inc.

May be purchased from:

Commonwealth Association for Public Administration and Management
150 Eglinton Ave. East, Suite 306
Toronto
Ontario
Canada M4P 1E8

Telephone: (416) 488-1504

Facsimile: (416) 481-6510

ISBN: 0 85092 422 7

All Rights Reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or otherwise, without the prior permission of the publisher.

CONTENTS

	Page
Foreword	vii
Sponsors	viii
Acknowledgements	ix
1. Introduction	1
2. Summary: Government in Transition – a new paradigm in public administration - Professor S. Borins, University of Toronto	3
3 Address by the Commonwealth Secretary-General – Chief Emeka Anyaoku	24
4. Opening of the Conference	31
Keynote address: The future of government: change, opportunities, and comparative perspectives (Canada) – The Hon. M. Massé, Canadian Minister of Intergovernmental Affairs and Minister Responsible for Public Service Renewal	33
5. Achieving improvements/sustaining progress in political transitions	41
From colonialism to freedom and democracy: the role of effectiveness-driven public service in political transition: the Namibian experience – The Rt. Hon. H. G. Geingob, Namibia	43
Improving public services in the United Kingdom – Mr R. Mottram, UK	50
6. Achieving improvements/sustaining progress in economic transitions	60
Sustaining recovery and development in economic transitions: the role of deregulation in Ghana's experience – The Hon. Dr K. Botchwey, Ghana	62
Achieving improvements/sustaining progress in economic transitions: the Jamaican example – Dr C. E. Davis, Jamaica	65
Achieving improvements in economic transitions: is it worth it? (Australia) – Mr J. S. Dawkins, Australia	69

	Page
7. A transition in outlook for government: a culture of success	79
Public administration: a culture of success (Malta) – The Rt. Hon. Dr E. Fenech-Adami, Malta	81
A transition in outlook for government: a culture of success (Trinidad and Tobago) – The Hon. G. Draper, Trinidad and Tobago	87
Government in transition: building a culture of success: the Malaysian experience – Tan Sri Dato' Seri Ahmad Sarji, Malaysia	99
Developing a culture of success: reflections from New Zealand experience – Mr R. Laking, New Zealand	104
8. Workshops	117
Professionalism and managerialism: accountability versus responsiveness: recent Inland Revenue developments (UK) – Mr S. Matheson, UK	119
Deregulation/re-regulation and partnership with the corporate business sector: the Tanzanian experience – Mr P. M. Rupia, Tanzania	126
Deregulation/re-regulation and partnership with the business and NGO sectors: the Indian experience – Mr N. R. Ranganathan, India	130
Governments must side with the poor (Bangladesh) – Mr Khalid Shams, Bangladesh	132
Sustaining quality in government services: downsizing the Civil Service – successes and pitfalls: Zimbabwe's experience – Dr M. Sibanda, Zimbabwe	138
Increasing quality in government services: a modern imperative (Canada) – Ms V. L. Pearson, Canada	143
Sustaining quality in the Singapore Civil Service – Professor J. S. T. Quah, Singapore	147
Centralisation/decentralisation and intergovernmental relations: the Nigerian Experience – Professor J. I. Elaigwu, Nigeria	158
Centralisation and decentralisation: the challenge of reaching the citizens with better service delivery (Ghana) – Professor M. N. Kiggundu, Uganda	166
Reform at the crossroads: efforts to implement an integrated strategy for renewal in the Canadian Federal Government – Mr T. Plumptre, Canada	178

Human resource management: challenges and opportunities (Mauritius) – The Hon. A. Jugnauth, Mauritius	186
Human resource management: challenges and opportunities (Zimbabwe) – Dr M. M. Nzuwah, Zimbabwe	193
Human resource management: challenges and opportunities (Australia) – Mr D. Ives, Australia	198
Managing towards equity in staffing policies (Swaziland) – Ms A. P. Mkhonza, Swaziland	212
Challenges and opportunities for small states (Seychelles) – The Hon. S. de Comarmond, Seychelles	217
Challenges and opportunities for small states (Singapore) – Mrs J. Mohideen, Singapore	223
Regime change and bureaucratic response: Hong Kong in transition – Professor I. Scott, Hong Kong	229
9. Transition in South Africa	237
Government in transition: a South African perspective – Dr Z. Skweyiya, South Africa	238
The organisational restructuring of the South African Public Service – Dr S. Vil-Nkomo, South Africa	242
10. Transferring successful transition experiences	246
Transferring successful transition experiences (Zambia) – Mr A. A. Adamson, Zambia	248
Transferring successful transition experiences (Africa) – Professor A. Adedeji, Nigeria	251
Supporting governments in transition: assistance from the Overseas Development Administration (UK) – Mr K. Sparkhall, UK	264
11. Biographical details of speakers	268
12. Improving the public service: a Commonwealth perspective	280
– Mr N. Manning, Commonwealth Secretariat	
13. The Commonwealth Association for Public Administration and Management	305
CAPAM membership and how to join	305
CAPAM Board and staff	306
1996 CAPAM Conference	307

FOREWORD

I am excited to announce the launch of the Commonwealth Association for Public Administration and Management (CAPAM) – a new pan-Commonwealth professional association of vital interest to all engaged in government renewal.

The Inaugural Conference of CAPAM with the theme "Government in Transition" was held in Charlottetown, Prince Edward Island, Canada, in August 1994. The Conference established CAPAM formally as an institution whose primary aim will be to enhance Commonwealth co-operation to improve management in government.

The Conference was deemed a unique and successful occasion by those who attended. Its uniqueness lay in its bringing together about 150 Commonwealth public service leaders at the highest levels from 41 member states. Prime Ministers, Ministers of Finance and of the Public Service, Secretaries to Cabinets and other important office holders were all represented.

The Conference addressed issues of concern and common interest. The summary report, prepared by Professor Sandford Borins, Professor of Public Management at the University of Toronto, found that: "despite the diversity of the Commonwealth countries, there was a common pattern in their responses. So strong is this common pattern that it could be labelled a new paradigm in public administration".

The Board of CAPAM accepted with pleasure the invitation of Dr Fenech-Adami, the Prime Minister of Malta, to hold the next General Meeting of CAPAM in Malta in 1996. Mr Joseph Tabone, a Board member from Malta, has been requested to convene a Planning Committee to prepare for the Conference.

The Board of CAPAM further invited one of its members, Dr Zola Skweyiya, the Minister for Public Service and Administration in South Africa, to develop a formal proposal to convene the first regional conference of CAPAM in South Africa addressing issues of public service renewal in all the member states of southern Africa.

In closing, we are all partners in this enormous challenge to respond to the new paradigm in public administration. We encourage our founding members, our associates, and all those who are convinced of the importance of sound public administration as the cornerstone of equitable development, to assist in this journey by supporting the development of CAPAM in the coming years.

Gordon Draper
President
CAPAM

SPONSORS

The Board of Directors of CAPAM acknowledges, with thanks, the funding support provided to the Inaugural CAPAM Conference by the:

- Australian International Development Assistance Bureau
- Canadian International Development Agency
- Commonwealth Foundation
- Commonwealth Fund for Technical Co-operation
- Overseas Development Administration, UK

ACKNOWLEDGEMENTS

The establishment of an international professional association

CAPAM was brought from idea to reality by an international Steering Committee of senior public servants with a vision of just, honest, effective and equitable government. The Steering Committee gave their time voluntarily to lay the foundations of an active and cost-effective association, and to ensure that the potential of a practitioner-led organisation is recognised by all those committed to improvements in public administration.

The Steering Committee:

- Sir Kenneth Stowe, UK, (Chairperson)
- Professor Adebayo Adedeji, Africa Centre for Development and Strategic Studies, Nigeria
- Dr Sam Agere, Zimbabwe Institute of Public Administration and Management
- Dr K. A. Chandrasekaran, United Nations Development Programme, India
- The Honourable Gordon Draper, Ministry for Public Administration and Public Information, Trinidad and Tobago
- Mr Joseph Galimberti, Institute of Public Administration of Canada
- Ms Robyn Henderson, Royal Institute of Public Administration and Management, Australia
- Dr Mohan Kaul, Commonwealth Secretariat
- Mr Nick Manning, Commonwealth Secretariat
- Mr M. Modisi, Public Service Management, Botswana
- Mrs Jaya Mohideen, Economic Development Board Consulting Group, Singapore
- Mrs Gloria Payne-Banfield, Office of the Prime Minister, Grenada
- Mr E. A. Sai, Public Service Commission, Ghana
- The Honourable Simone de Comarmond, Ministry of Tourism and Transport, Seychelles
- Dr George Post, Canada, (Organising Secretary)

An important first conference

The success of the Inaugural Conference rests on the planning skills, and the co-operation and goodwill shown by many public service professionals and volunteers throughout the Commonwealth and particularly in Canada. The Programme Committee planned the conference structure and were assisted in all local arrangements by very many members and officers of the Institute of Public Administration of Canada. Particular thanks are due to Jo Galimberti and Randi Glass of IPAC, George Post (CAPAM Organising Secretary), and Jane Cole (Commonwealth Secretariat) for their untiring efforts in preparing for and supporting the Conference.

The Programme Committee:

- Sir Kenneth Stowe, UK (Chair)
- Ms Jane H. Cole, Consultant, Commonwealth Secretariat
- Dr Paul Collins, RIPA International
- Dr Mohan Kaul, Commonwealth Secretariat
- Mr Nick Manning, Commonwealth Secretariat
- Dr George Post, Consultant, CAPAM

An important first publication

This publication brings together edited extracts from all submitted Conference papers. It benefits from the strong summary kindly provided by Professor Sandford Borins of the University of Toronto.

Jane Cole of the Commonwealth Secretariat has assisted immeasurably in all aspects of the production of this publication.

Although every effort has been made in editing to retain the accuracy of the papers submitted for the Conference, final responsibility for any errors rests with myself as editor.

The inclusion of any material does not imply that the contents have been approved by or represent the official policy of any government.

Nick Manning

Adviser (Organisational Structure and Design)/*Publication editor*
Management and Training Services Division
Commonwealth Secretariat

1. INTRODUCTION

The origins of the Commonwealth Association for Public Administration and Management (CAPAM), and of its Inaugural Conference, lie in the Declaration by the Commonwealth Heads of Government at their Conference in Harare, Zimbabwe, in October 1991. In their Declaration, they re-affirmed the principles of Government to which the Commonwealth aspires and their commitment to focus and improve Commonwealth co-operation in these areas.

The idea of a new Commonwealth professional association dedicated to the realisation of the "just and honest government" of the Harare Declaration was put forward and endorsed by the Commonwealth Secretary-General, HE Chief Emeka Anyaoku, in his Report for 1991. It was later developed at two Pan-Commonwealth expert meetings in London and Kuala Lumpur. As a result of the hospitality of the Institute of Public Administration of Canada (IPAC), the generosity of the Canadian Federal Government and of other governments and agencies, and the support of the Commonwealth Secretariat, the idea became a reality when the Inaugural Conference of the Commonwealth Association for Public Administration and Management was convened in Charlottetown, Prince Edward Island, Canada, from 28 to 31 August 1994.

The theme of the Conference was "Government in Transition". For the first time, under economic and social pressures, both developed and developing countries are experiencing the same kind of challenge to governance as their respective public servants, both elected and appointed, go about the tasks of public service renewal. The Conference provided a unique opportunity for positive, constructive thinking and dialogue about what government renewal means in a global environment. And it was unique also in the high level of "hands-on" experience of the participants: 150 distinguished politicians, senior administrators and scholars of public administration from 41 Commonwealth countries.

The Conference opening and the Secretary General's address provided the international context to the establishment of CAPAM. The first sessions then explored key themes in public sector reform, in particular the major pressures for improvement in the performance of the public sector: political change; evolving economic realities; and new perspectives on the role and capacity of government itself. A series of workshops then provided an opportunity to examine some very practical dimensions of transition: pathways to betterment in public administration and management and, very particularly, their consequences. The implications of the remarkable and heart-warming government transitions in South Africa were examined in a special joint session with IPAC before the Conference, in its final substantive session, looked at the opportunities to transfer success.

This publication sets out extracts from the many presentations made, with a short introduction highlighting for each session some particular implications, and opportunities for CAPAM, which were identified in the discussion.

The Conference can be credited with two important achievements. First, it offered participants (elected and appointed) an opportunity for debate and for sharing developments in the public sector which has been without parallel in recent years. Second, and of even greater significance in the long term, was to establish a constitutional structure for CAPAM and to appoint the first Board of Directors who had their first meeting after the close. This publication includes further details of the professional services of the Association, its intended direction, its structure and how to join.

I am confident this distillation of the proceedings of a unique and uplifting occasion will be fruitful reading for all in the Commonwealth who carry responsibilities for government and aspire to fulfil within it the Commonwealth's ideals.

Sir Kenneth Stowe
Chairperson
CAPAM Steering Committee

2. SUMMARY: GOVERNMENT IN TRANSITION – A NEW PARADIGM IN PUBLIC ADMINISTRATION

Paper prepared by Professor Sandford Borins, University of Toronto, Canada

Introduction

The Inaugural Conference of CAPAM, the Commonwealth Association for Public Administration and Management, held in Charlottetown, Canada in August 1994, was the first time in the history of the Commonwealth that a high-level conference addressed itself exclusively to issues of public management. This Conference was not an official Commonwealth ministers' meeting because CAPAM is a voluntary association of individuals and organisations having an interest in the practice, study, and improvement of public management. Nevertheless, as the list of speakers included two current prime ministers, seven current or former ministers, and 15 current or former permanent secretaries or agency heads, the CAPAM Conference had the breadth of perspective and sophistication of discourse that would characterise a ministerial conclave.

Apart from the United Nations, the Commonwealth is the world's largest and most diverse assembly of nations. It encompasses 51 nations, with a population of 1.5 billion – a quarter of humanity. Representatives of 22 of these 51 nations gave papers. Categorized economically, this sample of 22 nations incorporates most of the world's diversity, as it includes two members of the G7 (Canada and the United Kingdom), four members of the Organisation for Economic Cooperation and Development (Australia, Canada, New Zealand, United Kingdom), three newly-industrialised countries of Asia (Hong Kong, Malaysia, and Singapore), and a large contingent from the developing world. The latter included three of the nations of the Indian subcontinent (Bangladesh, India, Sri Lanka), five small island states (Jamaica, Malta, Mauritius, Trinidad and Tobago, and the Seychelles), and seven African nations (Ghana, Namibia, Nigeria, South Africa, Tanzania, Zambia, and Zimbabwe).

The theme of the Conference was "Government in Transition". Sir Kenneth Stowe, Chairperson of the CAPAM Steering Committee, speaking at the first session, identified this decade as a time when Commonwealth nations are experiencing numerous unprecedented political and social transitions, including those from single-party to multi-party political systems, from national to regional sovereignty, from closed to open economies, from stable to exploding populations, and, in southern Africa, from apartheid to democracy. Optimistically, we might characterise all these transitions as promising greater freedom of self-expression in the political sphere and improved material well-being and better life-chances in the economic realm.

The choice of "transition" as a theme for the Conference itself expresses a particular point of view. Transition is defined as a movement, development, or passage from one stage or form to another. It connotes an element of foresight, planning, and purpose.¹ In contrast, many current management gurus, for example Tom Peters, use words like change, chaos, and craziness interchangeably, to describe a world of forces too random to be predicted and too powerful to be mastered. In this view, the best an organisation can do is stay loose and hope to survive. As this overview paper will show, the views expressed at this Conference are more hopeful.

Like the Conference itself, this report begins with a discussion of the environmental forces that are affecting and in some cases buffeting the public sector. Then the report discusses how governments throughout the Commonwealth have responded to these trends. *The key finding of the report is that, despite the diversity of the Commonwealth countries, there was a common pattern in their responses. So strong is this common pattern that it could be labelled a new paradigm in public administration.*² This new paradigm which has emerged in little more than a decade emphasises the role of public managers in providing high-quality services that citizens value; advocates increasing managerial autonomy, particularly by reducing central agency controls; demands, measures, and rewards both organisational and individual performance; recognises the importance of providing the human and technological resources that managers need to meet their performance targets; and is receptive to competition and open-minded about which public purposes should be performed by public servants as opposed to the private sector.³ The central section of the report elaborates the components of this new paradigm and shows ways in which institutions and public sector managers and policy-makers in different Commonwealth countries are responding to its growing significance.

The next section discusses the impact of the new paradigm in two different ways. First, it summarises results that have been cited at the Conference. Then, it reviews the lessons about the process of change that were presented. The penultimate section of the report looks at the implementation of the new paradigm in three diverse economic contexts: among the OECD members, in the newly-industrialised economies of Asia, and in the developing world. The concluding section of the report, building on what has been learned at the Conference, outlines an approach for CAPAM's next conference.

This report draws from all the formal and informal discussions facilitated by the Conference, and very particularly from the papers presented by the illustrious speakers. Throughout this report, when a public management reform undertaken in any nation is described, the author of the conference paper discussing it is indicated in parentheses. This publication includes edited extracts from all available papers presented at the Conference.

Setting the stage

The keynote speaker at the first conference plenary, Marcel Massé, Canada's Minister Responsible for Public Service Renewal and a former President of the Canadian International Development Agency, lucidly described the environmental trends that governments all over the world are being forced to cope with. These include knowledge-based production, the communications revolution, and a five-fold expansion in world trade (compared to a doubling of global output) during the last forty years. During the same period, the value of goods and services produced by multinationals has grown just as rapidly and is now almost equal to that of world trade. The major implication of these trends is that the terms "domestic economy" and "domestic politics" are becoming veritable anachronisms.

Massé cited three examples of the effects of these forces on government. The end of the Cold War, which came about because of the clear inability of the Soviet Union to cope with these environmental trends, has led to a multi-polar world that is redefining traditional views about the role of the military, foreign policy, and diplomacy. Trade negotiations have led to the creation of a triad of large regional trading blocs, one in North America, another in Europe, and a third in East Asia. The information technology revolution, leading to the creation of the Internet, makes possible an era of direct electronic democracy that calls into question the rationale for and practices of representative institutions. While Massé is hardly the first to speak about globalisation, he did so with both conceptual breadth and illustrative personal experience, thereby setting the stage for the discussions that followed. This statement of the context within which the public sector now operates served as a common point of departure for all conference speakers.

His Excellency Chief Emeka Anyaoku, Commonwealth Secretary-General, in his address, placed these globalising trends within the context of contemporary multilateralism, and provided a timely reminder that public administration is not value-free. He emphasised the importance of professional networking and collaboration in the development and sustenance of a sound public service, working securely within the rule of law.

Components of the new paradigm

As discussed above, the new paradigm has several components. What makes exposition of the paradigm somewhat complicated is that the components are inter-related and there is no obvious hierarchy of ideas, no one key principle from which all others can be deduced.⁴ This section of the report outlines each component and presents examples cited at the Conference of countries that are implementing that component. Two qualifications are in order. The components of the paradigm are themes that cut across traditional ways of organising government. For example, the theme of increasing managerial autonomy is reflected in new human resource and

financial management practices. The report is written thematically, rather than in terms of these functional areas; thus, it will not discuss financial management or human resource management separately.

Secondly, this report cites as examples of any theme only material presented at this Conference. Thus, the fact that a given practice is not cited for a given country does not mean that the practice is absent there, only that the paper(s) presented by representatives of that country did not touch on it. If one wanted to know what is going on in each country, it would be necessary to do a complete international survey of public management reforms. Such surveys have been done by the OECD, and the Commonwealth Secretariat is just completing a still more comprehensive survey of Commonwealth countries. The interested reader is urged to consult either or both.⁵

Providing high-quality services that citizens value stems from a reconceptualisation of the consumers of public services. Passive recipients are increasingly seen as active customers, and serious attempts are being made to find out what those customers expect, for example by surveys or focus groups. Once this is done, public sector organisations can set performance targets, measure how well they are doing, and make public the results. The most dramatic such initiative is the UK's Citizens' Charter, a global statement of the government's service quality commitments, launched by Prime Minister Major in 1991. It has received a great deal of attention and is now being emulated in New Zealand (Laking), Malaysia (Ahmad Sarji), and Namibia (Geingob). New Zealand, the UK (Mottram), Mauritius (Jugnauth) and Singapore (Quah) are all seeking customer feedback about service quality by means of surveys, focus groups, and consumer participation on review panels. For example, Singapore monitors complaints carefully and reports a decrease from 3,100 in 1991 to 1,900 in 1992 and an increase in compliments from 161 to 500 during the same period. The UK is making public comparative information about service in hospitals, schools, ambulance services, and local authorities.

Some public service organisations are changing their procedures to improve service. Singapore is establishing service centres to provide one-stop shopping in public services (Quah) and Tanzania has established an Investment Promotion Centre to facilitate the establishment and licensing of businesses (Rupia). The UK Inland Revenue is merging its assessment and collection units to reduce taxpayer confusion (Matheson). Both the UK Inland Revenue and the Malaysian Government (Ahmad Sarji) are implementing total quality management (TQM) programmes, and Canada's internal government consulting agency is helping departments implement TQM (Pearson).

In addition to departmental efforts, some governments are undertaking central initiatives to improve service. Singapore has established a Service Improvement Unit (SIU) in the Prime Minister's Office to oversee departmental efforts and has

appointed 93 senior-level service quality managers in departments and boards to assist the SIU in implementing its initiatives. The UK has established the Chartermark Awards, given annually by the Prime Minister to up to 100 public sector organisations or units that provide exemplary service and Malaysia has established both quality and innovation awards in the Public Service. Finally, the UK Government is producing a quarterly newspaper about best practice in the Public Service.

If managers are to achieve exacting service standards, they need *increased autonomy, particularly from central agency controls*, so they can use their expertise and creativity. The New Zealand Government began to move in this direction a decade ago, starting from the premise that policy advising ought to be separated from operations so as to counteract the inevitable tendency of advisers to recommend policies that will enhance the operational responsibilities of their organisations. The UK, in its Next Steps Programme, assigned operations to agencies whose CEOs were given both clear performance targets and increased autonomy in meeting them. Currently, 64 per cent of the UK Public Service is working in agencies. Singapore has also moved responsibilities for infrastructure development out of departments and into agencies (Mohideen).

In addition, there is now a broad trend to a reduction in central agency controls over departmental or agency human resource management practices, with examples cited in Australia (Dawkins), New Zealand (Laking), the UK (Matheson), Trinidad and Tobago (Draper) and Zimbabwe (Sibanda). An example of this trend is greater flexibility in working conditions, as evidenced by more parental leave, part-time work, and flexi-time arrangements in Australia (Ives) and New Zealand. Australia and the UK have moved from collective bargaining for the entire Public Service to workplace bargaining (Ives, Mottram). New Zealand has gone even farther, applying private sector employment law to the public sector, so that there can be individual as well as collective contracts and staff can nominate their own bargaining agents.

Managers' abilities to lead their organisations are being increased as organisational structures are being simplified and hierarchies flattened. Australia (Dawkins), the UK (Mottram), and Malaysia (Ahmad Sarji) have all created Senior Executive Services, with fewer grades than in the past. Australia, Malaysia, and the UK Inland Revenue have created single administrative services encompassing what were previously separate occupational groups, and also reducing the number of grades. Zimbabwe is also delayering its Public Service as part of a downsizing initiative (Sibanda).

This trend is also apparent in financial management. For example, both Australia (Dawkins) and the UK (Mottram) allow managers freedom to manage the consolidated running costs of their programmes. Namibia is permitting year-to-

year budget transfers (Geingob) and Australia and Malta (Fenech-Adami) have established three-year forward estimates.

There are numerous examples of previously centralised governments attempting to increase the autonomy of local managers by devolving power to them. South Africa is writing a new constitution that favours the states (Vil-Nkomo); Zimbabwe is decentralising to local authorities responsibilities in the areas of health, education, and social welfare (Sibanda); and Nigeria has created federal state advisory and co-ordinating councils (Elai gwu).

The third component of the new paradigm is that *organisations and individuals are being measured and rewarded on the basis of whether they met demanding performance targets*. In a sense, this is the other side of the bargain implicit in the second component of the paradigm: increased autonomy but more exacting expectations of performance. In New Zealand (Laking), the UK (Mottram), Malta (Fenech-Adami), and Malaysia (Ahmad Sarji), senior public servants are signing performance agreements with their political masters. New Zealand and the UK have been making greater use of performance pay at the senior levels. Both the UK and New Zealand are moving from a tenure system to fixed-term contracts, and permitting competition from outside the Public Service for senior positions. Currently, nine of 37 agency heads in New Zealand have come from the private sector, and three from overseas.

This performance orientation is also evident in the financial management area. The increasingly autonomous department and agency heads in the UK and Australia are being required to return an efficiency dividend of 1.5 per cent per annum on running costs to the Treasury. In Australia, this dividend amounts to about A\$80 million per annum. New Zealand now charges departments for their use of capital, including depreciation, a policy that has resulted in much more economical use of capital. Australia is requiring departments to pay for internal government services, such as legal advice, also leading to the more careful use of resources (Dawkins). Both New Zealand and the UK have moved their agencies from cash to accrual accounting, which forces them to be more aware of the cost implications of resource commitments and puts them on a more equal footing with the private sector.

An example of this approach applied comprehensively is Australia's radical transformation of the management of its state-owned enterprises by giving managers more autonomy, requiring them to produce mission statements and financial targets, encouraging benchmarking, and increasing private sector competition (the latter a component of the paradigm that will be discussed below). Dawkins cited some impressive results: 10 per cent per annum increases in labour productivity between 1987 and 1992, 24 per cent lower real prices for air travel and for international telephone calls in 1993 than in 1987, and increased

profitability of the state-owned sector from A\$170 million in 1988-89 to A\$5.2 billion in 1993-94.

Finally, a number of countries are evaluating performance by establishing either ongoing or extraordinary programme reviews. Canada is currently undertaking a review of all government programmes, with the objective of making major expenditure cuts (Massé). Both Australia and the UK are requiring reviews of every programme every three to five years. Jamaica is undertaking reviews of its contracting procedures and its customer-service performance (Davis).

The fourth component of the new paradigm is *providing the human and technological resources that managers need to meet their performance targets*. In the area of human resource management, this means recruiting the most talented people available and improving their skills through constant training. Some Commonwealth governments have been aggressive recruiters at the entry level. Singapore entices high-flyers with scholarships to either the National University of Singapore or elite universities overseas; after completion of their programme, they are required to serve in the government. Both Singapore and Hong Kong recruit aggressively at local universities (Quah, Scott). Some departments or agencies have launched their own fast-track recruitment programmes, for example the Inland Revenue in the UK. Singapore has taken the boldest, if not most expensive, initiative in compensation policy by setting civil service salaries, at all levels, that are competitive with those in the private sector. Senior permanent secretaries are now earning in excess of US\$300,000 per annum.

Representatives of many countries described imaginative training initiatives. For example, the UK and Singapore have instituted customer-service training for staff, the latter contracting with Singapore Airlines, an organisation well regarded for its high service standards. Following its policy of economic deregulation, Ghana is retraining public servants who had previously been responsible for regulation (Botchwey). Australia is using competency-based training, which starts by defining competencies relevant to a given organisational level and then trains in those competencies (Ives). The UK (Matheson) and Mauritius (Jugnauth) are also tailoring training to rank. Trinidad and Tobago has been sending most of its Public Service on departmental training retreats (Draper).

Employment equity initiatives are important, not only because they try to undo the damage caused by generations of systematic discrimination, but also because they will ultimately expand the pool of talent available to the government, as argued in Mkhonza's paper. Australia has established a strategic plan targeted at women, the disabled, aboriginals, and those of non-English backgrounds (Ives), and Mauritius

has created a Ministry of Women's Rights, Child Development, and Family Welfare (Jugnauth).

The transition from apartheid to democracy presents South Africa (Skweyiya, Vil-Nkomo) and Namibia (Geingob) with major challenges in expanding opportunity for non-whites. Both countries have to merge numerous racially or geographically-defined public services into one national Public Service. South Africa is attempting to use vacancies and a limited number of new positions to increase the presence of under-represented groups, especially blacks and women, in the Public Service. Bursaries are being given to encourage under-represented groups to join and training will be provided in basic skills and professional values (Skweyiya). In addition, collective bargaining rights are being extended to the entire Public Service (Skweyiya). Nevertheless, the Government's policy of inter-racial reconciliation dictates a recognition that whites have a valuable contribution to make. Applied to the Public Service, this has meant a commitment to protect the positions, salaries, and benefits of public servants who worked under the apartheid regime. This, coupled with the new Government's overall fiscal constraints, places limits on how rapidly the Public Service can be transformed.

Increasingly, the public sector is coming to recognise the importance of leading-edge information technology (IT) as an essential facilitator of service improvement initiatives. Singapore provides the most impressive example of this. In 1981 – in IT terms, at least four generations ago – it established a National Computer Board. By 1990, the Civil Service described itself as being "fully computerised", having 107 mainframes and minicomputers, 10,000 PCs and terminals, 293 application systems, and 606 computer professionals. An investment analysis indicated returns of \$2.71 for every dollar spent on IT, and a reduction in the need for 5000 positions (Quah). Malaysia (Ahmad Sarji), Malta (Fenech-Adami) and Mauritius (Jugnauth) also report launching major office automation programmes. IT is being used not only for internal operations, but increasingly for service provision. Malaysia is establishing a Public Service network of electronic kiosks at post offices and Civil Service Link, a network of computer-supported information centres (Ahmad Sarji). Singapore is promoting electronic payment of bills and the UK Inland Revenue is establishing enquiry centres whose expert staff will have electronic access to taxpayer records.

Finally, smoothly functioning central agencies and Cabinet can be considered another supporting resource for departmental managers. While departmental managers may have increased operational autonomy, it is nonetheless important for them to be aware of and responsive to the overall direction of policy. Several nations report initiatives in Cabinet organisation. Australia (Dawkins) and Namibia (Geingob) have established systems of Cabinet committees. Australia has also reduced the number of departments and grouped programmes more logically. Dawkins argued that these changes have reduced the need for more interdepartmental co-ordination, reduced departmental overheads, provided more

stability for ministers, and enabled the full cabinet to concentrate on fewer, more important issues. Trinidad and Tobago uses frequent team-building retreats for ministers (Draper). Both Trinidad and Tobago and Canada have designated a minister with responsibility for public service reform; in the former the Minister has experience in management development, in the latter the Minister was an experienced and well-respected Permanent Secretary before entering politics. Several countries have reorganised their institutions for supporting Cabinet. Australia has strengthened its Cabinet Secretariat and Jamaica has created a Permanent Secretaries Board, laid down guidelines for Cabinet submissions, and given its Cabinet Office the responsibility of reviewing policies and performance in certain key areas (Davis).

The fifth and final component of the new paradigm is a *receptiveness to competition and an open-minded attitude about which public purposes should be performed by the public sector as opposed to the private sector*. The American authors Osborne and Gaebler have cast this as an exhortation to the public sector to steer (i.e., set policy) and to seek private sector involvement in rowing (i.e., implementation).⁶ Australia, New Zealand, the UK, Mauritius, and Zimbabwe are increasingly involving the private sector in the production of what were previously internal services to the public sector. In the UK, the value of market-tested goods purchased by the Government has increased from 25 million to 1.3 billion pounds between 1992 and 1994, with cost-savings of 20 per cent or more. In many instances, the public sector continues to win contracts for market-tested goods, but the threat of private sector competition has improved public sector performance.

Throughout the Commonwealth, there is a great deal more private sector involvement in activities that were formally reserved for the public sector. The UK is inviting the private sector to finance infrastructure development (Mottram). Speakers from several developing countries outlined new roles that non-governmental organisations can play in implementing policy. For example, India is turning to non-governmental organisations for programme delivery in education, family planning, and rural development (Ranganathan). Ghana is beginning to use the traditional authority of village chieftains to deliver local government services (Kiggundu). The Grameen Bank in Bangladesh has pioneered micro-credit among the rural poor, particularly women (Shams). Shams cites impressive results showing that recipients are using this credit to improve their housing, food, clothing, and education and to create jobs, that women who receive credit are becoming socially more assertive, and that loan recipients are not defaulting. Finally, a strong indicator of its success is that the Grameen Bank approach is being replicated in other countries of Asia.

The ultimate expression of this approach is privatisation, which has been chosen very frequently. The record includes 47 privatisations in the UK since 1979 (Mottram), privatisation of Singapore's Telecom, airline, and shipyards (Mohideen), privatisation as part of Zimbabwe's Structural Adjustment Programme

as well as privatisations in Ghana (Botchwey), Tanzania (Rupia), New Zealand (Laking), and Malta (Fenech-Adami).

Many developing countries in the Commonwealth are dismantling price controls, import licensing regimes and exchange controls and are lowering tariffs: Jamaica (Davis), India (Ranganathan), Tanzania (Rupia), Namibia (Geingob), and Ghana (Botchwey). Kwesi Botchwey, Ghana's Finance Minister, reports a growth in real GNP of five per cent following deregulation, a substantial improvement from the previous period of heavy-handed regulation.

Probably the most sophisticated example of co-operation between the public and private sectors is Singapore's conceptualisation and implementation of an explicit industrial strategy over the thirty years it has been independent (Mohideen). In the 1960's, Singapore concentrated on labour-intensive exporting and also encouraged foreign investment by permitting 100 per cent foreign ownership and unrestricted repatriation of profits. In the 1970s and 1980s, the Government supported electronics industry investment by its own investments in skills for its workforce and in transportation and communications infrastructure. It developed a National Information Technology Plan and, as discussed above, computerised its public service. In the current decade, Singapore is attempting to play a leading role in the regional economy, through inter-governmental agreements with Malaysia, Indonesia, India, and China, thereby laying the framework for joint business ventures. Mohideen attributes Singapore's strong economic performance – an increase in per capita GNP from US\$435 to US\$17,000 and in trade from US\$2.5 billion to US\$159 billion, and a decrease in unemployment from 14 per cent to 2.7 per cent – to this deliberate and far-seeing strategy. An echo of Singapore's approach was heard at the Conference in Ahmad Sarji's reference to Malaysia Inc. However, this appears to be less of a fully-articulated industrial strategy and more of an attempt to improve relations and dialogue with business.

This completes the discussion of how the different Commonwealth countries have responded to the changing environment by developing and implementing a new paradigm of public management. This is not to say that the Commonwealth countries have been the only ones to develop the new paradigm. Similar changes have been happening all over the world. Nevertheless, some of the Commonwealth countries have been in the forefront. The next section summarises what was said at the Conference about the results that were realised when the new paradigm was implemented.

The impact of the new paradigm

(i) Results achieved

For reasons that will be discussed below, not all speakers recounted the results of the reform initiatives they have launched. However, enough speakers did that it

was possible to compile a list of the results that were cited, categorised by the themes presented in the previous section of the report. The results are as follows:

- Market-testing in the UK has achieved cost savings of 20 per cent or more.
- Capital charges in New Zealand have reduced the use of capital by departments and agencies.
- There has been a substantial reduction in consumer complaints about government services in Singapore.
- Information technology investments in Singapore between 1981 and 1990 produced labour saving of 5000 positions and returned \$2.71 per dollar invested.
- Giving managers of Australia's state-owned enterprises both more autonomy and clearer goals resulted in increased labour productivity of 10 per cent per annum for 5 years, substantially lowered constant-dollar prices for air travel and telephone calls in the same period, and increased overall profitability from A\$170 million to A\$5.2 billion between 1988 and 1994.
- Deregulation led to 5 per cent per annum growth of real GNP in Ghana.
- Cabinet reorganisation reduced co-ordination effort and cost and increased the effectiveness of Cabinet meetings and individual ministers in Australia.
- Singapore's industrial strategy dramatically increased its per capita GNP and trade and reduced its unemployment rate over the last 30 years.
- Grameen Bank micro-credit is creating jobs, increasing incomes and standard of living, and increasing the assertiveness of women in rural Bangladesh.

This list illustrates that the results pursued differ by area. In the areas of financial management, information technology, and state-owned enterprise management, the results cited are mainly financial. Organisational reforms, such as those of the Cabinet system in Australia, affect indicators of organisational effectiveness, and wide-ranging programmes, such as, Singapore's industrial strategy or Grameen Bank's micro-credit affect a broad range of societal outcomes.

One might ask why it was that a substantial proportion of the speakers did not present results. Part of the reason might be that in many of the countries reform initiatives are in either the planning stage or the early implementation stage and

the results are not yet available. At this stage, speakers are likely to be enthusiastic about the process of reform they have initiated, and may think of these procedural changes as results. Up to a point they are. Nevertheless, the ultimate results of new forms of organisation must be measured in terms of the objectives of transitions that were postulated at the start of the paper, namely increasing freedom of self-expression and material well-being.

There was one paper given at the Conference that outlined a disappointing result. Plumptre argued that Public Service 2000, the Federal Government of Canada's attempt to implement the new paradigm, suffered from a deficiency of political will and interest. As a consequence, the process fell short in implementation and did not achieve attitudinal or institutional change. Disappointing results have an important role to play in learning. For example, if a disappointing case is characterised by the absence of what in a successful case was a key success factor, there is additional evidence pointing to the importance of that key success factor and dispelling the alternative hypothesis that success was due to mere good fortune.

Future CAPAM conferences could benefit from a greater focus on the definition and measurement of the results of reform initiatives. For example, governments that are planning reforms would do well to think carefully about what the ultimate objectives of their initiatives are, how progress in achieving those objectives can be measured, and whether their measures can distinguish the unique (or, to use the economist's term, *ceteris paribus*) effects of their initiatives. For example, if a treasury requires operating departments to return one per cent of their budget for running costs each year, observing that a certain amount of money was in fact returned to the treasury says nothing more than that the policy was implemented. The more interesting question is whether the pressure on operating departments this practice has created results in productivity increases, reductions in output, or a mix of the two. As another example, one could ask whether any of the increase in the profitability of Australia's state-owned enterprises can be traced to changes in general economic conditions between 1988 and 1994, rather than the managerial reforms? The more thoroughly questions such as these are answered, the more confidence conference participants will have that these reforms achieved valuable results. In any event, participants will benefit from sharing of experience about results, whether successful or disappointing, and candid explanations of the reasons why they occurred.

(ii) Lessons learned

Several speakers had some lessons about the reform process, in terms of the organisational dynamics that were necessary to bring about reforms. Four (Dawkins, Laking, Mottram, and Plumptre) dealt with government-wide reform initiatives, while Pearson focused more specifically on implementing a TQM programme within one organisation. However, there was a great deal of similarity

among all approaches. The following are the major lessons they draw from their experience.

1. A political or economic crisis or shock is often needed to force widespread recognition of the need for change.
2. High-level political support, encompassing both the Prime Minister and Cabinet, is required. Political support does not mean mouthing slogans, but rather includes active understanding of the initiative and its logic. While Pearson did not refer to elected politicians in her paper, she made clear that reform initiatives require the support of the organisation's CEO.
3. Reform programmes should have a clear vision and objectives, and clear and simple priorities. Dawkins also made this point in the context of strategy formulation for state-owned enterprises.
4. The organisation should make sure that some of its most capable people are involved in the reform effort. Pearson defined it as a job for "star performers", Mottram referred to "dedicated progress chasers", and Laking argued for a network of "key players who understand, support and can drive through change strategically located in key positions".
5. Complementing their call for powerful leadership, Mottram, Pearson, and Plumptre all argued for widespread employee involvement in the change process.
6. Laking and Mottram, well aware of the possibility of resistance to change, emphasised that it is important to mobilise those who gain from change, both outside and within the public service. In the case of those outside, mobilisation involves marketing to build constituencies. It should be possible to win the support of managers within the public service because they will benefit by receiving increased authority and greater extrinsic rewards for good performance.
7. Successful organisations should be recognised, either with awards or by disseminating information about their achievements in a "best practices" context.
8. Timetables should be used to sustain the momentum of change.
9. Organisations implementing TQM programmes must re-examine their core processes and change from a functional to a client orientation.
10. Consultation with clients should be an important part of any organisational redesign.

11. Organisations should not treat new technology as a panacea; careful analysis is needed *before* acquiring a new technology.
12. In implementing a new technology, organisations should resist cutting staff before the technology is implemented. Being short-staffed compounds the inevitable difficulties of changing from one system to another.
13. New systems should be tested in a pilot situation before full-scale implementation.

These maxims cover the entire process of reform, from building a rationale for reform, to the process of conceptualising reform, to the different organisational roles involved in the process, to the dynamics of building a winning coalition, down to the mechanics of implementation. While these maxims do not encapsulate all there is to say about implementing change, they are certainly a good place to start.

Global paradigm, local implementation

To this point, the report has treated the new public management paradigm without reference to the societal context. However, as mentioned at the outset, the conference presenters did represent nations that differ greatly; in addition, many conference participants expressed concern about whether the experience of a certain society would be equally applicable to an entirely different society. This section responds to these concerns by examining the new paradigm in three very different contexts.

(i) The OECD countries: "There is no alternative"

Three of the four OECD countries in the sample – the UK, Australia, and New Zealand – have become leaders in implementing the new paradigm, recognised not only within the Commonwealth, but throughout the world. The papers by Mottram, Matheson, Dawkins, Ives, and Laking made clear these Governments' serious commitment to reform, their comprehensive programmes, vigorous implementation, and substantial measure of results achieved. In each case, the programmes came about as a result of both significant external crises and coherent ideological responses. The UK faced unprecedented balance of payments and public sector labour relations crises between 1976 and 1979. As a result of spiralling balance of payments and fiscal deficits, New Zealand suffered a major foreign exchange crisis in 1984 and confronted the prospect of losing its access to the global capital market. In Australia, similar circumstances, while not leading to a defining moment of crisis, caused widespread concern that the country was so economically uncompetitive that it could become a virtual "banana republic".

The most comprehensive responses to these situations were based on the ideas of economists. In the UK, these ideas were driven by the politicians; in New Zealand, they were driven by public servants in the Treasury. In both these countries, as well as in Australia, both groups were on board. While sceptics might explain these policies in the UK as the result of ideological Thatcherism, the inescapable fact is that these policies were introduced and zealously implemented by left-of-centre Governments in both Australia and New Zealand. For them, as for the UK, "there was no alternative". The old Keynesian economics was seen as the problem, not the solution.⁷

These policies – in particular the use of market-like mechanisms and the expanded role for the private sector – remain controversial within the public management community. Some of this controversy was reflected in the questions posed of Dawkins, Mottram, Matheson, and Laking, all of whom are articulate advocates. For example, Mottram was asked whether he was concerned that neo-classical economics had captured the public sector throughout the world. His reply was that, at least within the UK, the negative feelings toward government that characterised the Eighties have now been replaced with a growing recognition of the value of government. However, there is also a recognition that the task of government is delivering services to citizens in the most efficient and effective way, which might well involve alternatives to public sector supply. The question of whether any government department or agency could be managed like a business was asked of Matheson, the senior manager at the Inland Revenue, and Laking, the CEO of the New Zealand Housing Ministry. Their answers were mutually reinforcing. Laking pointed out that the clarification of organisational missions and outputs that is such a critical component of New Zealand's approach enables managers to focus their attention in the way that private sector managers do. Matheson replied that continual central agency pressure for cost-effectiveness, through either mandated reductions in running costs or the threat of market-testing, keeps public sector managers alert in just the same way that competition keeps private sector managers alert. Public sector managers, too, must prove themselves again and again.

Paradoxically, the three countries which have most fervently embraced the new paradigm recently appear to be rethinking their position, in that they are now rediscovering the virtues of the old values. For example, Australia's Public Service Commission is now conceptualising a "new professionalism" that combines new management practices (for example, an emphasis on outcomes and performance and the decentralisation of collective bargaining) with traditional values, such as the merit principle, equity, and political independence (Ives). New Zealand has, to an extent, reasserted the "collective interest of government" relative to departmental autonomy by requiring more collective consultation on policy issues and setting common management standards, for example, in information technology. The British Government has just issued a White Paper that reasserts the importance of the Civil Service's role as policy adviser and declares that the Government does not envisage extending the agency structure into areas of the

Civil Service concerned primarily with policy. In addition, it reaffirms certain common standards in human resource management and announces a restructuring of the Senior Civil Service. The new Senior Civil Service category will be expanded to 3,000, including agency chief executives, and will be seen as a collective, not just a departmental, resource.⁸

(ii) The Asian tigers: on a rising curve

The three Asian newly-industrialised countries, Singapore, Malaysia, and Hong Kong, have all achieved impressive records of economic growth in the last three decades. This economic growth has given them stable currencies, little public sector debt, and large balance of payments and fiscal surpluses. The public sector has contributed to this economic performance, but it has also benefited from it. While it is under pressure to improve its performance, this is not due to the exigencies of debt crises, but rather to the demands and attitudes of the society it serves.

At the Conference, Singapore was the most admired of the three countries. Believers in the efficacy of the public sector must be impressed by the role it has played in formulating Singapore's industrial strategy and overseeing its implementation. Despite the country's wealth, Quah's paper gives the impression of a civil service that remains cost-conscious and efficiency-oriented. This contrasts with the ballooning of the civil services of some of the OECD countries during their years of rapid economic growth in the Sixties and Seventies. In these countries, rapid public service growth was due to public policy that was receptive to the incessant demands of interest groups and public servants who used activist public policies as a rationale for building organisational empires. Singapore is, of course, a much more disciplined society, and it is likely this attitude, emanating from both the political realm and the citizenry, permeates the Public Service as well.

Singapore's current strong fiscal situation means that its Public Service can afford to make investments in either human or physical capital that western governments, burdened by debt, can no longer afford. For example, the policies of paying salaries that are competitive with the private sector, supporting a relatively large number of high-flyers studying overseas, and major acquisitions of information technology are all expensive. Nonetheless, the Government of Singapore would justify them as providing future benefits that are worth the investment, as evidenced by its benefit-cost analysis of its investments in information technology.

Imitation, either actual or intended, is said to be the sincerest form of flattery. Singapore was the State that the other countries would most like to emulate. For example, Draper envisaged Trinidad as the financial and business centre of the Caribbean. Adedeji concluded his review paper on African transitions with a call to learn from Singapore. The Commonwealth country that actually has gone the

farthest in that direction is Singapore's neighbour, Malaysia. Ahmad Sarji's paper describes an activist Government that is both formulating a national economic strategy and implementing the latest developments in information technology and management techniques. Malaysian privatisation policy, launched in 1983, to date has privatised 144 Government agencies.

Where Singapore and Malaysia appear to differ from the OECD countries is that, even though they have privatised a substantial number of activities, they do not seem to be putting as much emphasis on internal competition within the Public Service or on market-testing. Perhaps this is reflective of cultural values influenced by Confucian thought and, in the case of Malaysia, Eastern and Islamic values, in which public servants are accorded great deference. In addition, in Singapore and Malaysia, public servants and politicians appear to be less committed to ideological neo-classical economics than some of the reformers in the OECD countries.

Among the three Asian tigers, Hong Kong is the exception. As Scott pointed out in his paper, Hong Kong has always had a much more minimalist State than Singapore. The private sector has been relatively unregulated and the public sector has not tried to impose any grand economic design. Taxes have remained low, and the public sector has been relatively frugal in its programmes and its running costs. Scott argued that one of the results of this frugality is that the Hong Kong bureaucracy has little expertise in policy analysis or project management, as evidenced by the difficulties it has had with the expansion of the university system. Given the uncertainties of the run-up to Chinese rule, it is likely that the loss of senior personnel will worsen the problem in the next few years. Despite having a much less activist bureaucracy than Singapore, Hong Kong has still prospered greatly during the last 30 years. Thus, one can argue that, among the Asian tigers, an activist industrial strategy is not the sole road to a strong economic performance.

While papers about Hong Kong and Singapore were given in a conference session on small and island states, these two nations are very different from the other small and island states represented at the conference (Jamaica, Malta, Mauritius, Trinidad and Tobago). If one were to draw a world map where a nation's size was proportional to its gross domestic product, Hong Kong and Singapore would loom large. The other states have much smaller populations and tourism is a much more significant component of their economies, as discussed in the paper by de Comarmond. Their natural ecology is often fragile and their social ecology is that of small societies where "everyone knows everyone else" and therefore social relationships are multiplex. As de Comarmond points out, this has the benefit of less anomie than in larger societies, but it makes it hard to have "impersonal" public management in accordance with a Weberian model. Economically, some of the small island states have done very well, while others are experiencing some of the developing countries' problems that will be described below.

(iii) The developing countries: desperately seeking solutions

A question often asked during the Conference was whether the new paradigm being implemented in the OECD countries and Asian tigers would be applicable to the developing countries, particularly those of Africa. Many speakers from the OECD countries were quite explicit about the context within which administrative reform was introduced: to quote Mottram, "free and fair elections; the rule of law and its application to all including the servants of the State, and the equitable administration of the law by honest public servants". In addition, initiatives to improve customer-service presuppose demanding customers whose experience with private sector services influences their expectations of the public sector. Similarly, initiatives to contract out or privatise public services assume that there is a private sector large and sophisticated enough to bid competitively for functions or organisations that are being put on the auction block.

A number of speakers from developing countries showed how the conditions in their countries were inconsistent with these assumptions. Botchwey described how Ghana can afford to pay its public servants only very meagre salaries. During the period of detailed economic regulation, public servants often used their power as regulators of controlled commodities, such as foreign exchange, to extract bribes from willing purchasers. In the current deregulated environment, they have a new temptation to allocate development contracts to bidders who are willing to give bribes. Adedeji discussed how little success Africa has had in establishing true democratic institutions, and how frequently progress has been disrupted by military coups. Rupia argued that Tanzania has run into difficulty in its privatisation programmes because of the lack of potential buyers. Finally, Adamson demonstrated that tribal politics has made downsizing, at either the Cabinet or public service level, difficult, if not political suicide, in Zambia.

Speakers also expressed cynicism about the structural adjustment plans (SAPs) advocated by the World Bank. They tend to see the components of these plans – privatisation, deregulation, and downsizing the public sector – as the price that has to be paid to continue receiving assistance. They are aware that, if the governments of developing countries make appropriate promises, they will ultimately receive the loans. In this regard, Cabinet Secretary Adamson of Zambia argued that what his country needed most was a team of specialists knowledgeable about the World Bank, who would help Zambia negotiate more skilfully, thus avoiding commitments it could not honour. As a consequence of the agreements that are made without such skilful negotiation, the commitments made as part of many SAPs are often implemented half-heartedly or even subverted. The fact that the components of the SAPs bear a strong similarity to the components of the new paradigm being implemented in the OECD countries also makes speakers from developing countries sceptical about the value of the new paradigm in its original context as well.

Many speakers from developing countries were looking for alternatives to the World Bank approach, both at the conceptual level and in terms of specific programmes. Adedeji took the position that the African countries' greatest need is to establish what Dahrendorf calls civil society, namely "institutions which are autonomous in that they are not State-run, are not subject to the whims of kings and tyrants, but are sustained by citizens endowed with rights and the wherewithal to make use of them".⁹ Adedeji thus argued that public service reform must not be imposed in isolation, but linked to a comprehensive programme of constitutional, political, and social reform.

Huguette Labelle, President of the Canadian International Development Agency, in the final plenary session of the Conference, extended Adedeji's remarks to outline the development assistance approaches that she feels have been most successful. In her view, development is about strengthening social infrastructure, improving access to resources, and empowering citizens to create their own occupations. More specifically, she advocated long-term institutional co-operation on the basis of common interests (e.g. between departments of agriculture), third-party projects (for example an OECD and a developing country working together to advise another developing country), and supporting coalitions of people with similar needs.

Kevin Sparkhall, of the UK's Overseas Development Administration, reiterated Labelle's approach. For example, he cited ODA's efforts in using third party projects to transfer expertise in public management, and looked forward to extending this approach by creating an international network of public management professionals who can share information about successful approaches. Finally, Ranganathan's paper about the role of NGOs in implementing education, family planning, and rural development programmes in India and Sham's paper about the Grameen Bank describe projects directly aimed at strengthening civil society and empowering individuals.

To summarise, while the paradigm of using development assistance to create civil society is not as completely worked out as the stern market-oriented reform paradigm of the World Bank, not only did the discussion question the latter paradigm, but it began to outline the former, and to do so concretely with reference to programmes such as the Grameen Bank's pioneering efforts at micro-credit. However, the discussion did not address the relationship between programmes designed to strengthen or create civil society and structural adjustment programmes. Are they incompatible alternatives or can they work together and reinforce one another ?

Conclusion

The first CAPAM Conference was a success, in that it brought together a large number of sophisticated thinkers to address major questions of public management. Nevertheless, as is always the case when new paradigms have been introduced, the adherents of prior paradigms are sceptical, if not critical, of the new paradigm. Thus, there were many questions at the Conference about whether the new paradigm was really working, either in the context of the OECD countries where it was first expounded or in the context of the developing countries, to which it has been exported within the programmes directed by the World Bank and other agencies.

With the entry and growing popularity of this new paradigm, the field of public management is now relatively rich in theory and poor in data. That is, public sector managers have a new set of norms. What they lack is a body of reports about the results of following the paradigm, and evaluations as to whether these results can be considered to be successes. Therefore, the first order of business for students of public management should be to study experience implementing this new paradigm so as to see what works, what doesn't work, and why. The question of what works should also be asked with reference to the different developmental contexts of the OECD, NIC, and developing nations. The next CAPAM conference could be devoted to an exploration of this theme, with papers commissioned to deal comprehensively and rigorously with this question of what works. This would also complement the Commonwealth Secretariat's publication of the Public Service Country Profile Series.

Probably the most interesting time to be a practitioner in or a student of a field is when there is the possibility of a new paradigm replacing an existing one. Public management is clearly at that stage today. By virtue of its diverse international membership, the Commonwealth provides a perfect laboratory to study the new paradigm and the first CAPAM Conference has provided a unique opportunity to initiate a dialogue among public servants and academics about its impact. If it can keep the dialogue going, and if it can continue to encourage the enthusiasm, commitment, and professionalism of those charged with the twin responsibilities of running and improving the machinery of government, CAPAM will have a bright, and exceedingly valuable future.

Notes

1. See Rolf Dahrendorf, "Transitions: Politics, Economics, and Liberty," *Washington Quarterly*, Summer 1990, pp. 133 - 42. Dahrendorf writes that transitions "embody the hopes of revolution without paying its price" (p. 134) and that "transitions are attempts to create or recreate civil societies by gradual, if often dramatic, change".
2. Paradigm is used in the sense defined in Thomas Kuhn's, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1962), namely bodies of theory that "attract an enduring group of adherents away from competing modes of scientific inquiry... [and are] sufficiently open-ended to leave all sorts of problems for the redefined group of practitioners to resolve" (p. 10).
3. Probably the most methodologically sophisticated statement of the new paradigm is Michael Barzelay, *Breaking Through Bureaucracy: A New Vision for Managing in Government* (Berkeley, CA: University of California, 1992), especially pp. 115-33. Barzelay refers to this new paradigm as the "post-bureaucratic paradigm".
4. Barzelay describes the paradigm in terms of the metaphor of an extended family of ideas. They are somehow related, but it requires concentration to identify just how (Barzelay, *Breaking through Bureaucracy*, p. 116).
5. Readers should consult the OECD Public Management Group's report entitled *Public Management Developments: 1993 Survey* (Paris, OECD, 1993) and/or the Commonwealth Secretariat's *Public Service Country Profile Series* (London, Commonwealth Secretariat, forthcoming).
6. Osborne D. and Gaebler T., *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, MA: Addison-Wesley, 1992), pp. 25-48.
7. For an excellent comparative analysis of the political origins and consequences of these policy ideas see Herman Schwartz, "Small states in big trouble: state reorganisation in Australia, Denmark, New Zealand, and Sweden in the 1980s," *World Politics*, 46 (July 1994), 527-55. A more detailed discussion of New Zealand's experience is J. Boston et al, eds., *Reshaping the State: New Zealand's Bureaucratic Revolution* (Oxford: Oxford University Press, 1991). For a discussion of the nature of the economic ideas that influenced the Treasury, see Chapter 1, pp. 1-27 (J. Boston, "The theoretical underpinnings of public sector restructuring in New Zealand").
8. *The Prime Minister, the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, The Civil Service: Continuity and Change* (London: HMSO, July 1994).
9. Dahrendorf, "Transitions: Politics, Economics, and Liberty," p. 135.

3. ADDRESS BY THE COMMONWEALTH SECRETARY-GENERAL

His Excellency Chief Emeka Anyaoku

The platform:

- His Excellency Chief Emeka Anyaoku, Commonwealth Secretary-General
- Sir Kenneth Stowe, Chairperson, CAPAM Steering Committee

The Secretary-General jointly addressed the founding members of the Inaugural Conference of the Commonwealth Association for Public Administration and Management, and the participants of the Annual Conference of the Institute of Public Administration of Canada.

The Secretary-General's address provided the international backcloth against which the establishment of CAPAM should be seen. In highlighting the shortfall between recent hopes of a new global order following the end of the Cold War and the distinctly patchy reality, and the somewhat uncertain international response to recent humanitarian crises, the Secretary-General exposed the weaknesses in current collective international strategies. He identified two key dimensions to these weaknesses: limitations in current international structures and funding arrangements; and a less than whole-hearted commitment to collective pluralist values.

The Secretary-General pointed out that the way forward must be to develop co-operation strategies which encourage a voluntary sharing of experience, and a receptivity to ideas gained from elsewhere. As a new entrant to the international scene, CAPAM will ultimately be judged by the extent to which it is able to develop practical approaches for fostering such co-operation between public sector managers.

My first words must be to thank your Steering Committee for inviting me to this Conference which marks the birth of an important Commonwealth professional association. I remember with pleasure my conversation with Sir Kenneth Stowe many months ago when he called at the Commonwealth Secretariat to discuss plans for your meeting.

I am also very pleased to have this opportunity to visit Prince Edward Island – a delightful part of a member country which plays a full and generous part in Commonwealth affairs. My journey from London was via Victoria, British Columbia, for yet one more example of the commitment of Canada to the Commonwealth by hosting the 15th Commonwealth Games. The Games justified in every sense the description of the Commonwealth Games as the "friendly games". The involvement of the people of the city of Victoria even beyond the staggering figure of approximately 14,000 volunteers provided an exceptionally welcome environment for visitors.

As those of you who have attended these games will know, they generate a truly remarkable spirit of goodwill amongst all the participants and spectators. This spirit of friendship and co-operation is a particular hallmark of the Commonwealth, and I am confident that it has formed the backdrop to your discussions at this Conference.

The establishment of CAPAM will add another dimension to the complex matrix of professional relationships within the public service in Commonwealth countries. Some people might ask: Will this be a further distraction to those charged with the responsibility of operating the machinery of government? Or will it give them strength and, through shared experiences and common purpose, lessen their load? This is an important question.

At a time when most governments are eager to rationalise or downsize, as it is perhaps accurately described these days, their institutions, I have no doubt that to be successful, CAPAM must enhance the capabilities of public servants as they undertake the responsibilities with which they are charged by their governments. These include, to deliver responsive and equitable services, efficiently ensuring social and economic progress in a secure and principled environment, thereby providing a crucial underpinning for good governance.

I have referred to this meeting as the birth of CAPAM. In order to throw into bolder relief the nature of some of the challenges faced by the governments which your members have to serve, I will reflect a little on the world that it has entered.

The ending of the Cold War has clearly not delivered the full results that many had hoped for. Tearing down the Berlin Wall generated much hope that ideologies were converging – that there were fewer points of political principle around which unproductive conflicts might cluster. Expectations were raised that a new

internationalist spirit would arise, strengthening the United Nations and facilitating more effective international co-operation for improvement in the human condition.

True, some successes have been achieved. Real progress towards peace and greater personal freedom has been made on many fronts. The inhuman system of apartheid has been replaced by non-racial democracy in South Africa. Israelis and Palestinians have taken greater strides towards each other than anyone would have dared hope just one year ago. Israel and Jordan are now making headlines in their progress towards peace and mutual accommodation. Mozambique tenuously, and Angola hopefully are finding paths towards freedom and the end of internal conflict. Nuclear arsenals have been dismantled in the Ukraine and despite the cloud of economic disappointments, few would seek to return the newly-independent parts of the former Soviet Union to a centralised command economy.

Unhappily however, the total picture so far has fallen well short of the general hope. In many places, new divisions are emerging around old religious and ethnic fault-lines. Even the sophisticated urban centres of the developed countries are themselves showing signs of becoming easy prey to the tensions which arise from their growing cosmopolitanism.

Thus, as the frightened victims of the seemingly increasing ethnic and sectarian intolerance in places like Rwanda or the former Yugoslavia can attest, dangerous social divisions can no longer be traced mainly to the continuing legacy of arbitrarily imposed colonial boundaries and constitutional structures.

Nor have the optimistic expectations from the peace dividend materialised. While significant progress is being recorded in such South-East Asian countries as Malaysia and Singapore, the economic fortunes of many developing countries, especially in Sub-Saharan Africa remain very poor. The pursuit of sustainable development with its environmental implications must therefore be ranked among the major challenges faced by many of our governments. This should take into account the fact that in many of these countries the present situation is exacerbated by external debt burden and such other factors as can be effectively tackled by greater multilateralism.

Multilateralism, the policy of international collective action towards the common good, is, quietly, in crisis. More precisely I should say that there is a quiet crisis in the commitment to multilateralism. Set alongside the strength of the response to the Iraqi invasion of Kuwait, the hesitancy of the international community's intervention in Bosnia and the initial reluctance to become involved in the appalling tragedy of Rwanda emphasise the point that national strategic interests overwhelmingly outweigh more far-sighted concerns. Serious responses from the major powers are reserved for those situations where a calamity is also a domestic economic threat.

I have argued before that the missing element in contemporary multilateralism is only partly related to organisational shortcomings in the international fora. This is not to under-estimate the logistical difficulties of mobilising human, material and financial resources from a variety of national sources, and the need to reconsider the assumptions underlying some UN structures and funding. The weak spot I wish to emphasise is in the moral not the organisational dimension. It concerns the supporting framework of beliefs and values. Genuine multilateral action is founded on an interlocking patchwork of personal moral codes which collectively confirm that us means everybody. None of us is "them", "the other", or "the not quite so important". Without that interlocking framework of values, multilateralism is doomed to be little more than rhetoric.

The Commonwealth is growing evidence of the potential of such collective, pluralist values to assist in national and international renewal. The 1.5 billion people of the Commonwealth constitute one quarter of the human race, and its 51 member countries inhabit every continent and embrace virtually every major ethnic group. It is a remarkable melting pot of cultures and traditions, fashioning a sense of common purpose out of diversity.

The values of the Commonwealth were spelt out by Heads of Government in the 1971 Declaration of Commonwealth Principles made in Singapore. In setting out a new set of priorities for the Commonwealth, designed to maintain the progressive momentum of this voluntary association of independent states well into the next century, the Harare Commonwealth Declaration of 1991 reaffirmed the commitment to these fundamental values. This secure moral underpinning has enabled the Commonwealth to serve its members well, and to elicit a unique sense of co-operation and mutual support. I believe that South Africa's application and subsequent return to the Commonwealth on the first of June this year, which was one of the first acts of foreign policy of the newly democratised nation, speaks volumes about the abiding appeal of those Commonwealth values and the potential for multilateral co-operation which they embody.

The return of South Africa to the Commonwealth is a source of much joy, and I should add, of considerable personal satisfaction. South Africa has been high on the Commonwealth agenda for forty years. The uniquely cruel system of apartheid was opposed by all Commonwealth members, and indeed by everyone who respects the basic principles of human dignity and the equality of all humanity. The Commonwealth played a leading role in challenging that iniquitous system, and took a significant part in the country's process of transition.

Apart from diplomatic support for the multiparty negotiations, the Commonwealth Mission to South Africa, working alongside teams from the United Nations, the Organisation of African Unity and the European Union, and supporting the diverse peace structures within the country, assisted in preparing the ground for the first

ever multi-racial elections. These endeavours were supported by additional diplomatic and technical assistance provided by the Commonwealth, and very particularly by the practical and timely help which the Commonwealth was able to offer to the newly-established bodies with responsibility for peace-keeping and electoral organisation.

The Commonwealth is now offering its full support to the enormous task of reconstruction. Later this year we will be facilitating a donor's conference, jointly with the United Nations, to assist South Africa develop its human resources to meet the challenges of the post-apartheid era. A new generation of public servants and diplomats will be necessary to steer the country along its new course and we are providing training in these key areas.

Many of you here will be familiar with, and perhaps directly involved in the work of the Secretariat through the Commonwealth Fund for Technical Co-operation (CFTC) in support of practical Commonwealth co-operation. Across the Commonwealth, senior officials within government are giving their time, in a genuine spirit of mutual co-operation, to map out in detail some of the key developments and practices of the public service in their country. These insights will be shared so that public sector managers learn from each other - so that better wheels are copied and not reinvented. The door to this has been unlocked by strong but informal relationships between professionals in the field and those in the Commonwealth Secretariat, working to a common agenda of collaboration and respect for diversity.

This is the stage onto which CAPAM is a welcomed new actor. The Harare Commonwealth Declaration, to which I referred, included a pledge to work with renewed vigour to protect and promote democratic processes and institutions, and to assist in entrenching the practices of accountable administration and the rule of law. CAPAM will further the work of the Commonwealth in these important dimensions.

The experience of many countries within and outside the Commonwealth has emphasised the role of the public service as a vehicle for carrying forward key national and public values. In some democratic countries, where governments have tended to change with more than the common frequency, the public service has largely been responsible for sustaining national stability by keeping the institutions of the state operating fairly normally. In other countries, where governments have been prone to unconstitutional change, for example, as a result of military coup d'etats, good public services have often proved to be the only real defence of the countries concerned against total anarchy.

But it is also true that in a number of countries, the public service has not always been able to resist either the pressure or the temptation to become an accomplice in the negation of democracy and good governance. CAPAM, I trust, will have the

capacity to contribute to the development of the level of professionalism that can help to counter this tendency. For a stable democracy needs civil servants who are able always to offer objective advice and to perform in non-partisan ways while retaining the confidence of all, including their political bosses, in their loyalty and integrity.

Besides, there is a strong resonance between the respect for diversity implicit in the Commonwealth approach, and what perceive to be one of the principle contributions that CAPAM will be able to make to the public service of all our countries.

At a time of seemingly increasing agreement on the approaches for improving efficiency within public administration, there is a remarkable diversity of options available to government. As is evident from your conference themes, in designing the structures by which they seek to ensure the implementation of their policies, governments in very different settings increasingly draw from a similar menu of options ranging from privatisation to performance management. However, and to my mind reassuringly, their selections from that menu can be and are usually very different reflecting as they must local circumstances including the cultural milieu concerned. Consensus around the broad approach should not prevent diversity in practice. I trust therefore that CAPAM will put the Commonwealth knack for managing plurality to good purpose by encouraging professional collaboration amidst such a stimulating variety of public sector strategies.

On a final note, I am confident that as senior public administrators, this audience is more aware than most that the only certainty for the future is continuing change. Our need to achieve the right results in-cost effective ways, has moved us from one mindset to another. It is something of a caricature, but not an unfair one, to suggest that both governments and international organisations have historically taken existing structures as given, hoping that any shortcomings might be ameliorated by larger budgets or reduced expectations. It was perceived that basically sound systems needed fine-tuning, but little more.

The paradigm within which we all work now is very different. We see a need for constant improvement, and a consequent need for balancing respect for continuity with some healthy scepticism that we are achieving as much as we might.

The Secretariat is the principal institution for the Commonwealth's multilateral intergovernmental action. It has itself recently been extensively reorganised to increase efficiency and cost-effectiveness. You will all recognise the key themes which have shaped that reorganisation – streamlining, tighter strategic planning, performance management, programme budgeting, increased transparency and enhanced accountability. The Secretariat knows the pains, and the gains, of reorganisation very well.

I wish you, Sir Kenneth, and the other members of your Steering Committee every success in this Conference and in setting CAPAM on a path towards professional respect and long-term viability. I look forward to following what I am sure will be the upward progress of this important new association as it pursues its agreed objectives.

4. OPENING OF THE CONFERENCE

The platform:

- The Honourable Catherine Callbeck, Premier, Province of Prince Edward Island, Canada
- Sir Kenneth Stowe, Chairperson, CAPAM Steering Committee
- Mr Lloyd Palmer, Chair, IPAC Conference Committee
- The Honourable Marcel Massé, President of the Queens Privy Council, Minister of Intergovernmental Affairs and Minister Responsible for Public Service Renewal in the Federal Government of Canada (Keynote Speaker)
- Mr James Beaulieu, IPAC President (Chairperson)

The founding members of the Inaugural Conference of the Commonwealth Association for Public Administration and Management and the participants of the Annual Conference of the Institute of Public Administration of Canada were welcomed by the Honourable Catherine Callbeck, Sir Kenneth Stowe and Mr Lloyd Palmer.

In his welcoming remarks, Sir Kenneth Stowe highlighted the depth of the social and political transitions faced by Commonwealth governments, including those from single- to multi-party systems, from closed to open economies, and in particular from apartheid to democracy. He went on to emphasise the moral base of public service: the responsibility of all public officials, elected and appointed, to seek to improve service within a framework of values. His opening remarks gave the subsequent discussions a very positive steer towards that area where managerial determination meets respect for the public and for democratic processes.

Mr Massé provided a further anchor to the discussions in his keynote address which described the three major themes which form the context to government transitions: globalisation of trade and communication; regionalisation of trading blocs and of military conflicts; and public disappointment in government with the resulting and overwhelming pressure for governments to do better. He cited the case of Canada, reflecting on the fundamental reviews of structures and processes which it had no option but to undertake. Mr Massé noted that its federal structure gave Canada a particular advantage in such an exercise, as federalism provides a daily practical lesson concerning the opportunities for innovation and mutual advantage which follow from the healthy tensions of interdependence.

In taking these views together, the launch of CAPAM offers the possibility to plug some very real gaps. Globalisation and the pressures for improvement in government services are experienced very differently in developed and developing

countries. The three regional trading blocs cover the majority of the world's trade, but far from the majority of its people. They provide a sharp reminder of the divisions that remain between peoples and between expectations at a time of seemingly relentless movement towards strengthened global interconnections. The paradox of globalisation is that while national borders assume less relevance, social divisions within countries and between regions increase.

The role of public administrators and managers is crucial in this fractured and fast-changing environment. Their dual task is to advise on, implement, and subsequently account for services which serve the whole nation while simultaneously seeking opportunities for improving the systems and framework within which they operate. They must find support for their local improvements from global developments, adapting emerging international best practices to national realities. The principal task of CAPAM is to deliver quality services to its members which bridge this gap between international possibilities and practical local action.

The future of government: change, opportunities and comparative perspectives (Canada)

Edited extracts from the keynote address by the Honourable Marcel Massé, President of the Queen's Privy Council, Minister of Intergovernmental Affairs, and Minister Responsible for Public Service Renewal, Canada

The new context

As Minister of Intergovernmental Affairs with special responsibility for Public Service Renewal, I am dealing day-to-day with the need for fundamental reform of our basic institutions and the ways our Government must respond to a citizenry confronting rapid change and uncertainty.

Having spent many years working in the international realm, I have seen that globalisation is not just an abstract or hackneyed concept; it is a reality at every level today: administrative, economic, social, and political.

In 1990, I said that globalisation required that we take a more horizontal approach to problems and their solutions. Four years later, I believe we have all experienced this reality and it continues to be our holy grail.

But now there are also important new realities – governments have persistently over-promised and under-delivered. Policies and programmes have struggled to address debt and deficits and to produce economic growth with jobs. Everywhere citizens are therefore questioning the credibility of governments and their relevance. The result – the need to rethink government in recognition of the narrowing policy choices of government and the limited ability of governments to solve problems on their own.

I believe your job as public administrators is to ensure that government takes advantage of the opportunities of globalisation and responds within the constraints of these new realities. This requires a fundamental reform of government, where its main role is to be a facilitator among many actors and where its priority is to find innovative ways of responding to the legitimate concerns of citizens.

If I were to make a pretty safe prediction, I would say that future governments will be smaller, with a focus on shared decision-making and protection of the vulnerable in society.

If you permit me to make one more prediction, it is that, in this new world, the appeals of federalism will become evident – particularly in terms of its flexibility

and its ability to facilitate shared decision-making and to promote fairness in society.

Globalisation

The facts of globalisation are known to all of us. "Globalisation", "interdependence", "a planet without borders", or to use the phrase coined by Marshall McLuhan, "the global village", all these terms describe the world we now live in.

Richard Lipsey, in his Sir Charles Carter lecture at Queen's University, Belfast, described the key elements of the global village succinctly. He said (it) is built around: (1) knowledge-based production; (2) falling costs of transportation and communication; and (3) a communication revolution stemming from lower costs and rising efficiency in the transmission, retrieval and analysis of data.

In this global village, the world is one market-place demonstrated by the rapid expansion of world trade and investment. World trade in merchandise and commercial services is currently valued at nearly \$5 trillion. Tariffs, which once averaged 40 per cent on manufactured goods, have fallen to just over four per cent. The nearly five-fold expansion of trade since 1947, the year the GATT was born, dwarfs the mere doubling of global output over the same period.

Multinational firms have proliferated and their investments abroad have grown by leaps and bounds. The 1992 UN World Investment Report shows that by the end of the 1980s, the value of goods and services sold by foreign affiliates totalled an estimated \$4.5 trillion, equal in value to world trade. The power and influence of multinational firms now exceeds that of many sovereign states.

What does this all mean for political institutions and processes? In this new world, operations are borderless and transactions instantaneous. The term "domestic economy" is becoming little more than a geographic reference.

"Domestic" politics are as uncontainable as "domestic" capital. States can, however, seek to nurture modern and competitive economies. Most have taken the first step, which is ensuring access to foreign markets through freer trade and investment.

If the decisions, practices and operations of multinationals are to be subject to broad policies developed by political leaders accountable to the people, new alliances and blocks are necessary to develop and enforce such policies. Otherwise, major decisions affecting the environment and labour conditions will be made by business leaders unaccountable to the people at large.

These are the features of globalisation we all know so well, and which already affect our daily activities. Let me try to identify some new trends which have accelerated the pace of change even more.

Peace dividend

The first trend is the peace dividend. When the traditional functions of NATO and the Warsaw Pact disappeared, there was a spillover effect from the international to the domestic. Rethinking in these areas put pressure on governments to start reconsidering their overall functions, or at least to think about reordering their domestic priorities. As an example, let me cite West Germany. With the end of the cold war, it was free to deal with the reintegration of East Germany. This has had a major impact on most aspects of German domestic policy.

Associated with the end of the Cold War era is the increased regionalisation of military conflicts and global solutions to problems. The UN has been increasingly drawn into the role of world police. Now more than ever it enlists the support of UN members, including the United States, as participants in the military settlement of regional disputes. For example, Canada today has troops in 20 trouble-spots around the world.

This notion of partners in world peace is redefining traditional views about the role of the military, foreign policy and diplomacy. And this has repercussions on other activities of the state, a process which is just beginning.

Emergence of the triad

The second trend that is accelerating the pace of change is the emergence of the triad and increasingly bilateral and regional world trade.

The recent conclusion of the Uruguay round of trade negotiations represents a significant step on the path towards a multilateral and increasingly global free trade. It has broadened the world trade agenda to include such matters as services, intellectual property rights, agriculture, and so on. The World Trade Organisation is to be established in 1995.

The ongoing consolidation of bilateral and regional trading blocs, in which Canada has taken part, reinforces these trends.

By creating spheres of free trade, NAFTA and its European and Asian counterparts reflect the emergence of a world triad: three large marketplaces. The triad thereby represents three stepping stones to expanded free trade, encompassing more trading nations and allowing for liberal policies tailor-made to those regions.

Democracy and the information revolution

The third trend that is increasing the pace of change is the impact of the information revolution on democratic processes and governments. For all countries, and especially a vast country like Canada, the convergence of telecommunications, cable, satellite, and fibre optics has altered the way governments and their electorates interact; and the potential for further change is almost unlimited.

For example, *The Lobby Digest and Public Affairs* magazine reports that computer networks can be employed to mobilise grassroots movements on issues as varied as advertising, tax policy and foreign aid. Steve Chase, the article's author, says, "In the US some groups have even mastered the art of the electronic petition, in which supporters of a protest can simply add their names to a list through the use of e-mail".

Since Ross Perot began popularising the idea of an electronic democracy, numerous groups have talked about enabling the entire electorate to use touch-tone telephones, remote-control devices or computers to vote on issues. A cable company in Denver is currently developing what it calls a democracy channel as a forum for 24-hour political decision-making.

Direct democracy may be a wonderful thing, but it raises a number of difficult questions: How do we balance this direct democracy against the benefits of representational democracy? Is there a danger that political leaders will pay even more attention to the issue of the moment than they do now, ignoring tough decisions for fear of a bad televote performance?

New realities

Against the backdrop of these new factors in global trends are some of the realities I spoke of earlier, realities which bear on the ability of domestic governments to deliver programmes and services, and to meet the expectations of their citizenry.

I would like to talk about these new realities, with reference to the Canadian case. Like other countries, Canada is adjusting to the whirlwind of change. Fundamental values and principles are being sorely tested. Stability often gives way to insecurity. Technological advances are heightening the need for speedy reactions, and for more effective and efficient management models. Citizens' expectations exceed government's ability to deliver – with a corresponding rise in disenchantment.

Canada is truly a global nation. We are both the world's eighth largest exporter and eighth largest importer. Our share of global trade is close to four per cent, nearly one third of that of the United States.

Canada must therefore define its domestic policies and behaviour in trade, administration, finance, the environment, security and other areas in light of events that are beyond our borders but which inevitably affect us.

In the early part of the decade, Canadians experienced the hardships of economic restructuring, with the manufacturing base of the country in question. Canada's commodity base – its traditional area of comparative advantage – has also suffered from low and variable prices.

Growth has not been accompanied by jobs, as firms position themselves to compete in the global economy. The challenge here is to adapt rapidly, and to compete in a world where knowledge is the real basis for comparative advantage.

Added to this scenario is rapid social and demographic change, characterised by an ageing society, relatively poor income growth, high youth unemployment, and questions about the decline of the middle-income earner.

Canada is no exception to the world-wide reality that, for too long, too many countries have been living beyond their means – promising action that they could not sustain and sustaining action that could not be afforded. Thus, we are in the tough situation of having to choose policy options within severe financial constraints. And we must recognise that the more appropriate role for government is to act as a catalyst and facilitator, rather than as the exclusive "doer".

Shared responsibility for public policy choices is especially important during an era of shrinking resources. The challenge is to maintain and develop "government-to-citizen trust". As Judith Maxwell, has pointed out in a recent article, hard decisions have become necessary, but, she says, "... Government cannot afford to ... break trust with Canadians". This means that the various elements of society must co-operate to find mutually beneficial solutions to problems. This is essential to good government and to creating government-to-citizen trust.

These realities have led governments in Canada to take seriously the root causes of scepticism and disenchantment. These realities have also forced us to ask some basic questions about the role and purpose of government and the functions of our public administration.

Our approach

As a Government, we have chosen to go back to basics on a number of fronts. First, we have moved to implement measures promoting public trust by delivering on our commitment to "good government" and by opening up the process of Government in Ottawa. We have placed the burden of legitimacy on our Parliament and parliamentarians in an attempt to restore the credibility of the representatives of the people.

The Prime Minister recently appointed the first Ethics Counsellor to oversee and enforce both a strengthened Lobbyists Registration Act and a revised, more comprehensive conflict-of-interest code that replaces the old conflict-of-interest guidelines.

But perhaps more fundamental is the broad re-examination of Government programmes, policies, services and activities we are undertaking. There are several assumptions underlying our approach. In conducting this review, we believe that confidence in government can, in large part, be restored if government is involved in activities that properly belong to it.

Our assumption is that credibility can be restored if citizens see that fast, efficient and cost-effective services are available to them. We believe that programmes and services must be focused on client needs, not on jurisdictional responsibilities. Our approach for getting from here to there, to the federation and government of the future, is to work co-operatively on improving administrative and regulatory agreements.

We have decided to use an administrative route. The constitutional roadblocks of the past have contributed significantly to Canadians' disenchantment. Negotiations appeared to Canadians to be taking place behind closed doors, and because of this, agreements failed to gain popular support. Our view is that a constitution cannot be written so that every foreseeable and unforeseeable development is carved in stone. This is especially true in a global world. By doing this, you will create a document which lacks flexibility and adaptability to a nation's rapidly changing needs. Thus, the administrative route offers more scope for real tangible results leading to flexible and efficient government.

Working towards this goal, no less than 22 reviews of Government activities are currently underway. Each of these reviews is part of the overall map of change. Let me mention just a few.

Related directly to my mandate is the Programme Review. This is a review of every programme and activity in every federal department. In this Review, fundamental questions form the basis of the exercise: Is this programme still necessary? Is it meeting a real need? Are there alternatives to it? Can it be

administered more effectively and at less cost? Should it be abandoned altogether? Can it be better or more cheaply delivered in partnership? or, Is this an appropriate activity for the Federal Government at all?

The same approach is being used with the initiative to reduce overlap and duplication between levels of government, which we see as key to improving the efficiency of the federation. In one year, we have signed work plans, with explicit timetables, with eight of the provinces and the two territories. The objective is to streamline operations in a range of areas from the environment to tax collection, to help for small business. The end result will be less government, less regulation and red-tape, and more efficient direct service at a lower cost. The same spirit animated our efforts to increase free trade within the country. Last month, at the first Ministers' Meeting, the agreement to reduce inter-provincial trade barriers was the first step in reducing barriers set up over the past 127 years.

The internal trade agreement provides concrete changes, timetables, and a full process to help make Canada a true economic union, with a freer movement of people, capital, goods and services.

Federalism and the Canadian future

Looking into the future, Canada begins with the clear advantage of already being a federation. I believe that our future as a country is secure because a federation is really the form of government best suited to a global world and to the realities of limited choice and the need to develop trust among citizens. The advantages of federalism are not theoretical: they are real and practical.

It is neither surprising, nor is it a coincidence, that the four oldest federations, the United States, Switzerland, Canada and Australia, are among the richest countries in the world. The four oldest federations are also among the most stable societies in the world. Their written constitutions rank with the oldest in the world: the American Constitution of 1789, the Swiss Constitution of 1848, the Canadian Constitution of 1867, and the Australian Constitution of 1901.

The federal form of government not only permits the creation of a large common market with one set of national laws to govern commerce within the union, it also provides for a stronger voice in international negotiations in a highly competitive world. Interdependence is the name of the game and federalism is suited to managing dynamic tensions among groups and regions.

As McGill political scientist Alain G. Gagnon points out, "Federalism is ... seen as an expression of democratic practices encouraging innovation in policy preferences and political choices at the territorial level".

This is not to say that federalism eliminates conflict, as we all know. In Canada, we continually have to balance regional, provincial, cultural and linguistic interests with the national interest, within what I believe is a healthy state of tension. I say healthy because this tension forces its parties to continually seek to meet local needs and still maintain the effectiveness of the central Government. If misfortune hits one region, whether that misfortune be a dust bowl or depletion of fish stocks, the collective wealth of the federation can be used to help the disadvantaged region.

Conclusion

As you may conclude from my remarks, I believe that Canada is ready, willing and able to make the necessary changes to its Government in the face of the challenges of globalisation and the domestic realities constraining governments. The challenges are significant, but I am sure that we are making the right choices in our fundamental re-examination of the role of government; and these choices are being made under an approach that is practical and results-oriented.

Let me end by raising some questions I have. How do we bring the expectations of citizens in line with what government can really offer? How can we best give responsibility back to people and create trust? How do we nurture a caring society that sees a greater role for the community and families caring for individuals? How do we foster an enabling society capable of renewing itself?

5. ACHIEVING IMPROVEMENTS/SUSTAINING PROGRESS IN POLITICAL TRANSITIONS

The platform:

- The Right Honourable Mr Hage Geingob, The Prime Minister, Namibia
- Mr Richard Mottram, Permanent Secretary, Cabinet Office, UK
- Mr Robert Giroux, Secretary of the Treasury Board and Comptroller General of Canada (Chairperson)

The presentations from the Right Honourable Mr Hage Geingob and from Mr Richard Mottram approached the concept of political transitions from very different perspectives. The former described policies that were underpinned by a spirit of national reconciliation and which marked a determination to move away from the suspicions and mistrust, between communities and between citizens and government, engendered by the previous regime in Namibia. The latter explained how a consistent series of outcome-oriented reforms of the civil service, each building on its antecedents, had produced some radical moves towards a more responsive public service and had prepared the ground for further moves towards an organisationally diverse public service, structured to co-ordinate policy and to deliver services on the basis of efficiency rather than tradition. The nature of the political transition in Namibia is apparent. The politics of the transition in the UK described by Mr Mottram were rather more deeply buried, but the style of the changes he described were profoundly political in that they de-stabilise many existing assumptions and undermine public service traditions to a degree which requires a strong political lead.

It is this last point which provides the linkage. Political transitions happen dramatically, but they also happen over time. In either case, a continuous and public high-level political commitment to achieve change and to secure the support of those who must deliver the changes is a fundamental prerequisite for moving beyond rhetoric. That firm political commitment requires a longer term vision than might emerge from a one-dimensional concern for economy. This vision was well-expressed by Mr Geingob when he reported that:

"Our starting point for the public service rationalisation exercise was the realisation that our objective was not necessarily to trim the size of the public service but to enhance its efficiency and effectiveness by modifying public service structures and putting the right people in the right jobs. This approach was taken with a clear perception that the reasons for the very existence of the public service is to provide service to its customers".

The recognition of the ultimate responsibilities of the public service informed the vision described by Mr Mottram when, in quoting from the Citizen's Charter First Report, he said:

"New management structures are being developed, competition is being introduced or extended; arrangements for pay are changing rapidly. All these changes are in pursuit of a single, worthwhile cause: the safeguarding and improvement of our public services, for the benefit of those who use them, at a cost which the nation can afford."

The difficulties of maintaining that clarity of vision and political determination were explored in the discussion that the presentations provoked. There is an extended chain of uncertain connections between change at the political level and service improvements experienced by citizens. Many participants pointed out that the chain is somewhat too long for citizens to be convinced that change is coming, or for politicians to be convinced that they can deliver it.

Mr Mottram noted that he saw his presentation as concerning "second-order arrangements", indicating that "first-order" considerations concerning the constitution, acceptance of the rule of law, and the integrity and political neutrality of the civil service could, more or less, be taken for granted in the context of the UK. As participants from some developing countries emphasised, where that underpinning is uncertain, reform takes a particularly steady political nerve.

However, such concerns are unlikely to remain the monopoly of the developing countries. At a time of such rapid and fundamental change within the public administrations of many, and perhaps most, countries, the question of the "first-order arrangements", the stability of the foundations of the public service, may need to be re-opened. Existing ethical frameworks and constitutional balances may prove to be insufficiently robust to deal with a re-energised and re-engineered public sector – a public sector in which the balance between process and results has been deliberately and dramatically altered.

The professional agenda for CAPAM must combine the sharing of managerial success with a concern for ethical coherence within the public sector. The strength of "first-order arrangements", and the impact of the current government transitions in developed and developing countries, will form one of the core concerns of the Association.

From colonialism to freedom and democracy: the role of effectiveness-driven public service in political transition: the Namibian experience

Edited extracts from a presentation by the Right Honourable Hage Geingob, Prime Minister of Namibia

Independence and reconciliation

Namibia became independent at the beginning of a decade that has come to be known as "the decade of the people". This decade has already seen the tremendous impact with which democracy is gaining ground globally. In our region, this change in direction started with Namibia which continues to serve as a model democracy.

Now that political liberalisation is taking root in many countries, Namibia's experience in sustaining progress in political transition, partly because of its success and partly because of its timeliness, becomes relevant even though events leading to political transformation in the various countries have been quite diverse. For instance, Namibia's transformation was from colonialism to freedom and democracy, but in many other countries, recent transformation has been from one-party state to multi-party state or from command economies to market economies with accompanying political changes. All these changes have one thing in common – political and economic transition to democracy.

In Namibia, transition to independence was made possible through long years of struggle which, in its wake, left a great deal of hatred and mistrust between different racial and ethnic communities. Prior to independence, this hatred was promoted to protect the interests of the privileged minority through the policy of apartheid. Political and Civil Service structures in the country were intertwined, both dedicated to promoting this policy.

Our first task, therefore, was to create an environment that would be conducive to the new reality of freedom and democracy. It involved changing the political structures to reflect the new reality, a conscious effort to minimise hatred and mistrust built up over a century of colonialism, and restructuring the Public Service to remove the inequities of the past and to make it an instrument of change.

Of course, changing the political structures to reflect the new reality was not the problem because on independence with the departure of South Africans, we were able to start with a clean slate. We were in fact able to put new political structures in place on day one. On the other hand, to help people overcome the century-old hatred and mistrust required a concerted and long-term policy. To address this problem, we adopted a policy of reconciliation. We perceived reconciliation as the

only realistic policy for cultivating a national ethos in society that was, for over a century, racially and ethnically stratified. In retrospect, we have observed with enormous satisfaction that our past four and a half years' efforts at reconciliation have yielded enormous dividends – racial and ethnic hatred is fast disappearing and a unified nation of diverse societies is evolving.

I would not be wrong in saying that wherever racial, ethnic, or religious differences of the various communities in a country are exploited for political ends, civil strife invariably follows. We have seen evidence of this in many parts of the world at different times. Today, as many countries grapple to make political transition, they are finding it increasingly important to recognise that developing a national ethos, with all its weaknesses, is a far better option than playing one race against the other or one ethnic community against the other. Thus, reconciliation is no longer just a religious concept, it is as much a political concept. We ignore it at our peril.

A responsive public service

A further concept which is vital for sustaining progress in political transition involves making the public service responsive to the needs of the people. The Government of independent Namibia recognised at the very beginning that democracy must be more than just drawing up a constitution or holding elections, it must be a way of life and a mind-set. The Government's first action was therefore to redesign or replace the various institutions that had in the past served the interests of a colonial government and to make the new institutions responsive to the needs of new Namibia. This process had neither been speedy or painless, but it was peaceful and correctly focused because it was aimed at designing structures to serve the people.

In any dynamic society, and Namibia is one of them, change is the only constant. New structures therefore continue to be evolved. In Namibia, regional and local governments were created to bring the Government closer to the people. But, creating structures is only one component of the overall effort of making the Government more responsive to the needs of the people and to give them access to the ordinary opportunities of life. This need for responsiveness requires that the Government look at the Public Service in a new light, correct its focus, and rationalise it to make it an effective instrument of service to its customers, the people of Namibia. This approach is firmly entrenched in our belief that a civilised society functions effectively only when it has an effective public service. Our actions were also motivated by our firm belief in the need to create equal opportunity for all.

Of course, the exercise of making the Public Service responsive to the needs of new Namibia has not been easy for various reasons. First, we had inherited eleven colonial civil services, each working for an ethnic administration. Second, our

Constitution had made the provision that "any person holding office under any law in force on the date of independence shall continue to hold such office unless and until he or she resigns or is retired, transferred or removed from office in accordance with law". And third, some civil servants inherited from the colonial Civil Service were unwilling members of the new Civil Service.

In the first instance, we restructured the various civil services into one Public Service within the framework of the new political structures. The various Civil Service officials were assigned to new posts. The speed with which this exercise was carried out did not result in the best match between the new post and the existing Public Service official. In 1992, therefore, it was decided that we needed to carry out a review of the Public Service and restructure it to make it more efficient and effective.

Restructuring for results

Our starting point for the Public Service rationalisation exercise was the realisation that our objective was not necessarily to trim the size of the Public Service but to enhance its efficiency and effectiveness by modifying Public Service structures and putting the right people in the right jobs. This approach was taken with a clear perception that the reason for the very existence of the Public Service is to provide service to its customers. Thus, the Government's primary concern was to improve the quality of service being rendered by the Public Service to the public. Improvement in the rendering of service by public service employees requires that there is concomitant improvement in the way and manner in which the public service officials run their offices and ministries. The objective of rationalisation was, therefore, to achieve economies by increasing efficiencies and building rational structures with a view to enhancing the Government's effectiveness.

Of course, restructuring the Public Service by itself cannot increase effectiveness. Good management is important but is not an end in itself. In recognition of this fact, it was decided to introduce performance measurement mechanisms and to train Public Service personnel to recognise the elements of performance measurement which must be result-oriented, not just process-oriented, and effectiveness-oriented, not just efficiency-oriented.

As David Osborne, the chief architect of Al Gore's government re-engineering effort points out, "There is a vast difference between measuring process and measuring results. Outputs do not guarantee outcomes". For instance, our university may graduate large number of students, but if they cannot be placed satisfactorily, what good is the output? This principle of performance measurement requires that we see the results or outcomes of public service institutions' effort or output.

In line with this principle, we are now beginning to analyse police and court processes or output in terms of effectiveness of the processes in achieving results measured in reduced crime and not in how many people have been arrested or tried. Similarly, we are beginning to see the results of the processes prevailing in the Ministry of Trade and Industry in terms of new investments and new jobs created and not in terms of how many enquiries were addressed by its officials. We also hope to measure the outcome of the output of the Ministry of Labour and Human Resource Development in terms of Namibians trained by the Ministry who succeeded in getting jobs, in terms of qualitative improvement in the working conditions of the workers, and in terms of reduction in strikes and not just in terms of how many Namibians were trained and how many labour disputes were referred to labour courts.

Rationalisation and performance evaluation have also been aimed at ensuring that all government offices and ministries measure the effectiveness of their programmes and workers rather than just the amount of work public service employees do. This approach recognises that there is a vast difference between measuring efficiency and measuring effectiveness. Of course, both efficiency and effectiveness are important, but, as Osborne points out, when a public service organisation measures its performance, it tends to focus only on efficiency even if it means doing something more efficiently that should no longer be done.

At the practical level, it is important not only to state how many boreholes have been sunk by the Water Affairs Department, but also to measure their effectiveness in terms of the number of people who have access to potable water as a result of these boreholes. Similarly, our Ministry of Justice might have been happy just with making the courts accessible, fair, speedy, and free of political interference, but these measures do not deal with broader policy outcomes, viz., the need to reduce crime rates, public safety, justice for victims of crime, etc. The introduction of performance measurement mechanisms address these issues as well.

A market orientation

Rationalisation and performance review are just two pillars of government action to make it a results-oriented Government. To further enhance its effectiveness in delivering services to the people, we intend making the Government increasingly market-oriented by exploring other alternatives to service delivery. As Philip Kotler states, marketing is "finding needs and filling them. It produces positive value for both parties. The contrast between marketing and selling is whether you start with customers, or consumers, or groups you want to serve well – that's marketing. If you start with a set of products you have, and want to push them out into any market you can find, that's selling". Effectiveness requires that we take the marketing approach, not the selling approach, and we must not assume that the

need we serve is obvious. We must understand the needs from the perspective of the customer. Our aim is to make public service consumer-minded.

For instance, already the Government has taken certain actions to that effect: by changing the regulations, and establishing a Namibian Communications Commission, we were able to bring about significant changes in service delivery in the area of broadcasting. Similarly, by floating Posts and Telecom as a parastatal, the Government opened the way for its eventual privatisation and competition and therefore better service.

We have also critically examined different ministries' structures to integrate their activities. For instance, there are at least five ministries/departments which have been engaged in employment generation activities through small enterprises, viz., the Ministry of Labour and Human Resource Development, the Ministry of Youth and Sport, the Ministry of Regional and Local Government and Housing, the Ministry of Trade and Industry, and Department of Women's Affairs. To co-ordinate and integrate their effort, a Cabinet Committee on Social Issues was created.

Our next step is to review and redraft legal rules that inhibit initiative and entrepreneurship. For instance, we are working on simplifying the procedures for entrepreneurs to get liquor licences, trading licences, and manufacturing licences. Until now, many of these licences could not be obtained without the help of a lawyer who could charge up to N\$4000 to facilitate the processing of the application. As a consequence of this cost, many people resort to what may be termed as illegal trading.

A Citizen's Charter

To bring about efficiency in the delivery of services, we also aim to introduce the concept of a citizen's charter, making it obligatory for the public service employees to provide service within a stipulated time. In other words, we aim to establish mechanisms to ensure that public service employees:

- work for better quality in the delivery of service;
- make sure that everyone is told what kind of service they can expect to receive; and
- make sure that people know what to do if something goes wrong.

Concurrently with the introduction of the Citizen's Charter, standards will be established to provide quality service with minimum delay. As a result of this effort, a citizen will know how long it will take him/her to get a telephone service,

or identification document, or passport, or income tax refund, and if any of these services are not provided within the stipulated time, the citizen would have the right to know the name of the person handling his request and a right to complain and the knowledge of who to complain to.

Financial management reforms

We are also re-examining our budgetary processes and are considering the implications for budgeting for a period longer than one year. At present, at the end of each year, many offices and ministries go on a spending spree to ensure that they spend the monies allocated to them because if they do not spend their allocations they lose them or, worse still, have their allocations for the next year reduced. We consider such an approach counter-productive. To overcome this problem, we are considering the possibility of the offices and ministries retaining the funds they save, for use in addition to the allocations in the next fiscal budget. Such an approach would certainly help counter the existing wasteful approach.

Budgeting for a period longer than one year also has particular relevance in the effective management of capital projects. For instance, before we undertake a project that is anticipated to last five years, it is imperative that we have at least some idea whether we will be able to see the project through financially. This requires that we attempt to make revenue and expenditure projections over a period much longer than just one year. Such information will also generally help in long-term planning. In fact, we are becoming increasingly convinced that one year budgets provide a very blinkered view of future plans.

The merit principle

We view the ultimate objective of rationalisation and restructuring to be the enhancement of the public service employees' commitment and dedication to serving the Namibians. As public servants are the key to the provision of public service, we believe that only those people who can meet the highest standards should be recruited in the public service. In other words, recruitment must be strictly on merit. Introduction of this concept, which is generally taken for granted, is vital because inefficiencies in many countries' public services often emanate from treating public service positions as jobs for friends and relatives. For instance, in Namibia, prior to independence, all high-level Public Service positions were reserved for the privileged community. There was little emphasis on the qualifications of a person. What mattered most was the colour of the skin. We have changed that situation and have emphasised educational background and training as a primary criteria for recruitment. Introduction of performance evaluation and measurements, and accountability at both individual and organisational levels will also ensure that the Public Service does not sanction mediocrity and dead wood.

The way ahead

Effective functioning of a government requires that the established political and public service structures are designed and redesigned to meet the challenges of development. In Namibia, we have succeeded in making the necessary political transition by establishing new political structures after the departure of the colonialists, restructuring the erstwhile eleven public services into one national Public Service, and establishing mechanisms to make the Public Service effective by making it more user-friendly. Of course, the process is by no means complete. We still have to establish the Citizen's Charter, develop better budgeting procedures, and evaluate and re-evaluate the effectiveness of the newly-created results-oriented Public Service.

Results of the transition over the past four and a half years gives us reason to believe that we are on the right track. I have no doubt that the restructured Public Service is effectively transforming itself from being a power-based to a responsibility-based organisation.

Improving Public Services in the United Kingdom

Edited extracts from a presentation by Richard Mottram, Permanent Secretary, Office of Public Service and Science, Cabinet Office, UK

In the United Kingdom, some five-and-a-half million people are employed in public service occupations, of whom around 500,000 are civil servants. Total numbers employed have fallen by more than 25 per cent since 1979 through transfers to the private sector and efficiency savings. The focus for change has been on bringing about more effective, responsive and efficient public services. What follows takes largely as read the crucial importance of: free and fair elections; the rule of law and its application to all including the servants of the State; and the equitable administration of the law by honest public servants. The absence of discussion of these issues should not be taken to imply that they are not of first-order and prior importance; rather the British Government has seen the priority in its context to raise public service performance in ways which sustain key public service values, rather than to bring about constitutional reform.

The agenda of change

What has prompted this agenda of change? First, there are the twin pressures on democratic governments throughout the world – a desire for improvement in the quality and delivery of services of increasing importance (whether health care, education, social security and so on), but coupled with resistance to higher taxes. In Britain, rising expectations of service delivery have been fuelled by experience of what the best of the private sector can offer in other areas, and, unsurprisingly, experience of the end product led to interest in how it came to be delivered in that way. It is not surprising too that the painful process through which private sector companies have gone to make themselves responsive to customers and more efficient in order to safeguard competitiveness should be seen to have wider implications and applications. Moreover, innovative parts of the public sector have been showing what could be done to make services more responsive and to reap the benefits of new technology. The tide turned against monolithic, big government and the belief that resources could be most effectively and efficiently allocated through central, top-down planning. Furthermore, the revolution in communications and information systems has speeded up the transfer of ideas and opened up new opportunities for the way in which work is performed and managed.

These are, of course, just fragments of the picture. But, in various combinations according to circumstances, they have had profound impact across the world. For example, in countries facing a big challenge over maintaining their standard of living and quality of life relative to international competitors – such as New

Zealand or the United Kingdom – radical changes in public services have taken place and are still underway. In the United States there was the major report – *Creating a Government that Works Better and Costs Less* published last September by the National Performance Review Team under Vice-President Al Gore. In contrast, in some European Union countries the pace of institutional reform is only now picking up.

The intertwining processes through which these ideas have developed – the combination of practitioners inside Government, practitioners in industry, gurus of various kinds and the academic community – are difficult to disentangle as is the way in which ideas spread internationally. In Britain, after introducing separately a number of important initiatives within individual parts of the public sector, the Government produced in 1991 a comprehensive agenda for change in two White Papers on the *Citizen's Charter*, and its companion *Competing for Quality*. Interestingly, much of the agenda is strikingly similar to that in Osborne and Gaebler's *Reinventing Government* who, I understand, handed their manuscript to the publishers on the same day that the Citizen's Charter White Paper was published.

This is in essence an agenda about:

- outcomes and outputs rather than inputs, and the needs of users and not the interests of producers;
- Government sticking to essentials and doing those well;
- using markets wherever possible to improve choice and, through the spur of competition, to achieve better value for money;
- addressing the particular task, designing the shape of the organisation which best meets it, and delegating responsibility for delivery to that organisation; and
- raising the performance of individual public servants (through effective recruitment, training, appraisal, and incentives).

In philosophical terms, the UK version recognises the need in modern societies for extensive public services, indeed it has the positive aim of high-quality service delivery and raising standards over time. But it does question the extent of the role of the state and the assumption that public services have in all circumstances to be delivered by state servants.

The purpose of change

In all "change programmes" there is a risk that the various means to achieve change come to be the whole focus of attention and that means come to be confused with ends. *The Citizen's Charter First Report* puts matters the right way round, and captures the key themes: improvement in standards, responsiveness, and affordability.

The increasing specification in output terms of standards of service delivery which are expected to rise over time is now being matched by a continuous tightening of the screw on resources, through tight controls over the costs of running Government. The British Government is moving away from the soft options: better at more cost or delivery driven by inputs and producer interest. Instead it is looking for further extremely-demanding improvements in efficiency.

The principles of public service

The Citizen's Charter is built round a set of broad principles:

- *Standards* – there should be published, explicit standards for the services that individual users can reasonably expect and publication of the actual performance achieved against them.
- *Information and openness* – there should be full and accurate information readily available in plain language about how public services are run, what they cost, how well they perform and who is in charge.
- *Choice and consultation* – the public sector should provide choice wherever practicable. There should be regular and systematic consultation with those who use its services. Users' views about services and their priorities for improving them should be taken into account in final decisions on standards.
- *Courtesy and helpfulness* – there should be courteous and helpful service from public servants. Services should be available equally to all who are entitled to them and run to suit their convenience.
- *Putting things right* – if things go wrong there should be an apology, a full explanation, and effective remedy for failure. There should be a well publicised and easy to use complaints procedures with independent review wherever possible.

- *Value for money* – efficient and economical delivery of public services within the resources the nation can afford. There should be independent validation of performance against standards.

The effective implementation of these principles depends upon the actions of managers and staff right across the public services, including the privatised utilities (water, gas, electricity, telephones) and is seen as a 10-year programme. Among the means through which the principles are being addressed are:

- the publication of Charters covering the main public services, setting out standards of service and what people can do if those standards are not met. The aim is that standards are set, published, met, then raised. There are 39 charters covering the main public services; some have been reissued, all with higher standards;
- the provision of comparative information on schools, the performance of hospitals and ambulance services against key indicators, and on local authorities' performance (forthcoming). A new code of practice on the release of Government information, policed by the Ombudsman, was introduced in April;
- regular surveys of the needs of users;
- reductions in response times for complaints, better compensation arrangements, complaints adjudicators, and a task force on complaints systems;
- strengthening of inspection of public services and the introduction of lay members in inspectorates;
- a free quarterly newspaper to spread best practice and an award (The Charter Mark) for recognising excellence in delivering services in line with Charter principles presented by the Prime Minister; and
- periodic white papers reporting progress against commitments.

New approaches to organisation and value for money

Reflecting its concerns to limit the activities of the state, widen choice and competition and improve value for money, the British Government has been subjecting all its activities to searching scrutiny by addressing a series of "prior options" questions.

They begin by asking *does the job need to be done at all?* The activity may simply not add any value in which case it should cease.

Secondly, *if the activity must be carried out, does the Government have to be responsible for it?* It may be that the activity belongs in the private sector without any direct involvement by Government. Forty-seven major businesses have been returned to private ownership, competition is being introduced into British Rail, and the Government is consulting on the future of the Post Office.

At the same time, the Government is looking for new ways of engaging private capital in the provision of economic infrastructure, under the private finance initiative.

Thirdly, *where the Government needs to remain responsible for an activity, does the Government have to carry out the task itself?* An increasingly sharp distinction is being drawn between the role of Government in policy-making, inspection and regulatory activities and the purchasing of services and the way in which those services are provided (the purchaser/provider split). The Government believes in injecting choice and competition into the service provision.

In some cases, this is within the framework of continued public sector provision, as in the separation of the purchasing of health care from its provision by National Health Service Trusts. In others there is competition between public and private sector providers or within the private sector itself.

For central Government activities which require some State involvement, the tests to be applied in judging between alternative public and private sector approaches to delivery are how central the activity is to the functions of the State and which approach represents best long-term value for money. The key is to define those areas where Government ownership is crucial – for example, for control and to guarantee supply, to provide a process of adjudication which is clearly free of bias and/or for other public acceptability reasons – and then to address on their merits the rest. Much of Government represents an accumulation of assets and responsibilities in particular forms for reasons which may have been overtaken by new policy, management or technological opportunities.

The Government's Competing for Quality Programme identifies activities which may be suitable for "strategic contracting out", which does not include the option of continuing in-house provision, and "market-testing", where an activity currently performed in-house is subjected to competition and an in-house bid is invited from those currently doing the work.

The "strategic contracting out" route may be chosen for policy or management reasons or, as often in practice, a mixture of both. There is a general presumption in favour of contracting out entirely new services. For existing services it may not

be possible within a Government framework to develop and retain the necessary management skills or to exploit cost-effectively fast-changing technology or to maximise economies of scale. It may therefore be appropriate strategically to contract out activities which are very important to a particular organisation – the contracting out of Inland Revenue Information Technology (IT) or the contractorisation of the Atomic Weapons Research Establishment are examples. At the other end of the scale, there may be activities which are peripheral to the core activities of the organisation and a distraction to scarce management resources, where strategic contracting-out again is the right answer.

The market-testing option gives existing staff the chance to compete, and if successful remain as, Crown Servants while asking them – in order to be or remain competitive – to deliver the service in innovative ways. It may therefore seem fairer to staff, though they can find it difficult to handle the inevitable uncertainty over the outcome and the Government's indifference – in policy terms – to whether the work continues to be performed by civil servants. From a management perspective, strategic contracting out and market-testing bring with them valuable benefits as well as potentially difficult problems of staff handling. The process involves clarifying the scope and nature of an activity and establishing the necessary level of service, how this will be defined, and performance measured and monitored against it. It can therefore help underpin effective service delivery rather than being a threat to it. It offers scope for innovative solutions. It requires management to put in place a contract, or service-level agreement in the case of a successful in-house bid, against which the contractor can be held to account. Provided there is transparency about the quality and performance standards to be expected and appropriate monitoring of performance, it can therefore strengthen accountability.

How does the Competing for Quality Programme stand? Typically in the past, central Government market-testing had involved about £25 million worth of activities a year. Between April 1992 and May 1994, activities worth around £1.3 billion were tested. Quality has been maintained or improved and savings from the winning bid are typically of the order of 20 per cent, and often more.

Finally, where the job must be carried out within Government, is the organisation properly structured and focused on the job to be done?

The Government's aim has been to make organisations more responsive to their users by ensuring they are outward facing and by pushing down the level at which operational decisions are taken. For example, efforts are being made to thin out the number of levels of National Health Service management and to create an internal market in which providers respond to the priorities of fund-holding general practitioners and other purchasers. The Government has offered schools the opportunity to opt out of local authority control, to be run by their governors and to be funded separately by a funding agency.

Over these and other changes, there is political debate within Britain on the appropriateness of internal markets, and whether these reforms represent decentralisation and more direct accountability to the citizen, or centralisation and a weakening of local democratically-elected accountability.

Within the Civil Service, there has been a drive since 1988 to place more responsibility in accountable units or agencies, with an individual chief executive in charge, operating against demanding performance targets, in an organisation matched to the particular task, underpinned by accruals-accounting systems. This followed an Efficiency Unit report – *Improving Management in Government: The Next Steps*. As a result, there are now 97 executive agencies within central Government. In the Home Civil Service, more than 340,000 civil servants, 64 per cent of the total, are now working on the lines of the Next Steps.

The future of the Civil Service

The Next Steps, the Citizen's Charter, Competing for Quality and other Government initiatives have had a considerable impact on the Civil Service. The Government published in July a White Paper – *The Civil Service : Continuity and Change* – assessing this impact and putting forward a framework for the future of the Civil Service.

The White Paper reaffirms the Governments' commitment to the key principles on which the British Civil Service is based: integrity; political impartiality; objectivity; selection and promotion on merit; and accountability through Ministers to Parliament; and looks to a further improvement in quality of service and in efficiency, building in an evolutionary way on what has been achieved. It sees the key to improved performance in the delegation of further management flexibility, based on better management information systems and, in the longer term, the introduction throughout central Government of resource accounting and budgeting.

Within this general approach and reflecting the theme of greater delegation:

- The Next Steps programme of agency creation is to be completed and Next Steps principles applied more widely in the centres of departments.
- Departments are to develop broader efficiency plans, embracing privatisation, Competing for Quality and other management techniques, with less detailed central oversight.
- Departments are to be responsible for their own management structures.

- Responsibility for pay and grading below senior levels is to be delegated to all departments and agencies by 1 April 1996, and central pay bargaining terminated.

Control is to be exercised through agreed performance standards and demanding running costs limits, rather than manpower targets. But the White Paper recognises that, as a result of transfers to the private sector and increased efficiency, Civil Service numbers are expected to fall significantly below 500,000 (from 533,000 at April 1994).

The White Paper identifies organisational changes and management techniques which should help improve performance, and recognises the crucial importance of departments and agencies developing all their staff and being led by a highly professional group of senior managers. It proposes as a basis for consultation:

- a new wider Senior Civil Service of around 3,000 people;
- each department is to review its senior management structure with a view to reducing layers of management;
- new arrangements for considering open competition in respect of each Senior Civil Service post which is to be adopted whenever necessary in the interests of providing a strong field or injecting new blood. The expectation is that most of the top posts will continue to be filled by those with substantial previous Civil Service experience; and
- written contracts, generally of indefinite term, and a new pay system for the Senior Civil Service.

The White Paper looks then towards a new structure for the Civil Service with:

- central departments (Treasury, Cabinet Office) focused on strategic issues, resource allocation and facilitating best practice;
- centres of departments which are smaller, concentrating on policy-making, essential finance and personnel functions, the strategic management of agencies and the much more common task of purchasing services from external providers; and
- perhaps 125 to 150 agencies with considerable management freedom operating within the framework of the Citizen's Charter.

Carrying forward change

This short paper can only touch on some elements of the UK reform process. Key elements – deregulation, performance management, equal opportunities, management development etc. – have been skated over or not mentioned. Another important dimension is the process of periodic review (whether of charters, or through fundamental expenditure reviews, efficiency scrutinies, 5-year reviews of agencies and non-departmental public bodies, and so on). The problem is to strike a reasonable and constructive balance between external challenges and initiatives to raise standards and efficiency and the needs of day-to-day delivery of existing tasks.

There is a growing literature and thriving consultancy business on change management. What are some of the ingredients of success and how far can they be seen in the UK experience? We might pick out:

- *Clear vision and objectives. Clear and simple priorities. Evolution rather than revolution.* As I hope I have shown, there is a clear vision. There have been difficulties in presenting a coherent picture, embracing initiatives with different launch dates and agendas, which have now largely been overcome. The emphasis is on building progressively on what has been achieved.
- *High-level commitment.* Clearly manifested by the Prime Minister, and by the regular involvement of cabinet ministers and their permanent secretaries in all the main initiatives.
- *Dedicated progress chasers.* Very high-level advisers and project managers have been appointed in every case.
- *Champions and successes, employee involvement.* Considerable effort has been expended on spreading best practice and identifying and praising successful organisations which really do deliver a better service at the "sharp end".
- *Gainers as well as losers from change* (and preferably more gainers than losers). For those working in the public services, the difficult areas include the perceived impact of the Government's support for competition, tight running cost controls and public sector pay policy on jobs and rewards. The opportunities and attractions are the emphasis on effective public service; the increasingly strong re-affirmation of public service values; the scope through greater delegation and better training for more demanding and fulfilling jobs; and, for more capable staff, the emphasis on performance and the creation of reward systems which recognise better performers.

The question of perceived gain versus loss of course applies at a much more fundamental and important level. Public services exist for the benefit of those who use and pay for them and not those who work in them (though their job satisfaction and motivation are obviously important). Successful public service reform poses a double challenge of bringing about real and sustained change in the end product, not just the intermediate processes, and communicating that to the voter. It is about better patient care, higher quality education, improved public transport, more responsive departments and agencies, of which there are many examples in the UK in recent years. But successful change of this kind is not easy to present, not least because expectations are regularly being raised and are intrinsically difficult to satisfy within finite resources, and because discomfited producer interests can be more vocal in opposing change than the broader constituency of users in supporting it. The interim verdict might be: much achieved, many challenges ahead!

6. ACHIEVING IMPROVEMENTS/SUSTAINING PROGRESS IN ECONOMIC TRANSITIONS

The platform:

- The Honourable Dr Kwesi Botchwey, Minister of Finance and Economic Planning, Ghana
- Mr John Dawkins, Former Treasurer, Australia
- (Dr Carlton Davis, Cabinet Secretary and Head of the Jamaican Civil Service, was unavoidably delayed and made his presentation under this heading later in the Conference)
- Mr Nick Hare, Deputy Secretary-General, Commonwealth Secretariat (Chairperson)

Dr Botchwey and Mr Dawkins struck a strongly pragmatic note. They both described a process of economic reform which started from a clear political realisation that regulatory controls, and rigidities in systems and institutions, were creating more of the very problems which they were intended to allay. Dr Botchwey painted a picture of the Ghanaian economy in a period of rapid decline, with consequences at every level of national life, and Mr Dawkins described a time of a more gentle but nevertheless clearly downward economic slope for Australia; both emphasised the very pragmatic need to change both the policies of government, and the machinery employed by government to carry those policies out.

Both presentations firmly positioned the public service at the centre of the reform picture. In essence, and to very different degrees, they saw the stages of the vicious circle as inadequate policy-making capacity leading to weak policies, poorly implemented by a process-driven public service, leading to disappointing economic performance and an undermining of confidence in government, and consequently resulting in further limitations on the ability of government to improve its policy output.

Breaking that circle required, in their view, a determination to improve the public service and to improve the level of political input – or at the very least to remove some of the institutional weaknesses under cover of which poor political leadership could take shelter from the demands of accountability by blaming a poor public service for its failings. Yet again in this Conference, a clear political lead was identified as a fundamental requirement of achieving improvements.

Dr Botchwey emphasised that in Ghana, deregulation had been employed as a purely pragmatic macro-economic device for breaking free of the circle of decline and achieving progress. He distinguished this very clearly from "the theology of

privatisation" and other such ideologically-driven initiatives. This distinction is not an easy one to make, and the discussion following the presentations addressed the question of "progress for who?". The progress delivered at national level by deregulation and financial management reform must be weighed against the social dislocation that it engenders at the levels of family and community.

Following the presentations, the debate covered the long- and short-term consequences of this family of macro-economic strategies and, very particularly, the costs of making no changes at all. Most significantly, the senior administrators gathered for the Conference identified the public management implications of such strategies. Political policy-making does not take place in a vacuum, it is informed by advice from the public service and must take into account the ability of the public service to manage any changes that ensue. Reforming the public sector may need a clear political lead but the public service is itself an active player in stimulating or suppressing the emergence of that lead.

Dr Davis's presentation later in the Conference gave a very clear example of practical action to achieve a public service with the strategic competence to manage change.

Sustaining recovery and development in economic transitions: the role of deregulation in Ghana's experience

Edited extracts from a presentation by the Honourable Dr Kwesi Botchwey, Minister of Finance, Ghana

Ghana embarked on a programme of far-reaching economic reforms in 1983, against the background of a decade of unprecedented economic decline and crisis. It was a crisis that was a cumulative decline in real GDP of about 15 per cent and a 30 per cent decline in real per capita income. The crisis was characterised by large fiscal deficits financed mainly by borrowing from the domestic banking system with predictable consequences for inflation and the exchange rate. Typically, the reaction of successive governments was more and more state regulation resulting in a labyrinth of price distribution and import controls and the further expansion of an already large public sector through the creation of more state enterprises. This in turn led to a worsening of distortions in the economy and an erosion of incentives for production, savings and investment. In consequence, exports fell by about one-third, imports by about one-half, while external financing, especially official development assistance, just about ceased as creditors lost confidence in the economy. Widespread shortages of foreign exchange led to an intensification of parallel market activities and the near collapse of social and economic infrastructure. As per capita incomes plummeted, large numbers of Ghana's skilled and well-trained human resource began to emigrate, leaving public administration generally in a complete state of disrepair.

The Reform Programme

Against this background, the strategy of the Reform Programme was to a very large extent a conventional one: it sought to realign relative prices in favour of production, restore monetary and fiscal discipline, and repair social and economic infrastructure. The Programme also entailed radical institutional and structural reforms to improve overall efficiency and promote saving and investment and, more importantly, general deregulation of the economy through a shift from direct controls to greater reliance on markets.

The adjustment experience has not been without problems. But as all key economic indicators show, and also from the point of view of its social impact, the programme has been very successful, although of course many problems still remain. Real GDP has grown by about five per cent per annum over the programme period, making possible substantial gains in real per capita incomes. My purpose here is to discuss a very fundamental aspect of the experience, the role of deregulation in this experience, the form and content of the deregulation and the challenges that successful deregulation poses for governance and public

administration generally. But first, let me cast aside an old ideological bogey that is fast gaining new lustre. Such deregulation as was undertaken in the Reform Programme was done to enhance efficiency in the economy generally and, in particular, the efficiency of resource use. It was not done as part of some free-enterprise creed that just says the state must end all regulation and leave all economic and financial relations to market forces.

To begin with, the programme entailed a deregulation of the exchange and trade system, including domestic prices. Initially, the currency was devalued through discrete adjustments every quarter with the exchange rate being moved by reference to the inflation differential between Ghana and its principal trading partners; the adjustments were thus "administered" but by reference to a market criterion. This was followed by more direct deregulation in the form of a foreign exchange auction and the gradual unification of exchange markets in the framework of an interbank system. Side by side with these reforms, price controls were eliminated, as was import licensing, import tariffs were reduced and all restrictions on payments for current international transactions lifted.

In the area of monetary policy, deregulation took the form of a gradual liberalisation of administrative controls on interest rates and credit. Limits on maximum bank lending rates and minimum bank term deposit rates were lifted as were controls on minimum bank savings rates and controls on sectoral allocation of bank credit. These measures were buttressed by a comprehensive programme of financial sector reforms which sought to enhance the financial soundness of the banking system through an improved regulatory framework and the strengthening of banking supervision.

Major institutional and structural reforms involving deregulation were also undertaken as part of the programme. These were designed to enhance efficiency in the economy and stimulate private sector activity. A state-enterprise Reform Programme was initiated which included not only the privatisation of state ownership in enterprises, but also measures to improve the finances and efficiency of the state-enterprise sector through better corporate planning and an enhancement of enterprise autonomy, especially in day-to-day business transactions. Substantial deregulation was also undertaken in the incentive as well as the administrative and institutional framework for private investment activity. The changes in the investment regime which were effected largely through a new Code which sought to reduce the scope of administrative judgement and discretion by making investment incentives more or less automatic in their application.

The implications for public sector management

What has all this restructuring and deregulation meant for public administration generally? What management challenges has it posed? Contrary to popular belief,

extensive deregulation in the macroeconomic and the structural and institutional environment has not meant the assignment of the State to a minimalist role; it has not meant a reduction of the role of the State in economic management as such, but rather a redirection of its role away from direct intervention to monitoring and supervision in the framework of clearly defined rules and market-based policies.

The implications of this shift for the Civil Service and Public Service and for management generally have been far-reaching.

First, it has meant a fundamental reorientation of attitudes in the Civil Service and Public Service. An official of a Ministry or Department of Trade or Central Bank who has administered controls in the form of import licenses or exchange controls for a decade does not change too easily or readily to a market-based system. His professional skills and competence will usually have deteriorated under the control regime. A well-designed programme of retraining and improved incentives for the Civil Service is the only solution. The fundamental point that needs to be made is that deregulation will not succeed in bringing about greater efficiency unless it is overseen by a capable administration. The greater the resort to indirect models of economic management the greater the need for effective monitoring on the basis of the timely availability of relevant management information. Otherwise the deregulated system is likely to suffer widespread abuse and its integrity, and therefore its political acceptability, will in time be compromised.

Achieving improvements/sustaining progress in economic transitions : the Jamaican example

Edited extracts from a presentation by Dr Carlton E. Davis, Cabinet Secretary and Head of the Jamaican Civil Service

Introduction

Jamaica, like many other countries including a number whose economies were centrally planned, has been reducing the role of the State in economic management.

This paradigm shift, which has been on-going since the 1980s, has seen among other things, large-scale privatisation of State entities. According to *The Economist*, August 21, 1993, some US\$69 billion of state-owned firms in 50 countries were privatised in 1992 which brought the total between 1985 and 1992 to some US\$328 billion.

Privatisation is however only one facet of the transformations which are taking place. In Jamaica's case many regulating controls have been removed, such as in determining prices and the requirement for import licences for a whole range of commodities. Tariff barriers are being reduced or eliminated in keeping with various international agreements and stricter fiscal and monetary management are all part of the new order.

Central to these transformations is the public sector which must not only preside over its own diminution, but gear itself to operate effectively in the new situation.

The public sector

An immediate role of the public sector is to ensure that transformations, such as privatisation, are undertaken as efficiently and effectively as possible. It is necessary, for instance, for proper preparatory work in determining, among other things, the assets to be privatised and the form these take, the status of all liabilities and assets, and proper assessments of the values of the assets.

As part of the transformation, the public sector must respond to the call "physician heal thyself" by reducing its own size. This is necessary to support the tight fiscal and monetary controls which are necessary to create budgetary surpluses rather than deficits; enhance the prospects of a strong and stable currency; and, not least, divest those functions to private enterprise. These measures should provide more efficient and effective production and distribution of goods and services. In some

instances, reduction of size may be necessary because some activities being undertaken have outlived their usefulness.

The public sector must also gear itself for its new role. Most important, it must ensure that it is adequately staffed with competent people. Indeed, among the aims of the reduction of its size, one priority is to ensure that the available resources can attract and retain competent staff.

The Jamaican Civil Service faces an enormous challenge in this regard. It must compete, often unsuccessfully, with: the North America marketplace where geography, language, culture and historical connections make migration easy; a growing private sector, which is in several instances not restrained by competition and is thus able to offer very attractive salaries and other conditions of service to staff; and (to some extent) the local university.

The consequence is that the Civil Service is being held together by a dwindling body of competent people, some with very short tenures before retirement. It would boggle the mind of public managers from the more human-resource rich "North" to see the scope of responsibilities carried out by some senior civil servants in Jamaica. One need hardly emphasise, that time is of the essence to ensure a reasonable complement of competent staff.

There is one particular area to which special attention will have to be given. This concerns ensuring that the transformation to a more market economy works in the interests of all its participants – producer, distributor, consumer and worker. It is fair to say that the public is somewhat sceptical about what they have seen of the economic liberalisation so far as there have been, among other things, price increases on basic items like food and ethical drugs, for which explanations are not immediately obvious – if they exist at all.

Unlike developed countries where, more or less, the market works with some equity for the consumer, the following three conditions which contribute to such a situation, do not in the main exist in Jamaica: competition among producers and distributors of the main goods and services; efficient regulatory processes; and strong consumer advocacy groups.

Strengthening the Cabinet Office

The above considerations, among others, have forced Government to revamp its organisation to support the process of change in the Public Service. A strengthened Cabinet Office was one such effort. The new version Cabinet Office, was implemented following two of the more recent reports (of the many) on measures needed to reform the Public Service. The first was done (under UNDP sponsorship), by Sir Kenneth Stowe and Mr Geoffrey Morgan.

It stated in part:

1. The first priority is to get the machinery at the centre right, i.e. to fill the void, by establishing a capability under the Prime Minister's personal authority to command and control the determination of strategy, and the development of resources – money and people – to implement it.
2. The Prime Minister's Office should therefore house a strengthened Cabinet Secretariat enhanced so as to take over: (a) full responsibility for bringing together issues which bear on the Government's strategy and presenting them to Ministers, via the Prime Minister, for collective decision; (b) the lead role in corporate planning for the Government as a whole; and (c) monitor and as necessary direct the implementation of policy. The holder of this post should be designated Head of the Civil Service".

These recommendations were supported in a report by a special committee of prominent Jamaican citizens drawn from the public, private and university sectors, chaired by the Pro Vice Chancellor of the University of the West Indies, Professor Rex Nettleford. In reference to this matter, the report stated:

"New approaches and tasks must be assumed by the Permanent Secretaries' Board in a restructured Government machinery. This Management Board must work in tandem with Cabinet, meeting weekly; its agenda reflecting Cabinet's providing regular follow-up reports to Cabinet and chaired by the Permanent Secretary to the Cabinet".

Progress to date

The new Cabinet Office was established in July 1993, and the following progress can be noted:

1. Regular meetings with Permanent Secretaries ensure that important programmes are being implemented. Also, important issues of governance, such as reports by the Auditor General and Contractor General, are being rigorously dealt with by a committee of this Board. Through the Board, a complete review of Government's motor car policy (a major item of public expenditure) was undertaken and recommendations are being sent to Cabinet for consideration.

2. The Cabinet Office is overseeing, at the direction of the Prime Minister, the performance of eight important customer-related organisations to ensure that they all attain a level of sustainable, efficient and effective performance.
3. The Office is overseeing a comprehensive review of the awarding of contracts (another major item of expenditure, waste, and a reason for disputes between the two contending political parties) with the aim of achieving transparency, equity, efficiency and effectiveness.
4. The Office is also preparing guidelines for Cabinet submissions with the objective of achieving, among other things: more precise determinations of matters which need Cabinet's attention, or can be otherwise dealt with; more concise yet complete presentation with policy options etc.; and appropriate consultations between relevant ministries or agencies, as the case may be, prior to matters being placed on the agenda.
5. Plans are being put in place for the Cabinet Office to make its own independent policy analyses of submissions and other issues so as to advise the Prime Minister.
6. The fate of Cabinet decisions are being tracked by project officers in the Cabinet Office to ensure that they are implemented on a timely, efficient and effective basis.
7. The next, and one may say, critical phase of the Public Sector Reform Programme is being directed through the Cabinet Office, and very soon a unit (supported by the World Bank) will be set up within the Office to deal specifically with these matters.

The above are examples of the Cabinet Office fulfilling the mandate to be the focal point for change.

While it is early days yet, it is fair to say that several of the senior executives in the Public Service are convinced of the need for change; and this must, at least, be a basis for optimism.

Achieving improvements in economic transitions – is it worth it? (Australia)

**Edited extracts from a presentation by John S. Dawkins,
Former Treasurer, Australia**

The question in the title is, fairly obviously, rhetorical. I would not be talking about change – how to make it and how to adapt to it – unless I believed the results justified the effort.

Change is not optional for governments in today's world. The trick is to understand that fact, to analyse the nature of the changes occurring in the environment in which governments have to operate, and to adapt one's own institutions and practices accordingly. Clever, or perhaps lucky governments and public services will adapt to the changes around the corner, rather than those which have just happened.

The theme of this session relates to economic transitions, but I do not believe it is realistic to separate economic, social and political progress when one is talking about the reform of government. That certainly has not been Australia's experience.

I suspect that the challenges facing my country since I first became a government minister in 1983 have parallels in many, if not most, of the nations represented at this Conference. I do not describe some of those challenges, how we tackled them, and where we hope to go in the future because I want to hold up Australia as a model for others to copy, but because I believe that, while individual circumstances may differ, the general theme or direction of reform tends to be similar.

Outsiders tend to see Australia as a very fortunate country, blessed with great natural wealth, a wonderful climate and stable democratic institutions. For much of our short post-colonial history that has been a fair picture. We grew all or nearly all our own food. We sold wool, wheat, minerals and other primary products to what seemed insatiable overseas markets. We were part of the British Empire, and later the Commonwealth of Nations, with all the advantages that could bring to a predominantly white, Anglo-Saxon nation with few security problems because of our geographical distance from major population centres.

Our institutions reflected these comfortable facts. We established high levels of protection for our manufactured foods. We were and are a federation with much of the inefficiency that implies. And our central government departments and systems, while efficient by the standards of the time, and blessedly free of corruption and nepotism, were rigid and process-driven.

In the post-war years, particularly in the 1960s and 1970s, we failed to understand that the world was changing, that the time when we could rely on the rest of the world beating a path to our door to purchase our primary products was coming to an end. In the 1970s we were hit, like so many other countries, by high inflation, high unemployment and external deficits. And we did not, at the time, have the wherewithal to work our way out of the mess.

I am not one of those who would assert that it is possible to control the health of a single economy by domestic action. Fundamental economic forces are too powerful for that. But by the same token I do not believe it is sensible or responsible for governments to sit and wait for the next turn in the world economic cycle, in the hope that will provide a cure, because plainly it will not. By the early 1980s, when I became a minister in the Australian Government, it was apparent that substantial reform was essential. If we did not do something about the rigidities in our systems and institutions, our capacity to deliver to the Australian people the kinds of improvements we wanted to, and had promised, would be severely compromised.

One of our first priorities was, as you would expect, public sector reform. As you will appreciate when I describe what we did, in many ways this was the key to unlock the barriers to economic and social progress.

Strategic decision-making

I will start with the central decision-making process – the Cabinet system – although the major reforms in this area did not take place until we had been in government for several years.

Australia has inherited the Westminster model of Cabinet Government in which the Cabinet, the committee of government ministers responsible for making the major decisions, actually does discuss and decide upon major policy issues, usually on a weekly basis. All ministers are bound by decisions of Cabinet, which meets in private.

A major priority for us was to have a Cabinet system which enabled government ministers, collectively, to make strategic policy decisions, but not to have to worry about too many matters of detail. Typically, a weekly Cabinet meeting would not discuss more than about half a dozen matters, and of these perhaps only two or three would need prolonged discussion.

In order to achieve this happy state of affairs, we established a handful of important standing Cabinet committees which dealt with economic management, social policy and structural reform issues. The decisions of these committees, generally speaking, did not need further discussion in full Cabinet because their membership gave them sufficient authority. But all their decisions went to full Cabinet for formal endorsement and any minister was free to reopen the

discussion. In this way we ensured that all Cabinet ministers "owned" all the decisions.

Underpinning these arrangements was a well-established bureaucratic policy apparatus which, importantly, guaranteed that the views of all interested government departments on every proposal would be written down and made available to all ministers in the Cabinet or committee discussions. This obviated the need for formal "shadow" committees of public servants and ensured that, when we sat down to talk about a minister's proposal, we knew and had had a chance to think about likely objections and arguments from other quarters.

In 1987, in perhaps the most radical structural reform of Government in Australia's history, we amalgamated a number of government departments, reducing the total to eighteen, and set up a system of multi-minister portfolios. Apart from the dollar savings, which were not insignificant, the amalgamations had several important effects for us as a Government. Some of these were:

- Overlapping or associated policy areas were integrated. For example, the Department of Trade and the Department of Foreign Affairs became the single Department of Foreign Affairs and Trade. Policy development and implementation became more effective and ministers could make more decisions for themselves, without the need to check with other ministries.
- There was less need for formal co-ordinating mechanisms and less bureaucratic in-fighting.
- For the first time every department was represented by a minister at all Cabinet meetings thus ensuring all relevant views were represented.
- The amount of business needing to be discussed in Cabinet meetings declined dramatically.
- The frequency of changes in the responsibilities of ministers and departments also reduced drastically, thus increasing stability and enabling ministers and the public service to concentrate on the important work of government.

It is difficult to overemphasise, in the Australian system, the importance of getting these fundamental policy structures working efficiently so as to guarantee that ministers make the big decisions, that they have the right information base for so doing, and that collectively they see themselves as committed to the decisions Cabinet makes.

Well before these changes, we had embarked on a major programme of public sector management reform. This had two purposes. In the first place, we wanted to

get better value for the taxpayer's dollar. We saw that the public sector's priorities tended towards regulation rather than the delivery of results. Secondly, we wanted it to be Government priorities and policies which determined what public servants did. If we, the Government, were to be properly accountable to the people and the Parliament, we had to have a public sector which was accountable to the Government.

The features of our management reforms will be familiar to many since with variations they have been adopted by a number of governments. The basic thrust has been to remove unnecessary central control and to give managers responsibility for all the matters for which we want them to be accountable.

You will notice that I use the term "public service managers" in many places throughout this text. That is a deliberate choice. As little as ten years ago, many senior people in our public service did not see themselves as managers – nor indeed were they. Most responsibilities we would today regard as belonging to managers did not apply to our senior staff. They had plenty of authority, but little responsibility. They tended to be insulated from the real-world concerns of budgets, of staffing, of allocation of resources and so on.

It seemed to us that this was a potentially dangerous state of affairs. Australian Governments rely on the Public Service to deliver cost-effective services to the community, and on its senior ranks for advice on policy development and implementation. If the bulk of public servants had no direct knowledge of, or responsibility for, management of the resources entrusted to them, we could hardly be confident that the provision of public services would be efficient and effective. Still less could we expect that the people advising us on issues affecting the community would have much such understanding of the implications of their advice.

Personnel management

We therefore set out with the conscious intention of, first, turning our senior staff into managers, then letting them manage. We created a Senior Executive Service, with fewer grades than previously, with common selection criteria, staffed strictly on merit and with appointments protected against political influence. Today, these appointments are all made by the independent Public Service Commissioner.

These people were responsible, across the Public Service, for both programme delivery and policy advice. Unlike some other public sectors we consciously eschewed, for the most part, the structural separation of policy and administration, taking the view that, in many areas, those who deliver programmes are best placed to advise on related policy issues.

We then set about removing the barriers to productivity. Managers in the Public Service now make their own decisions on the creation and abolition of positions, appointments, promotions and transfers of staff (except staff of the senior executive service) and a whole range of other detailed personnel matters. The personnel management role of central agencies is now almost entirely confined to designing basic policies and standards, which line agencies apply in individual cases. As a result of these developments we were able in 1987 to abolish our central personnel agency, the Public Service Board and create a small Public Service Commission with relatively restricted, but still important responsibilities, especially in relation to senior executive service appointments.

Other reforms have included reducing over 100 separate office-based grades and classifications into a single administrative service structure, simplifying the many technical and professional grades, introducing corporate plans for all departments, individual work plans for staffing units, performance appraisal for staff, with performance-based pay at senior levels and improved management information systems throughout the Public Service.

Financial management

In financial management, we wanted to:

- provide a more efficient process to permit the Government to determine priorities and allocation of resources;
- devolve more authority to ministries and reduce central agency intervention, while keeping strict control on overall expenditure;
- encourage more focus by the Public Service on results and on measuring performance;
- make people think more rationally about spending decisions; and
- improve accountability.

We began by publishing forward estimates of expenditure for the three years following each budget. This was a reform which in retrospect seems so obvious it is hard to understand why it took so long. When you are committed to publishing your forward estimates it makes you think about out-year costs at the time of making decisions which have spending implications – a vital discipline for any government. Even more important, however, was using the forward estimates as the base for year-on-year budget estimates.

When there is certainty in ministries about their ongoing funding base, it eliminates wasteful annual budget disputes, reduces intrusive involvement by central agencies and concentrates the debate where it should be – on the bottom-line and on major policy directions. It also encourages efficiencies, because ministers and public servants can be reasonably confident that they will not lose savings they make from efficiency improvements.

The forward estimates have become one of the fundamental building blocks of the Government's Management Information System, allowing Cabinet more time in its budget deliberations to focus on the policy it wishes to pursue and on establishing changes to priorities as circumstances change.

We also simplified budgeting within governmental agencies by consolidating the various heads of expenditure, so that now the "running costs" of programmes, such as salaries and administrative expenditure, are the only separately identified headings, apart from the costs of the programmes themselves.

We combined this with removing controls on numbers of public service staff - the important control is the financial one. Also, we allowed public service managers, within limits, to carry over financial surpluses from one year to the next, or to borrow against the next year's allocation if they overspent. The aim of this was again, to give managers flexibility and encouragement to plan the use of resources more rationally. In short, they manage within their budgets, absorb minor cost increases and make and use savings.

The most significant global measure was the so-called "efficiency dividend", which required an annual automatic percentage reduction in every agency's running costs, thus returning to the budget some of the expected returns from greater efficiencies and at the same time encouraging managers to keep a constant watch on their expenditure and look for ways to make savings. The efficiency dividend has returned A\$500 million to the budget since 1987 and currently returns A\$80 million per annum.

Importantly too, there has been the development of programme evaluations which provide managers and government ministers with the information they need about the effectiveness with which the Public Service performs its functions. Each government programme has to be evaluated by the agency responsible for it at three to five year intervals, with the results of evaluations being lodged with the Department of Finance.

And we introduced user-pays principles to public sector agencies. When one part of Government needs a service from another, increasingly commonly it has to pay for it. The purpose of this approach is to make clear to managers that nothing is cost-free and to encourage them to modify their behaviour accordingly. Before ordering a service the manager who has to pay for it will ask whether it is essential.

I am sure you can all think of services you use which are not, or are not always essential. To give an example from our system, until recently our Attorney-General's Department provided legal advice and representation free of charge to every area of Government which wanted them. The result was demand the Department could not meet, litigation the public did not need, and costs the Government could ill afford.

Now, a public service manager who uses such services has to pay subject to some important exceptions, such as advice on constitutional matters. The Attorney-General's Department has to survive on the proceeds. It is certain that the demand for legal services will become much more realistic.

An inevitable corollary of this approach is the challenging of monopolies within Government. If managers cannot get a service without paying for it they will, in all likelihood, want to know whether it represents value for money and if not, why they can't go elsewhere. In the case of legal services, managers in our system will be able to obtain at least some of them from the private sector. The Attorney-General's Department will, for the first time in its history, have to compete or lose functions.

This is an area in which there is plenty of room for disagreement and the potential for costly mistakes, especially if the approach is carried to extremes. I would be the last to argue that it should be rigidly applied to all areas of public sector activity or that the private sector has a monopoly on efficiency. But it very much supports the overall aims of reducing costs, increasing individual managers' appreciation of the effects of their decisions, and encouraging efficiencies in service provision and resource allocation. The result, from a minister's point of view, is likely to be that the government's policy priorities get a bigger share of the resources cake as time goes on.

Government Business Enterprises

Another plank in the Government's structural reforms was improving the efficiency and accountability of its business enterprises. There are around 19 major Government Business Enterprises (GBEs) operating in the transport and communications, defence, resources and primary industries sectors.

Government trading enterprises, which also includes state enterprises, accounted for about 10 per cent of our gross domestic product in 1991-92. Two of the largest enterprises, Telecom and Australia Post, employ about 90 per cent of the labour force involved in the communications industry.

Because of the size and nature of the industries in which GBEs operate, they are well placed to play a strategic role in industry development and Australia's international competitiveness. The Government has been able to use its ownership of GBEs to introduce competitive reforms in a number of sectors, e.g. telecommunications, aviation, and rail.

In 1987, the Government began a series of reforms to its business enterprises. We gave their boards greater authority to achieve, and to be responsible for performance. For example, we removed controls in the area of industrial relations, purchasing and superannuation. Boards were given responsibility for developing business strategies, directing the management of the enterprise, and managing commercial risks. We expected them to achieve financial targets and pay dividends and taxes to the Government and, where necessary, meet explicit Government social obligations. The cost of any such social obligation was taken into account when setting financial targets.

Corporate plans now serve as the key accountability document between the enterprise and the Government. The dividend, pricing and service quality targets set in the corporate plan are the measure by which the Government is able to judge an enterprise's performance. Under this shareholder model, Ministers are responsible for overseeing the performance of GBEs and exercising strategic control, consistent with their accountability to Parliament.

A key to the success of the reforms has been the clear statement of the Government's objectives for our GBEs. Associated with the clear "mission statement" is the separation of "government" functions, such as regulation and the development of policy, from the commercial and service delivery activities of the GBE.

To draw an analogy, the old arrangements had some GBEs who were not only players in the industry, but were also the umpire and wrote the rules of the game. There were very significant conflicts of interest. The separation of these roles has been central to the restructuring of key industry sectors, to make the Australian economy more internationally competitive.

Underlying GBE reforms has been a consistent set of principles:

- where possible, promoting competition as an incentive for industries to improve efficiency;
- adopting regulatory arrangements to support competition, facilitate the development of export opportunities and take advantage of technological change;

- ensuring that improvements in GBE performance flow through to industry and consumers, for example through price-cap arrangements and service quality targets;
- bench-marking to encourage GBEs to operate at world's best practice;
- adopting pricing measures that are closely aligned to the costs of providing services, including externality costs; and
- giving explicit recognition to any public interest, social justice or safety objectives that a GBE is required to meet, through direct budget funding.

What GBE reforms have achieved.

Tangible benefits from these reforms are flowing through to the economy. To mention a few:

- in the four years from 1987-88 to 1991-92, labour productivity in the 50 major national GBEs has increased by around 10 per cent per annum;
- dividends and interest payments from GBEs are estimated at \$5.2 billion for 1993-94. In 1988-89, payments from GBEs were around \$170m;
- domestic and international aviation has been reformed. At the end of 1993, average domestic fares were 24 per cent lower in real terms than prior to 1987 and deregulation;
- in telecommunications, domestic call rates have fallen by about 13 per cent and international rates by 25 per cent in the last three years; and
- telecommunications exports reached \$545 million in 1991-92.

Where next?

In a sense, the reforms I have described are only the beginning. Because they were the big reforms, however, future developments will tend to be incremental and continuous, rather than revolutionary.

The major immediate trends seem to me to be in the direction of emphasising and building upon the service orientation which we have tried to inculcate in our public sector. For example, we are increasing the use of evaluation to make sure programmes deliver what the Government and the people want; and we are

investigating techniques, such as bench-marking, to test our own processes for service delivery against best practice elsewhere.

There is also the question of adaptation to technological change, particularly in communications, which I suspect will transform relationships between government and citizens in a much shorter time than we may now think.

Change, we all know, is not a matter of choice, but a way of life. As you will see from what I have said, I believe it is not only essential, but also beneficial. The answer to my question, "Is it worth it?", is therefore resoundingly in the affirmative.

7. A TRANSITION IN OUTLOOK FOR GOVERNMENT: A CULTURE OF SUCCESS

The platform:

- The Rt. Hon. Dr Edward Fenech-Adami, Prime Minister of Malta
- The Hon. Gordon M. Draper, Minister of Public Administration and Information, Trinidad and Tobago
- Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government, Malaysia
- Mr Rob Laking, Chief Executive, Ministry of Housing, New Zealand
- The Hon. Simone de Comarmond, Minister of Tourism and Transport, Seychelles (Chairperson)

This was an exciting session not the least because the four authoritative speakers, each from a position of extensive achievement in reorienting the public sector, captured the energy and vision which underpin far-reaching reforms. It was no coincidence that in addressing the question of a "culture of success", two common threads ran through the presentations:

- *they were aware of the difficulties faced by public servants, particularly as they seek to improve a system which they must, simultaneously, continue to operate – they had respect for the existing work of the public service;*
- *the speakers were positive and optimistic in their view of the capacity and potential of the public sector – they had faith in the ability of the public service to improve and succeed.*

Those themes of respect and optimism formed the backcloth to the successful changes introduced in Malta, Trinidad and Tobago, Malaysia and New Zealand. In all these settings, this perspective on the public service has enabled a balance to be struck between determination and realism in achieving change:

- *Dr Fenech-Adami described the powerful organisational change agents within the Public Service of Malta — while emphasising that their success could be seen in the changed perspective of public servants.*
- *A concern for staff empowerment and improved morale ran through the detailed reform deliverables identified by the Government of Trinidad and Tobago and described by Minister Draper.*

- *In describing the depth of the changes within the Malaysian Civil Service, Tan Sri Dato' Seri Ahmad Sarji noted that shifts in all the key elements of organisational culture – values, knowledge, skills, attitudes and practices – have been made possible by a balanced approach ensuring that change, while driven from the top, is owned by all levels.*
- *Rob Laking identified political trust of public servants as fundamental to the move from sloganising to reality in reforming the New Zealand public sector.*

The discussion following the presentations explored points of pragmatism and of principle. The significance of the right people in the right jobs was emphasised in the context of the need for strategic alliances between change drivers at political and administrative levels. The difficulties imposed by constitutional rigidities was also noted, particularly in relation to the changing roles of the Service Commissions and the need for new points of balance to be found between managerial autonomy and political accountability.

The session offered the outlines of a virtuous circle in which the public service earns increased public respect and gains self-confidence not by running away from its shortcomings, but by emphasising that there are successes amongst them and that these can be built on. If optimism is a crucial ingredient of progress, the establishment of CAPAM as a professional association fostering debate amongst administrators and between administrators and politicians provides a remarkable opportunity to share successes, building strategies for enabling change.

Public administration: a culture of success (Malta)

Edited extracts from a presentation by the Right Honourable Dr Edward Fenech-Adami, Prime Minister of Malta

In 1964, Malta became independent with the attendant challenges this poses in breaking away from past traditions and dependencies and forging a new future.

Although the overriding influence in our Civil Service has no doubt been British because of our long association, there are other aspects which are continental European, such as our Roman-Napoleonic legal structure and frameworks for conducting business.

Malta's Civil Service has a long and much respected tradition. Its structure, until quite recently patterned on the Whitehall model, is structured and hierarchical with its main general service stream complemented by discrete departmental grades in certain areas of specialisation such as engineering, law, medicine and information systems.

Public sector reform

It was in 1987 that my Government initiated what is probably the most radical re-think of the Civil Service in its history. A Public Service Reform Commission was appointed with the mandate:

"to examine the organisation of the Public Service, and to recommend means by which the Service can efficiently respond to the changing needs for effective government".

Coincident with this, an Operations Review was undertaken with a view to examining the structures of Government in order to determine the extent to which these were conducive to the effective delivery of public services; and to make suitable recommendations for the improvement of these. Another objective of this Review was the development of an Information Systems Strategic Plan for the Government which was intended to look at the Government's range of information needs and the opportunities for the application of computer technology, and propose a way forward.

The two initiatives, the Reform Commission and Operations Review, were very closely linked, sharing a common research team, and secretariat to ensure complementarity of their outcomes. Both initiatives were broadly participative seeking inputs and ideas into needed changes from a wide spectrum of audiences

including civil servants, elected officials, unions, constituted and professional bodies.

The initiatives had as their primary focus the three major components of public administration: organisation; human resources; and information. In other words: What are the most effective organisational structures to effect optimal service delivery? What are the most appropriate human resource policies and practices to achieve this? and what is the optimal information systems infrastructure to support government operations?

The reform exercise identified a myriad of issues which needed to be addressed ranging from organisational structures that were not consonant with the needs of the day, to human resources policies that were out of line with the times. It pointed to a new empowerment that was needed to systematically break away from our past and institute systems more suited to the present and future. As Osborne and Gaebler very aptly put it in their landmark text *Re-inventing Government*:

"We believe that people who work in government, are not the problem, the systems in which they work are. To make our governments more effective, we must re-invent them".

The context for change

The imperatives that are driving this change process are in no way unique to Malta, and it is for this reason that fora such as these and the CAPAM concept are so valuable. Pressures that we all face are:

- the emergence of a post-industrial, knowledge-based, global economy;
- the end of the Cold War and developments in Eastern Europe;
- the need to reduce the cost of government;
- improved quality of services to our citizens;
- increased accountability through delegation, decentralisation, devolution or empowerment whatever the peculiar circumstances dictate; and
- the increasing trend towards the separation of the policy and executive aspects of government.

In short, the pressure is to achieve more and spend less without government abdicating the need for continued co-ordination to achieve coherence and integration. In the end, it is our public administrators who face this challenge, for

while government policies may come and go, the civil service represents the corporate memory that is needed to provide the continuity to a nation's administration and sustain its well-being.

Achieving change

The plethora of changes proposed as a result of this reform exercise pointed to the need for catalytic agencies to propel the public administration into a new orbit. Key among these was the setting up of the Management and Personnel Office (MPO) within my portfolio. The role of the Management and Personnel Office is to implement new human resources policies and practices aimed at decentralisation, increased accountability, and motivation for the service. We recognise that the key to success lies in the development and nurturing of our human resources and it is with this in mind that the Staff Development Organisation was established. Its role is the co-ordination of all development activities ranging from senior management training to specially focused programmes aimed at a broad range of occupational groups in the service. The Management Systems Unit is an agency that has been set up to facilitate the breadth of changes proposed by the Reform Commission and Operations Review. It has a dual role functioning as an in-house consultancy as well as the Government's information systems agency responsible for the implementation of the information systems strategy.

Progress to date

So, what has been achieved so far? The journey we have embarked on is a long and ambitious one, but I feel that we have come quite a distance:

- Ministerial portfolios have been realigned and consolidated to reflect a more logical grouping of business functions.
- Role delineations of ministers, parliamentary secretaries, permanent secretaries and heads of departments have been better defined and implemented.
- The top structures of ministries have been revised and permanent secretaries, director-generals and directors appointed.
- Each ministry now has a functioning management committee to aid the internal consultative process both in policy matters as well as operational issues.

- All senior appointments are for three years and incumbents are required to enter into performance agreements setting out specific operational targets for each year.
- A performance review system is being implemented across the Service.
- Collective agreements reflecting more equitable terms and conditions for all public servants are now in place.
- A three-year business planning cycle has been introduced with inputs into the Cabinet's Policy and Priorities Committee and the Estimates and Budget Allocation Process.
- Financial regulations, policies and procedures are being overhauled with the aim of effecting increased delegation to line ministries.
- Procurement procedures have been reviewed once again to enable improved delegation while at the same time ensuring that disciplines are in place to provide value for money.
- An internal audit function has been instituted in each ministry as a vehicle to measure programme and service effectiveness.
- Several operations reviews or business re-engineering activities have been conducted or are in process leading to significant restructuring, streamlining and downsizing, where appropriate.
- Other traditional functions of government have been hived off and executive agencies established to afford greater management latitudes and efficiency.
- Public cleansing, road maintenance and a host of other services, previously the domain of Central Government, are being devolved to local councils.
- Government has divested itself of holdings in which it had commercial interests to the private sector.
- A Planning Authority has been established with a view to implementing the Structure Plan which has been developed to bring about more orderly land development.
- A very significant investment has been made in the development of an integrated and cohesive information technology infrastructure.

Information as a resource

One of the unique characteristics of government is that it is a very information intensive business. Our Strategic Plan is premised on maximising the information resource through the sharing of information where this is within the confines of our legislation to avoid duplication in information collection and maintenance. In order to achieve this we have established an open client server architecture platform that makes for seamless access of application systems from a single work station, needless to say with appropriate security safeguards. This infusion of technology has been very significant in a relatively short space of time with application systems in place or in the course of development in most major areas of Government. Notable in these are systems designed to support the disbursement of social security benefits, the collection of national insurance contributions, the collection of income taxes, customs and health administration, vehicle and driver licensing, and civil registration, to name a few.

Having established technology standards as a first priority, we attempt to acquire packaged software, where this is available, which we can then customise to our needs. Coincident with this, our policy is to out-source most of the development as well as the support while ensuring that we retain the responsibility for all project management. In every instance we try to ensure that technology is introduced in the context of re-organisation or business re-engineering with a clear customer focus.

We feel that in a relatively short space of time we have been able to develop a computer literate service that can use these tools to access information and to improve and expedite decision-making.

Looking forward

Quite possibly what marks our Public Service Reform in Malta is our holistic approach to it. To quote Marcel Proust: "The real voyage of discovery consists not in seeking new lands, but in seeing with new eyes".

I feel that our two very focused initiatives, the Public Service Reform Commission (PSRC) and Operations Reviews, helped us in looking at what we were doing and how we were doing it with new eyes. A view which our Public Service is increasingly sharing and a new order of business which it is gradually adopting.

I will not lead you to believe that the transition from the old to the new has been completed or that it has been an easy trek. However, with the commitment and leadership of the major players much has been achieved, yet a great deal remains to be done.

I would like once more to thank the Commonwealth Secretariat and CAPAM for this Conference. I find CAPAM a very exciting concept enabling us to share our experiences and our common wealth. Malta is indeed co-operating with the Commonwealth Secretariat on many fronts. Included in this is the Compendium of Good Practices that CAPAM is putting together with the participation of a few member countries. Malta is also contemplating playing a key role in the development and support of COMNET-IT, the vehicle that will be used by public administrators, consultants, students and researchers to access much of this information.

I would like to once again thank the organisers of the Conference both for the initiative as well as inviting me to participate. I augur CAPAM success and look forward to a long and productive association.

A transition in outlook for government: a culture of success (Trinidad and Tobago)

**Edited extracts from a presentation by the Honourable Gordon M. Draper,
Minister in the Office of the Prime Minister Responsible for Public
Administration and Public Information, Trinidad and Tobago**

A new outlook for government

Many of the world's governments are in one stage or another of reviewing the role of the state and of government. There are many common elements emerging from those reviews. The following central themes can be discerned:

- an increased concern with output measures and performance targets and a corresponding movement away from reliance on input controls and bureaucratic procedures;
- increased devolution of management controls and the corresponding development of new reporting, monitoring and accountability mechanisms, and consequently increased emphasis on the development of management skills and competency in the Public Service;
- increased focus on contracting out of services previously done within the public service;
- the introduction within the public service of systems which were previously seen to be the domain of the private sector, including strategic planning, performance-based reward systems and management information systems; and
- increased focus on cost-efficiency, effectiveness, reshaping and customer-orientation.

Ten core elements can be seen in this new outlook for government:

(i) *"Steering not rowing"*

This element encapsulates the growing vision that governments cannot be all things to all people. It is a recognition that government needs to play a facilitator and catalytic role rather than a role of delivery of all services. This shift does not suggest a "withering away of the state" – but a movement away from big impotent government to one which provides direction, policies and environments within

which others can deliver services. Governments are therefore actively reviewing existing services being provided to determine candidates for contracting out.

This element points to a government that is first facilitating and monitoring. Second, to a government that should be the head of a network of social partners engaged in a process of continuing interaction for the purpose of policy formulation and implementation. Third, to a government which plays a catalytic role in strengthening the knowledge base of the country. Fourth, to governments which, given their leadership role, must ensure that the country develops an appropriate culture of standards and values. Fifth, to a government that continues to have a leadership role in a country's international relations and among other things ensure market access for goods and services.

Prime Minister P. J. Patterson of Jamaica sums this up well when he says:

"What is new is that the state has been compelled to face the realisation that it cannot do everything itself, nor be the great and sole provider for all.

I do not envisage that the new role of government is minimalist or will result in its eventual disappearance. Rather, it suggests government of a somewhat different nature and better kind.

It certainly implies movement towards catalytic government: One that concentrates on facilitation, regulating, and monitoring; one that owes more to "steering than rowing". This does not mean, however, that government does not have to row in certain situations rather than only steer.

There are areas where either the size of the investment or the special facilities that are peculiarly available to the state, means that some government involvement is both logical and inescapable".¹

The fundamental position is shared by the Government of Trinidad and Tobago, and provides a foundation on which its Public Sector Reform initiatives are built.

(ii) *An increased utilisation of the strategic planning process.*

One element of the vision of the new Public Service in Trinidad and Tobago is the development of a strategic planning culture. This recognises that not only are strategic plans critical in the management of the new Public Service – but that the process and culture of strategic planning must be imbued in the organisation. This points to the need for involvement and participation of staff in the process to ensure the development of shared visions and the knowledge and understanding of

the organisation's objectives. All Government departments in Trinidad and Tobago have now developed five-year strategic plans as part of the on-going Public Service reform activity.

(iii) New approaches to accounting and accountability

The following are among issues which impact on this element:

- the need to move to accrual-based budgeting and accounting and away from cash-based systems;
- the need for clear specification of intended outputs and a focus on budgeting and allocations based on outputs;
- the need for a relaxation of input controls, and increased delegation to managers to permit their control over resource allocation;
- the need for improved costing of government activities;
- the need for improved reporting to parliament;
- the need for strengthening internal audit functions; and
- the need to develop and strengthen comprehensive auditing in the public service.

(iv) Devolution of managerial authority

Traditional bureaucracies have been characterised by a high level of central control and direction. Increasingly it is being accepted that managers must be allowed to manage. In some countries such devolution requires legislative change and even – as in Trinidad and Tobago – constitutional change.

Those elements also underscore the importance of management training for public service managers, and therefore has implications not only for in-service training and promotion criteria, but also for curriculum design in universities and other institutions involved in public administration changes.

(v) Governments must become customer-oriented

Some governments in recognition of this have moved toward establishing service standards. In Trinidad and Tobago, customer contact officers were established in ministries and departments to serve as focal points for monitoring service quality.

Prime Minister Patterson of Jamaica argues the point as follows:

"The expectation of every citizen for efficient and courteous service from the agencies of government with which he has to deal must be reasonably met.

All public services are paid for by individual citizens, either directly or through taxation. Citizens are therefore entitled to expect high-quality services, responsive to their needs, provided efficiently and at reasonable cost.

For proper delivery, public services must be organised from the standpoint of the user. Too often public sector organisations operate as though the customer or taxpayer exists because of them and fail to realise instead, that their *raison d'être* is the customer or taxpayer. The citizen-user is best regarded as a *customer* whose needs come first. The customer always comes first.

Public sector employees must be obliged to improve the services that they provide. They should have the freedom and motivation to do so".²

He goes on to suggest that the Citizens' Charter rests on the following five basic principles of Public Service:

- Standards;
- Information and Openness;
- Choice and Consultation;
- Courtesy and Helpfulness; and
- Value for Money.

(vi) *Rewards for performance*

In many traditional public services, rewards for performance do not exist. This new outlook demands the development of standards of performance as well as providing managers with the authority to provide incentives and rewards for good performance. One must also recognise that since new behaviours are being demanded – we have to reward these behaviours.

(vii) *Transparency*

The public needs to know and understand government procedures and must be assured and feel confident that transactions are done to the highest standards of ethics and integrity.

(viii) *The need to restructure and reshape governments*

When done from a customer satisfaction perspective, functions and departments may be brought together which will lead to improved service. Governments seem generally now committed to reviewing old structures and designing new structures more appropriate to the demands of our time.

(ix) *Recognition that transition in government demands holistic change*

This recognises that changing one element of government functioning requires changes in other elements. One cannot ask for managers to manage without ensuring that their training provides them with appropriate skills. The interdependent nature of organisation systems requires that transition programmes address a number of changes simultaneously.

(x) *The development of a more people-centred approach to government*

The days of the faceless, mindless bureaucrat are gone. The Human Resource Philosophy and Policy Framework of the Trinidad and Tobago Government states:

"Given the Government's belief that its human resources are the key elements in the goal achievement process, the Public Service organisation must at all times seek to attract and retain persons of the highest calibre regardless of class, creed, race, sex, colour, material status, age or political affiliation. It must therefore establish and ascertain recruitment, selection and placement procedures that promote equity, fair play, justice and consistency".

These core elements in the transition in outlook for Government have provided the basis for reform efforts, and vision statements for the new Public Service. A Caribbean Roundtable on the Public Services held in Jamaica in 1992 urged Caribbean governments to:

- (i) acknowledge that the region's human resources are the most important development asset;
- (ii) confront structural inefficiencies and determine the proper dimensions of their administrative machinery, evaluating the performances of institutions and personnel;
- (iii) evolve a more proactive role in the design of macroeconomic and financial management policy; and

- (iv) implement a new managerial orientation and strengthen the competence in the public service, modernising training curricula, materials and methods to encourage responsiveness, creativity and the new orientations while evaluating public servants on the basis of performance criteria.³

The Roundtable also sought to alert Caribbean Governments to recognise:

- (i) the character of the changing managerial culture in governance;
- (ii) the need, greater now than ever, to streamline public service manpower;
- (iii) the need for organisational systems leading to excellence in public service;
- (iv) that competition for available skills was greater than before;
- (v) that demographics in the public service were undergoing change;
- (vi) that the new managerial culture represented a change from economic to people-centred arrangements; and
- (vii) that management practice had to be sharper and innovative, yet accountability conscious.⁴

All these elements for a new outlook led the Trinidad and Tobago Government to adopt the following vision for the Public Service in its current Public Service Reform activities. A Public Service which:

- demonstrates a sense of caring for both its members and its customers;
- is client-driven, always conscious of the needs of its public;
- produces prompt results;
- constantly seeks motivation;
- promotes and demands high standards of performance from its members;
- provides for the growth and development of its members;
- has a "high-speed" processing capacity;
- is results-oriented;
- has a high-profile leadership; and
- is adaptable to the changing external environment.

Managing the transition

In large corporations culture change and significant transitions may take over seven years to accomplish. Most of our governments would have workforces perhaps ten times the size of the largest corporations in our countries. It will, therefore, take time to complete the transitions which we describe.

Change strategy requires that members of the organisation feel a sense of involvement in the process, share the new vision and own the change. In Trinidad and Tobago, a series of departmental retreats were held to facilitate this process of buy-in and involvement. Over a period of one year, approximately fifty per cent of the public servants participated in these retreats – usually of one-day duration. In addition, change teams were established in each department to facilitate the change process. These teams comprised of persons drawn from all levels and led by a senior manager.

One model of the change process envisages organisations going through the stages of unfreezing, transition or change and then refreezing. Governmental transition may be seen as going through the same path. In organisational change, unfreezing is accomplished by creating a climate where people are motivated to discontinue some aspect of their behaviour. The transition represents a phase of change where people are no longer acting as they used to, but neither are they set in a new behaviour pattern. At some point the uncertainty of the transition phase – in conjunction with the need for stability, begins a process of stabilisation – the refreezing stage.

Three important roles may be identified in this process. The first is the *change sponsor*, who is the individual or group that uses organisational power and influence to legitimise the change. Given the nature of government transition, the cabinet or a key minister ought to be identified as the sponsor. In Trinidad and Tobago, a Cabinet Minister was appointed in 1991 for the first time and given a mandate to implement Public Service reform. It is critical that someone of appropriate stature be clearly seen as the sponsor.

The second role is the *change agent*, this is the individual or group responsible for implementing or helping to implement the change. This change agent clearly must be possessed of a range of skills and competencies and should have the trust of the organisation. One issue which impacts on governmental transition is the availability of sufficient numbers of trained change agents. Part of the process itself may therefore involve training change agents. A core of change agents therefore needs to be identified some from within the government itself and some working as consultants from outside. The mix of these and their relationship is itself one critical element of change management.

The third role is the *change target*, the individual or group that as a result of change will alter their knowledge, skills, attitudes or behaviour. These would be the public servants.

The process also needs to ensure the involvement of trade unions and associations representing workers. In Trinidad and Tobago, this need has been pursued

through involvement of various representatives in planning committees and task forces at every stage of the reform process.

The management of the transition must also recognise the importance of identifying *short-term successes* along the way to the realisation of the ultimate vision. These successes would help boost morale in a period of uncertainty. The short-term successes must be acknowledged and celebrated.

The design and implementation of a *communication plan* is also a critical element in the change process. Change targets must at all times be aware of the goals and status of the reform programmes.

The issue of *rewards for the new behaviour* is another important consideration. As early as possible in the change process one must, therefore, identify those new behaviours and develop a regime of incentives to encourage them. Effective management ultimately is about empowering people to take initiative within a framework of incentives and accountabilities.

The issue of critical points of *leverage or intervention* must also be a consideration. One of the real lessons of the New Zealand experience is the power of appropriate legislation to provide the environment for changed behaviours. This introduces the political dimension because, in Trinidad and Tobago, some of the required legislation will involve constitutional change. The Public Service Commission in Trinidad and Tobago controls appointments, transfers, promotion and discipline in the Public Service. Any meaningful reform to empower managers in this important human resource management area therefore will require constitutional amendments – which needs a special three-fifths parliamentary majority voting in favour. It is interesting to note that when one looks at public service reform in a number of countries, there was active support which cut across party and ideological divides. In the United Kingdom, Conservatives led the way. In New Zealand, the Labour Party revolutionised Government. In Australia, both Conservative and Liberal Parties embraced fundamental change.

Perhaps in addition to legislation one other area of intervention which may lead to frame-breaking change is through the *budget process*. This process provides an opportunity for more parliamentary review of achievements and objectives of government departments and it also allows for allocations of resources to those agencies which are better managed. The budget process also provides an opportunity to move departments to linking their budget requests to strategic plans, and to outputs. Given the critical roles of this budget process and the Ministry of Finance, it could be a vital point of leverage to ensure fundamental government reform.

Underlying this issue of transition management is *political will*. It is the political leader who must be change sponsor and who most therefore clearly demonstrate an appreciation of the transition and a commitment to provide the resources for the change. This could even include special preparation and training for our political managers. In Trinidad and Tobago, this has taken the form of regular team-building retreats for Cabinet Ministers since 1991.

It is also important in this process of change to recognise the diversity that exists within our organisations and to do all those things which value and celebrate that diversity. One issue on the organisational agenda in both the private and public sector relates to differences, whether based on age, sex, race or other differences. Reform efforts must take account of this diversity issue and respond appropriately.

Towards a new look government

Much of the thinking and models shaping the transition in outlook for government are rooted in management and organisation development in the private sector. The climate and culture of the public services differs from the private sector and must therefore inform the transportation of the systems and approaches across the sectors. It is important that the public service should develop structures and systems which are appropriate to its unique political, constitutional and legal environment. Notwithstanding this however, the public service must explore the full menu of possibilities, and in that regard private sector-generated approaches have much to offer.

One of the issues relating to the new outlook of government deals with the question of what range of functions ought government to perform. Clearly the restructuring and re-shaping which is a core element of transition will lead to a public sector that differs markedly from the one which has evolved to this point. In exploring this dimension, Osborne and Gaebler argue that "public sector institutions tend to be best at the following:

- policy management;
- regulation;
- ensuring equity;
- preventing discrimination or exploitation;
- ensuring continuity and stability of services; and
- ensuring social cohesion".⁵

In contrast, they argue "even 'entrepreneurial' public service providers are less adept at:

- performing complex tasks;
- replicating the successes of other organisations;
- delivering services that require rapid adjustment to change;
- delivering services to very diverse populations; and
- delivering services that become obsolete quickly".

This view seems consistent with public service reforms throughout the world. The new government, focusing on what it can do best, will also be characterised by:

- a customer orientation;
- use of performance standards for service delivery;
- empowered employees;
- more transparency and improved accountability mechanisms; and
- better government for less.

Accepting these trends in a transition in outlook for government, the current Trinidad and Tobago Public Service Reform initiatives have identified the following as deliverables:

(a) *Decentralised management through:*

- delegation from Service Commissions to line Ministries;
- decentralising the Organisation and Management Division;
- establishing human resource management units in each Ministry thereby decentralising that function;
- decentralising the Property Management Unit;
- decentralising management of the health services;
- decentralising the Ministry of Education; and
- decentralising the procurement function.

(b) *Improved morale and productivity through:*

- improved office accommodation;
- reduction in length and number of acting appointments;
- new pension arrangements;
- performance-based remuneration;
- improved technology and work systems; and
- improved management systems.

(c) *Improved human resource management systems through:*

- new classification system;
- human resource information systems;
- management development;
- performance management;
- new regulations;
- new human resource management structures; and
- a new human resource policy and philosophy.

(d) *Improved quality of service and delivery through:*

- new information systems and structures;
- work-flow modification;
- police service reform;
- customs reform;
- health service reform;
- education system reform;
- customer contract officers and training; and
- contracting out of services.

(e) *Improved budgeting and accounting systems through:*

- strategic planning;
- increased public information at budget presentation; and
- activity-based costing.

In the Republic of Trinidad and Tobago, as in most other countries, this process of transition is accompanied by many ambiguities and paradoxes which include the following:

- The need to balance the imperatives and pressures for change which suggest speed with the reality that meaningful change tends to be a slow process and does not always proceed along a straight line.
- The increased demands for quality service at times raises questions about the perceived loss of control from contracting out of services. The issue here of course is whether control necessitates ownership.
- Some smaller states do not have a well-developed private sector which in some places have provided models for efficiency and effectiveness. In some countries, the private sector has led the way in implementing organisational change. This issue also affects the availability of alternative delivery mechanisms.
- The issue of accountability raises questions about the new role for Parliament and the impact on the time available to parliamentarians to participate in new vehicles for accountability. This issue also at times focuses on the relative role of the Cabinet as opposed to the wider Parliament.
- The transition to empowerment of people creates fears of loss of power and control among those who have set their sights on remaining career public servants.

- This transition in government like other change efforts presents a challenge of maintaining service delivery while implementing change.
- The empowerment and freeing up of the public service has to come through legislation given the rule orientation of the public service.
- Some have argued that one way to speed up the transition is to reward ministries and departments which reach significant milestones through increased allocations in the budget and withholding allocations from those which are not achieving milestones. This could however have the effect of punishing some ministries which are critical for the social economic development of the country.
- The transition also raises issues about the role of the politician in the management of the public service and the need to re-examine the relationship between the political directorate and the administrative directorate.
- In the transition process often those with positional power and who therefore should lead the process have most to gain by maintaining the status quo.

The transition must be made but countries must proceed differently given the peculiarities of their political and socio-cultural environment. The destination is less significant perhaps than the road which we take on this journey to a new dawn in government.

Notes

1. Prime Minister P. J. Patterson: *The Emerging Role of the State* delivered at a Ministerial Roundtable, Ocho Rios, Jamaica, August 12, 1993.
2. Prime Minister P. J. Patterson: *The Emerging Role of the State* delivered at a Ministerial Roundtable, Ocho Rios, Jamaica, August 12, 1993.
3. *The Kingston Declaration Report of a Caribbean Roundtable*, Jamaica. February 1992.
4. *The Kingston Declaration Report of a Caribbean Roundtable*, Jamaica, February 1992.
5. Osborne and Gaebler: *Reinventing Government*, Addison Wesley, 1992, pp 344-345.

Government in transition: building a culture of success: the Malaysian experience

Edited extracts from a presentation by Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government of Malaysia, Head of the Civil Service and Secretary to the Cabinet

There is a rethinking on the mode of operations of the Civil Service in Malaysia. The shift from a rule-bound bureaucratic tradition to a more proactive, flexible and adaptable mode of operations has become an imperative under the Malaysian Incorporated Concept. In the past, the public-private sector relationship was characterised by arms-length dealings. Under the Malaysian Incorporated Concept, the new reality has placed the public and private sectors now as partners in development. The Civil Service now operates in an era where the customer is paramount. We have to come to terms with the fact that our people are no longer content to just grumble and receive below par services.

Achieving change

A paradigm shift in the Civil Service is being effected through the following strategies:

- improvements to the structure, systems, rules and regulations, and information technology; and
- inculcating the values of quality, productivity and accountability in the Civil Service.

We have moved towards greater meritocracy in respect of the reward system. The New Remuneration System (NRS) came into effect on January 1, 1992. Consideration for promotion, salary increments, training and placement of government officers are to be based on performance on the job and contribution towards the organisation and the Civil Service.

The more significant aspect of the NRS is the restructuring of the Civil Service in Malaysia. The NRS reclassified 574 schemes of service into 19 service classifications. These in turn were divided into three service groups: Top Management; Management and Professional; and Support Group, compared to the previous four groups. The service groups are divided into salary grades. The Top Management has seven grades, the Management and Professional Group has three grades each, while the Support Group has a maximum of 13 grades. The number of grades under the old system for Group A was 30, Group B was 16, Group C was 20, and Group D was 47. The NRS has, therefore, significantly reduced the

number of grades in the public sector pay system in Malaysia. With fewer grades, the Civil Service has a flatter organisational structure.

The NRS is basically a performance-based pay system. The performance-related pay system under the NRS was made possible through the introduction of the Matrix Salary Schedule (MSS). With the MSS, the pay increase of a civil servant is related to his or her job performance. Panels formed under each government agency will review the job performance and decide on one of the four possible types of salary movements or increments:

- static (no increment);
- horizontal (normal – one increment);
- vertical (merit increment, which range from greater than one to double the normal increment); and
- diagonal (merit increment which range from double to triple increments).

The new performance appraisal system evaluates performance according to targets or goals set. Under the new performance evaluation exercise, close supervision of the performance of officers is done on a frequent and regular basis. Interim performance reports are done on a half-yearly basis. This will enable the reporting officer to write a good and accurate annual report. This system demands open communication and close interaction between the supervisor and the subordinate. The officer concerned will know clearly the system adopted for the grading and evaluation of each critical factor. The new performance appraisal system contributes towards the requirements of the personnel management system in the areas of salary progression, promotion and placement of staff, as well as determining annual work targets of the staff and establishing performance standards. Civil servants in the Management and Professional Group have to attend specific courses before being considered for promotion.

A focus on quality

The Civil Service in Malaysia has embarked on a journey towards developing a quality culture. Total Quality Management (TQM) has been adopted as an approach to mobilise all available resources in public sector agencies to meet customer requirements. These agencies have to institutionalise a distinct customer orientation in the delivery of services. The Client's Charter was introduced in 1993. This is a written commitment made by all agencies pertaining to the delivery of outputs or services to their respective customers. It is an assurance by agencies that their outputs or services will comply with the declared quality standards, as required by the customers. The customer is also in a position to evaluate the performance of services rendered as well as to make comparisons between agencies that provide similar type of services. The Client's Charter provides public sector

agencies with performance indicators that can be used to continuously upgrade the services rendered.

The moments of truth in our Civil Service are multifarious. Given the vast array of services rendered by the Civil Service to an equally diverse set of constituents, the pace of the moments of truth is fast and relentless. Each and every encounter the civil servant has with the customer is indeed a moment of truth. What are some examples of these moments of truth? Serving a citizen in processing his or her travel documents; discussing policies and programmes with an elected representative of the Government; providing a technical or an advisory service to a farmer or fisherman; or providing information to a potential foreign investor — all these represent moments of truth for the Civil Service. Each occasion is a moment of truth simply because it is a crucial point of evaluation for the customer as to the *raison d'être* of the Civil Service as an institution. The impressions formed at these crucial moments, and many others throughout the length and breadth of the nation, each and everyday, contribute to the sum total image of the efficiency, effectiveness and the accountability of the Civil Service.

Our Civil Service has taken initiatives to ensure those moments of truth would create and uphold the good image of the Government. We have introduced guidelines for quality counter services whereby the Government agencies are required to provide the necessary facilities so that the customers can wait in comfort. Proper directional signs, guides pertaining to the forms used, procedures, work-flow and process are prominently displayed for the convenience of customers.

The application of information technology

The Public Service Network and the Civil Service Link are two administrative reform measures. These two initiatives constitute the electronic delivery of information and services, and the facilitation of electronic commerce. The Public Service Network is a facility which enables a few government agencies to offer their counter services on-line to the public using the computer and network facilities of the post offices. Currently, two types of services are offered namely the renewal of driving licences and the renewal of business licences. The target is to provide these two and a few other services in a network comprising the major post offices throughout the country.

The Civil Service Link is an information centre designed for the needs of the private sector, and the information will include the procedures in obtaining permits and licences, taxation rates and others. It is hoped that the Public Service Network and the Civil Service Link will develop, evolve and later converge into a cohesive infrastructure to support the provision of "one-stop, non-stop" services to the public. The establishment of One-Stop Centres for licences, use of composite forms

and the issuance of composite licences, have further streamlined the delivery system of the Civil Service.

With respect to the use of information technology in public sector agencies, we have undertaken a major office automation programme to replace existing manual systems. Computerised-text processing, information storage and retrieval and communications systems have been introduced to increase efficiency and enhance productivity. Our objective is to move towards an era of paperless bureaucracy.

Institutionalising success

In building a culture of success, major changes need to occur to the main components of culture, encompassing values, knowledge, skills, attitudes and practices. The enculturation process will occur only when these components are adopted by the individual civil servant and practised routinely in the course of his or her daily duties.

To engender this process various strategies have been used as follows:

- the issuance of Development Administration Circulars which provide detailed guidelines to implement the administrative improvement programmes, disseminating information through documents and video tapes to agencies; and
- the establishment of an Inspectorate System to ensure follow-up and follow-through on the implementation of administrative improvement programmes.

In order to develop and upgrade the professional and managerial capabilities of Civil Service leaders, we would continue to emphasise and focus on management education and training in areas such as, strategic thinking, organisational development, negotiation skills and entrepreneurship. Workers will have to be given great autonomy to make decisions on the spot, without having to refer up the hierarchical chain. Employees need to be empowered to take charge of the performance expected of them. In this regard, we form Quality Control Circles. The focus of management has to shift from tasks to processes involved in delivering the final product or service. Management's role has to be one of facilitating processes and supporting process teams. One implication of this is that the structure of organisations has to change. Departments and divisions have to change from functional units to process teams.

Several Public Service Quality Awards, such as the Prime Minister's Quality Award, have been introduced to give due recognition to agencies that have shown excellence in quality management. The Public Service Innovation Award has also

been introduced to provide recognition to individuals who have contributed innovative ideas to improve the quality of services or outputs of their respective organisations. These programmes in essence represent an improvement package with which we expect to stimulate and energise Civil Service personnel to think and act quality at all times. The Civil Service must institutionalise an approach of managing for results.

Developing a culture of success: reflections from New Zealand experience

Edited extracts from a presentation by Rob Laking, Chief Executive, Ministry of Housing, Wellington, New Zealand.

Success: definition and conditions

Success is defined as the achievement of the outcomes desired by government from public service activity.

There are three necessary conditions for a culture of success:

- knowledge of what success is;
- the ability to achieve success; and
- the incentive to achieve success.

Build organisations with clear purposes

In New Zealand, good performance in the public sector has been significantly impeded by mixed and muddled objectives for public agencies. There were many cases in New Zealand where major trading activities, delivery of “social services”, sector regulation and policy advice to the Government were all combined in the same organisation.

The first major wave of reform in New Zealand was therefore the separation of all major trading functions into state-owned enterprises with clear commercial objectives and the eventual privatisation of many of them. The separation of most major commercial functions from the core public sector was the biggest single organisational change of the last decade. It resulted in a reduction in those employed by departments of the Public Service from 88,000 in 1985 to 36,000 in 1993. (A substantial proportion of the 52,000 reduction was matched by jobs in the new trading enterprises but many staff did lose their jobs in the process).

The prime objective of this change was to create the conditions for successful commercial performance by these entities. However, it was also impelled by a strong conviction in the New Zealand reforms that a major impediment to performance was the conflict of objectives in many multi-purpose Government agencies.

Many of the Government departments which remained were still characterised by a mixture of service delivery, regulation of the competition for one’s own services, and policy advice to the Government on both service delivery and regulation.

For example, the Government's public housing functions were formerly all the responsibility of one organisation – the Housing Corporation of New Zealand (HCNZ). The Corporation owned the 70,000 state houses let at generally subsidised rents to low-income people, made low-interest loans to low-income home-buyers, administered tenancy law and advised the Minister of Housing on policy.

In its 1991 Budget, the Government announced some basic reforms to housing policy. These were to deliver all housing assistance to low-income people via an enhanced social security benefit related to housing costs, to raise state house rents to market rates and to move all mortgage interest rates to market levels.

These changes were coupled with a restructuring of HCNZ which resulted in three agencies. The Crown's rental housing assets were vested in a new company, Housing New Zealand (HNZ); HCNZ was left with the mortgage assets, a stock of land and commercial buildings, and responsibility for a very small "lender of last resort" function; and the Ministry of Housing was created to deliver the outputs of policy advice and administration of residential tenancies law.

The Government, therefore, no longer gets its policy advice from an organisation with a vested interest in delivering state assistance for housing through subsidised public housing and cheap loans. The old Housing Corporation's responsibilities for rental housing and home loans strongly influenced the advice that it gave.

There is a risk in the separation of policy from delivery that the policy adviser may not have an understanding of the practical issues of service delivery. But advice in New Zealand is clearly contestable. The Government receives advice on policy issues from HNZ – the company which owns the state houses and from other agencies with responsibilities for social policy.

The creation of a Ministry of Housing also meant that the responsibility for settling tenancy disputes is no longer vested in the country's largest landlord. The Ministry has a responsibility to hold the ring between landlords and tenants in these disputes in an impartial manner. Many of the Ministry's staff who came from the old Corporation have said that they felt compromised belonging to an organisation whose prime business was letting rental properties and that becoming part of the Ministry gave them a clearer identity and impartiality.

The changes have been paralleled elsewhere in the Government either by the creation of separate policy agencies or by divisionalisation of agencies so that the policy advice function is clearly separated internally from service delivery or regulatory activities. Changes of this nature have been or are being made in our Departments of Social Welfare, Labour, Justice, Health and Education.

Specify clearly what agencies produce

The other key aspect of getting the mission right in New Zealand has been the precise specification of accountabilities. The financial management reforms have clearly distinguished between:

- “Outcomes” – the purposes of government activity, and “outputs” – the goods and services that departments produce.
- The money that the Crown pays to its departments to produce outputs and the payments made by departments to others on behalf of the Crown (such as social security benefits or transfers to other quasi-government authorities).
- The Crown’s “purchase” interest in its departments – the outputs that it wishes to buy from them – and its “ownership” interest: the capital that it has invested in the departments as producing entities.

In New Zealand, the pivotal concept for accountability is the output. In my Ministry’s case, for example, our outputs are the provision of policy advice for the Minister of Housing, the safe lodgement and repayment of tenancy bonds, and the provision of disputes resolution services for landlords and tenants.

For all three outputs, output specification is the apex of our management system. It defines our management information requirements and the specification of our internal contracts with subordinate managers. Our internal reporting is completely consistent with the external reporting requirements for outputs.

The major issue is “quality”, or the attributes of good performance apart from volume and cost. For our service delivery outputs – the bond custody and disputes resolution services – we can define important elements of performance quantitatively. It matters to customers how long it takes us to repay a bond at the end of a tenancy; and our mediators’ timeliness in attending to disputes and “success rate” in resolving disputes without having to go to arbitration are important quality measures. We also survey customer satisfaction with our services. However, these outputs both have other less tangible quality attributes.

For policy advice, most numeric measures are obviously trivial but there is the added difficulty of the lack of objective measures of the outcomes of “good” policy advice, at least in the short-term. To cover this risk, we try to conduct our business in a way which gives the customer (the Minister) some assurance that we are providing him with quality advice. We have some clearly defined internal standards for good advice and we try to subject our analysis to both internal and external peer review. Our advice is also contestable in officials’ committees and by outside experts.

For our service delivery functions, the issue of “quality” is rather more complex and relates to that central question of what “value” public servants add in the delivery of service. It is usually not possible to describe this value precisely in contracts. From day to day, public servants have to be trusted to know what is required to produce quality. Specification of outputs is not going to replace this ethical requirement of public service.

The New Zealand reforms have been criticised for concentrating on specifying outputs perhaps at the expense of defining (through outcomes) what these outputs are for. Neither do we have any overarching “planning” framework which ensures that all these outputs are considered together to identify joint products and contributions to the Government’s ultimate objectives.

I am confident that we did the job that could be done and left aside the one which couldn’t. It is possible to add value to public management by careful specification of outputs; I am yet to be convinced that grand designs of the ultimate objectives of government would add as much value. They tend to get submerged in hopelessly general platitudes. Similarly, overall long-term integrated planning of government (and this from a country which has made as much fundamental change to public policy as any in the Commonwealth) is a task fraught with peril. Policy development and implementation – the interface between outputs and outcomes – tends in our experience to be a series of successive approximations to the ideal, always constrained by the feasible.

This doesn’t mean that we aren’t concerned with the link between outputs and outcomes. As a policy manager, it is my constant concern. However, we rely on the methods of “formative” and “ex-post” evaluation which are driven by policy priorities rather than planning calendars.

Create the ability to succeed

“Let the managers manage”

Many reform efforts founder because of the reluctance of politicians and their central agencies to give up their control of staffing and resourcing to departmental managers and by their insistence on retention of monopolistic and inefficient central supply agencies. In New Zealand, only a decade ago all our establishments and gradings were approved by a central staff organisation; we had to assess and reward staff according to one centrally-determined formula and could not negotiate salaries with them direct and we couldn’t appoint staff on contract. All computer services were either supplied by a central IT organisation or had to be approved by the same agency (in theory – although in the 1980s it got swamped by the PC revolution). We had central supply agencies for everything from office

accommodation to printing to bulk-purchasing. Expenditure on capital was tightly controlled: just about everything of any significance had to be approved by Cabinet. All that has now gone.

Labour

The most significant changes have been to employment of staff. We came from a system where:

- You had to give preference to existing public servants when making appointments.
- Staff were employed by the State Services Commission under special legislation for the state services.
- Wages were generally set by systems of annual general adjustments (based on “fair relativity”) for all state servants coupled with negotiated increases for specific occupational groups.
- Salary ranges and promotion rules for groups of staff had to be approved by the State Services Commission.

The rules all changed so that now:

- The Chief Executive (CE) of each department is the employer subject to some general provisions in the State Sector Act, such as, appointments on merit, publicly advertised vacancies and equal employment opportunities for traditionally disadvantaged groups.
- Private sector employment law (the Employment Contracts Act) applies in the Public Service. This means principally that there can be individual as well as collective contracts and that staff can nominate their own “bargaining agent” – there is no statutory preferred position for any union or unions in general.
- Wages and all other conditions of service are fixed by negotiation on collective or individual contracts between employer and staff in each agency although the State Services Commission provides “guidelines” for negotiation and exerts some overall surveillance of the negotiations themselves.

These changes have led to the following situation today:

- Most departments have significant portions of their staff on collective employment contracts, although many also have their senior managers, perhaps the next layer of management, and some other key positions (say key HR personnel) on individual contracts.
- In collective employment contracts negotiated in the last twelve months, employers have generally made lump sum payments to staff in return for concessions in conditions, such as (part of the Government guidelines) less generous redundancy provisions or replacement of automatic progression scales by broad “ranges of rates” and merit-based, broad-band salary scales which give employers more discretion as to when and on what criteria they award salary increases.
- Membership in the principal Public Service union (the Public Service Association) has actually increased over the period since the introduction of the Employment Contracts Act.

There has also been scope for experimentation with new forms of employment and systems of reward. This has been for a variety of reasons. In times of budgetary restraint (and indeed apparent arbitrary cuts in expenditure allocations), it has clearly been prudent for employers not to make commitments to more permanent staff or to irreversible increases in wages bills. But there has also been a willingness to tailor employment and reward systems (particularly given flatter management structures with less opportunity for regular promotion) to the differing requirements of different groups of employees. This might include:

- Greater flexibility in hours of work and “casualised” employment. This may have had benefits for both employer and employee in recognising the realities of today’s labour market and the work preferences of staff, such as, those with responsibilities for children. Departments often now offer dependent care leave provisions and child care facilities as conditions of service in negotiations.
- A shift away from the annual salary increment as the main means of reward towards performance bonuses or even salary at risk. The last round of collective agreements tended to provide one-off, lump-sum payments instead of salary increments. This experimentation has sometimes raised concerns amongst staff as to the “fairness” of such pay systems, which seem to place much greater weight on the personal views of managers than upon “objective” standards.

The fundamentals of employment conditions, employee performance management, and reward systems have, however, not been changed in our Public Service just because the rules have changed. To get high-quality performance from staff you have to have a real concern for their welfare and development, and manage and

reward them in ways that they perceive as fair. High rates of unemployment for clerical and skilled workers during the recession may have masked this for some short-sighted employers, but they will reap the costs of insensitive employment policies as the market for skilled labour tightens up.

Capital

The effect of the new regime on departmental capital formation has not (in my experience) been a blow-out of asset formation. Capital used to be regarded as a free good by departments. If you could convince Ministers that you needed to build new offices or buy more cars you got some capital budget without having to give up anything. (There were attempts at trading-off current for capital budget on various rules of thumb but they were rarely effective).

Now capital has a cost to the departmental manager. If the department's total assets in its balance sheet increase, so do the taxpayers' funds in the balance sheet, and the capital charge we pay on them. Depreciation is also an expense that we have to account for in the budget. As a result, in our case, we have often found leasing to be a better option than buying. The Ministry owns no buildings or cars. Our major assets are office furniture and IT hardware and software.

The New Zealand Government's use of generally-accepted accounting principles (full balance sheet and accrual accounting) in the public sector has attracted international attention for its effect on the form of the overall Crown accounts. But it has also had a significant effect on management decision-making. There is now a clear distinction between management of cash and management of costs which enables efficient management of cash balances to be consistent with appropriation accounting. It has also enabled consistent internal pricing of services. It is possible now to give all cost-centre managers information to assist pricing of services, assets decisions and spreading overheads in a way which is consistent with the agency's overall financial objectives.

Competitive buying and outsourcing

Removal of the requirement to buy from central agencies has given us many more opportunities to seek competitive tenders for our inputs. We are a new Ministry, and in our start-up phase we had to acquire and fit out office space in 23 different locations throughout New Zealand. With regard to leases, we had to give preference to vacant government-owned office space. Downsizing of Central Government plus the recession left the Government in vacant possession of a lot of floorspace. But while Cabinet required us to consider vacant Government space we were under no compulsion to lease it if we could get better premises at a reasonable cost in the private sector. We had complete freedom to seek competitive bids for leases and for design and fitout.

Departments are also free to (and many do) outsource services, such as, cleaning or maintenance. There are also numerous contracts with the private sector for facilities management and other services. We have leased a computer centre manager from a private sector firm (although we eventually took him onto our own staff), and we currently contract with Arthur Anderson to provide us with an internal audit function.

All of these arrangements are governed by our purchasing procedures which have been given a clean bill of health by the Auditor-General. They require competitive tendering on all contracts above NZ\$10,000.

Change makers

During the period of major restructuring of Government function, there was a concerted attempt to import “change managers” into key departments to take responsibility for restructuring. Some of these were deliberately quite short-term appointments. This phase has probably passed as the need has become more to ensure that managers who are appointed will stay to see reforms consolidated.

At chief executive level there have been some signs of change in the appointments:

- From the situation ten years ago when appointment to a permanent head’s position outside the service was virtually unheard of, nine out of 37 CE’s as at the end of June 1994 had been appointed from outside the Public Service, including three from outside New Zealand.
- It is impossible to say clearly how many have not continued as CE’s because of the fixed-term nature of their contracts because those who did not seek renewal may have done so for a variety of reasons. There has been one well-publicised case of non-renewal of a contract.

For the future, we will probably see some continued appointment of non-Public Service CE’s. However, this does not remove the necessity to develop a “pool” of potential senior managers inside the service. While many of the competencies expected of a Public Service senior manager are similar to those of executives in the private sector, there is a comparative advantage for an “inside” candidate in knowing the business of government.

There are also significant disincentives for private sector applicants: the closeness to politics and the generally poorer remuneration for the bigger jobs. There is effective control by Cabinet on wage adjustments for CE’s with their rates of remuneration lagging further and further behind equivalent rates in the private sector.

The statistics for appointments from outside the service below CE level are not available. However, my impression is that a significant number of senior management positions are now being filled from outside. There have been a number of particularly high-profile appointments to key service functions. It seems likely that in the future this will become a more common route from outside the service to CE positions.

Provide the incentives for success

Get the accountability right

Historically, New Zealand had a confused dispersion of responsibility for outcomes amongst departmental managers, central agencies and ministers. This often left managers in the position of not knowing what they were accountable for and able to shed responsibility to "the system". If you couldn't hire or fire your own staff, you didn't feel as responsible when one of them didn't perform. If your computer system was selected for you by another agency, it wasn't your fault if it fell over.

The clarification of accountabilities in the New Zealand system has been brought home clearly to the CEs of government departments. They are appointed by the State Services Commissioner on fixed-term contracts and made clearly accountable to their Ministers for their performance. At the same time, they have been given the authority to employ staff and have been freed from most of the central input-based controls formerly administered through a variety of central agencies.

Reviews of the reforms have shown that it was this aspect – the clear definition of their responsibilities and the ability to get on with the job – that most senior managers in the Public Service welcomed most about the change. They saw limited tenure as a fair price to pay for this freedom.

The new accountability has focused CEs more precisely on serving their ministers, to the detriment, some say, of a concern for the wider objectives of the Public Service. There was certainly evidence of this when the new system first came into place and CEs were naturally strongly inclined to resist any return to central control by central agencies. This manifested itself most clearly in the CEs' refusal to support the development of a "Senior Executive Service" for the development of non-CE senior managers in the Public Service.

Since then the pendulum seems to have swung back somewhat. There is indeed now a general recognition that Cabinet Ministers collectively share the risks of Government. Ministers have reasserted the "collective interest of Government" in some of the dealings of the Public Service: consultation on policy issues; use of under-utilised assets (such as, office space); common IT communication standards, and so on. The CEs themselves have also recognised that there are some areas — like the development of the Service's future managers — where they do have a common interest.

Make external accountability effective

This is actually about “responsiveness” as well as formal accountability. It covers aspects such as:

- an effective external reporting and review framework;
- forms of customer accountability; and
- contestable functions.

External reporting and review

This is not as well-developed in New Zealand as it could be. The main forms of formal external accountability are the traditional ones of regular reports to the Minister, annual reports to Parliament and scrutiny by select committees.

The extent of external reporting has not diminished as a result of the shift from inputs to outputs. Far from it. We produce regular, detailed, monthly reports to the Minister on our financial performance both in terms of financial measures and in terms of the non-financial measures which define performance in our purchase agreement. Departments complain about the increase in reporting requirements under the new accountabilities.

There is no trouble sustaining Ministers’ interest in the quality of policy advice they receive because it is a daily concern for them. However, Ministers’ interests in the service functions of departments – or the “ownership” interests such as efficient management of labour and capital – vary. They are not inclined to worry about performance in these areas until something goes wrong. They need assurance that there is adequate quality control and risk management in these functions. Also, they need support and independent advice in evaluating the performance of their agencies, particularly when making purchase decisions on outputs. This can come about through review functions of central agencies. I have to say that of all means of external scrutiny, review by central agencies (although far from perfect) is probably the most effective because they build-up a working relationship with you over a period of time and tend to form more intelligent views of where your strengths and weaknesses are.

However, because the role of central agencies has been redefined to reflect their responsibility to the collective interest, we have been looking for ways of providing input more directly to Ministers'. In New Zealand, Ministers' do not have large staffs of personal advisers but they are now empowered to employ “purchase advisers” directly in their offices to advise them on the quality of the outputs they are receiving and to help them make budget decisions. One or two Ministers have also shown interest in the concept of “Management Boards” (advanced by Logan) to oversee the management operations of the department and advise them on these functions.

Scrutiny of service functions by Parliament remains weak. The committees don't get enough time or advisory support to do it properly. The scrutiny of votes concentrates on matters in which opposition MP's can make political points rather than a close investigation of departmental operations. The situation may well change if New Zealand's shift to a form of proportional representation enhances the relative power of Parliament.

Customer accountability

When a department has a monopoly power to supply an output, "customer accountability" is a qualified notion. Yet there are many ways in which departments can be responsive to customers and add value to their outputs as a result. In most mass services or professional service functions, there is a significant element of value added by the quality of customer service.

Some measures that we have taken to improve responsiveness to customers include:

- regular customer feedback surveys;
- regular meetings between senior management and local customer groups;
- a customer-service council;
- a published Customer Charter with precise service standards;
- publicly available complaints escalation procedures; and
- customer participation in departmental output evaluations and in output redesign.

Contestable functions

Truly contestable functions in the longer-term probably don't belong in the core public service. There can be conflicts between the advisory and regulatory responsibilities of core public service departments and their responsibilities for profit-making activities. However, as a transitional phase, there may be scope for creating fully contestable service functions within departments. One example in New Zealand are the contestable quality management services provided by the Ministry of Agriculture. These are where the Ministry is providing non-compulsory advisory and product-testing services as opposed to exercising its regulatory powers of control over primary production and animal and plant products.

The risk for Ministers

A shift of emphasis in accountability from inputs to outputs does not mean that ministers are freed from responsibility for the management actions of their CE's, or that those CE's can do what they like inside their departments without exciting

ministerial or public interest. The Logan review of the New Zealand reforms made the fundamental point that:

"Ministers believed that all accountability – and hence risk – is ultimately political. To the extent that bureaucrats expose them to political risk, then the issues will be dealt with politically".

This axiom of accountability applies whether the issue is excessive civil service salaries, escaped prisoners, or incorrectly assessed benefit entitlements. However, our experience in New Zealand – certainly with the state-owned enterprises – is that the line of comfort for Ministers can be shifted. Basically this turns on being able to give the public and Ministers confidence that, while there may be errors and blunders, the system is sound. When things go wrong, Ministers should be accountable for satisfying themselves and the public that the controls are in place to prevent or limit recurrence of the problem.

Conclusions: some conditions for getting real change

The lessons for change processes from the New Zealand reforms include the following:

- probably that there needs to be a political or economic shock or crisis of sufficient magnitude to force a widespread acceptance of the need for responsive change in government systems;
- political support for and understanding of change has to go beyond empty slogans, like, “more business in government”, to an understanding of how reform can produce better results – better public service and lower taxes – but only if politicians will take some risks and trust their public servants;
- there needs to be very clear objectives and well-integrated basic principles that address all aspects of public management;
- change needs the support of fundamental changes in the basic laws of public management and public finance;
- key players who understand, support and can drive through change need to be strategically located in key positions, particularly in agencies (such as, departments of finance and public service boards or commissions) which could otherwise subvert change;
- a time-table which enables the momentum of change to be sustained;

- good information about, and marketing of, the changes to build constituencies both inside and outside the public service; and
- something in it for departmental managers: there needs to be an expectation that in return for tighter external accountability and real pressures to be more efficient and effective, departments are going to be given the authority to manage.

From a departmental point of view, I would add the following:

- being able to convince one's own managers that the Government actually means it: too many so-called reform programmes have turned out to be political hype;
- an understanding of what can be done in a reformed environment: new approaches to management;
- a willingness to learn lessons from others (including the private sector) and, probably, a willingness by CE's to import new blood into their senior management to spearhead change; and
- not losing sight of what is unique about public service: its ethical basis and its constitutional role.

8. WORKSHOPS

A list of chairs, convenors and presenters for each workshop is given below:

Workshop 1: Professionalism and managerialism: accountability versus responsiveness

Chair/Convenor: Dr Sam Agere, Director-General, Zimbabwe Institute of Public Administration and Management

Presenters:

- Mr Robert Dadoo, Head of the Civil Service, Ghana (paper not available)
- Mr Steve Matheson, Deputy Chairman, UK Board of Inland Revenue

Workshop 2: Deregulation/re-regulation and partnership with the business and NGO sectors

Chair/Convenor: Mr E. A. Sai, Chairman, Public Service Commission, Ghana

Presenters:

- Mr P. M. Rupia, Head of Civil Service, Tanzania
- Mr N. R. Ranganathan, Secretary, Ministry of Personnel, Public Grievances and Pensions, India
- Mr Khalid Shams, Deputy Managing Director, Grameen Bank, Bangladesh

Workshop 3: Sustaining quality in government services

Chair/Convenor: Dr K. A. Chandrasekaran, Consultant, United Nations Development Programme, India

Presenters:

- Dr M. Sibanda, Secretary for Public Service, Labour and Social Welfare, Zimbabwe
- Ms V. Lynne Pearson, Chief Executive Officer, Consulting and Audit Canada
- Professor Jon S. Quah, Associate Professor and Head, Department of Political Science, National University of Singapore

Workshop 4: Centralisation/decentralisation and intergovernmental relations

Chair/Convenor: Ms Robyn Henderson, Executive Director, The Royal Institute of Public Administration, Australia

Presenters:

- Professor Jona Isawa Elaigwu, Director-General and Chief Executive, National Council on Intergovernmental Relations, Nigeria
- Professor Moses N. Kiggundu, Professor of International Management and Administration, School of Business, Carleton University, Canada
- Mr Tim Plumptre, President, Institute On Governance, Canada

Workshop 5: Human resource management: challenges and opportunities

Chair/Convenor: Mr M. Modisi, Director, Public Service Management, Botswana

Presenters:

- The Hon. Ashok Jugnauth, Minister of Civil Service Affairs and Employment, Mauritius
- Dr Mario M. Nzuwah, Chairman, Public Service Commission, Zimbabwe
- Mr Denis Ives, Public Service Commissioner, Australia
- Ms Adelaide Phindile Mkhonza, Principal Secretary, Ministry of Commerce and Industry, Swaziland

Workshop 6: Challenges and opportunities for small states

Chair: Dr P. I. Gomes, Executive Director, Caribbean Centre for Development Administration, Barbados

Convenor: Mrs Gloria Payne-Banfield, Secretary to the Cabinet, Grenada

Presenters:

- The Hon. Simone de Comarmond, Minister of Tourism and Transport, Seychelles
- Mrs Jaya Mohideen, Senior Consultant, Economic Development Board Consulting Group, Singapore
- Professor Ian Scott, Head, Department of Politics and Public Administration, University of Hong Kong

Professionalism and managerialism: accountability versus responsiveness: recent Inland Revenue developments (United Kingdom)

Edited extracts from a presentation by Steve Matheson, Deputy Chairman, UK Board of Inland Revenue

In the private sector there are the disciplines of the bottom line and shareholder expectation. While in the public sector, we have very tight expenditure control, strict accountability and the added spice of Ministerial expectation.

But in all sectors – including the voluntary sector – the pressures for change are very similar. We are all looking for greater cost-efficiency, increased value added, more for less, quicker and better and improved customer satisfaction.

Structure and responsibilities

The Department is managed by the Commissioners of Inland Revenue who, together, form the Board of Inland Revenue – a Chairman, two Deputy Chairmen and a Director-General. The Board derives its status and responsibilities from statute.

Section 1 of the 1890 Inland Revenue Regulation Act sets out the general scope of the Board's authority as follows:

"The Commissioners shall have all necessary powers for carrying into execution every Act of Parliament relating to inland revenue".

That is pretty clear but the Section goes on to say:

"and shall in the exercise of their duty be subject to the authority, direction and control of the Treasury and shall obey all orders and instructions which have been or may be issued to them on that behalf by the Treasury".

And that has been reflected in fairly tight central controls over the Revenue as over other Government Departments. But now a lot of that is changing, and fast.

The Departments' responsibilities are easily stated:

- the efficient administration of the direct taxes and duties;
- providing ministers with advice on tax policy for the direct taxes;
- providing valuation services for revenue, rating, council tax and certain other purposes; and
- collecting national insurance contributions on behalf of the Department of Social Security.

We have both operational and policy responsibilities and provide a valuation service for revenue, rating and council (local government) tax.

Some current numbers might be of interest:

- 40 million individual and corporate "customers";
- 62,000 man-years of permanent staff;
- 800 locations nation-wide;
- 150 million pieces of correspondence annually;
- 30 million telephone calls;
- 5 million personal callers;
- 45,000 terminals networked;
- £1.8 billion budget;
- over £100 billion "turnover";
- cost to revenue ratio – 1.5 per cent.

I think these speak for themselves. What they show is that the Inland Revenue is big business by any definition and increasingly run on business lines.

The pressures for change

Government policies require us to deliver three things:

First, to create and develop sensible business units, delegate executive responsibility to them and make managers more accountable for delivery of outputs. If you like, running the public services on business lines. That takes us straight into the Next Steps Initiative, the setting up of agencies and executive offices, delegation, new pay and grading arrangements, and so on.

Second, to set those businesses challenging performance standards which meet Government requirements and Government expectations. On things like quality, accuracy, turnaround times and advice. In other words, the whole business of the Citizen's Charter and in the Revenue our own Taxpayer's Charter (see Annex).

And the third thing Government policy requires us to do is to benchmark our cost and quality standards against the best anyone can offer. In short, get costs down and quality up. In other words, privatisation, market-testing and all that that entails.

The then Chancellor said in the introduction to the 1991 White Paper, *Competing for Quality*: "The best public sector managers and the best in public services can match anything achieved in the private sector". That is a clear, supportive statement and in the Inland Revenue we are determined to prove it true. But the word "best" is crucial. Second best will not be good enough.

There is, of course, a danger that these different Government initiatives can sometimes seem to conflict with each other. Especially to operational staff a long way from London. And they *do* compete for management time and resources. But they are a coherent whole and demand a concrete response.

Progress to date

We recognised some considerable time back where Government policy in relation to the public sector was leading. That is why we have developed an integrated change programme, managed as a whole with key milestones and regular monitoring of progress.

We are on a journey not yet completed. We are two years into the change programme, which started with comprehensive reviews of the management and organisation of the Department begun in 1991 with the help of consultants. What that did was identify the scale of change we needed to match up to the challenges Ministers set us for the 1990s. It was clear that this would involve a major commitment of time, resources and senior management effort.

Stage 1 – April 1992

- 97 per cent of staff in Executive Offices or the Valuation Office Agency

Stage 2 – October 1992

- New Performance Management System for all staff
- Delegated responsibility for pay/grading

Stage 3 – April 1993

- Abolition of Civil Service grades
- New Revenue-specific staff group
- New Performance Pay System
- Reorganisation of office structure

- Ongoing– Delaying
- Market-testing
 - Simplifying
 - Streamlining

These staged developments, starting in 1992, look very much driven by cost-efficiency, as indeed they were.

In order to deliver a single, integrated programme for change, to switch resources into compliance and customer service, to find the money to fund all pay and price increases, to pay the efficiency dividend the Treasury and Ministers demand from us each year, we knew that we would have to secure – from the staff – a major performance shift.

The days are long gone when we asked Ministers for more resources to do what *we* wanted (e.g. more compliance work) or in response to *their* ideas (e.g. the Citizens' Charter). We recognised in 1990 that we would have to create significant headroom *ourselves*. Now for the Board to recognise that is one thing. For the staff and trade unions to come to terms with it needed a major culture change. We are only part way through that today and it takes time and strong measures.

So, we have introduced a new performance management system, new performance-related pay arrangements, abolished annual increments and Civil Service grades. Over 100 Inland Revenue grades have been replaced by five broad bands and new job titles in a wholly Inland Revenue focused staff group covering the whole Department. And, in addition, we now face a very big change in the tax system in 1996/97 with the introduction of self-assessment for those taxpayers who currently fill in annual tax returns.

Working with our staff

In summary, we have broken with the past and look forward. We are asking our people to deliver far more, to improve quality and with fewer staff. And to repeat that, year on year.

That is not a comfortable message. And one that staff and unions tell us constantly does not sit easily with our commitment to caring for staff. So, what are we doing about that important hearts and minds issue – caring?

First, by demonstrating that we are the best at what we do in terms of both cost and quality, we are preserving jobs and standards for those who come after us.

Second, we are doing our utmost to offer fair treatment (including humane severance terms, if that is what it comes to), comprehensive training and

development and the tools to do the job, including enhanced IT support. We have signed a 10-year contract with a private sector company to transfer to them, in tranches, beginning on 1 July this year, the 1,900 staff, buildings and equipment which provide IT support for the Department's business.

We are working hard on:

- enhanced management and development training (through our new residential training college);
- improved working conditions and facilities;
- a new fast-stream, revenue-specific graduate recruitment and internal selection scheme;
- a major quality improvement programme; and
- increasing delegation and empowerment at all levels, with greater responsibility and accountability for those willing to accept both.

Improving our service

We know from surveys that taxpayers want us to do two things above all else. The first is to get it right first time, every time, with the minimum hassle. The second is to catch those who do not want to join the club and make it increasingly likely that they will be caught.

So, part of our change programme involves:

- merging work on assessment and collection, previously carried out to the confusion of taxpayers in separate offices;
- restructuring our local office network to achieve cost-savings and improved service to taxpayers;
- setting up over 200 Taxpayer Enquiry Centres which are open longer hours;
- using more mobile Enquiry Centres to reach both remote and disabled communities and business and city centres;
- piloting a national telephone support service (probably from 8 a.m. to 10 p.m.) providing contact with expert staff who will have access to taxpayer records through enhanced computer support;

- re-designing our forms and literature to make them more helpful; and
- training over 40,000 staff in customer service.

The more successful we are at all this:

- the greater the tax yield as we and taxpayers get it right;
- the less confrontational tax becomes generally;
- the lower the costs – for the Revenue and for taxpayers – in running the system.

Summary

By the end of the 1980's, we recognised that even tougher times were coming. We anticipated that in time we would have to absorb pay and price increases year on year and would need to make headroom ourselves for improving our performance on compliance and customer service and improving the quality of our work across the board.

Out of that came fundamental reviews of organisation, structure, pay and grading and hence the integrated programme for change. On top of that, we now face self-assessment which will mean putting greater responsibility on taxpayers.

So we need to change from a Department based traditionally on *command, control and investigation* to one geared to *service, support and audit*. That demands major effort from all of us. But the prize is a more flexible, efficient and responsive Department as well as a smaller and more effective one. One that can and will demonstrate year in and year out that we are the best at what we do, benchmarked against *any* public *or* private sector comparisons anywhere in the world. We have not reached that goal yet but we are on the journey and accelerating fast.

The UK Taxpayer's Charter

You are entitled to expect the Inland Revenue:

To be fair

- By settling your tax affairs impartially
- By expecting you to pay only what is due under the law
- By treating everyone with equal fairness

To help you

- To get your tax affairs right
- To understand your rights and obligations
- By providing clear leaflets and forms
- By giving you information and assistance at our enquiry offices
- By being courteous at all times

To provide an efficient service

- By settling your tax affairs promptly and accurately
- By keeping your private affairs strictly confidential
- By using the information you give us only as allowed by the law
- By keeping to a minimum your costs of complying with the law
- By keeping our costs down

To be accountable for what we do

- By setting standards for ourselves and publishing how well we live up to them

If you are not satisfied

- We will tell you exactly how to complain
- You can ask for your tax affairs to be looked at again
- You can appeal to an independent tribunal
- Your MP can refer your complaint to the Ombudsman

In return, we need you

- To be honest
- To give us accurate information
- To pay your tax on time

Deregulation/re-regulation and partnership with the corporate business sector: the Tanzanian experience

Edited extracts from a presentation by Mr P. M. Rupia, Head of Civil Service, Tanzania

At the time of Tanzania's independence in 1961, the provision of social services (education, health etc.) was shared by the Government and non-governmental organisations; while law and order, the provision and maintenance of basic economic infrastructure (roads, railways, ports) and utilities (water, electricity, telecommunications), were the responsibility of Government.

The limited capacity of local entrepreneurs, and a reluctance to see foreign investors play a leading part in economic activities in Tanzania, saw the Government increasingly playing an active developmental role itself.

By 1966, the Government had 100 per cent share-holding in 43 business enterprises engaged in activities ranging from manufacturing and trade to banking and insurance.

The policy of socialism and self-reliance adopted in 1967 placed even more responsibility on the State for social and economic development. Widespread use was made of nationalisation. Local, bilateral and multilateral funding was mobilised to set up new public enterprises and expand others. By 1979, Tanzania had 380 public enterprises and by 1990 the number had reached 425, accounting for about 24 per cent of non-agricultural employment but only 13 per cent of GDP. Of this total, about 300 were commercial (business-oriented) state enterprises.

The private sector, comprising of a few foreign-based companies and several locally-based firms, the majority of which are owned by non-African Tanzanians, was allowed a substantial role. In an environment with a diverse number of players, procedures had to be established to harmonise and rationalise the different functions and activities undertaken by these players. This meant having in place different regulations to define, monitor and control the behaviour of all business entities.

Regulations

In the manufacturing and industrial sector, industrial licensing was instituted. Though well intended, this item of regulation may have been misused. It served to discourage many would-be investors in Tanzania due to the cumbersome procedures and the length of time it took to get the necessary approvals in place.

The policy on "confinement" allowed selected state-owned enterprises (parastatals) to be the only importers and/or exporters of certain commodities/products. The rest of the business sector had to route their requirements through the "confinee" corporations. This measure, which had been meant to control and rationalise the use of the little foreign exchange the country was realising from its exports, was a bottleneck to any meaningful strategic planning by the corporate sector. Often the "confinee" corporations did not have adequate allocations of foreign exchange for them to make better use of quantity discounts in their procurement, denying advantages of economies of scale and ultimately lower costs to the economy and the consumers.

In the agricultural marketing sector, regulations were instituted to restrict entry into the marketing and processing of certain export crops, namely cashew nuts, coffee, cotton, tobacco etc. Only co-operatives or some specially established parastatals, such as the General Agricultural Products Export Company (now defunct), were allowed to handle the crops.

The financial sector lived through a rigid foreign control regime, ranging from import and export control arrangements to blocked funds mechanisms where dividends for foreign shareholders had to be placed, often without interest, before being repatriated at some undefined future date.

The trading sector experienced rigidly enforced price controls on almost all major household items. The result of this was the inability of some enterprises to meet their production costs since they could not easily recover such costs through price increases.

The parastatal sector was also highly affected by numerous regulations meted through the Presidential Standing Committee on Parastatal Organisations (SCOPO). Schemes of service, levels of compensation, decisions on hiring and firing, had to be approved by SCOPO before being implemented. A less than free management and decision-making system had made managers and their respective Boards unable to make needed interventions.

In one way or another the sum total of these regulations had some negative effect on the business sector, public and private. There were numerous other reasons that negatively affected the performance of the business sector. But inability to act by managers, as a result of obtaining regulations, was one of the main causes of the deplorable performance of the parastatal sector.

Deregulation

The cumulative effect of the inappropriate development strategies coupled with excessive regulation led to a reassessment of strategies. A policy of economic

reforms and policy changes intended to bring about rapid economic development started in the 1980's was given new impetus. By the mid-1980's, the Government started implementing a new policy of trade liberalisation with gradual reduction, and finally elimination, of price controls. With the launching of the Public and Parastatal Reform Project in 1992, funded by the International Development Association, further deregulation has been recommended and put in place. A major development in the process has been the divestment of Government from direct ownership and management of commercial/business activities. The Investment Promotion and Protection Act (1990) gave rise to a "one-stop" centre – the Investment Promotion Centre (IPC) for the facilitation of setting up new businesses and/or expansion-modernisation of existing ones through quicker licensing and investment promotion.

Deregulation has brought about treatment of all participants in the market on an equal basis. New players have been allowed in sectors that had been the exclusive domain of the public sector i.e. banking, agricultural marketing etc.

Deregulation is thus providing a springboard for the corporate business sector to exploit opportunities in all major economic sectors. It is abundantly clear from the policy initiatives behind deregulation that the objective is to widen the options of economic growth and participation of the whole business sector, not only in industrial and agricultural enterprises but also in economic infrastructure such as power generation, transmission, distribution, telecommunications, air and road transportation etc., which previously were the domain of the public sector alone.

Re-regulation

It is true that there has been a general improvement of the economy in so far as the shops are full of imported goods. Yet the responsibility of the Government in the development of social sectors and economic infrastructure is still there. In the past this was possible to guarantee by controlling the exports through the Government Marketing Boards.

Yet the strain of the free-market economy in Tanzania is becoming more pronounced. Already there are shortages of essential drugs in Government hospitals. Reports of coffee and cotton, the mainstay of the economy, being smuggled to neighbouring countries is sending shock waves to the Ministry of Finance and the Central Bank. The Ministry of Finance Economic Survey Report on the 1992/93 budget performance reveals a horrific picture whereby taxes to the tune of Shs.38.5 billion have yet to be paid to the Government coffers.

There is no doubt that the free-market economy as a strategy has produced the desired results in developed countries. It is even true that in some South-East Asian countries it has enhanced economic growth. Yet, where such successes have been

scored, it has been as a result of the domestic economic base being domestically-oriented.

In a situation like the one Tanzania is in now, whereby the dependency syndrome has increased, the domestic base is unreliable, hence some form of re-regulation continues to make economic sense.

There is therefore a need to strike a balance between wholesale free-market economy, and deliberate and strictly state-guided regulations. After all the Government's basic development objective improving the welfare of its people through a sustained improvement in their living standards has not been abdicated. Some form of carefully selected re-regulation measures will have to be instituted to ensure a "level playing-field" for all actors.

Conclusion

To avoid returning to the past, there is a need to review the role of Government in the light of political and economic changes in the global arena. A well-defined indicative and supportive role to replace an interventionist, heavy-handed one, is urgently needed. Government structures need to be streamlined and the mandate and functions of various agencies and departments need to be clearly defined. A greater degree of decentralisation of power and decision-making is called for. Political stability, a general confidence in the future of the economy, robust financial intermediation and a supportive legal framework are some of the elements to enhance the partnership with the corporate business sector.

Deregulation/re-regulation and partnership with the business and NGO sectors - an Indian experience

Edited extracts from a presentation by Mr N.R. Ranganathan, Secretary, Ministry of Personnel, Public Grievances and Pensions, India

In 1947 when India gained independence, the conventional wisdom was that in developing countries, state intervention for stimulating growth was inescapable. This inevitably led to a bloated bureaucracy and a large public sector. In the Seventies, many countries, particularly in the Far East, started deregulating/liberalising their economies which resulted in a high degree of economic growth together with an active private sector. Their track record in the efficiency of investment, improvement in the distribution of income and sustained growth rate have resulted in the present day belief that deregulation/liberalisation is a better route for sustained growth to raise the standard of living in developing countries.

Deregulation in India has been used, so far, to strengthen market forces to ensure higher competition, thus reducing the role of the State as a regulator, welfare provider and producer. It has resulted in liberalisation of different regulations (such as industrial licensing) so as to unleash forces of competition in the economy. As an element of broader economic policy, it has resulted in structural adjustment programmes for the Indian economy as a whole. Obviously, this has been done on the conscious assumption that market allocation of resources is almost always more efficient than allocation by Government. It is also based on the lessons learnt that financial liberalisation is very difficult and unlikely to succeed without a considerable degree of macro-economic stability.

The Indian experience so far has been one of fair success with a dramatic improvement in the balance-of-payments position, reasonably good export performance and a moderate growth rate. Yet rising inflation, which has now reached a double-digit level, is a cause for worry as it affects the vulnerable sections of the population; the fiscal deficit has also yet to be brought down to a reasonable level and these are matters of concern. Moreover, reforms and changes in relative prices affect different groups. Therefore, from the standpoint of equity and to make changes politically acceptable, incentives have been maintained in India along with transitional arrangements, such as the public distribution system, to those most adversely affected.

Earlier, India's planning process was such that during the first three decades after independence, there was no sense of partnership between business and Government. While it is true that some business groups flourished in the regime of licences and permits, the economic and social environment was such that the industry was almost placed in a subordinate relationship with Government. The political leadership as well as bureaucratic leadership neither trusted the industrial

and business groups nor allowed them full freedom in their operations. There has been a big change of attitude in recent years. Liberalisation of the economy in the last three years in particular, has now resulted in a situation where entrepreneurial talents have been released from their shackles and industry can play its proper role in partnership with Government. It cannot be said, however, that the mindset of political leadership or bureaucratic leadership has completely changed in India. There are still mental reservations in some quarters and it will take some time before the kind of partnership that exists in countries like Japan can materialise in India. A positive development however is that at least the major political parties are committed to economic reforms and to this extent reforms in India are irreversible. The pace of reforms is, however, a different matter and it is here that business circles need to push for reforms relentlessly so that the momentum so far gained is kept up.

India's experience in developmental planning has shown that developmental activities undertaken with people's full involvement are more cost-effective as compared to the developmental activities undertaken by the Government when people become passive observers. Non-involvement of people leads to an attitude of total dependence on government resulting in lack of accountability by the officials administering developmental schemes. The Indian experience has further shown that in the areas of education, health, family planning, minor irrigation, afforestation, etc., much can be achieved by creating institutions accountable to the community. The focus now in India is on developing multiple institutional options for improving the delivery systems by using the vast potential of the voluntary sector (non-governmental organisations). Both the Planning Commission and the Ministry of Rural Development are now working out institutional strategies so as to create or strengthen non-governmental organisations (NGOs) at the district, block and village levels to synthesise the purpose of investment envisaged in the Annual Plan with optimisation of benefits at the grassroots level by relating these programmes to the needs of the people.

Democratic decentralisation is also an important step in this direction. There are several NGOs in India doing commendable work in education, family planning, rural development, etc. covering a wide spectrum of developmental activities. The milk revolution in India is an example of this kind. Co-operative sugar factories which revolutionised rural areas in the State of Maharashtra also exemplify this. To some extent, it can also be said that the social engineering which has taken place in the State of Kerala resulting in a high degree of literacy, particularly among women, improved standards of living in rural areas of this State, etc. are due to voluntary efforts and the initiatives taken by NGOs. An important lesson that can be derived from the Indian experience is that if there is to be a suspension of over-dependence on the Government, apart from suspension of cynicism in social attitudes, democratic decentralisation and strengthening of the institutional arrangements so as to tap the vast potential of NGOs are key inputs in public administration.

Governments must side with the poor (Bangladesh)

Edited extracts from a presentation by Mr Khalid Shams, Deputy Managing Director, Grameen Bank, Bangladesh

There is little doubt that at the end of the century, our governments now operate in an extremely complex and turbulent environment. This is true of both the developing as well as the developed countries. The more conventional concepts of government, state and sovereignty are undergoing rapid change due to both internal and external pressures. On the one hand, extremely powerful forces have been unleashed globally, through the emergence of new technologies, growing international trade and threats to the world environment, forces that will inevitably accelerate global integration. On the other hand, existing governmental systems have become increasingly ineffective, because they cannot solve people's problems within their own countries. We have witnessed the sudden collapse of the Soviet Union which could not meet the aspirations of its people. We have seen with horror the total breakdown of social and political order in Bosnia-Herzegovina, Somalia and more recently the holocaust of Rwanda.

Poverty is our number one problem

According to various estimates including those of the World Bank, about one billion people or one sixth of the human race now live in poverty. Poverty creates a disequilibrium in society and is the cause of much of the turbulence that we see around us. Poverty deprives people of their self-dignity and destroys their creative capacity. Poverty is morally degrading, socially disruptive and economically wasteful, yet poverty is deeply entrenched in South Asia, in Sub-Saharan Africa, and in the fast-growing economies of South-East Asia and China. It is growing rapidly in the former socialist countries of Eastern Europe and even in the developed countries of the West which have experienced chronic unemployment and the gradual decline of their inner cities.

Our national and municipal governments have generally failed to cope with the problem of poverty and the rising discontent arising from it. Governmental systems have become almost redundant in dealing with discrimination against women who, along with children, are the worst victims of poverty. Governments have also largely failed to deal with impoverishment of ethnic and religious minorities in many societies. This is in spite of the four decades of development following the establishment of the UN system, massive project investments by the multilateral and bilateral agencies, unparalleled advancements in modern technology and of course, successive development plans undertaken by national governments themselves.

Some concrete achievements have no doubt been made by the less developed countries in terms of longer life expectancy, higher literacy rates and rapid increases in per capita income, particularly in the Asian region. But the problem of poverty still remains quite intractable; and in some places it is getting worse.

Delivery systems which did not deliver

The national five-year plans of developing countries are indeed replete with programmes that explicitly aim at alleviation of poverty. Enormous resources have been allocated each year to implement poverty-related projects. And yet evaluation after evaluation indicate that resources earmarked for the poor have in fact been hijacked by the non-poor, the elites in society, precisely those from whose hands the poor were to be saved. Sometimes poverty-focused projects have nurtured and aggravated poverty instead of alleviating it. The failure has been on two counts. Firstly, the government systems designed to deliver resources and services to the disadvantaged groups have not functioned; they have not delivered to the designated clientele. They have become corrupt and wasteful. Designing new delivery systems that can efficiently reach the poorest segments of the society, therefore, makes up the biggest challenge for our governments in the coming years.

Secondly, government plans and projects have not been able to build up local capacity for sustainable development. Organisations have not come up at the grassroots capable of seizing and mobilising local initiative and enterprise for development that would energise people. Decentralisation efforts of government have led to further reinforcement of centralisation tendencies within our societies. The national or the central government has become stronger and stronger; in comparison the local governments and community-based institutions have languished. Organisation development based on participation of people still remains an elusive dream.

Harnessing poor people's enterprise

There is however, growing evidence that many non-government initiatives have attained considerable success in reaching the poor. In designing new delivery systems, we have to cull through the evidence that is already available and decide on how best such systems can be replicated on a large scale. Empirical evidence on the ground suggests that the bottom poor and the socially disadvantaged are capable of taking significant initiatives when motivated by a catalytic agent by:

- organising themselves and tackling development decisions on their own;
- identifying their specific development potential, based on the enterprise and productive skills that they already possess;

- initiating development through micro-enterprises, when provided with easy access to credit;
- mobilising personal and group savings, which can provide them protection against numerous risks to which the poor are particularly vulnerable; and
- empowering themselves through a participatory development process at the grassroots level. They can bargain, negotiate and liaise with relevant government and non-governmental organisations to demand additional resources and services leading to more sustainable development.

Grameen experience: alleviation of poverty through credit

Grameen Bank's experience, now spanning a decade and a half, is a clear pointer that alternative delivery systems can be designed to serve the very poor people. The hypothesis is further being tested and proved world-wide through numerous credit programmes which are targeting exclusively on the bottom poor in both rural and urban areas. What the experience has clearly demonstrated is that credit when targeted at the designated clientele, say the rural landless or the urban slum dwellers, is a powerful weapon to break the vicious cycle of poverty.

Credit becomes the most fundamental of all human rights. It provides access to scarce financial resources which the poor have been denied through conventional banking systems. Once the access is assured, the poor can quickly break through the vicious cycle and meet their basic needs like, employment, food, shelter, health and education. They can accomplish much when they are organised properly and allowed to participate in taking investment and consumption decisions together in small groups of like-minded persons. There is lot of peer support as well as a lot of peer pressure that helps to ensure maintenance of credit discipline. Without discipline, loans will not be paid back and credit will end up as hand-outs or charity which keep the poor in perpetual bondage.

Essential features of Grameen's delivery system

Starting as an action research project begun by Professor Muhammad Yunus in 1976, Grameen Bank today represents the largest credit programme in Bangladesh. It has disbursed to date more than a billion US dollars in credit amongst two million borrowers, 94 per cent of whom are women. Commercial banks that have traditionally lent to the rich and the influential, would not even dare to touch the exclusive clientele of Grameen – the poor, the illiterate and the women from amongst the landless. But Professor Yunus and his young colleagues dared to defy the conventional wisdom and began a series of social experimentation which ultimately led to the establishment of an alternative credit delivery system.

Today, as a recent World Bank study shows, Grameen is financially a sound institution; two-thirds of its 1042 branches have already broken even. It has a strong institutional identity, because the bank is owned by the borrowers themselves, the poorest of the poor in Bangladesh. Grameen members have bought up shares worth two and a half dollars each. Their elected representatives make up the majority of the Board of Directors that determines its policies.

It has developed a diversified credit programme catering to multifarious credit needs of a very large clientele. It gives small loans every year to hundreds of thousands of borrowers for self-chosen investments that help to quickly raise their income. In addition, it provides special loans for housing, seasonal loans for crop production, emergency loans for food security, loans even for the installation of sanitary latrines or hand-pumps that will supply safe drinking water. A couple of years ago the bank introduced an equipment leasing programme that enables the poor to invest in technology-based activities. The older borrowers are now purchasing irrigation pumps, power tillers, power looms and other machinery which help to raise their productivity.

Why has Grameen's credit delivery system succeeded while the Government systems have lagged behind? The reasons are not very hard to ascertain because Grameen's operating system is well defined, easy to understand and follow. That is why so many replications of Grameen's credit delivery system have been attempted world-wide. The principal features of what has been termed as essential or replicable Grameen are:

- exclusive targeting on the bottom poor, based on clear-cut eligibility criteria for selection of clientele;
- organisation of borrowers into homogeneous groups and building group solidarity through a participatory organisation development process;
- close rapport between the bank staff and the clientele groups. All bank transactions are transparent and close to the customers. With Grameen, "the poor do not come to the bank, instead the bank goes to the poor";
- a professionally-trained and motivated staff capable of establishing rapport and interacting with its clientele; special loan conditionalities which are particularly suitable for the poor;
- a simultaneous social development agenda, that can address the basic needs of the clientele;
- promotion of a problem-solving culture within the organisation based on continuous experimentation and social learning.

The impact

What has been the impact so far? Independent evaluations have shown that with the help of annual loans from the Bank, most borrowers have been able to increase their income and improve their family welfare quickly.

A recent study based on a household survey in an area where Grameen has operated for more than ten years, showed that approximately half of the Grameen households have broken through the poverty lines. They were on a sustainable development path. They have acquired substantial new assets; almost 300,000 Grameen borrowers have built new homes to replace the dilapidated shacks in which they used to live. They are now for the first time sending their children to school; they have better food to eat and better clothes to wear. They are able to borrow and invest increasingly larger amounts of capital. Grameen borrowers have smaller families. In many instances women have not only broken out of the traditional culture of silence, but have become socially more assertive. They feel stronger today than ever before, especially because of Grameen's Social Development Programme, popularly known as the *Sixteen Decisions*.

What can governments do?

Governments have been under a great deal of pressure in recent years to open up their economies, deregulate, liberalise and privatise. These measures have prompted many governments to relegate "poverty" further to the background as public expenditures have shrunk. But free-market conditions need not be in conflict with the poverty alleviation goals of the government. They may on the contrary help alleviate poverty. It depends a great deal on the new opportunities created for the poor and the disadvantaged to freely market their products and services as well as on the modalities and objectives pursued in opening up the economy, for instance on the measures used for privatisation.

The poor, for example, could directly benefit if "privatisation" measures provided them with freer access to financial resources. They would benefit if the market barriers which prevent the poor from fully exploiting their productive potential were removed altogether. What it means is that government macro-policies must decisively shift in favour of the poor, if poverty alleviation programmes are to make any headway in the last decade of this century. Micro-level credit interventions require urgently substantive and well co-ordinated macro-level policy support from the government.

Firstly, there is a need for institutional support for scaling up of what usually starts as an action research or pilot project for micro-credit. This would call for provision of funds to supply the much needed seed capital and meet institutional costs of expansion of the poverty-focused programmes.

Secondly, a conducive policy environment has to be created to facilitate implementation of such programmes as they are scaled up. Grameen, for example, functioned in an adverse socio-political milieu that impeded its initial growth. The realisation has grown that as a specialised financial and social development agency operating outside the government sphere, it critically needs strong government support. The pricing policy, the monetary policy, the credit policy, the industrial and trade policies of the government, have to be synchronised so as to directly support the micro-level programmes targeted at the poor.

Thirdly, there are fresh opportunities for governments to forge new alliances and collaborative relationships with other partners concerned with poverty. The non-governmental organisations have a comparative advantage in delivering resources and services directly to poor people. They need to work together. The international and bilateral aid agencies are other important stakeholders who have the resources, but whose priorities are distorted. In the plethora of physical infrastructure projects funded by the aid agencies, poor people are often lost sight of. The time has come for a convergence of the efforts of numerous partners and stakeholders who increasingly share the same goal and vision of a world free from poverty.

While the governments may have failed to deliver resources directly to the bottom poor under the conventional programmes, the micro-level non-government initiatives will not succeed on their own. They would require firm and direct political support from government. In the backdrop of the cut-back culture which has overtaken governments, policies have to be retooled and adjusted so that priorities are reassigned, resources reallocated and new directions given to the coalition of efforts by the major stakeholders in poverty alleviation programmes.

Sustaining quality in government services: downsizing the civil service – successes and pitfalls: Zimbabwe's experience

Edited extracts from a presentation by Dr Misheck Sibanda, Secretary for Public Service, Labour and Social Welfare, Zimbabwe

The Civil Service Reform Programme in Zimbabwe has its roots in the monumental work of the Public Service Review Commission appointed by the Government in November 1987 to undertake a general and in-depth review of the structures, functions, management and procedures in use in the Civil Service. At the time of the review, some of the main characteristics of the Civil Service were as follows:

- a large and cumbersome service of about 45,000 persons rising to 192,000 in 1992;
- a substantially inexperienced cadreship operating in a heavily-centralised working environment;
- serious overlaps and duplication of functions resulting in unclear areas of responsibilities and unnecessary wastage of resources;
- lack of transparency, accountability and responsiveness; and
- complicated rules and procedures that stifled initiative and innovation.

It was against such a background that, in 1989, the Review Commission recommended an immediate reform and modernisation of the Civil Service, noting that structures were no longer compatible with the requirements of a modern administration nor with the efficient delivery of services to the population.

Objectives of the Reform Programme

Based on the findings of the Public Service Review Commission, the following broad objectives formed the basis for a plan for the Reform Programme:

- the need to improve the means of public policy formulation and implementation;
- the need to introduce performance management into the Civil Service operations to ensure better service delivery;

- the need to improve conditions of service in order to retain competent skills, enhance morale and motivation;
- the need to upgrade basic management systems through training and staff development programmes in order to maintain an improved service;
- the need to rationalise public expenditure through a process of labour deployment, structural reviews and decentralisation; and
- the need to set up and strengthen monitoring and support systems within the service with a view to increasing efficient and cost-effective delivery of services.

With the advent of the Economic Structural Adjustment Programme (ESAP), another dimension of the Civil Service Reform Programme, i.e. the need to reduce government expenditure as a contribution to the reduction of the budget deficit, was given an added impetus. The targeted figure of reduction was 25 per cent of the total civil servants, translating to 23,000 posts.

Main strategies to effect Civil Service reform

In the last four years, Government through the Public Service Commission (PSC) has adopted a number of strategies in order to implement Civil Service Reform. Such measures include the following:

- setting up institutional machineries to implement and monitor the Reform Programme. In this regard, we have the following units already in place: Monitoring and Implementation Unit in the Office of the President and Cabinet; Human Resource Directorate; Management Services Directorate and Efficiency Unit in the Public Service Commission; and the Training Directorate in the Ministry of the Public Service;
- introduction of performance management and promotion examinations in order to improve the quality of service;
- improvement and enhancement of conditions of service and compensation of civil servants through job evaluation and compensation surveys;
- changing the thrust of the Public Service Commission from being essentially a regulatory and controlling machinery to providing a facilitating, enabling and supportive environment; and
- decentralising certain management and administrative functions which are currently performed by the PSC to ministries.

Downsizing the Civil Service

A major component of the Civil Service Reform Programme, which is the main concern of this short paper, is the reduction of the size of Zimbabwe's Civil Service. At independence, there were about 45,000 civil servants. Ten years later, the Service had increased by over 50 per cent to 160,000, and by 1992 to 192,000. The massive increase was generally associated with the need to fill the gap left by the exodus of whites from the Service, the democratisation of the educational and health facilities, and the reconstruction of rural infrastructural facilities destroyed during the war of liberation.

The reduction of the size of the Civil Service has been justified on the basis that:

- it is too big and too costly relative to its revenue base;
- it is inefficient and incapable of delivering quality services;
- there is serious overlapping of authority and responsibilities; and
- it does not lend itself to a rational utilisation of both human and material resources.

It is important to note that the Economic Structural Adjustment Programme (ESAP) includes a component of reducing the size of the Civil Service by 25 per cent over a period of five years beginning in the financial year 1991-1992.

The reduction of the Civil Service: success or failure?

Since 1992, the Zimbabwean Government through the Public Service Commission has adopted various strategies to reduce the size of the Civil Service.

First, posts that remained vacant in excess of twelve months were abolished. The rationale of such a decision was that if the ministries concerned could perform certain functions without adverse effects, then such posts were not critical or essential to the operations of the ministries. However, some posts particularly in the professional and technical groups remained unfilled for long periods because of shortage of the required skills. In such cases, the PSC reinstated such posts whenever needed.

Second, obligatory reductions were effected. This came in the form of a directive from the PSC to Heads of Ministries to give up a certain percentage of their posts. This strategy of necessity forced Heads of Ministries to critically review the

performance of officers so that only the most competent were retained. In practice, this method was difficult to effect.

Third, another way of downsizing the Service was that of voluntary retirement. Voluntary retirement is applicable to all people in the Civil Service except teachers and health personnel because of their critical role in society. Those civil servants who opt to leave the Service are given monetary incentives to do so and the posts they occupied would be abolished forthwith from the establishment. Up to July 1994, a cumulative total of 1,745 applications for voluntary retirement were received by the PSC.

While the method of voluntary retirement has so far resulted in 646 persons leaving the Service, at times such a strategy has had an adverse effect on the performance of the Service. More often than not, it is the most enterprising and good performer who leaves the Service leaving behind the less efficient and effective officer.

All in all, the Zimbabwean Civil Service up to 30 June 1994 had been reduced by 12,700 giving a shortfall of 10,300 posts to reach the target of 23,000 posts. With the knowledge and experience gained from earlier strategies, the PSC is embarking on more efficient and effective methods of reducing the Civil Service. These include the following:

- The reduction of administrative levels within the Service, currently standing at ten grades from clerk to permanent secretary. It is hoped that the collapsing of administrative levels will not only reduce the number of posts, but will reduce bureaucracy and hence improve overall performance output.
- Contracting out of certain functions of line ministries which can be better and profitably performed by private sector organisations e.g. security-related services, grounds maintenance, cleaning services, laundry services, repair and maintenance of equipment, and catering services. Contracting out such services will not only lead to the reduction of the Civil Service and savings in terms of capital and maintenance expenses, but create opportunities for emergent business persons to participate in business and create employment.
- Decentralisation of certain functions and activities of ministries to local authorities with a view to bringing goods and services closer to the consumer at provincial, district and village levels in the areas of health, education and social welfare.

Through these strategies, it is envisaged that by 30 June 1995 the total number of posts reduced will be 16,815, thus accomplishing the target of 23,000 posts.

Conclusion

The downsizing of the Civil Service in Zimbabwe has taught us a few lessons. First, that the question of the size of the Civil Service is a complex matter. We have discovered that it is not only a question of head counts that matters, but perhaps the issues of scope, structure, composition, skills mix, institutional capacity and the enabling environment are equally critical. Second, that all in all the size, cost, efficiency and effectiveness of the Civil Service are ultimately linked to the overall performance of the economy.

Increasing quality in government services: a modern imperative (Canada)

**Edited extracts from a presentation by Ms V. Lynne Pearson,
Chief Executive Officer, Consulting and Audit Canada**

Today, there are a number of significant pressures on government to change. These include the conditions of fiscal restraint, socio-economic trends, and increasing client expectations. These pressures are not unique to Canada – they are also faced by governments in other countries.

Fiscal restraints

The Canadian Government is burdened with a large fiscal deficit that limits its capacity to effectively deliver existing or new programmes and services demanded by taxpayers. Further, the Canadian public is openly hostile to any new tax increases.

Government's response to this funding squeeze has been three-fold: a cap on operating budgets; a freeze in programme spending; and downsizing of the Public Service.

Socio-economic trends

The world is characterised by rapid change – technological, social, economic, and political. The sheer volume of information and the pace of change facing organisations are forcing them to streamline procedures and exploit information technology to deliver higher quality service to more demanding clients.

The trend towards globalisation (growing international trade, the internationalisation of capital markets, and a shift from a national to a global perspective on such issues as third world debt and the environment) means that separate areas of the world economy are fast becoming integrated. The challenge of globalisation for government is to deal effectively with an increasing number of stakeholders and with highly complex issues, all within the climate of fiscal restraint.

Increasing client expectations

The pervasive service quality movement is influencing how both public and private sector organisations do business. Consumers today are better informed and more demanding about the quality of products and services they receive. This means that

the costs and quality of government services are being questioned and that government's role as a service provider is under pressure.

In response to such increased client demands, internal stakeholders (employees and managers) are demanding greater flexibility to more effectively meet clients' demands, as well as to increase their quality of working life. Thus, there is pressure from both internal and external stakeholders for change in how government operates and delivers programmes.

As a result of these forces, many governments are currently redefining their roles and the way in which they deliver goods and services. There is pressure upon them to cut back by reducing expenditures, levels of staff, and services. Finding ways to do more for less becomes critical to them in order to satisfy the client public. Quality Management provides a valuable approach to solving the crunch created by these forces.

Quality Management

The implementation of Quality Management may be thought of at three levels. The first level relates to the key steps linking the government's situation with priorities, policies, clients, programme mandate, mission and values. The second involves determining the factors which affect programme effectiveness; and the third provides the steps required to implement efficient and effective service delivery.

Managed change process

The best way to introduce change with a minimum of operational discontinuity is to use a process that guides the organisation's staff through the stages of transforming their perceptions, behaviours and relationships amongst themselves and with clients.

Involving management and operational staff in change from the beginning ensures that those who will live with the changes understand the new processes well. Since operating staff are involved in the redesign from the beginning, and have had to work out the changes together, it is easy for them to implement changes. The change process becomes a living part of the organisation.

As the change requirements evolve with implementation, staff will know how to make adjustments because they will have been through the process, understood the rationale, the approach and the reasons for the change. They will know how to apply lessons learned to their service processes.

Changes can be made in an effective, risk-reduced environment by leading staff through a structured, comprehensive approach including the diagnosis of the situation, walking through the process, and devising solutions with stakeholders. This process involves determining what is needed and what is not; and acting to implement the improvements.

The most common causes of failed improvement initiatives is that they start with studies that are never implemented or with training that is never put into practice.

"Just-in-time" learning provides coached guidance when it is needed for the next step in undertaking change as opposed to classroom training which is quickly forgotten despite the considerable costs undertaken. By following a practical, logical process, with coaching as needed, staff learn how to do the right thing, the right way at the right time. Working with facilitators, client organisations can implement change at their pace, working around ongoing business exigencies, minimising interference with day-to-day business.

The Quality Management methodology is a living process combining learning with doing. The results are greater staff expertise, lower costs, and shorter time-frames from initiative start up to improved process implementation.

Lessons learned

Consulting and Audit Canada has considerable experience in assisting clients in implementing Quality Management. Our experience in Quality Management has resulted in a few lessons learned:

1. Managers look for the magic solution which will not take up their time. There is still a belief that you can pay someone to re-engineer your processes, that they will go away and come back with the savings and the quality formula. Unfortunately, if you really want quality, the managers have to roll up their sleeves and get involved, and get their staff involved.
2. Managers must be willing to examine their core processes. To do so is threatening. To find that they are doing things that are no longer essential may threaten their position and their personal psyche. Consequently, real commitment from the manager is required.
3. Applying quality efforts to peripheral administrative functions will result in relatively small gains.
4. To overcome the forces acting against the implementation of quality, managers must assign their top people to the improvement effort. If they are unwilling to have their star performers grapple with quality, they won't achieve it.

5. Most government organisations will have to work hard to develop measurement systems useful for measuring quality, including client feedback, service measures, process cycle-times, process (as opposed to line) costs, benefits or balanced measurement score-cards.
6. Government programmes are usually functionally organised, not organised around client-focused processes. The high degree of functional fragmentation makes it difficult to achieve real savings in processes. Functions are often too narrow a focus to achieve big changes and savings. Consequently, more attention has to be given to organising work along horizontal, cross-functional, client-focused processes with performance measures that mirror these processes.
7. Managers must not only consult with clients but act on the information received. There is sometimes a lack of willingness to talk to clients either because managers believe they know what the client wants, or because they have ignored client feedback before and are now too embarrassed to go back to the client again.
8. Managers need to determine first whether they are doing the right thing. Doing what they have always done only faster is not the answer. A preoccupation with technology as a solution to their problems without an analysis of what needs to be done can be a terribly expensive trap.
9. Managers should not offer person-year reductions in client service areas to justify technology requests before they know what the real impact will be. The cuts are usually made by cost-cutters before the technology is implemented. The result is that fewer service employees have to try to run the old system while they are trying to implement the new system, and will be overwhelmed in the process. Quality is the victim and service badly affected.
10. Test the new system in a pilot situation before implementation. Even if it is a good system, the bugs have not been ironed out and premature implementation results in the loss of quality and unhappy clients.

Sustaining quality in the Singapore Civil Service

Edited extracts from a presentation by Jon S. T. Quah, Associate Professor and Head, Department of Political Science, National University of Singapore

The Singapore Civil Service (SCS) consists of the President's Office, the Prime Minister's Office and 14 ministries. It had a total of 58,922 employees on 2 July 1994.¹ The SCS has retained the original structure of four divisions recommended by the Trusted Commission in 1947 and has 15,311 Division I Officers (of whom 461 have super-scale status), 18,858 Division II officers, 17,567 Division III officers, and 7,186 Division IV officers.² It is about 127 years old as its origins can be traced to 1867, when the Singapore branch of the Straits Settlements Civil Service was formed.³

The main thesis of this paper is that the SCS has managed to improve and sustain the quality of its service because of the introduction of the following five policies:

1. the adoption of anti-corruption measures;
2. selective recruitment of the "best and brightest";
3. competitive pay for high-flyers;
4. computerisation; and
5. the establishment of the Service Improvement Unit (SIU) in April 1991.

While the first four policies are essential for ensuring the quality of the service provided by the SCS, the creation of the SIU is important because it provides valuable feedback and enables the SCS to monitor and improve the quality of service provided by the public sector.

As much more research has been done on the first four policies,⁴ and in view of the space constraint, a brief discussion of these policies will suffice. Accordingly, this paper will focus on the SIU and its role in sustaining the quality of service in the SCS.

Anti-corruption measures

When the Peoples Action Party (PAP) Government assumed power in June 1959, it inherited a corrupt colonial bureaucracy that was not concerned with national development, and whose members were insensitive to the needs of the population. The PAP leaders realised that they needed to co-opt the civil servants as partners in national development. Furthermore, they had to minimise, if not eliminate, corruption in the SCS as, without an incorrupt civil service, all the gains made in development would not be shared among the population as the spoils would be squandered by corrupt politicians and bureaucrats.

In 1980, the PAP Government introduced the first prong of its anti-corruption strategy by amending the existing Prevention of Corruption Ordinance and replacing it with the Prevention of Corruption Act (POCA), to curb opportunities for corruption and to increase the penalty for corrupt behaviour. More specifically, the Corrupt Practices Investigation Bureau, which was formed in 1952, was given additional powers by the POCA. The PAP Government could only afford to implement the second prong of its anti-corruption strategy – the improvement of salaries and working conditions in the SCS to reduce the incentive for corruption – in 1972 after it had achieved economic growth.⁵

Singapore's anti-corruption strategy has been effective because it is designed to minimise or remove the two major causes of corruption; the incentives and opportunities that make corrupt behaviour irresistible.⁶ Thus the ability of the PAP Government to minimise corruption in the SCS has removed an important obstacle to the provision of quality service in the public bureaucracy.

Selective recruitment

The Public Service Commission is the most important central personnel agency because it is responsible for controlling the quality of personnel entering the SCS, especially the Administrative Service, by attracting the "best and brightest" candidates to apply for Civil Service positions. It relies solely on interviews to select short-listed candidates for appointments to Divisions I and II. To be eligible for appointment to the SCS, a candidate must satisfy the following six criteria: citizenship, age, education, experience, medical fitness and character (i.e. no criminal conviction). In short, the PSC serves as the gatekeeper to the SCS by ensuring fair play and impartiality in recruiting and selecting candidates for senior appointments on the basis of merit.⁷

To compete for the best candidates in the labour market, the PSC offers attractive undergraduate scholarships to students with excellent results in the Cambridge General Certificate advanced level examination to study at the local universities or prestigious universities abroad. After graduation, these scholars are bonded to serve in the SCS for a fixed number of years, depending on the duration of their scholarship. The President's Scholarship is most prestigious and 119 Singaporeans were selected as President's scholars from 1966 to 1990. The PSC has recently improved the terms of its scholarships to compete with those statutory boards, government-linked companies and private sector firms which are offering attractive scholarships to bright students.

Finally, the PSC also competes for qualified candidates in the open market by conducting career talks at the two local universities for graduating students several months before their final examinations. To enhance their competitive edge vis-a-vis the private sector, the PSC and some government departments conduct

special briefing sessions for honours year students before their examination results are known to entice them to join the SCS.⁸

Thus, the second prerequisite for ensuring quality service in the SCS is its policy of selective recruitment of the "best and brightest" candidates by the PSC.

Competitive pay for high-flyers

In its report, *Leadership for America: Rebuilding the Public Service*, the Volcker Commission recommended that: "The commitment to performance cannot long survive, however, unless the government provides adequate pay, recognition for jobs done, accessible training, and decent working conditions".⁹

The PAP Government subscribes to this view also and this explains why it has attempted since 1972 to provide competitive salaries and favourable working conditions for civil servants.

In March 1972, all civil servants were given a 13th-month non-pensionable allowance comparable to the bonus in the private sector. One year later, the salaries of senior civil servants were increased to reduce the gap with the private sector. In May 1979, the then Minister for Trade and Industry, Goh Chok Tong, recommended a salary rise to rectify the problem of gross disparity between what the outstanding graduates are earning in the private sector compared to what the high flyers are earning in the Administrative Service.¹⁰ In April 1982, the Government revised the salaries of those in the Administrative Service and other professional services to redress the wide disparity in pay between graduates in the public and private sectors, and to minimise the serious brain drain of senior bureaucrats from the SCS to the private sector.¹¹

In March 1989, the Minister for Trade and Industry, Lee Hsien Loong, pointed out that the low salaries and slow advancement in the Administrative Service contributed to its low recruitment and high resignation rates. In recommending a substantial salary increase for the SCS, Lee indicated that:

"As a fundamental philosophy, the Government will pay civil servants market rates for their abilities and responsibilities. It will offer whatever salaries are necessary to attract and retain the talent that it needs. As the Minister for Finance stated in his budget speech, the Government can afford to do so, and this is only being fair to the officers concerned".¹²

As a result of the 1989 salary increase, senior civil servants in Singapore earn salaries which are extremely high by international standards. For example, the basic monthly salary for the top administrative grade (staff grade V) was S\$32,425

(or A\$28,196 or US\$20,140) which is much higher than the top monthly salary of A\$18,278 in the New South Wales Public Service in Australia or the monthly salary of US\$7,224 for GS-18, the highest salary scale for the United States Federal Service.¹³ However, as Lee has stressed in his ministerial statement, the gross monthly salary of staff grade V (S\$42,026 or US\$26,103) is modest compared to the salaries of the top executives in the private sector in Singapore.

Lee concluded his March 17, 1989 speech in Parliament by promising that the Government "will continue to carry out regular surveys of private sector salaries to stay competitive. As the economy grows, and private sector incomes rise, we will regularly adjust civil service salaries to keep in step. Paying civil servants adequate salaries is absolutely essential to maintain the quality of public administration which Singaporeans have come to expect".¹⁴

Nearly four years later, in December 1993, Deputy Prime Minister, Lee Hsien Loong, announced in Parliament that the salaries of ministers and civil servants would be increased in January 1994 to keep pace with the private sector and to compensate for the reduction in their medical benefits.¹⁵ There was an average salary increase of 20 per cent for the Administrative Service and superscale officers received between 21-34 per cent increase in wages, including bonuses. The table below shows the current basic monthly salaries (excluding allowances) for superscale officers in the Administrative service.

Current basic monthly salary for superscale officers in the Singapore Administrative Service, 1994

Grade	Basic monthly salary	
	S\$	US\$*
Staff Grade V	38,799	25,866
Staff Grade IV	33,261	22,174
Staff Grade III	27,723	18,482
Staff Grade II	24,041	16,027
Staff Grade I	20,359	13,573
Superscale A	17,392	11,595
Superscale B	14,658	9,772
Superscale C	12,187	8,125
Superscale D1	10,205	6,803
Superscale D	9,302	6,201
Superscale E1	8,614	5,743
Superscale E	7,927	5,285
Superscale F	7,290	4,860
Superscale G	6,653	4,435

* The exchange rate in July 1994 was US\$1.00=S\$1.50

Source: *Straits Times* (Singapore), December 4, 1993, p28.

In sum, the PAP Government's policy of ensuring competitive pay for high-flyers by periodically revising Civil Service salaries to keep pace with rising wages in the private sector has enabled the SCS not only to retain its high calibre personnel but also to sustain its quality service.

Computerisation

The first computer, installed in the SCS in 1962, was used for the national census, national statistics and the SCS's payroll. In 1979, the Management Services Department conducted a computerisation and mechanisation survey and found that the efficiency of the SCS could be enhanced to a great extent by introducing computerisation and automation as 105 major information and operational systems could be computerised.¹⁶

The National Computer Board (NCB) was formed on August 15, 1981 to promote, implement and guide the development of information systems in the SCS. The Civil Service Computerisation Programme (CSCP) was introduced by the NCB in September 1981 to improve both efficiency and productivity in the SCS by promoting the widespread use of computers among civil servants.

As a consequence of the CSCP, computerisation has made extensive inroads in the SCS and has enabled it to improve efficiency by reducing manpower costs. Indeed, the CSCP has generated S\$2.71 in returns for every dollar spent on computerisation and reduced the need for 5,000 posts in the Civil Service by automating manual and repetitive tasks and streamlining operations.¹⁷

The SCS became fully computerised in 1990 as it had 107 mainframes and minicomputers, 10,000 personal computers and terminals, 293 operational application systems and 606 computer professionals. The budget for computerisation had also increased from S\$14 million in 1985 to S\$150 million in 1990.¹⁸ Indeed, computerisation in the SCS has resulted in significant improvements in the quality of public services in terms of shorter waiting times and faster turnaround and response.

The Service Improvement Unit

In his address at the opening of Parliament on February 22, 1991, President W. Kim Wee announced the setting up of a Service Quality Improvement Unit (SQIU) under the Prime Minister's Office "to monitor and improve upon the standard of public administration" and "to maintain the highest possible standards in our public services" by obtaining feedback from the Singaporean public to improve the service provided by government departments and statutory boards.¹⁹ The creation of the SQIU was a further manifestation of Prime Minister Goh Chok Tong's consultative style of government.

The SQUI was renamed the Service Improvement Unit (SIU) and was formed in April 1991 with the following terms of reference:

1. To measure, review, audit and assess the present level and speed of service provided by Government departments and statutory boards to the community. It will identify problem areas and make recommendations to the ministries concerned for remedial action to be taken. It will not act as censor, but as facilitator for ministries and departments in their efforts.
2. To foster in Singaporeans, a sense of common ownership and collective responsibility by inviting their participation in improving the standard of public service through dialogue with professional and business groups, and community organisations, inviting them to suggest alternatives to government systems and procedures which need improvement.
3. To consider all suggestions from the public. Individual complaints will be channelled to the Quality Service Managers in each ministry. The SIU will concentrate on the broader questions of systems and procedures.
4. To collate and compile feedback from the public and monitor the responses by the ministries concerned. The SIU will also work with ministries to develop a system to measure the level of service quality and track changes over time.²⁰

The SIU is governed by a six-member Political Supervisory Committee, which is chaired by a minister, and a Management Committee consisting of nine senior civil servants, including the Chairman, Ngiam Tong Dow, who is the Permanent Secretary of the PMO and the Budget and Revenue Division, Ministry of Finance. The SIU is assisted in the performance of its duties by the appointment of 93 quality service managers (QSMs), who are super-scale officers in the SCS and statutory boards assigned to deal with complaints from the public or to channel these to the proper ministries or officers concerned. The SIU suggested that QSMs should be at least the second-in-command to ensure that they had the authority and resources to make changes throughout the organisation.²¹ Furthermore, Quality Steering Committees (QSCs) were set up to spearhead improvement efforts in the ministries and statutory boards.²²

During its first two years, the SIU's strategy focused on five aspects. The first concern was to increase organisational efficiency and effectiveness by "requesting ministries and statutory boards to review their rules and regulations and remove any found stifling, intrusive or obsolete". From April 1991 to March 1992, the ministries and statutory boards reviewed over 200 rules and modified or abolished 96 of them.²³ During its second year, the SIU proposed the creation of Regional Service Centres (RSCs) to serve as "supermarkets" for government services as one

way of increasing cross-agency organisational efficiency for the public's benefit. Accordingly, a RSC Working Group was appointed in November 1992 to develop the concept and to make recommendations to the SIU's Political Supervisory and Management Committees.²⁴

Second, to maximise human resources, training is provided to enable civil servants to give better service. In addition to training all the QSMs, the Civil Service Institute (CSI) had also trained 11,630 officers in counter skills and 1,672 officers in telephone skills under the Public Contact Improvement Programme by the end of March 1993. The SIU co-ordinated and arranged for ministries and departments to send their staff for training at the Singapore Airlines' SQ Centre, which was formed to conduct training programmes to improve service quality at the national level.²⁵

Third, the SIU has emphasised the use of information technology and automation to reduce administrative work and raise productivity. Indeed, its recommendation of increasing the GIRO participation rate to 90 per cent of all regular transactions was consonant with the government's suggestion to use GIRO to promote cashless transactions and to reduce paperwork.²⁶ The GIRO Promotion was conducted from February to April 1993 by the SIU to improve the GIRO system for users and to overcome public reservations about the use of GIRO for payment of public sector bills.²⁷

Fourth, ministries and statutory boards were encouraged by the SIU to "assess their quality of service (through the use of service audits and exit interviews for example), develop performance monitoring systems and set targets for improvement".²⁸ In addition, the SIU informed the public of such improvements made by ministries and statutory boards as provision of more one-stop services, better facilities and more easily accessible information for the public by issuing two reports on the level of service in these organisations. Since the SIU's role is to monitor the performance and service quality of the public bureaucracy so that standards are not eroded, many departments and statutory boards have developed systems to monitor service levels using such indicators as waiting time, time taken for approvals and number of unanswered calls.²⁹

Finally, the SIU monitors the feedback received from the public by analysing the nature of requests, complaints and suggestions received by the various public agencies. The number of calls and letters received by the QSMs has remained about the same: 7,909 calls and letters from April 1991 to March 1992; and 7,900 calls and letters from April 1992 to March 1993.³⁰ The six public organisations which have received the most feedback during the first two years of the SIU's existence are the Housing and Development Board, the Public Works Department, the Civil Aviation Authority of Singapore, the Mass Rapid Transit Corporation, the Police, and the Construction Industry Development Board.³¹

The complaints received during the first year were not serious as they "did not show up any major flaws in Government systems and procedures" and concerned "unhelpful staff in various departments, inability to get through telephone lines, and noise generated by construction work and military aircraft".³² However, the number of complaints decreased by 37 per cent from 3,063 in financial year (FY) 1991 to 1,921 in FY 1992, and the number of compliments rose by 211 per cent from 161 to 501 during the same period.³³

Conclusion

The two major features of the SCS's approach to sustaining quality should be highlighted: its comprehensive nature and the long period of time it has taken to do so. The approach is comprehensive because it deals with three important obstacles to the provision of quality service in the SCS: corruption (by implementing anti-corruption measures and paying competitive salaries); incompetent personnel (by selecting the best and brightest and paying them well); and inefficiency (by introducing computerisation).

Secondly, not only has it taken the SCS a long time to ensure quality service, the sequence of the measures adopted is equally important. The crucial first step is to minimise bureaucratic corruption by introducing and implementing impartially comprehensive anti-corruption measures as it would be difficult to ensure a quality service in a corrupt civil service as the provision of services would depend on a person's ability to bribe the bureaucrats concerned.

Related to the first step is the need to have a meritocratic system where candidates to the public bureaucracy are recruited and selected on the basis of achievement criteria. Without such a system, it would be easy for incompetent individuals to be selected through patronage or other ascriptive criteria. If high-flyers are not nurtured and motivated by competitive pay and accelerated promotion, they will inevitably leave for greener pastures in the private sector or emigrate to other countries. It would be extremely difficult to sustain quality service in the civil service if the latter fails to motivate and retain the high-flyers.

In the case of the SCS, it should be noted that the implementation of the first four policies to ensure quality service lasted for more than 30 years from 1959 to 1990. The SIU's creation in April 1991 is important because it signifies the beginning of a new phase where the end-users or customers – the public – are consulted for their views on the quality of services provided by the SCS and the statutory boards. Suggestions on how to improve the services provided have also been encouraged by the SIU and, where feasible, such improvements have been introduced by the agencies concerned. Needless to say, the process of quality improvement in the

SCS is a continuous one and much more remains to be done by the SIU which is just three years old.

Finally, it will not be easy to replicate Singapore's approach to sustaining quality in the SCS elsewhere because of the high economic and political costs involved. It is expensive to pay civil servants high salaries and to introduce large-scale computerisation in the civil service. It will also be difficult to minimise corruption or to introduce a meritocratic system without widespread political support. Singapore's experience shows that a strong government with a long tenure of office (35 years) and sustained economic growth in the country have enabled the implementation of the five policies responsible for sustaining quality in the SCS.

Notes

1. Information was provided by Public Service Division (PSD), Prime Minister's Office and the Service Improvement Unit (SIU). The views in this paper are those of the author and do not necessarily reflect those of the Government of Singapore, the PSD, the SIU or the National University of Singapore.
2. Ibid.
3. Jon S. T. Quah, "The Origins of the Public Bureaucracies in the ASEAN countries", *The Indian Journal of Public Administration*, Vol. 24, No.2 (April-June 1978), p.417.
4. Jon S. T. Quah, "The Rediscovery of the Market and Public Administration: Some lessons from the Singapore Experience", *Australian Journal of Administration*, Vol. 52, No. 3 (September 1993) pp. 320-328.
5. For more details on the PAP Government's anti-corruption strategy, see Jon S. T. Quah, "Singapore's Experience in Curbing Corruption", in *Political Corruption: A Handbook*, edited by A. J. Heidenheimer, M. Johnston and V. T. Le Vine (New Brunswick: Transaction Publishers, 1989) p841-853.
6. Ibid., p.842.
7. Jon S. T. Quah, "The Public Bureaucracy and National Development in Singapore", in *Administrative Systems Abroad*, edited by Krishna K Tumala (Washington, D.C.: University Press of America, 1982), p.51.
8. Mohd. Aminudin bin Buang, "Attracting and Retaining Personnel in the Administrative Service", (B.Soc.Sci. Honours academic exercise, Department of Political Science, National University of Singapore, 1991), p.33.

9. Paul Volcker, *Leadership for America: Rebuilding the Public Service* (Lexington: Lexington Books, 1990), p. 33.
10. Republic of Singapore, Parliamentary Debates Singapore Official Report, Vol. 39, No. 5 (May 15, 1979), cols. 358-360.
11. Jon S. T. Quah, "The Public Bureaucracy in Singapore, 1959-1984", in *Singapore: Twenty-five Years of Development*, edited by You Poh-Seng and Lim Chong-Yah (Singapore: Nan Yang Xing Zhou Lianhe Zaobao, 1984), pp. 296-297.
12. Lee Hsien Loong, "Salary Revision for the Administrative, Professional and Other Services", Ministerial Statement in Parliament, March 17, 1989, p.5.
13. Quah, "The Rediscovery of the Market and Public Administration", p.323.
14. Lee, "Salary Revision for the Administrative, Professional and Other Services", pp 21-22.
15. "Government pay boost for 65,000", Strait Times (Singapore), December 4, 1993, p.1.
16. Chuang Kwong-Yong et al., "Policy Issues of Central Management on Government Information Systems in the Republic of Singapore", (Singapore: Case-study prepared by the Ministry of Finance for the United Nations Development Administration Division, 1983), p.5.
17. Quah, "The Rediscovery of the Market and Public Administration", p. 325.
18. Straits Times, January 15, 1991, p.40.
19. Wee Kim Wee, *A Common Stake, A Common Destiny*. Singapore: Ministry of Information and the Arts, 1991), p. 3.
20. SIU Progress Report (April 1991-March 1992) (Singapore: PMO, June 1992), p. 10.
21. *Ibid.*, pp. 1 and 11-12.
22. *Ibid.*, p.2.
23. *Ibid.*, p 2.
24. SIU Second Progress Report (April 1992 to March 1993) (Singapore: PMO, June 1993), p.2.
25. *Ibid.*, pp. 3-4 and SIU Progress Report (April 1991 to March 1992), pp. 3-4.
26. SIU Progress Report (April 1991 to March 1992), p.4.
27. SIU Second Progress Report (April 1992 to March 1993), p. 4.

28. SIU Progress Report (April 1991 to March 1992), p 5.
29. Ibid., p.5 and SIU Second Progress Report (April 1992 to March 1993), p. 7.
30. SIU Second Progress Report (April 1921 to March 1993), p.8.
31. Ibid., pp. 8-9.
32. SIU Progress Report (April 1991 to March 1992), pp 7-8.
33. Ibid., p.9.

Centralisation/decentralisation and intergovernmental relations: the Nigerian experience

Edited extract from a presentation by Professor Jona Isawa Elaigwu, Director-General and Chief Executive, National Council on Intergovernmental Relations, Nigeria

As discussed below, the military superstructure (i.e. military government) has had a great impact on intergovernmental relations in Nigeria and the constant punctuation of the democratic political process has affected the institutionalisation and the adequate regulation of intergovernmental dialogue.

In Nigeria, the pattern of centralisation and decentralisation is directly related to the size and multi-cultural nature of the country. In particular, intergovernmental relations in Nigeria are a derivative of the federal compromise of the structure of the country.

Introduction

Centralisation and decentralisation have been key terms in Public Administration for a very long time.¹ The literature in this field of study is replete with case-studies of trends in centralisation and decentralisation and the nature of intergovernmental relations resulting therefrom. As government and the process of governance get more complex, so also have the demands for participation in the decision-making process escalated.

In most countries of the world, erstwhile suppressed identities are exploding in new forms of self-determination and nationalism. Apparently homogenous states have witnessed an upsurge of sub-nationalism. Heterogeneous or multicultural states have had to resort to varying ways of resolving their intergroup relations through self-determination, federalisation or ethnonationalization.² From the collapse of the Soviet Union to the break up of Yugoslavia, the federalisation of the European countries, and the unification of North and South Yemen, to the ethnonational solutions, to problems of multinational states in Nigeria, India and Canada – a clear lesson has been sent out that the demands for participation on the ascendant and that leaders who treat sub-national demands with levity stand the risk of an explosion in sub-national identity.

Given the complexity of modern government, the experience of many countries has shown that there are "social limits to politically-induced change"³ from the centre. Is decentralisation of political power a political imperative in the current world?

In Nigeria, what is the pattern of centralisation and decentralisation? and what is the nature of intergovernmental relations? Given these questions we suggest that:

- The pattern of centralisation and decentralisation is directly related to the size and multicultural nature of the country.
- Intergovernmental relations in Nigeria is a derivative of the federal compromise and structure of the country.
- The military superstructure (i.e. military government) has had a great impact on intergovernmental relations in Nigeria.
- The constant punctuation of the democratic political process has affected the institutionalisation and the adequate regulation of intergovernmental relations.
- The demands of modern and complex government and the political economy of federalism have limited the options available to all African leaders (and particularly) Nigerian leaders on centralisation and decentralisation.

It is therefore no wonder that the complexity of Nigeria has made decentralisation a political imperative even though the nature of intergovernmental relations is gradually unfolding.

The dynamics of intergovernmental relations⁴

The emergence of the modern welfare state has made a complex web of intergovernmental relations inevitable. In Nigeria, some of these forms of interaction are formal and some informal.

National Electoral Commission

There are a number of formal structures in the political system aimed at enhancing intergovernmental relations. These federal-state institutions include the National Electoral Commission (NEC)⁵ under the 1989 Constitution. Among its functions is the organisation of elections to all public offices, from local government to federal level. It has the additional function of monitoring the activities of the two political parties, and examining the funds of the parties. Under the 1979 Constitution, the states also had their own state electoral commissions to conduct elections to local government offices, but then the local governments were still creatures of state governments. The NEC is composed of a chairman and eight others elected by the President.

National Council of States

The National Council of States (NCS) is a top advisory body to the President as he exercises his powers under the constitution with regard to national population census, prerogatives of mercy, awarding national honours, the NEC and appointment of its members, the Federal Judicial Commission and the appointment of its members, and the maintenance of law and order. Members of the NCS include the incumbent President as Chairman, the Vice-President, all former presidents and former heads of government, all former chief justices of the federation who are Nigerians, the President of the Senate and the speaker of the House of Representatives, all governors of the states of the federation, and one person from the states appointed by the state Council of Chiefs. As an intergovernmental organ, this could be a very useful agency for national unity if properly utilised by the President.

Boundaries Commission

This Commission has the function of determining and intervening "in any boundary dispute that may arise between Nigeria and any of her neighbours or between any two states of the federation with a view to settling such disputes".⁶ With the increase in the number of states from four in 1963 to 30 in 1991, there are many instances of boundary disputes. Again the membership of this Commission reflects the intergovernmental nature of its role. Its membership includes the Vice-President who is the Chairman, the Minister of Defence, the Inspector-General of Police, the Minister of Justice, the Ministers of External Affairs, Internal Affairs, Works and Housing, and National Planning, the Director-General of the National Intelligence Agency, the Governors of the States involved and two members appointed by the President from the public or private sector.

National Economic Council

The National Economic Council advises the President on the economic affairs to the federation and co-ordinates the efforts of the component units of the federation in planning and economic development. Its members include the Vice-President, who is the Chairman, the Governor of each State, the Governor of the Central Bank, the Chairman of the National Revenue Mobilization, Allocation and Fiscal Commission, and the Federal Minister of Economic Development.

National Population Commission

The National Population Commission (NPC) undertakes periodic enumeration, keeps a continuous register of births and deaths throughout the country, advises the President on population matters, and provides and publishes data and information on population for purposes of economic planning. The members of the

Commission consist of a chairman, and one person from each state of the federation.

National Revenue and Fiscal Commission

There is also the National Revenue Mobilisation, Allocation and Fiscal Commission which has the functions of "accruals and disbursement of revenue from the Federation Account", reviewing of the revenue allocation formula from time to time, advising federal, state and local governments on fiscal efficiency and methods of revenue generation, as well as fixing the salaries of public officers, such as the President, Vice-President, Governors, Deputy Governors, Ministers, Commissioners, and others. Its membership comprises a chairman and a member from each state of the federation.

National Council on Intergovernmental Relations

The National Council on Intergovernmental Relations (NCIR) was established on 20 July 1991 to "closely monitor the operation of the federal system, giving continuing attention to intergovernmental relations in the Nigerian federal system; study, conduct research and maintain data, recommend solutions to problems of intergovernmental relations and necessary forms of improvement; play mediatory roles in resolving conflicts, and establish contacts with other organisations with similar objectives".⁷

The membership of the Board of Governors is such that each tier of Government and each arm of Government at each tier of Government is represented. The membership includes a chairman, the Director-General and Chief Executive, three private citizens, four state governors, two federal ministers, two senators, two members of the House of Representatives, the Accountant-General of the Federation, two speakers of the state Houses of Assembly, two chairmen from local government, two councillors, and the Mayor of Abuja, the federal capital.

These institutions not only bring state and local officials together, they also help to smooth intergovernmental relations and encourage co-operation among the component units of the federation. However, there are other more informal institutions that are very useful in co-ordinating the activities of the component units of the federation. The various national councils, such as those on education, agriculture, finance, health, industry and others, help to bring state and federal political executives together to harmonise policies in particular areas of importance. Thus, for example, the Federal Minister of Education and his counterparts in the states (called commissioners) meet periodically to review educational programmes in the country and to harmonise their policies in the interests of the country. There are problems in carrying out these intergovernmental relations, but these informal structures contribute a great deal towards improving communication between states and the Federal Government.

Similarly, the informal meeting of the Association of Governors is very useful in getting them to compare notes. These meetings are, of course, more informal than the Australian Premier's conferences, but they are quite important in the Nigerian federal system. The Conference of the Chairmen of Local Governments serves the same purpose at the local level. Under military Government, the National Council of States serves as a forum for the states' administration/governors.

In addition to the above, there are some other provisions worth mentioning here. The Constitutions of 1979 and 1989 provide for a section called the "Fundamental Objectives and Directive Principles of State Policy" which enumerates the obligations of Government and each citizen.⁸ The Constitutions also have a Fundamental Rights Section. Given Nigeria's peculiar environment and the need to ensure that no section of the country is excluded from Government, section 14 of the 1979, and section 15 of the 1989 Constitutions provide for what Nigerians refer to as "the federal character principle". It states that:

"The composition of the Government of a State, a Local Government, and the conduct of the affairs of the governments or such agencies shall be carried out in such manner as to reflect the federal character of Nigeria and the need to promote national unity, and also to command national loyalty, thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in that Government or in any of its agencies".⁹

Challenges in centralisation/decentralisation: a futuristic perspective

One of the greatest challenges in the institutionalisation of intergovernmental relations in Nigeria is the constant punctuation of the democratic political process. Military interventions (albeit, often on the invitation of, and/or in conspiracy with, members of the civilian political class) have grossly rendered intergovernmental relations fragile. Any new military regime establishes its own modalities of interaction among component units of the federation. The democratic experience must last over a period of time to allow for the regularisation of processes of interaction among components units of the federation.

Cultural pluralism is not unique to Nigeria in the African continent. At independence, many African countries could have gone federal, but the political economy of federalism and the seeds of self-determination built into the federal principle. Kenya inherited a quasi-federal constitution under the "Majimbo" Constitution which gave some powers to the regional legislatures. However, Kenyatta and his party men believed that federalism had the capability for escalating inter-ethnic tensions and eroding the power of the centre. As Kenyatta

observed, the 1963 Constitution "was too rigid, expensive and unworkable".¹⁰ The party then moved on to erode the regions of "any executive and legislative duties". It centralised administration and only devolved certain functions and power to them.

In its usual fashion, Britain wanted to hand over to Ghana a quasi-federal system similar to Kenya earlier on, but Nkrumah's Convention People's Party put a death knell to it. Uganda, another culturally plural state, inherited a constitution which was neither federal nor unitary it was both. Former President Obote gave the system the first shock in 1965-66, and General Idi Amin centralised political power under a unitary government in his 1974 administrative reorganisation. Cameroon started off on the federal path and abolished it in 1972. There is currently a secessionist move by anglophonic Cameroonians. Tanganyika and Zanzibar despite sub-nationalism is still hanging to its federal association.

Why did African rulers prefer unitary solutions to problems arising from their cultural pluralism? It would seem logical that given the cultural diversity in African states, the compromise offered by the federal system of government would have been embraced by their leaders. Why is there an overwhelming preference for a unitary system of government with its implications for centralisation/decentralisation and intergovernmental relations? The fragility of central authority and the necessity to consolidate power and authority, meant that structures which were mobilisational became more advantageous than structures which exhorted inter-group reconciliation. A unitary system emphasises centralisation. Sub-national units must look up to the centre for their resources and power. The leaders were too preoccupied with consolidation, the power of the centre, that they were not ready to share powers and functions with sub-national units.

Furthermore, it was often feared that federalism crystallised sub-national identities and often sharply defined the parameters of operation and loyalty of component units. In doing so, federalism is seen as a crisis escalator rather than a crisis dampener. Inter-ethnic, religious, geopolitical and racial dichotomies become supposedly more pronounced under a federal system. In a way, the fears of the inheritance elites in Africa were genuine. After all, federalism is a paradoxical "elixir" to be purchased from any political market. If it provides for the security and survival of a nation (because of the very compromises it is capable of effecting) it also safeguards self-determination of parochial groups.

Essentially, federalism is a compromise between centripetal and centrifugal forces in the political system. All federal systems experience adjustments, at different points in time, between these two extreme pulls. But the extent to which a federal system survives very much depends on the ability of the political elites in a country to maintain a delicate balance between centrifugalism and centripetalism. Excessive pulls in favour of centrifugal forces may grossly weaken the centre and herald disintegration, as Nigeria found out.

The cost of maintaining federal and state legislatures, the executive and in some cases, local government councils and staff, is prohibitive. It is therefore not surprising that unitarism is the favourite of many African leaders. Perhaps the challenge of the future is how African leaders can adequately provide political access for people at the sub-national/grassroots level to participate in decisions which affect them, while at the same time protecting the integrity of the State. Each African state must find a conducive balance between centralisation and decentralisation in the light of its experiences.

Conclusion

Given Nigeria's multinational state, we have argued in this paper that the degree of centralisation and decentralisation is related to her peculiar circumstances. It depends on the political compromises struck between centripetal and centrifugal forces in the polity. Nigeria opted for a federal compromise, albeit, with some problems in the adjustment of the federal pendulum. Yet most Nigerians still believe that federalism has not lost its value as a device for managing conflicts.

Nigeria's federal compromise has important consequences for intergovernmental relations as the pendulum swung between centripetal and centrifugal forces – with embedded patterns of centralisation and decentralisation. It is also our argument that if the federal centre has given a verisimilitude of being "titanic", this owes a great deal to deliberate policies and actions by the military rulers who have ruled Nigeria for about a quarter of a century. The military's hierarchical superstructure on the polity favoured greater centralisation of powers, but not without the abhorrence of a repeat of Nigeria's tragic civil war.

On the other hand, the constant punctuation of the democratic process by the military has rendered intergovernmental relations epileptic and fragile. There needs to be a democratic base to Nigeria's federal compromise, if intergovernmental relations are expected to produce a relatively "efficient" and harmonious federation.

With greater demands by Africans generally for participation in decisions which affect their lives, the pressure in unitary systems for greater devolution will be on the increase; so also will be the pressure for greater autonomy by sub-national units in federations.

Notes

1. See for example: United Nations, *Decentralisation for National and Local Development* (New York: UN, 1962); Henry Maddick *Democracy, Decentralisation and Development* (London: Asia Publishing House, 1963); Dennis Rondinelli, *Decentralisation of Development Administration in East Africa*, (Nagrya, Japan: UN Centre for Regional Development, 1981); Jeremy White, *Centralisation in Nigeria 1914-1948: The Problem of Polarity* (Dublin: Irish Academy Press Cl, 1981); G. Shabbir Gheema and Dennis Rondinelli, *Decentralisation and Development Policy Implementation in Developing Countries* (Beverly Hills: Sage Publications, 1983); c.Lloyd Brown-John (ed.) *Centralising and Decentralising Trends in Federal States* (Lanham: University Press of America, 1988). Daphne A. Kenyon and John Kincaid (eds.) *Competition Among States and Local Governments: Efficiency and Equity in American Federalism* (Washington D.C.: The Urban Institute Press, 1991).
2. Charles T. Barber. "Democratisation in Federal Systems: Integration or Disintegration". Paper prepared for the XVth World Congress of the IPSA, 20-25 August, Berlin, 1994.
3. John Lewis. "The Social Limits of Politically-Induced Change" in Morse et al. (eds.) *Modernization by Design* (Ithaca: Cornell University Press, 1965).
4. J. Isawa Elaigwu "Composition of Regional Institutions: The Nigerian Experience" in Bertus de Villiers and Jabu Sindane (eds.) *Regionalism: Problems and Prospects* (Pretoria: Human Sciences Research Council, 1993) pp 130-134.
5. Under the 1979 Constitution, it was called the Federal Electoral Commission (FEDECO), while state governments had their own electoral commissions for the conduct of local elections.
6. It should also be noted that with the creation of many local government areas, there are also boundary problems among local governments.
7. Decree No.89, 1992 establishing the Council also stipulated its many functions which for space constraints cannot be included here.
8. These are not justiciable but they are important obligations for the government and the citizen.
9. The NCIR plans to hold a conference soon to help work out the modalities to operationalising the federal character principle.
10. See Republic of Kenya, Official Report, House of Representatives, First Parliament, Second Session, Vol. 11, Part 11, 14 August, 1964, col 1707-1710, in Cherry Gertzl, M. Goldschmidt and Don Rothchild. *Government and Politics in Kenya* (East African Publishing House, 1972) p.913.

Centralisation and decentralisation: the challenge of reaching the citizens with better service delivery (Ghana)

**Edited extracts from a presentation by Professor Moses N. Kiggundu,
Professor of International Management and Public Administration,
School of Business, Carleton University, Canada**

Introduction

Decentralisation means different things to different people at different times and places. In the corporate world, it is equivalent to divisionalisation. In public administration, it often refers to devolution of responsibility – not necessarily authority – to local or sub-national structures. For economic reformists, as characterised by advocates of structural adjustment programmes, it includes various forms of privatisation from line ministries or state-owned enterprises to joint operations, special operating agencies, and private sector organisations. Yet, to others, it means popular participation through non-government organisations (NGOs), community-based organisations (CBOs), indigenous or traditional institutions, national conferences, workers' trade unions, women's organisations, and mass mobilisation aimed at people power or collective empowerment. To some, rural development is a form of decentralisation. More recently, it has taken on the connotation of good governance through institutions other than the central authority. As noted elsewhere (Kiggundu, 1989), decentralisation is not a unitary concept but a shorthand for various forms of institutional arrangements by which power, decision-making authority and other resources are distributed to facilitate good governance, policy formulation, programme implementation, and service delivery to various publics.

All these approaches are based on a common normative approach based on the belief that decentralisation is better than centralisation, and that both service to the public and the public interest are best and most effectively satisfied through the periphery rather than the central command post authority. In modern day parlance, we are told that hierarchy is dead and networking is in vogue.

Yet it is fair to say that throughout modern history, both in the public and private sectors, managers and administrators alike have tended to preach decentralisation while practising centralisation. The virtues of decentralisation have been easier to articulate than to put into sustainable administrative and managerial practice. There is and has always been a significant difference between espoused theories and theories in use. As well, cold war ideological competition permeated both public and private institutions and prevented genuine decentralisation or empowerment at sub-national levels. The need for central control was paramount, and superseded the desire to appease local needs and interests.

Thinking about centralisation and decentralisation

This framework is based on the idea that organisations perform two types of tasks – operational and strategic – and that centralisation/decentralisation involve alternative locations of centres of authority and responsibility within and among decentralising organisations. The Ghanaian example compares attempts by the Government and the institution of chieftaincy in reaching ordinary citizens and providing them with basic needs, and finds institutional difficulties in so doing.

Table I (Annex 1) provides an illustration of how to use this framework to think about centralisation and decentralisation. It begins by identifying two types of administrative functions which all organisations perform: policy formulation and programme implementation and service delivery. These functions can be categorised as strategic and operational respectively. Each of these functions or subsets thereof can be centralised or decentralised and performed either *within* a single organisation or institution, or *across* two or more organisations. Quadrants 2 and 6 relate to policy and operational decentralisation within a single organisation, such as a Ministry of Agriculture, while Quadrants 4 and 8 relate to decentralisation involving two or more separate or semi-autonomous organisations. Quadrants 2 and 6 illustrate the traditional approach to decentralisation whereby decision-making and/or programme implementation is pushed to lower levels of the hierarchy. The Ghana example described below illustrates this approach whereby line ministries, such as Health, Education, and central agencies, such as Finance, and the Office of the Head of the Civil Service delegate authority to the regional, district and local authorities. In this regard, decentralisation takes place only *within* government structural arrangements.

On the other hand, Quadrants 4 and 8 are different in that they take decentralisation *outside* the government and require the involvement and active participation of private sector agencies or corporations. In Quadrant 4, agencies outside government are involved in the policy formulation. Politicians and senior bureaucrats often object to this form of decentralisation because it appears to give the impression of central government abdication to govern and the erosion of sovereignty and independence. If the agency or agencies to which policy formulation has been decentralised is foreign or foreign controlled, it tends to arouse nationalist sentiments and cries of foreign domination.

Yet, strategic decentralisation of policy formulation outside government structures is not as rare as top-level institutional gatekeepers would like to lead us to believe. For example, private sector institutions, think-tanks, universities, donor agencies, non-governmental organisations (e.g. third-generation NGOs), and quangos (quasi-autonomous organisations) often influence government policy to the point where ministers or the Cabinet simply rubber stamp them. This happens especially if the central government is weak, depends on military rather than popular support for its survival and legitimacy, or if the bureaucracy is technically or

administratively lacking the capacity for effective policy formulation. Some people have argued that policy formulation associated with structural adjustment programmes (SAP) especially in the weak and vulnerable states, constituted a form of "foreign strategic decentralisation". Consequently, the resulting policies lacked the necessary sense of "home" ownership and commitment during implementation.

Quadrant 8 illustrates the form of decentralisation most commonly promoted in most Commonwealth countries ranging from the privatisation of social services in the United Kingdom using quangos, telecommunications in New Zealand, Malaysia and Tanzania, and airports management and control in Canada. Here the focus is on the performance of operational tasks associated with programme implementation and delivery of services to the citizens using agencies outside government. This form of decentralisation tends to be popular with politicians and senior bureaucrats because government retains the functional responsibility for key policy decisions. One disadvantage though is that over a period of time, the government department or agency from which operational tasks are decentralised may lose its distinctive competencies and excellence in the performance of those tasks. For example, it has been argued that the excessive use of outside consultants by agencies, such as the Canadian International Development Agency (CIDA), has left them internally less competent to design and deliver effective international development programmes, and that they lose too much of the necessary corporate memory to outside agencies.

Decentralisation by commercialisation

While in the past most decentralisation involved devolution of decision-making authority to lower levels within the same government bureaucracy, today the emphasis is on decentralisation by commercialising government services and contracting them out usually to an outside agency. Accordingly, considerations of value for money are very important and if services can be provided cheaper by an outside agency without negative effects on other public interests (e.g. safety), then the public agency loses the exclusive right to deliver such services.

Table 2 (Annex 2) provides a summary of a few selected strategies of decentralisation by commercialisation and their respective characteristics. For example, in terms of governance, except for the special operating agencies (SOAs), all other forms require an independent board of directors. In terms of the ability to raise money on the open market, private corporations and NGOs enjoy the most freedom. Likewise, government influence is high for SOAs and Government-owned company-operated (GOCO) agencies, and lowest for NGOs, mixed enterprise corporations (MECOs), and private corporations. The Table provides a guide as to which decentralisation option should be used depending on the intended objectives. For example, if the objective is to reduce government influence or create opportunities for independent sources of capital, then decentralisation

should be achieved through the various forms of corporatisation rather than SOAs or GOCOs. If decentralisation by commercialisation is still in the experimental stages, or if critical national interests are at stake, it may be prudent to use Special Operating Agencies (SOAs) or other forms which leave residual powers in the hands of government senior bureaucrats and politicians.

Decentralisation in Ghana: reaching the ordinary citizen

Ghana's experience with decentralisation and alternative forms of local government spans several decades. Since 1957, there have been eleven Commissions of Enquiry on local government structures and functions and sixteen laws or decrees related to decentralisation. The most recent major structural changes are embodied in PNDC Law No. 207 of 1988 which gave rise to the existing 10 Regional Administrations and 110 District Authorities. Chapter 20 of the 1992 Constitution is devoted entirely to decentralisation and local government and states that "Ghana shall have a system of local government which shall, as far as practicable, be decentralised".

In spite of all these efforts, Ghana, like most African countries, remains highly centralised. By some measures, Ghana has been one of the most centralised countries in the world. A study completed in 1989 reported that, with respect to share of total government spending, Ghana ranked fifteenth among a sample of eighteen countries; excluding only Costa Rica, the Gambia and Sri Lanka.

In recent years, following the administrative reform programme associated with structural adjustment, local government revenue collection has improved but most of the money has gone into administration rather than delivery of services to the citizens. A USAID-funded project examining decentralisation in financial and project management concluded that although primary education has improved, "decentralisation in the Ghana health service has not produced hoped for efficiency and improvements in quality. The system continues to be hospital-based, curative care, urban-oriented, and centrally controlled. Decisions reflecting concerns and interests of officials at the centre – have created an expensive, vertical approach to health care" (1992:3).

Other services and infrastructure such as water, sewage, and sanitation as well as roads and drainage remain difficult to construct, operate, and maintain to the satisfaction of the majority of the citizens especially in the rural areas. For example, in a recent World Bank study, the Ghana Highway Authority estimated that 80 per cent of the 14,410 km of primary and secondary roads are classified as either fair or poor and therefore need reconstruction and/or rehabilitation. Of the estimated 21,300 km. of feeder roads, only 16 per cent were considered to be in good condition. Of the balance, 12,900 km or 60 per cent were in poor condition, and 5,100 km or 24 percent were considered to be fair.

The challenges, problems, and prospects for decentralisation in Ghana must be understood within the context of a *unitary* system of administration whereby all sub-national structures are subordinate and subject to the ultimate authority of the central Government. The inconsistency between *structure* and *policy* has been highlighted by several studies on decentralisation. For example, the same World Bank report observed that "there is a significant inconsistency between the current objectives of Ghana's decentralisation policy and the structure of authority in place for the performance of planning, financing, and personnel management functions... District Authorities (DAs) are not yet ready to assume the whole range of responsibilities assigned to them...weaknesses of many central Government ministries and agencies compound inadequate capacity at local levels". This is a most practical illustration of Chandler's (1962) hypothesis of the relationships between policy (strategy) and structure.

The Ghanaian chieftaincy system in its various forms, is deeply rooted in the social, cultural, religious, political and economic lives of the majority of the people. In spite of historical abuses and manipulations, the institution of chieftaincy has proved to be most resilient and is expected to survive current and future challenges. In spite of its limitations including lack of resources, it continues to provide a wide range of family and community services to the people. As well, the institution of chieftaincy and its structures is recognised and entrenched in the 1992 Constitution. Chapter 22 states that the "institution of chieftaincy, together with its traditional councils as established by customary law and usage, is hereby guaranteed" (1992:164).

Figure 1 (Annex 3) provides a comparison of the extent to which various institutional arrangements are structurally able to reach ordinary citizens at different levels of society. The Government of Ghana, through its central Government ministries and agencies, regional and district authorities as well as local councils, is most strategically structured to reach the citizens at the more *macro-levels* of society. This is most likely to be the case in the formal, highly organised, urban or semiurban groupings. Likewise, the vertical plane of the chieftaincy institution – made up of the National House of Chiefs in Kumasi, the 10 Regional Houses of Chiefs, and the 180 Traditional Councils – is most strategically structured to deal with Ghanaian society at the more macro-levels. On the other hand, the various forms of chieftaincy below the Traditional Area Councils are structurally represented at the more grassroots level of society. At the grassroots, chieftaincy is represented by the Odikro, family heads, functional chiefs or clan-based sub towns up through the Ohene, village chiefs or subdivisional and divisional chiefs. These in turn report to the Omahene, Yana or Paramount Chief and these offices carry a lot of respect and influence within their respective communities. However, as Figure 1 shows, these structures are not represented at the macro-levels of society except through the vertical plane and this makes it difficult for them to access central Government services and articulate their needs and concerns in a unitary system of government.

The hypothesis being advanced here is that decentralisation can most effectively be implemented and sustained in Ghana through a more creative use of existing structures as represented by the local government authorities and the institution of chieftaincy. Table 3 (see Annex 4) provides a partial list of some of the basic services and infrastructure which could be most effectively delivered in partnership with different parts of the institution of chieftaincy. For example, since water is a very grassroots basic need down to the level of the family, the construction, operation and maintenance of the water infrastructure (e.g. wells) should be done in *partnerships* with the village chiefs, their councils, and citizens. In fact, in some parts of Ghana, it is inconceivable to have a successful programme of poverty alleviation that does not accord the chief and other key leaders within the institution (e.g. Queen Mother) strategic roles in the fight against poverty in their respective communities. It has also been suggested that in those communities where law and order have been sustained for a long period of time, it may be cost-effective to experiment with community policing with the horizontal levels of the chieftaincy institution as the special operating agency (SOAs).

In advocating the use of the institution of chieftaincy to advance decentralisation, a number of cautions must be recognised. First, chieftaincy in Ghana is not a unitary concept. It varies across regions in terms of institutional strength, leadership, support of the people, resources, and emphasis on modernity (e.g. development) and tradition (e.g. rituals). Therefore, while in some regions such as the Ashanti, the institution could take on more decentralised functions, in the north Konkombas are in a state of conflict and open war with their neighbours. As well, even where chieftaincy structures are nominally in place, they may not have the capacity to function effectively. Accordingly, measures of institutional strengthening and capacity development may need to be undertaken first.

Summary and Conclusions

1. Decentralisation and its various structural forms can be an effective instrument of managing transitions both in terms of managing transitions in the traditional public administration services (e.g. through local government structures) as well as the more recent areas of deregulation, commercialisation, privatisation, corporatisation and restructuring. More experimentation and research is needed for the former form of decentralisation involving the transfer of policy formulation or service delivery across organisations and using commercial methods of doing business typically found in the private sector.
2. Reaching the ordinary citizens through central government structures continues to be a challenge even when such structures are ostensibly decentralised.

3. Available evidence seems to suggest that effective decentralisation calls for the central administrative structure (e.g. the central government) to establish some kind of strategic alliance with private sector or outside organisations (e.g. NGOs, quangos, traditional institutions, corporations) in order to develop the necessary capacity to reach the ordinary citizens, deliver services to them at affordable prices and mobilise them as a positive force for development.
4. The two case-studies discussed in the full conference paper show a genuine interest in decentralisation, but the efforts have not translated into better services to the ordinary citizens at the grassroots levels. In Ghana, Government services at the village level remain rudimentary, and in the Asian country studied, telecommunication services remain among the lowest in the world and are concentrated in urban centres largely for large business organisations.
5. One of the future challenges for public administration and management is the development of more effective systems and practices of decentralisation. The capacity for effective decentralisation must be developed in both directions. Individuals and institutions from which power, decision-making authority, or functions are being decentralised, and those receiving the decentralised authority must both be strengthened for their respective new roles. Effective decentralisation requires a strong central authority as well as competent local authorities or private sector corporations or agencies. When it comes to effective decentralisation, it takes two good ones to tangle.

Table 1: Thinking about Centralisation and Decentralisation

Types of Administrative Functions	Within or Across Organisations	Centralisation	Decentralisation
POLICY FORMULATION	Intraorganisational (within)	Ministry Head Office makes all policy decisions ¹	Ministry local offices make all or some policy decisions ²
	Intergovernmental (across)	Cabinet makes all Ministry and agency policy decisions ³	Agencies outside government make all or some policy decisions ⁴
PROGRAMME IMPLEMENTATION AND SERVICE DELIVERY	Intraorganisational (within)	Ministry Head Office implements programmes and provides services ⁵	Ministry local offices implement programmes and deliver services ⁶
	Intergovernmental (across)	Cabinet implements policy programmes and provides services ⁷	Agencies (e.g. quangos) or corporations outside government mandated or contracted to deliver services ⁸

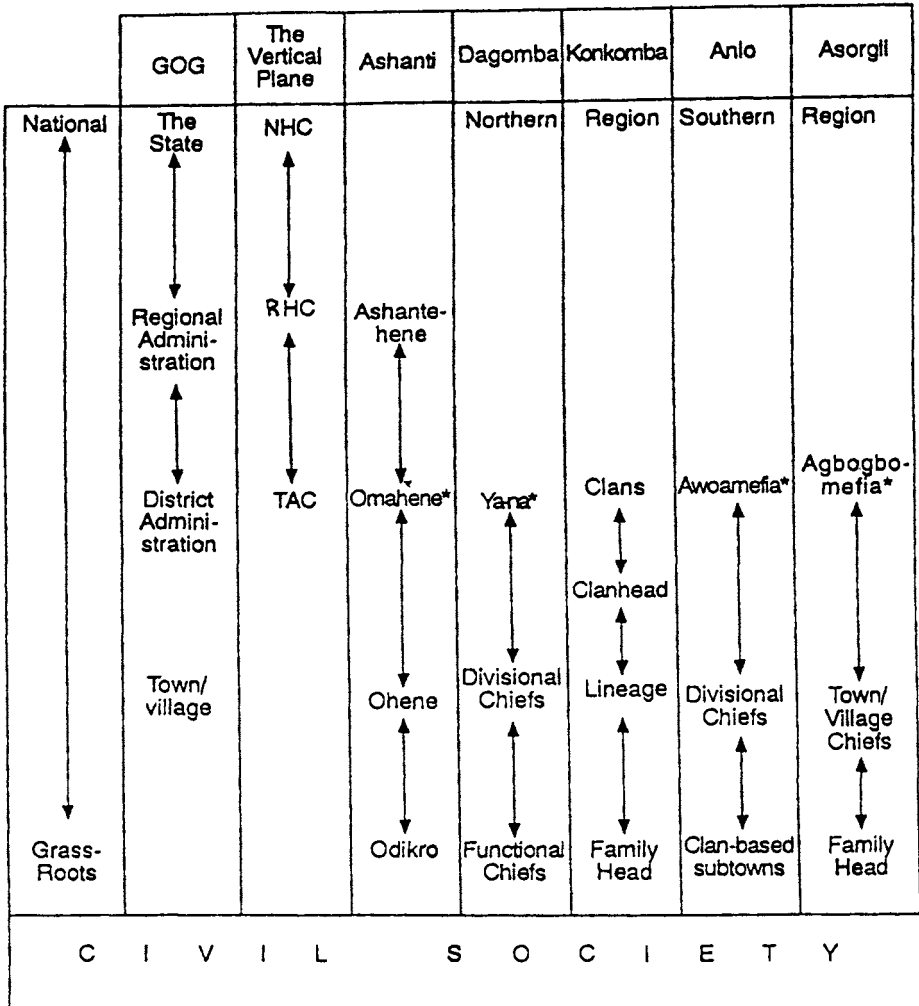
N.B. Quadrants 4 and 8 are of particular interest for discussing decentralisation for governments in transition

Table 2: Selected Strategies of Decentralisation by Commercialisation and their Characteristics

	Governance Board	Legal Requirements	Ability to Raise Capital Commercially	HRM Flexibility	Government Influence
1. Special Operating Agency (SOAs)	No legal requirements but board may be established	Not applicable	No	Public Service Regulations (PSR)	High
2. Government Owned Company Operated (GOCO)	Board required for company operations	Required for company operations	Govt.: No Co.: Yes	Govt.: PSR Co.: National Labour Laws	High
3. State owned Enterprise (SOE)	Board required	Financial Administration Act (Canada)	Subject to Government guidelines & authority	National Labour Laws	Medium
4. Mixed Enterprise Corporation (MECO)	Board required	Special legislation	Yes	National Labour Laws	Low
5. Private Corporation	Board required. Vested interests should be excluded	Act of Parliament	Yes	National Labour Laws	Low
6. Non-profit Corporation (NGO)	Board required	Act of Parliament	Yes	National Labour Laws	Low

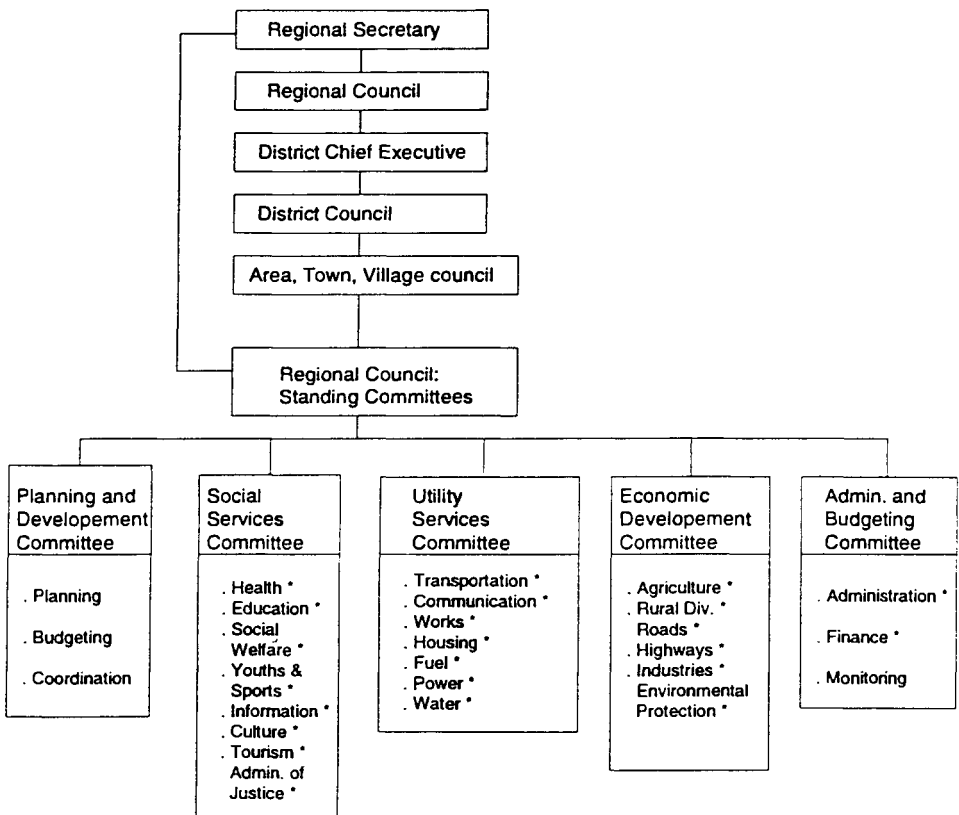
Source: Based on "Characteristics of Selected Commercialization Options: Guide" by Younge & Wiltshire, Management Consultants, prepared by Transport Canada, January 6, 1994.

Figure 1: National-Grassroots Structural Linkages, Government of Ghana and the Institution of Chieftaincy



Note: GOG = Government of Ghana; NHC = National House of Chiefs;
 RHC = Regional Houses of Chiefs; TAC = Traditional Area Council;
 * = Paramountancy

Table 3: Government of Ghana Administrative Structure below the National Government: Functions Identified for Chieftaincy's Horizontal Plane



*Indicates services of functions which could be provided by the institution of chieftaincy, alone or in partnership with other institutions.

Selected references

1. Bendas Consultants, Culture and Development: The Case of the Institution of Chieftaincy in Ghana. Draft Report prepared for the World Bank, July 1993.
2. Chandler, A.D. *Strategy and Structure*. Cambridge, Mass. MIT Press, 1962.
3. Government of Ghana, *Constitution of the Republic of Ghana. 1992*, Tema Press of Ghana Publishing Corporation.
4. Kiggundu, M.N., Institutional Strengthening and the Corporate Plan: 5-year Development Programme (Draft), June 1994.
5. Kiggundu, M.N. *Managing Organizations in Developing Countries: An Operational and Strategic Approach*. Kumarian Press: West Hartford, CT, USA, 1989.
6. USAID, Decentralization: Improving Governance in Sub-Saharan Africa. Decentralization: Finance and Management, Associates in Rural Development, Inc. Burlington, VA, USA, DFM Newsletter, Summer 1992.
7. World Bank, Ghana: Strengthening Local Initiative and Building Local Capacity, Infrastructure Operations Division, West Africa Department, Africa Region, October 30, 1992.

Reform at the crossroads: efforts to implement an integrated strategy for renewal in the Canadian Federal Government

Edited extracts from a paper by Tim Plumptre, President, Institute On Governance, Canada

Introduction

Objectives

The purpose of this paper is to discuss "government reform" in Canada as an integrated strategy, to examine the recent history of such a strategy in Canada, and to reflect on the options facing the new Liberal Government which assumed office in late 1993. It is based upon a review of recent Canadian experience and also of approaches to reform in a number of other jurisdictions.

The phenomenon of Government reform

Like all large institutions, governments are always in a state of flux to some degree. Existing programmes are adjusted to meet evolving demands, fresh ones are implemented, new regulations and laws are framed to cope with emerging problems. Such ferment is a normal process of adaptation to social or economic needs.

However, from time to time, circumstances require governments, like other institutions, to undergo more profound changes which may be called transformational or strategic. Change of this kind is necessary when assumptions which have provided the foundation for existing strategy begin to crumble. Examples might be changes in thinking about the role of women in society, as has occurred in many industrialised countries in the last five years or so, or in beliefs about the role which the state should assume in economic activity as occurred in Russia in the early part of this century and again in the last few years.

In the private sector, strategic change typically occurs in response to basic shifts in patterns of demand, or in response to new possibilities for productivity improvement arising from technological developments, such as those presented in the last two decades or so by computerisation. In government, such change occurs for various reasons, among them the assumption of power by a new government with a different ideology or set of priorities or the build-up of financial pressures which make it necessary to make basic adjustments to programmes and policies.

Governments are less adaptable than businesses. They are more insulated from market forces and since they must respond to a wider array of interests, they are less prone to embark on major reforms which may appear to favour some groups

more than others. Nevertheless, for a variety of reasons the last quarter of this century has been quite unusual in that despite their natural resistance to change, many governments have embarked upon programmes of renewal or reform which have been government-wide in scope. Among the countries which have chosen this route are several of Canada's Commonwealth partners: Australia, Britain, New Zealand and Malaysia.

Most change programmes have been driven by international developments: globalisation, freer trade, the emergence of new trading blocs and new trading partners, higher levels of education and literacy, and advances in information technology which have enhanced productivity and made methods of administration possible which were unthinkable ten or fifteen years ago. Change has also been urged upon governments in some countries by citizens disenchanted with the quality of service received from government agencies. A particular force for change in recent years has been the deep-seated recession which has driven unemployment to levels approximating those of the Great Depression of the 1930s and led many governments deeper and deeper into deficit financing.

Pressures for change in government may well increase rather than diminish in future. For example, Paul Kennedy's best-seller, *Preparing for the Twenty-First Century*, argues that the population explosion which continues in developing countries, the revolution in financial markets and communications, environmental degradation, job redundancy, illegal immigration, the continuing increase in the importance of the role which women play in many societies and related pressures are all developments from which governments cannot hide, let alone escape. These developments and the impact of all this upon policies, spending priorities, even values and culture, are the subject of intense interest from France to Japan, from Kansas to Cairo. They explain at least in part the search for newer transnational and sub-national political structures ... the man and woman in the street know that their world is changing and worry about it. Above all, unease about present and impending changes is behind the widespread disenchantment with political leaderships in both the older and newer democracies, the demand for political responses to the new challenges is immense ... Clearly a society which desires to be better prepared for the twenty-first century will need to retool its national skills and infrastructure, challenge vested interests, alter many old habits and perhaps amend its governmental structures.¹

Kennedy's view is that politicians above all are called upon to take a wider view of the sweep of forces affecting their country and their institutions, and to provide leadership which looks beyond the immediate difficulties of today's political agenda.

Reform in Canada

First effects at an integrated strategy

Although there have been many changes in the Government of Canada at the federal level in recent years, most of these have been part of the normal process of institutional ferment: adaptations here and there in the Government to specific problems and policy issues. However, in the late 1980s a step was taken towards a more comprehensive change in initiative through a programme called Public Service 2000 (PS 2000).

PS 2000 was announced by the then Prime Minister, Brian Mulroney, in the autumn of 1989. A co-ordinating secretariat was set up in the Privy Council Office, Canada's equivalent of the Cabinet Office in other countries. Ten task forces of top Government officials (Deputy Ministers) were established to look at various aspects of human resource management, such as staff relations, training, classification and the like, at other aspects of administration, such as common services, and at the broad issue of service to the public. By the fall of the next year, the task forces had reported and from their work, an overall policy document was assembled as a Government White Paper.

The themes of PS 2000 are ones which have become familiar in many other jurisdictions: the need to diminish red tape, to delegate more and empower staff, to manage people better, to enhance the quality of service to citizens, to consult more effectively, to improve accountability for results, to encourage more innovation and risk-taking. Over the next three years implementation took place at three levels. First, certain amendments to the legislation governing the public service with a view to simplifying the personnel management system and providing more flexibility in financial management. Second, new co-ordinating committees and structures were set up at the level of central agencies to encourage the dissemination of the ideas associated with PS 2000 while at the same time, efforts were made to increase delegation of authority to line departments and to simplify reporting relationships. Finally, within individual line departments, a wide variety of implementation initiatives were set in motion some of which were quite far-reaching in their scope and others which were more superficial.

There are many opinions about both the scope and the degree of this enterprise. Some observers saw it as a broad-ranging attempt to effect a fundamental change in the culture of the Public Service. The White Paper published in 1990 as the Government's statement of policy for reform characterised it as a major change in management which would leave Canada equipped to protect the interests of the country in an increasingly competitive international environment.

Other observers, however, perhaps focusing more upon how the programme took effect rather than its ambitions, saw PS 2000 as an initiative intended primarily to

improve the internal "plumbing" of the Public Service, which only gradually found a more outward focus in the theme of improving service to the public, for which there was little real political support and for which there was a lack of coherent follow-through at a system-wide level.

The Auditor General's Assessment

An assessment of PS 2000, undertaken by the Auditor General (AG) in his 1993 Annual Report, noted that considerable progress had been made in some areas but advanced several important criticisms, as follows:

- mixed messages and lack of clarity of purpose from the outset;
- poor management of communications and of expectation; and
- insufficient and unreliable commitment from the political level of Government and to some extent from the top levels of the bureaucracy too.

Comparing Canada's experience with that of other jurisdictions, the AG offered these comments. First, "to be successful, public service reform initiatives need to be integrated with the governments broader policy and budgetary agenda". Second, "*a more strategic approach to public management and public sector reform is needed*" [author's italics]. The AG noted that one of the important lessons which the Australian Government learned from its reform experience was the danger of underestimating the disruptive effect of change. He stressed the need for conscious strategies to assist people and agencies to put change into effect if reform is to succeed.

The report went on to emphasise the importance of ensuring that a guiding vision be developed which would indicate what is affordable (a financial framework of some kind) and "what role the public service is to play in the years ahead". This vision should also "provide the basis for developing management principles, organisational arrangements and administrative systems". The AG underlined the need to keep public servants abreast of the purposes of the directions of reform. He also noted the importance of accountability and raised the possibility of clearer performance "contracts" between the heads of Government departments and agencies and their ministers.²

The criticism in the AG's report raised the following issues: just where is reform "at" in Canada, five years after PS 2000; should there be a "more strategic approach" to reform; and if so what form should it assume?

PS 2000 in international perspective

Government reform is a term with many definitions. In some contexts it refers to a fundamental process of transformation with very broad national policy goals. In Malaysia, for example, "Vision 2020" is a country-wide initiative with a 30-year

time horizon led directly out of the Prime Minister's Office and that of the Malaysian equivalent of Canada's Clerk of the Privy Council. Its goal is nothing less than major advances in economic development, industrialisation and international competitiveness for the country based on a very close-working partnership between the Government and the private sector. The approach is disciplined, top-down, and multi-faceted; it pervades almost every aspect of Government policy and operations.

Another example of transformation on this scale is presented by New Zealand which, faced with the threat of foreclosure on its international financial obligations, instituted dramatic changes to Government policy and operations. This involved, inter alia, very substantial cuts to Government spending, elimination of many subsidies and other forms of financial assistance to individuals and corporations and a major reorganisation of the Public Service. Traditional departments were replaced with "executive agencies", headed not by permanent civil servants but by individuals hired by the Government through contracts intended to specify results to be achieved.

At the opposite end of the spectrum, there is a country such as the Philippines where some efforts have been made to mount a general reform strategy, but where, on the whole, "reform" has been restricted to selected improvements in personnel management. In still other countries, reform has been administrative in character, addressing questions such as decentralisation, deregulation and de-bureaucratisation, training or advances in the use of information technology.

Mostly, the Canadian PS 2000 initiative focused on administrative concerns; it stayed clear of the kinds of policy questions which were in play in countries like Malaysia or New Zealand. Although there was much good work at the front end of PS 2000 and tangible results were achieved in many areas, as the Auditor General indicated, it suffered in implementation. Although it was said to involve "ten per cent legislative change, 20 per cent change in central systems and processes and 70 per cent attitudinal change" at the system-wide level there was never a coherent strategy for the implementation for attitudinal or institutional change, the area which is generally recognised as the most difficult and challenging aspect of institutional renewal.

Indeed, somewhat predictably, the Government did best what it is best at: it got a White Paper published and new legislation passed. It did less well at what it is reputed to be less adept at: implementing cultural and operational changes. To some degree, PS 2000 may be said to have been victim of the very problem which it was expected to correct: Government's overly strong tendency to focus inward and upward on policy matters, to the detriment of improvements to service on the "front-line" where most citizens experience their interaction with the bureaucracy. The lack of commitment to long-term implementation found its most visible expression in the Government's decision (against the advice of those directly

involved) to empty the PS 2000 Secretariat of resources and transfer the shell organisation to the Canadian Centre for Management Development. Whether by accident or by intention, this sent a signal to the Public Service that the programme no longer enjoyed the patronage which it had previously from the nerve centre of the Government.

PS 2000 ran into several contextual difficulties during its first three years of operation: notably a Public Service wage freeze followed by a strike, and a political crisis (the "Al Mashat affair") which raised serious concerns about the principle of ministerial responsibility. It was widely perceived that Government actions in these contexts were not consistent with the declared values of reform; thus, although the principles of PS 2000 were generally viewed as laudable and important, the programme itself gradually became the object of cynicism in many quarters in the Public Service.

Implementation was further impeded by the resignation in 1993 of Prime Minister Mulroney. While Mr Mulroney had never been perceived as having much interest in the Programme, he had been persuaded to endorse it, and the appointment of a new Prime Minister, Kim Campbell, raised questions about the future. Soon after assuming office, Ms Campbell instituted a major reorganisation of the Public Service which was widely perceived to have been carried out in a way that was not consistent with many of the PS 2000 principles. Four months later, in October 1993, Ms Campbell's Government was defeated and a new Liberal Government under Jean Chrétien assumed office.

Reform under a Liberal Government

The Liberal Government's election platform contained a commitment to change which found expression in the party's "Red Book", *Creating Opportunity*. Though the election of the Liberals was generally seen as ushering in a more benign relationship between the political and administrative levels of Government, the Red Book did not accord much space to comment on the kinds of issues which are often associated with government reform (e.g. service quality questions, wider adoption of information technology, discouragement of public monopolies, encouragement of innovation, good human resource management, red tape reduction, use of executive agencies, privatisation, and regulatory reform).

The "Red Book" was mainly concerned with the Liberals' intentions with respect to policy change in a number of fields: foreign policy and defence, social policy, health, job creation, etc. Since the election, the Government has launched reviews in most of these fields and the results of their reviews have yet to be revealed. These reviews may have major consequences for the size of the Federal Public Service and its relations with other levels of Government.

The Liberals also accorded one of their new ministers, the Honourable Marcel Massé, special responsibility for "Public Service Reform". Since the election, Mr Massé has given several speeches in which he has endorsed the principals of PS 2000 and spoken of the need for government renewal on a much broader plane; rethinking the role of government in society, major expenditure reductions, new relationships with the provinces, and better service quality. In the 1994 Budget, the Minister was accorded responsibility for carrying out a review of all federal programmes with a view to eliminating waste, and ensuring that resources are allocated to the highest priority needs.

How the policy reviews and the kinds of ideas which have been advanced in Mr Massé's speech will play out over the next few years is very difficult to anticipate.

Summary and conclusions

In summary, the situation in Canada as of mid-1994 is as follows:

- The priority to be ascribed to the principles of PS 2000 has been reaffirmed.
- There are commendable activities going on in many departments in the Government (in areas such as delegation, training, new types of organisation, etc.) which are consistent with the principles of PS 2000, but there is no guiding framework of government-endorsed objectives for this activity of the kind recommended by the Auditor General.
- There are a number of major policy initiatives now being pursued by the Liberal Government which may have significant consequences for the Public Service, but these do not appear to be closely linked.
- The co-ordinating role which the Privy Council Office used to play has, for the time being declined; it is not clear whether this role will be renewed or permitted to fall into disuse.

Overall, the experience of PS 2000 and its aftermath help to illustrate that at some juncture, reform has to pass from being an administrative to a political and policy priority if it is to succeed at big things. In the early days of PS 2000, there was talk about the need to make Canada and its Public Service ready for the global competition of the 1990's and beyond, but as the programme advanced, this theme of competitive readiness became less audible. For PS 2000 to have succeeded on a wider plane than it did, it would have required a more coherently articulated set of goals at a policy level, a stronger political mandate and a more cogently developed strategy for implementation than it was able to secure.

Canada's experience over the last five years also illustrates the difficulty in maintaining an effective and coherent approach to renewal if the initiative does not enjoy strong leadership at the political level, dedicated support within the bureaucracy, and a consistent set of ideas which provide the dynamic to maintain direction through adversity. It also provides yet another example of how administrative reform is, in itself, lacking in political appeal.

It reminds us of the desirability of linking such reform activity to wider public policy purposes of the kind that will interest politicians and the public. This is facilitated to the degree that the Government in power has, itself, a coherent and consistent strategy if this is not the case, the centrifugal forces in a Cabinet system of Government are likely to lead to a splintering of reform into a number of disconnected initiatives. It seems likely that this will lead to a consequent loss of impact over the longer term.

Thus, as of mid-1994, the Canadian Government is at a kind of crossroads to respond to the forces for change pressing upon it. One option would be to find a way to "rekindle" or rebuild the kind of integrated approach to reform which PS 2000 tried to set in motion, learning from the lessons of experience and avoiding some of the difficulties which PS 2000 encountered. The alternative would appear to be to let the process of change evolve as it will with little guidance from the centre. The present Government has been in office for less than a year and it remains to be seen which road it will choose to follow.

Notes

1. Kennedy, *op. cit.*, Harper-Collins, (London, 1993), pp. 344-347.
2. In this connection he alluded to the possible advantages to be derived from new structural models along the lines of the UK or New Zealand approaches where there were efforts to separate policy-making and operational or service delivery functions. (By and large, PS 2000 did not address the possibility of new structural options of this kind).

Human resource management: challenges and opportunities (Mauritius)

Edited extracts from a presentation by the Honourable Ashok Jugnauth, Minister of Civil Service Affairs and Employment, Mauritius

Introduction

The socio-political and economic framework within which governments and organisations operate are liable to rapid and far-reaching changes. With the liberalisation of economic systems, the globalisation of markets, the gradual removal of trade barriers and the on-going revolution in the field of communications and information technology, all countries, particularly those with an export-led economy like Mauritius, must face the challenges which the new international economic order poses. In the face of the on-going ruthless competition, there is a race, to produce more with less, to achieve higher productivity and, in this context, the human resources variable has taken an unprecedented dimension.

The profile of the human resources has, over the years, undergone some significant changes as well. With better education and easy access to information, people's expectations have gone up. Moreover, in many countries the workforce is ageing and the number of women seeking productive employment is fast increasing. All these factors and the growing recognition that man is at the centre of all development, have led to a drastic rethink of human resource management (HRM).

Human resources and the development process

As new management techniques and new technologies are accessible to nearly all nations or individual organisations, what makes the difference between success and failure is the quality of the human capital. Higher productivity, better quality goods and services and greater customer satisfaction are all heavily dependent on people. In his book "Human Resources as the Wealth of Nations", Frederick Harbison has aptly summed up the crucial role of human resources in the development process of a nation as follows:

"Human resources – not capital nor income. nor material resources – constitute the ultimate basis for wealth of nations. Capital and natural resources are passive factors of production: human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organisation and carry forward national development. Clearly, a country which is unable to develop the skills and knowledge of its people and to utilise them effectively in the national economy will be unable to develop anything else".

Capital expenditure and acquisition of advanced technology, although important elements, may not on their own bring increases in productivity. Ross Perot once said "Brains and wit will beat capital spending ten times out of ten". Factors like work attitudes, skills upgrading, labour-management co-operation, positive management practices and efficient use of manpower contribute as much as 60 to 70 per cent of productivity increases. Productivity can best be achieved by and through people. We must always remember that our people are our greatest asset.

Consequently, the formulation and implementation of an effective HRM system assumes critical importance. There is a need to constantly improve the way we develop and manage this essential resource for greater efficiency and effectiveness. Human resource management must, through positive policies and practices, in such areas as training and development and performance, reward and quality management, and support strategic objectives to achieve desired results. The focus of HRM is now on:

- facilitating and managing the change process;
- creating the right environment for greater involvement and commitment of employees;
- introducing a work culture which emphasises participation, empowerment and flexibility; and
- initiating and managing quality and productivity improvement programmes.

Development is essentially man-made. To survive in this world of intense competition, we must ensure the availability of the right people with the right skills and a mindset for doing things right. A judicious and rational human resource allocation is consequently called for. Human resources must be channelled towards the productive sectors of the economy and a symbiosis between the public and private sectors is essential. In Mauritius, the element of mistrust which, in the past, characterised relations between these two sectors has given way to genuine co-operation and understanding. There is now greater mobility of staff and interaction between these two sectors. Although the private sector is the motive force behind economic development, its success depends on the enabling environment which the public sector creates. The public sector acts as both catalyst and facilitator for economic growth and development.

Human resource management in the public sector

Constraints

The challenges of HRM in the public sector differ from country to country depending on the political and economic philosophies, the level of education and health facilities available, the structure of the population and the adaptability of the workforce. Although HRM is high on the reform agenda of governments, there is a limit to what can be achieved given the specificity of the public service. Public sector organisations, especially those based on the Westminster model, are, by the very nature of their structure, subject to certain constraints, institutional and political, which often hinder the effective management of people. Essential HRM functions, such as recruitment, promotion, discipline and pay determination are constitutionally vested in independent institutions (e.g. service commissions or pay research organisations) and are consequently outside the remit of human resource managers. The political system, the sheer size of the public sector and the staff mobility within, are further constraints to effective human resource management.

Since the government operates with public funds, its actions are exposed to public scrutiny. Notions like uniformity of treatment, accountability, transparency and public interest inhibit to some extent individual initiatives in the field of human resource management. Managers are often subject to conflicting signals from various sources, e.g. the government, the legislature, interest groups, municipal councils, etc., and this inevitably curtails their freedom of action and creativity.

A well-informed and professional approach is therefore required to minimise the effects of these constraints since we have a duty to enhance HRM in the public sector. Failure to do so will be tantamount to braking the development process itself.

Reform measures

In Mauritius, after sensitising the Public Service on its crucial role in the economy, we have taken a series of measures to usher in a new management culture based on commitment to excellence. Positive changes both at institutional levels and in the attitudes of public officers can already be noticed. A process of management reform and renewal, with HRM as one of its main components, is well under way. Our multi-pronged reform programme includes:

- professionalisation of the HRM function and capacity-building at senior and middle-management level;
- improvement of the work environment;
- introduction of a performance management system; and
- promotion of staff welfare.

There is strong commitment to the provision of training facilities, both locally and overseas, to enable public sector employees to develop their knowledge, skills and aptitudes. Funds are put at the disposal of every organisation to cater for the training needs of its employees and to create opportunities for their self-development. Besides training programmes run by our local institutions, seminars and workshops are frequently organised with the contribution of leading consultants from abroad. To develop further our local training capacity, we are launching next year the Mauritius Institute of Public Administration and Management (MIPAM) which will concentrate on supervisory and management training. We expect MIPAM to add a new dimension to our training and development efforts in the public sector.

In the interest of efficiency, the structure and operations of ministries/departments and parastatal organisations are also being reviewed. As a result, some organisations are closing down, others are being converted into state-owned companies and selected activities are being contracted out to the private sector. We are also streamlining cumbersome work methods and practices, bureaucratic processes and procedures. The work environment is being improved with the provision of better accommodation, modern office equipment and better communications facilities. A programme for the computerisation of the Public Service is underway. We are hoping that these measures, along with the introduction of a new performance-management system based on employee participation, customer-oriented quality service and a new performance appraisal system, will lead to higher efficiency and productivity.

Finally, we have realised, rather belatedly I must confess, that effective HRM is intrinsically linked with the welfare of employees. The Government has set up a Public Officers' Welfare Council (POWC) to operate welfare schemes for the benefit of public officers and their families. This year, for the first time, the budgetary allocation of every Ministry/Department includes provision for staff welfare. As a consequence, organised facilities are being offered to public sector employees to participate in sports, recreational, cultural and social activities. We expect such activities to develop latent talents, promote healthy lifestyles, reduce stress and generate greater productivity. The POWC is also committed to the creation of an "esprit de corps" in the Service.

The enhancement of HRM functions generally, and in particular the raising of the involvement and commitment of top management, remain the real challenge for us. Given the resistance to change characteristic of all bureaucracies, the inherent reluctance to adopt and adapt to new technologies and the conservatism of the trade unions, the task of reforming the public sector will, no doubt, be an uphill one.

Responsibility for initiating and implementing reforms rests mainly with top officials. There is need, however, for Ministers who have, inter-alia, to co-ordinate the activities of the Government, to give their support to the reform measures. Strong political will and commitment, which fortunately we have in Mauritius, is consequently also required for the successful implementation of any reform programme in the public sector.

Major issues

Race and gender

It is the legitimate expectation of people all over the world to be treated fairly and equitably irrespective of their origins, sex, colour or religion. With the on-going struggle for the protection of human rights, for equal opportunities and even for positive discrimination in favour of historically underprivileged groups in society, governments are paying keener attention to issues of race (or ethnicity) and gender. HRM, whether at macro- or micro-level, has to grapple with such issues, particularly in developing countries like Mauritius where the population is multi-ethnic and pluri-cultural and where ancestral values are strong.

In Mauritius, fundamental rights and freedoms are protected under the Constitution. Discrimination on grounds of race, sex, political opinion or religion is prohibited. Every citizen is equal before the law. The principles of equality of opportunities in education and employment and equal pay for equal work are well entrenched in the society. Traditional or attitudinal barriers whereby women are expected to assume a secondary role are gradually disappearing.

In the public sector, although the Service Commissions have to comply with all legal requirements in the discharge of their functions, discrimination or unfair treatment arising from communal or cultural differences unfortunately exists in reality in the day to day management of human resources. A major challenge of HRM is to ensure that there is no such discrimination and all public officers are given:

- equal opportunity to perform their tasks and to acquire experience;
- equal opportunity for training and development and advancement; and
- equality of treatment in such matters as benefits, transfers, postings, discipline and access to information.

Although women constitute some 52 per cent of the population in Mauritius, they make up only some 35 per cent of the workforce, with the majority of them operating in the manufacturing sector. The increasing role of women in sustaining economic development led to the establishment in 1982 of a Ministry of Women's Rights, Child Development and Family Welfare. Through that Ministry, a number

of measures have been taken to raise the status of women in society and to increase their potential. In view of our full employment situation, it is imperative that we mobilise all capabilities and talents and cater for the various needs, physiological, psychological and social, that may arise through gender difference.

The number of women working in the public sector is relatively small as it is still a man's world. For decades, women have occupied junior- and middle-level positions only. In recent years, they have started to go into areas which previously were the preserves of men, such as the Post Office, the Special Mobile Force and the Printing Department. Many more women are now joining professions like medicine, law, accountancy etc. Generally speaking however, the progression of women towards top positions is still slow, presumably because of constraints imposed by their multiple roles.

The role of the HR manager is also to correct gender imbalances both quantitatively and qualitatively and to provide the right environment to allow women to perform their work in dignity and self-respect. Communalism, nepotism and harassment of various kinds should, as far as possible, be eliminated.

A proper handling of these issues is absolutely necessary in view of the delicate fabric of the Mauritian society. The concept of meritocracy is generally accepted, but underpinning it is the need, equally important in our context and no doubt in other plural societies also, to engineer a certain equilibrium amongst the various groups of the society in the interest of peace and harmony.

Corruption

The Mauritian Public Service, like all big organisations, is not exempt from various forms of malpractice. Corruption is one problem which is perceived to have reached considerable disquieting proportions in some areas. It has a negative effect on performance and on the development process generally. To remedy the situation, the following measures have been taken:

- an Ombudsman's Office exists to which members of the public can have recourse for the redress of their grievances;
- an Anti-Corruption Tribunal has been set up recently to deal with cases of fraud and corruption;
- a code of ethics to promote "responsible behaviour" within the Service is under preparation; and
- a Public Complaints Bureau will be set up to examine complaints from members of the public.

We are also tightening the system of internal control to reduce the opportunities for corruption. To make corruption less attractive, public officers are being better remunerated and efforts are being undertaken to instil in them a sense of disinterested service. We hope to make corruption a "high risk, low-reward" activity as in Singapore.

The challenge of HRM, therefore, is to educate public officers so that they do not use their public office for personal or private gains.

Conclusion

Strategies and policies regarding human resource management must take into consideration the socio-economic changes taking place in the world. Useful lessons may be drawn from the experience of others – their successes as well as their failures.

If we wish to survive and progress, we must take a fresh look at our organisational structures, work methods and practices to ensure that they are easily adaptable, flexible and geared to make the most of the opportunities that change brings in its wake. We must also take advantage of new technologies to create, notwithstanding constraints, the requisite environment for greater efficiency and effectiveness. But most important, we must invest in and develop the centrepiece of all this edifice – our human capital. Our success or failure will depend on the quality of our human resources and this quality can only be achieved and sustained through judicious recruitment and continuous training and empowerment. HRM has indeed become an integral part of the overall strategy of any organisation, be it public or private.

Human resource management: challenges and opportunities (Zimbabwe)

**Edited extracts from a presentation by Dr Mario Marioyawanda Nzuwah,
Chairman, Public Service Commission, Zimbabwe**

Zimbabwe is a developing nation, part of the so-called Third World, with goals, aspirations and ambitions of by-passing the Second World, if one exists, to join the First World – the developed nations, in the shortest time possible. Although it is endowed with a reasonable material and human resource base, it has constraints in developing a sustainable capital base.

As a nation, its most important asset, however, is its human resources. It is, therefore, the capacity and ability to mobilise and develop this most important asset in order to exploit its vast natural resources that is the key to jumping from the Third World to the First World.

A free Zimbabwe was born on 18 April 1980 out of a protracted and violent struggle for freedom and democracy lasting over two decades. It was the ability of the Zimbabwe African nationalist leadership to mobilise, train and manage the men, women and children in the rural and urban areas that was the key to the success of the liberation struggle. Thousands lost their lives, were wounded or maimed. To date, we do not know how many. Notwithstanding the superiority of the colonial regime's military machinery and technology, through the sheer ability to mobilise and effectively utilise the vast human resources – a free nation was born.

The black majority Government of Zimbabwe inherited a Civil Service dominated by whites who were hostile to political power being taken over by blacks. The Public Service had been designed to serve the privileged in the urban, industrial and white commercial farming community and had neither the capacity nor interest in spearheading development or providing basic infrastructure to over 85 per cent of the population residing in rural/communal areas. A small but predominantly white private sector community had neither the capacity nor interest to invest or expand services in communal areas.

It was therefore incumbent upon the black majority Government to correct and redress these imbalances. The policy of the ZANU (PF) Government was to bring about economic and social justice. Therefore, the public services had to reflect a national character in both its composition, development policies and programmes. Government became a developer of infrastructure and provider of services in the rural and urban communities as the private sector was neither capable nor willing to take the initiative.

This thrust of Government into infrastructural development activities vastly expanded public services and administration. At the same time, those white civil servants who found it repugnant to work under a black government or as some of them called it – a terrorist government – resigned from the service.

The prediction that many experienced white civil servants would leave the service rather than serve under a black Government especially "an ex-terrorist and a socialist one", for that matter, was largely confirmed as thousands of whites resigned to join the private sector or leave the country altogether. Indeed, in February 1980, just before independence, there were 10,570 established officers in the Public Service. Of these, 7,202 were white and only 3,368 were non-white. By July 1981, barely 15 months after independence, 1,995 white civil servants had left, leaving 5,207.

The major characteristics of the pre-independence Public Service were that :

- It was composed predominantly of white civil servants. The few blacks to be found in the Public Service were, for the most part, those carrying out such menial tasks as cleaning government buildings, messenger work, minor clerical tasks i.e. generally the unskilled tasks.
- It was designed to service white settlers' social, economic and political interests, locally referred to as "white privileges".
- The Public Service machinery's primary objective was to regulate and control the lives of the black majority i.e. maintain law and order.

The combined effect of these factors overstretched the capabilities of the post-independence Public Service and its management. Strong central control of both economic planning and public expenditure became inevitable and to a degree, necessary. Today, however, it undermines rather than raises standards of performance.

To rectify this situation, the Government issued a Presidential directive in May 1980. The Directive provided the following directions of policy to the Public Service Commission:

- The major tasks of the Government in resettlement, education, reconstruction and development will make demands on the Public Service. It will be necessary to expand the service to discharge this growing range of tasks, and the African people of Zimbabwe must be afforded increasing opportunities of playing their full part in these developments.

- At present, the great majority of senior posts in the Public Service are filled by white officers. The Government continues to need the services of these officers to ensure a high standard of efficiency in carrying out these new and expanding programmes. The Government wants to assure all white officers that it will continue to protect their terms of service and support the Public Service Commission in its statutory duties, that it will maintain the integrity of the service, and that it is confident that the impending expansion of the Service will offer them continuing prospects of satisfying careers.
- To achieve full African involvement in these developments by orderly steps, the following general direction of policy is given to the Public Service Commission under section 75 (2) of the Constitution of Zimbabwe:

"to recruit staff to all grades of the Public Service in such a manner as will bring about the balanced representation of the various elements which make up the population of Zimbabwe".

Whereas at independence there were no black Permanent Secretaries, after four successive years of the implementation of the President's directive, the Public Service had been transformed and Africans now dominate every category of the service including professional, technical and senior administrative fields. Table 1 shows the results :

Table 1: Numbers of whites and Africans by category of service

Category of service	Whites		Africans	
	1981	1984	1981	1984
Permanent Secretaries	17	4	13	24
Senior management*	143	60	129	109
Professional (established officers)	792	409	116	1,057
Technical	714	181	371	1,181
Established Officers	7,202	3,047	3,368	28,142

* Under-Secretaries and above

Women also made gains as a result of the President's directive. For example, in 1980, 3,242 or 30.67 per cent of the total 10,570 established officers were women. By 1984, out of a total of 25,861 established officers, 11,312 or 43.7 per cent were women. Their representation at the levels of assistant secretary and above had also increased from less than 1 per cent in 1980 to 9 per cent in 1984.

Women representation at senior management level in Government was still not satisfactory. In 1990, the Public Service Commission set a target of 30 per cent female representation at all levels. By May 1993, the results remained disappointing.

These achievements had been made without displacing serving white civil servants, except a very few who had difficulty coping with the new order.

What was achieved through the President's directive was commendable. Four years after Independence, the Zimbabwe Government had recruited or retrained 21,000 black established officers who had three years or more of Government experience. They dominated every category of the Service.

As at August 1994, all 20 Government ministries are headed by black Zimbabweans, with high academic qualifications and with over 12 years management experience in Government. Of the approximately 200 deputy heads of ministries, only 17 managers are of European or Asiatic origins. This excludes professional and technical fields.

The Civil Service Reform, 1990-1995

The need to develop the historically deprived rural areas and to expand the economy so that the majority of Zimbabweans are active participants in the economy has necessitated the growth in the size of the Civil Service from about 10,570 in 1980 to some 176,000 by 1991.

The Civil Service had changed from a regulatory administrative army of pre-independence to a development administration machine. Between 1980 and 1991, using the direct labour force of civil servants, a vast network of roads and bridges, schools, clinics and hospitals, primary water supplies and sanitation facilities, electricity and telecommunication services, industrial and commercial growth nodes, have been and continue to be built in rural/communal areas where some 75 per cent of the 10 million population resides.

The results of this rural development thrust are apparent in that at least 65 per cent of staple food in Zimbabwe is now produced by the peasant farmers and the majority of the population has access to social services within easy reach.

Investment and development of the industrial sector has however lagged behind. The growing unemployment in urban areas and the consequential social problems have necessitated a review of development policies by Government. The objective is to accelerate industrial development by attracting investment, both domestic and

external, increasing the productive capacity of the country, increasing exports, thus reducing unemployment.

Accordingly, in 1990 Zimbabwe embarked on an Economic Structural Adjustment Programme to transform the hitherto managed economy to a market economy. The Economic Structural Adjustment Programme has necessitated the implementation of a Civil Service Reform Programme whose main objective is to transform the Civil Service from a development administration-oriented machine to a facilitator of a market economy and a promoter of individual initiatives.

In order to ensure the success of the Economic Reform Programme, it is considered necessary to divest current Government activities, particularly those of a commercial nature. It is also necessary to review present Government structures so that they are responsive to the new market-oriented economy. This will result in the downsizing of the Civil Service and the commercialisation or privatisation of some of the functions performed by civil servants.

The reform is also aimed at the creation of target or mission-oriented culture within the Civil Service and the introduction of performance management. The objective is to improve the efficiency and effectiveness of the public services. Zimbabwe is also implementing the civil service reforms adopted by the Commonwealth Heads of Government.

Conclusion

Zimbabwe is proud of its achievements during the past years of independence. Now it is faced with a daunting task of introducing and managing the market-oriented economy. This requires an active business-oriented civil service capable of quick response to the requirements of individuals and the business community. While Government is deregulating the economy, it is equally important to deregulate the minds and attitudes of the civil servants.

Human resource management: challenges and opportunities (Australia)

**Edited extracts from a presentation by Mr Denis Ives, Public Service
Commissioner, Australia**

This paper focuses substantially on Australian practice in human resource management but seeks to identify basic approaches and concepts which may be of use to other countries, as part of the search for best practice.

In the past decade the Australian Public Service has experienced major reforms which have had a significant impact on the work of public servants. The demands placed on public servants are now greater than ever before, standards expected are higher and roles more complex. There is a focus on management and professionalism in place of administration and bureaucracy.

In addition there are now more sophisticated expectations in the Australian community about the ongoing nature and purpose of public sector activities at the Commonwealth level. These expectations assume that:

- All Australians will have equal access to the services of the Commonwealth*, and will receive the same high standard of treatment.
- The Australian Public Service will provide a uniform and high standard of efficiency and effectiveness right across Australia in the delivery of its services.
- The Australian Public Service will reflect the broad values of the Australian community; in particular, it will provide a model of effectiveness and equality in the management of its staff and it will focus strongly on achieving results.

These expectations, added to the reforms of the past decade, bring complexity to the nature of work and management pressures in the Australian Public Service.

The reforms have gone to the very heart of what is the role of the Public Service and have raised many questions, including questions about the nature of government, the scope of its functions, the way in which these functions are best performed and means of paying for them.

* Editor's note: "Commonwealth" in Australian terms refers to the federation of states in the country.

Central to these reforms have been concepts of efficiency, effectiveness, devolution and accountability leading to a new focus on results and on improvement in the quality of services to the public.

Management reforms

It has been recognised in Australia that public sector management is an important, indeed critical, issue and that national objectives will not be achieved without a substantial upgrading of public sector management skills and performance. In this context, the key objectives of the Management Reform agenda pursued have been to develop a Public Service that:

- is more responsive and accountable to Ministers and Parliament;
- is more efficient, effective and equitable, with more rational means for the distribution of resources to priorities and giving managers greater flexibility in managing those resources; and
- has more streamlined, flexible staffing policies which allow managers to recruit the best staff possible and achieve quality outcomes.

Major elements of the reform framework have included:

- restructuring of departments and agencies into fewer larger portfolios;
- major reforms in budgetary processes, including ongoing forward estimates;
- a Financial Management Improvement Programme;
- various commercial reforms and corporatisation of major activities;
- the devolution of decision-making from central agencies to line departments; and from central corporate services areas to line managers – that is bringing them closer to those immediately responsible for the delivery of services;
- reform of classification structures and working arrangements;
- more streamlined and flexible staffing policies, including a range of personnel management reforms based on devolution of responsibilities; and

- an increased focus on performance and accountability of individual managers.

Initial reforms focused on structural, financial and industrial matters but increasingly a more integrated approach is being adopted, which recognises that added to these must be other essential elements – culture and people management practices.

The focus in the Australian Public Service is now turning to the challenges and opportunities offered by human resource management in maintaining the momentum of the Government's reform agenda. There is a growing appreciation that an essential priority of contemporary public sector management is people management.

It is being recognised that the achievement of corporate or programme goals relies not only on strategic management and improved financial management but also on clear human resource management strategies. These include establishing a culture accepting of new directions, such as better teamwork, as well as allowing for individual creativity and contribution, rewarding high performance and managing poor performance, ensuring there is good communication within the organisation as well as with clients, and appropriate training and development.

While the pace and extent of change is increasing, the issue for a career service is to shift from a service based on ongoing structural certainties to one based on an agreed culture and ongoing values and principles. This requires a more strategic approach to human resource management based on clarity of objectives and values. I am sure this will hold true in other public services generally.

An evaluation of management reform

In the Australian Public Service, current strategic directions in people management reflect the findings of a major evaluation of a decade of management reform in the Public Service undertaken on behalf of the Management Advisory Board (MAB).¹ The evaluation report *The Public Service Reformed* reached a number of broad conclusions about the progress made in implementing management reforms in the last decade. It found:

"that the reform programme has been well directed and accepted to the point where financial, human resource and industrial relations frameworks operating in the Service can reasonably be said to approach best international practice, and in some cases to be ahead of best practice. There is however an urgent need to press home changes and to embed them more firmly in the working culture of the Public Service."

(Foreword – *Building a Better Public Service*)

The report noted that the major factor in determining how successful an organisation would be in achieving its objective was the contribution made by staff and the biggest gains in productivity, at this stage of the reform process, would be realised through better people management. Put simply, its message is that good public sector management requires good systems, good management and good people.

In launching the report, the Prime Minister noted:

"The performance of our Public Service and its values are basic to our national well-being. The quality of our system of government depends heavily upon the integrity, professionalism and dedication of the Public Service".

Building a better Public Service

The results of the evaluation have been used to develop a report entitled *Building a Better Public Service* which presents a strategic direction for the Public Service for the future. It identifies the continuing challenge to improve performance and captures the nature of further integration of the reforms into the culture of the Public Service through three key elements:

- making performance count;
- improving leadership; and
- promoting a culture of continuous improvement.

While there are many components of management contributing to improved performance – and we cannot afford to neglect any of them – the emphasis in our Service is moving to people management.

According to the Management Advisory Board:

"Since the Public Service is a service industry, its greatest assets will always be the knowledge, skills and capabilities of its people".

and significantly:

"This especially is an area where change cannot be simply mandated and where the attitudes and behaviour of staff and the culture of organisations may have powerful effects".

In setting the direction for the future, the Management Advisory Board contends that:

"The primary means for achieving further improvement will be through developing the main resource of the Service, its people. The strong positive attitudes and commitment which public servants have to building a better Public Service need to be brought more closely to the forefront and used to underpin a real culture of continuous improvement."

A policy-oriented strategic approach to HRM

Having recognised the value of and opportunities presented by good people management the challenge presented is how to fully integrate people management reforms into Public Service culture and how to transmit the messages of the Report to those in the Service.

It is here that the Public Service Commission, as the agency with responsibility for human resource management policies across the Australian Public Service, plays a major role in meeting the challenges presented by the Reform Agenda. It does this by articulating the values and principles of a modern, professional public service through developing policy frameworks for fair and equitable staffing practices, based on merit, and by developing and assisting agencies to implement good practices in people management.

The Public Service Commissions sees good people management as comprised of three ingredients:

- a culture that is supportive of a focus on people and their performance;
- well-integrated people management policies, articulated within a clear framework; and
- good people management skills.

A key issue for the Commission has been how to carry out its role in relation to policy and strategic management in a way which will help achieve the benefits of devolution while avoiding major problems which could arise from fragmentation. A "policy cycle" approach has been adopted.

The Commission's general approach to its policy development role is as follows:

- setting an appropriate framework (in the form of a policy statement, guidelines or broad instructions), usually after consultation;
- communicating and promoting that framework;
- monitoring and obtaining feedback on implementation of the framework;
- identifying and communicating best practice, where this is appropriate and productive;
- undertaking evaluation or promoting evaluation methodologies; and
- revising policy where necessary and recommencing the cycle.

The Commission's focus is on working through people and linking improved performance to a strategic approach to people management. Strategic human resource management is a concept that seeks to integrate human resource values and practices within corporate objectives.

Professionalism and values

In promoting a strategic approach to people management issues the Commission is also focusing more strongly on the place of public service values in establishing our modern ethos and culture.

These values for the Australian Public Service are seen as:

- responsiveness to governments;
- a close focus on results;
- merit as the basis for staffing;
- the highest standards of probity, integrity and conduct;
- a strong commitment to accountability; and
- continuous improvement through teams and individuals.

While *Building a Better Public Service* places emphasis on what might be seen as newer values – the need for responsiveness to Governments, managing for results and improving accountability – this does not represent "any retreat from traditional values. Rather, the new and the old should reinforce each other".

Consistent with this approach, the Public Service Commission has been promoting a concept of the "New Professionalism" as a means of focusing on what it means to be a public servant today, taking into account the rapid process of change, management challenges and traditional public service values.

Put simply, "New Professionalism" is a concept which aims to integrate the best parts of the improved management practices with the best parts of the more traditional Australian Public Service values. It recognises and encompasses new approaches to management culture which contribute to continuous improvement. It recognises the centrality of people management and the importance of valuing people and their potential. It helps create an environment in which that potential can be realised.

It also provides a logical transitional connection between the "old" public service concepts and those that are needed in today's environment and for the future. This transitional concept has been useful in helping public servants feel more comfortable with the nature and process of change.

Building a Better Public Service and the concept of the "New Professionalism" provide a consistent strategic direction and conceptual framework for furthering the Government's reform agenda for the Public Service.

These new approaches recognise that the performance of organisations, of individuals and of teams of individuals are interrelated. They also recognise that the performance of organisations cannot improve without fostering and managing the performance of individuals and teams and drawing the links between their performance and the achievement of organisational goals. This interdependence and interconnection now has to be seen as the key means of embedding recent reforms more deeply in the culture of the Public Service.

In order to assist staff to meet the challenges and take advantage of the opportunities available through good people management, the Public Service Commission has adopted a range of strategies to integrate these values into everyday work.

Among these are a range of guidelines and management frameworks which provide advice and good practice examples and make explicit the uniform and high standards of conduct and behaviour expected of all staff. A challenge for the Commission is how best to provide less formal, more user-friendly guidance on people management issues in an accessible format.

The HRM framework

One such tool is the Commission's *Framework For Human Resource Management in the Australian Public Service*. It has been developed to promote better people management across the Service and is specifically designed to assist individual managers better understand their roles and responsibilities. It provides a consistent, strategic approach to people management identifying six key areas of people management:

- Human Resources Planning;
- Staffing Practices;
- Working Conditions;
- Performance Management;
- Human Resource Development; and
- Staffing Relations.

For the manager, the HRM Framework provides an explanation of how the components of people management fit together in an integrated framework. It also encourages all managers to think more about their roles as effective people managers, by bringing together the current principles, policies and practices in managing people in the Australian Public Service in an integrated form.

In an environment where departments and agencies have greater flexibility and greater responsibilities to manage their resources to meet corporate goals this framework provides a conceptual and communications tool to help managers manage their people more efficiently. It is not directive in character but encourages reference to best practice and bench-marking between agencies.

By setting out human resource management values, policies and best practice in a strategic and integrated fashion, the Framework helps managers improve performance and commitment at all levels, and thus ultimately better serve the Australian community.

Review of legislation

New initiatives along these lines are hard to put in place however if the fundamental personnel legislation applicable to public servants is itself in need of overhaul and modernisation. Older legislation is usually based on more rigid models of bureaucracy and employment conditions, with little scope of flexibility of the kind commonly required in today's world.

This is the situation we face and the Government has recently announced a major review of the Federal Public Service Act. The emphasis in the terms of reference is clearly on seeking a principles driven approach, together with greater flexibility in employment practices. Of course, such an ambitious combination has important implications for, and may involve a redefinition of, the concept of a "career service". The overall aim is to establish a legislative framework which is modern, flexible and maintains the reforms of the last decade, as well as the core values of merit and independence.

Workplace bargaining

Another important current issue of reform is the introduction of workplace or enterprise bargaining. This is one of the new tools or instruments by which change is negotiated and implemented in individual departments and agencies. It is, in Australia, the new cutting edge of labour relations.

Workplace bargaining allows management and unions in individual departments to negotiate variations in remuneration and working conditions, in the interests of boosting productivity, efficiency and flexibility in the organisation concerned.

An integrated public service is maintained by applying any productivity-based pay and improvements in working conditions under agency agreements on top of a continuing common core of standardised pay and other conditions of employment. This approach maintains essential standards of employment conditions while allowing new flexibility in detailed work practices. Productivity pay increases are to be self-funded from savings made.

Workplace bargaining in the Australian Public Service is part of a strategy to further develop a culture that delivers results and supports continuing improvement. It is part of the Government's framework for bringing public administration more in tune with contemporary needs and as such it provides an opportunity for departments and agencies to examine how things are done in terms of structures and people. In itself it represents a substantial move away from centralised industrial relations.

In the speech on "Workplace Bargaining in the Australian Public Service" by Mr S. T. Sedgwick, Secretary of the Department of Finance, to the DIR Conference on 7 July 1993:

"As with most other public sector reforms it provides managers with more flexibility, but in the context of more defined accountability mechanisms and a greater focus on bottom-line outcomes. If workplace bargaining is implemented effectively, it should focus our attention on the fact that the most important resource we have in the public sector is our people. The major way in which we will be able to continuously improve will be by tapping the full potential and creativity of our people. Workplace bargaining is therefore a classic illustration of the convergence of the financial, industrial and people management aspects of the reform agenda".

Workplace bargaining has raised new issues about employment concepts and work practices and the extent of gains in work practices, improved productivity and better service to the public are still to be assessed towards the end of 1994. It is, however, seen as a critical step in making devolution work more effectively.

Mobility, transfers and redeployment

Another HRM practice which is producing good results in Australia is mobility. This refers to the practice of both permitting and encouraging officers to move between departments on promotion or transfer. The career service is seen as being Australian Public Service-wide and not just limited to the department joined at career entry.

Departmental secretaries and their deputies have usually worked in two or more departments during their careers. Senior Executive Service (SES) officers – representing executive management across the Public Service – are generally appointed on the basis of having skills which are transferable across the Service, and this is increasingly happening in practice.

Interestingly, this practice of mobility is spreading through middle management and lower levels. One recent survey noted that agencies are increasingly filling middle-management vacancies by external transfer, i.e. by recruitment of senior officers from outside their own agency by way of transfer at level. To some extent this represents an outcome of demographic factors as officers seek better career paths in the face of growing competition but such movement is encouraged and represents an additional effective means of applying the merit principle to the filling of vacancies. In 1992-93, in a selected survey group, external transfers were used to fill 20 per cent of notified vacancies, and total external filling (including promotions) was over 30 per cent.

This practice is reported here with some emphasis because its extent appears to be unique to Australia and it is believed that it is yielding up substantial gains in terms of versatility, career paths, professionalism and succession planning.

A further new development is a newly-funded programme concerned with redeployment of excess staff across the Australian Public Service. Restructuring of the Australian Public Service has resulted in potentially surplus staff in the range two to three per cent of total employment, with actual redundancies in recent years running at the lower end of the range.

To assist surplus staff find new positions, a Labour Market Adjustment Programme has been established to provide job-bridging, redeployment and counselling services. Such staff are encouraged to seek positions through job applications to other agencies. They are advised on vacancies, job application procedures and in some circumstances they may be eligible for preferential consideration. If a suitable position cannot be found then, after specified time periods, employment termination procedures may be activated. The Programme has had modest success to date and concerns about transferability of skills remain an important issue.

Training and skills development

Demand for higher levels of skill has led to careful consideration being given to the importance of training and development in meeting corporate objectives. The Government's commitment to a programme of reform of vocational training at a national level has provided an opportunity to develop a consistent Service-wide approach to training and development tailored to specifically meet the skills needs

of the Australian Public Service as well as enhancing the career opportunities for the individual.

To this end Competency-Based Training (CBT)² is being developed and introduced in the Australian Public Service as the principal mechanism for achieving these objectives. This approach forms an integral part of human resource management in the Service.

The advantages of this approach to training and development are its focus on the skills and knowledge required in the workplace at the appropriate level and the scope it provides for aligning training and development more closely with corporate goals and the strategic objectives of the Australian Public Service.

Training is also the key element in achieving continuous improvement of performance as it provides public servants with the skills required to carry out their responsibilities and to improve their work performance.

The Australian Public Service, through the work of the Joint Australian Public Service Training Council (JAPSTC), which brings together management, unions and the education sector, has taken a leading role in developing a service-wide approach to training revolving around core competencies which have been identified for the various classifications and levels employed in the Service.

The advantage of the competency approach being pursued comes from the close link to the workplace, the focus on the acquisition of skills required to perform on the job and the capacity to incorporate aspects of the government's reform agenda and thereby to reinforce the policies and values promoted in *Building a Better Public Service*.

As one of the major thrusts in training and development, it is envisaged that those undertaking this form of training will be better prepared to meet the challenges confronting public servants and will be better able to meet their individual responsibilities and corporate objectives.

In the near future, all junior-level entrants to the Australian Public Service will be expected to undertake a formal training programme as part of the entry conditions for the Public Service.

At middle-management levels a variety of training options are available, including access to the Public Sector Management Course. This is a course designed for middle managers, in a co-operative project between Commonwealth and State Governments. It is available on a national basis and more than 1,200 Commonwealth and State officials have already taken up this training.

At the executive management level, the Public Service Commission now provides an integrated suite of higher-level training opportunities for the Senior Executive Service. These are all short-term programmes.

Training and development has become, in today's Public Service, a career-long process and the view is being taken that no public servant can aspire to the highest levels of the Service in the future if he or she does not take up the opportunities which are now being presented for specialised training and development.

The EEO Strategic Plan

Equal Employment Opportunity: A Strategic Plan for the Australian Public Service for the 1990s, released in 1993, provides a framework for further progressing human resource management by addressing equity and merit issues in the Australian Public Service.

It picks up on one of the Government's key management reforms which introduced measures to combat discrimination and to promote equal employment opportunity (EEO) in the Australian Public Service.

A range of policies and measures which benefit designated EEO groups – women, people with disabilities, Aboriginal and Torres Strait Islander people and people of a non-English background – have subsequently been introduced. There is an emphasis on fair and equitable staffing practices which aim to ensure that the skills and talents of all staff are recognised, utilised and their potential is realised.

The Strategic Plan addresses the expectation that the Public Service will reflect the composition and values of the Australian community, and in particular that it will provide a model of effectiveness and equity in the management of its people by integrating EEO principles into people management practices. This concept is sometimes generally referred to now as "mainstreaming" to try to make it clear that EEO is not an afterthought but a central principle.

Equal Employment has come to be seen as an indispensable element in quality management of people in the workplace. It is a major component of the key human resource management principles of merit and equity – as noted in the *Human Resource Management Framework*:

"An objective appreciation of individual worth and talent is central to the effective operation of the merit principle and to the efficient and affective deployment of people in support of corporate planning and agency goals. A uniform commitment of fairness and non-discrimination is central to the maintenance of Service-wide standards of equity, ethical conduct and accountability."

On top of these are challenges of managing an increasingly diverse workforce. The diversity comes not only from the multicultural nature of the Australian workforce but also from new demands by groups like workers with family responsibilities and from changed and flexible work patterns.

Equal Employment has required staffing policies and practices to be examined and changed if there were barriers to equal employment opportunity. More flexible and family-oriented working arrangements have been put in place – in part because of analysis undertaken for EEO purposes. Such policies include parental leave, permanent part-time work, flexi-time, and re-entry measures which have made the working conditions more attractive and enhanced motivation.

In setting this direction, Equal Employment is recognised as an important element contributing to the reshaping of cultural practices in the Service by providing guidance on practices which will enhance work environment and utilise the skills and talents of all workers, leading to greater efficiency, effectiveness and productivity.

This diversity places increased demands on managers to value difference, to recognise and accommodate the needs of individuals and specific groups and to take action to create a productive, safe and harmonious workplace.

Some concluding comments

This paper has tried to set out logically the way in which public sector reforms have been introduced in Australia, focusing on human resource management.

There have certainly been challenges and scope for conflict in pursuing the reform agenda. Change makes many people uncomfortable and apprehension may be accentuated in the Public Service where past principles of bureaucracy (and tenure) have been built on a concept of permanency. Change can appear very daunting – and even unnecessary – to someone brought up on the proposition that employment concepts and work practices are permanently enshrined.

But of course the demand for change in Public Service activities cannot be resisted for long in a modern democracy. The pressures are irresistible. How much better then to recognise the emerging pressures as new opportunities and try to design a modern reform process which is strategic in nature and aims to meet the fundamental objective of better service to the community.

Peter Drucker observed in *Managing in Turbulent Time*:

"A time of turbulence is also one of great opportunity for those who can understand, accept and exploit the new realities. It is above all, a time of opportunity for leadership".

This observation certainly seems to hold true for the challenges and opportunities in human resource management.

Notes

1. The Management Advisory Board (MAB) is charged under the Public Service Act with advising the Commonwealth Government, through the Prime Minister, on significant issues on the management of the Australian Public Service.
2. Competency is defined as the ability to perform activities within an occupation or function to the standard expected in employment. It reflects the relevant combination of skills and knowledge needed to carry out the functions required.

Managing towards equity in staffing policies (Swaziland)

**Edited extracts from a presentation by Ms Adelaide Phindile Mkhonza,
Principal Secretary, Ministry of Commerce and Industry, Swaziland**

Introduction

The theme of this Inaugural Conference could not have been a better choice, for within the last decade tremendous change has taken place in the governance of nations. During this time, we have witnessed drastic movements from authoritarian to democratic governments, for example in Eastern Europe, particularly the former Soviet Union, Namibia, and most recently the Republic of South Africa and Malawi. Some of these changes have not unfortunately brought about enviable freedom, as people turn against each other and as old coalitions drop because of religious affiliations or even racism.

There has also been another shift as more democratic governments came to power and moved from interventionist and centrally-controlled economies to market systems. In Africa, we have not only had our share of democratic elections taking place, but we have seen more and more countries in the continent moving either voluntarily, or without choice through structural adjustment programmes, to jump-start market economies.

We shall, as societies, be going through some form of transformation for some time. Naturally this demands a shift also in the management of public affairs. In some countries, like Australia and New Zealand, the top civil servants are on contracts which are performance-based. This may turn out to be the norm in future as government management becomes more efficiency-oriented.

Lesotho is trying it for some top civil servants who have had to be seconded from the private and parastatal bodies into the Public Service, under the new Government. In some cases, for example in the United Kingdom during the Thatcher premiership, some top civil servants were hand-picked and others moved out sideways, which was a departure from the norm.

One thing is obvious, all modern organisations, government or private, need efficient management by an efficient public service (public meaning both the civil service and parastatal bodies). To be effective, such a need should translate into policies that encourage the best person to be recruited, irrespective of race, physical disabilities, social standing and gender.

Today, Commonwealth countries still mirror the traditional characteristics of the British Government, not only in office organisation, but also in the demeanour of the civil service. Highly ascriptive in nature (based on class and status) and highly

hierarchical, it is an elitist system with recruits (boys) drawn from elitist schools and universities where adolescent socialisation was completed in preparation for managing society. As the British Empire expanded, there were insufficient numbers of recruits within the elite class so the number of working-class candidates increased. On graduation and recruitment, these appointees not only adopted the elite social values but were uncomfortable in exercising authority over the upper-class public and cohorts, thus giving rise to the dubious requirement of long years of experience to be able to deal with people cautiously and tactfully.

Since the Second World War, governments have on the whole employed more women in proportion to men. The disconcerting factor however is that they predominantly occupy lower-level jobs and do not administrate core government business. They become socialised in anticipation for promotion to better and significant decision-making positions, but somehow never get there.

The routes through which people reach managerial positions in government does not assure us that we get conscientious and competent people occupying these posts. Non-merit considerations like personal trust, loyalty and homogeneity of values, greatly influence decisions. It is who you know, not what you know that is the basis for promotion. It is person specific and consequently rules out potentially suitable and qualified candidates, particularly women. Most times, women are considered unreliable candidates as they will get married and move to join their husbands or have children. Both their job and family demand 100 per cent of their time.

As a consequence, most women are relegated to the conventional path of working their way patiently, diligently and effectively, in the hope that they will be "noticed" and "rewarded" for their hard work. The "glass" ceiling is indeed very difficult to break through. Generally, more women are promoted less often than men in their career in the public service, especially if they have young children. Thus, women tend to have jobs rather than careers.¹

When it comes to pay, the view still lingers on that women are the "weaker sex" who should be protected and taken care of. On the other hand, men are still seen as supporting their families and therefore entitled to a "decent" wage. Female workers are viewed as dependants of men who work mainly to earn "pin money" for luxuries for the family that cannot be met from the husband's pay. If a woman is single with no dependants, she is not considered to need much money as her obligations are limited. Moreover, if a woman is single with children, it is assumed that she has alimony to support the children and herself. Consequently, women draw only a proportion of the male salary even if they occupy a similar position elsewhere in the organisation, possess the same education and skills, and had the same experience.

Policies in support of equal opportunities

Economic and social pressures brought reforms to the UK and other members of the Commonwealth. Legislation addressing Civil Rights, Equal Opportunities, Sex Discrimination and Affirmative Action Programmes came on stream to redress inequalities that had reached alarming proportions.

However, in spite of legislation having been put up in the United States 20 years ago as protective measures against inequitable treatment, the workplace, concludes Mary Guy, in 1992, is still marked by vertical sex segregation with women still confined to the lower positions and men dominating the higher paid ones.² Again, this cuts across the national bounds. In the UK, according to Anna Eckersley, 15 years since the promulgation of the Sex Discrimination Act, women were still dismissed from some occupations based on pregnancy, for example.³

Within the Southern Africa region, Zambia had gender equality as a deliberate national policy at independence. As a result, there was a policy to ascertain equality, but the results reflect that there is still discrimination. Four years after independence, Swaziland finally phased out the "five-sixths" rule whereby women were paid five-sixths of the male salary for similar functions.⁴ Other countries in the region also have equality issues embedded in their National Development Plans, but there are not specific policies as to how these should be attained. As a result, there are inequalities in staffing, promotion and remuneration in the public service in some countries. At lower levels, women make more strides than men, but as a result they hit the ceiling much faster and do not progress thereafter at the same rate as the men. This also applies to developed countries.

The former British protectorates of Botswana, Lesotho and Swaziland have interesting characteristics, the most distinctive being migratory labour of young men to the mines in the Republic of South Africa. Consequently, family obligations, including food production and processing, were left in the hands of women. From an early age, more girls went to school, while boys looked after livestock and quickly graduated as young recruits for mine work. As a result, for the newly-independent countries in the late 1960s, more girls graduated from high school and, through government scholarship programmes, from university. Further, women graduates benefited more in postgraduate training through donor policies with quota requirements for women.

To conclude, although legislation where available has been of some help to redress inequalities, it has however on the whole been more words than action. Equal opportunity policies have led to many legal wrangles. Consequently, women feel unprotected by the very laws that were launched to protect them. Where discrimination cases arise, they are too complex to be attempted without costly legal advice. Cases are drawn out requiring more than courage to pursue. The emphasis on equality and its association with the legal process could be a recipe for

confrontation. As a result, women have to be fully aware of the possibilities and the limitations of what it is achievable from equality laws.

The way forward

As mentioned in the Introduction, governments have been undergoing change. This is bound to increase with the successful conclusion of the Uruguay Round. Trade and investment will be liberalised as early as next year, if ratification of the Final Act of the Round is achieved. This will have far-reaching effects on all spheres of life.

The rank and file style of management will give way to the knowledge specialist. The new manager will be responsible for applying knowledge, described as information that is effective in action and result-driven, to life situations. Knowledge will be *the* resource.

In terms of public management, such changes and stress on knowledge is already evident in development policies pursued by the newly-industrialising countries of East Asia. They experimented with development policy and, if things did not work, governments had the courage to change. In India, the Government took advantage of technological developments in telecommunications and drew routine data coding jobs away from the developed countries, and in some cases other developing countries, into India at a fraction of the cost. The Government went further and invested in a teleport to facilitate access by any other firms wishing to take this advantage. Governments, particularly in developing countries, will have to be competitive, based on knowledge possessed rather than by fiscal incentives.

They have to specialise in issues where they have particular economic advantages. They have to be prepared to solicit the best minds to cross-fertilise and develop their own. What is evident also is that public managers will have to make quick decisions on investment processes, otherwise their governments stand to lose. One thing is certain, those countries that invested and continue to invest in technological and scientific education stand to benefit more and to reap the fruits of their investment.

Equal opportunities in a world that is highly computerised and connected via powerful satellites and other modes, have limitations. The educated person is no longer relevant; the knowledge person is. With more and more young skilled and technologically-exposed people coming into the workforce, cultural values will undergo change as more men shift their interest increasingly to their families and more women work for economic reasons. The basic rigid workday is already under pressure as work hours depend on individuals finishing their allocated batch of work earlier in a day so as to have more time for other private pursuits. As more

families afford modern technology like computers, the more they will want to work at home.

There is no doubt that the focus is shifting from groups to individuals and that systems will have to respond to the needs and aspirations of individuals. Differences are welcome because this increases the potential for creative problem-solving within organisations.

Conclusions and recommendations

Survival through excellence is going to be the order of the day. Application of knowledge to work is what will determine progress. Public managers like all other organisational managers will have to use information to focus on outcomes, given their limited financial and knowledge resources. However, they have to entertain uncertainty and be sensitive to situations on hand.

Governments have to review their education and training policies and to empower the workforce with the necessary attributes needed to fully integrate it into the global economy. Investment in science and in the educational system will encourage growth in research and development, which will steer countries of tomorrow forward. The best deals will be struck by nations that have not only the courage to change and innovate, but also that have efficient judicial systems, open investment policies, functional and responsive financial institutions. For such learning to take place, nutrition and health care, though not part of the reflection above, will assume increasing proportions.

References

1. Bullar, Angela M. and Deil S. Wright (1993), "The Glass Ceiling: Circumventing the glass ceiling women in Executive in American State Governments", *Public Administration Review*, 53, 189-202.
2. Guy, Mary E. (1993), "3 steps forward, 2 steps backward: The Status of Women's Integration into Public Management", *Public Administration Review*, 283-294.
3. Eckersley, Anna (1992), *Women in Business Now*. Macmillan Press Ltd.
4. Turner Thomas and Pat O'Connor (1994), "Women in the Zambian Civil Service: A Case of Equal Opportunities?", *Public Administration Review*, 14, 79-92.

Challenges and opportunities for small states (Seychelles)

**Edited extracts from a presentation by the Honourable Simone de Comarmond
Minister of Tourism and Transport, Seychelles**

The characteristics of small island states

It is difficult to come up with one clear-cut definition of a small island state. Small has many dimensions and a country which is small on one criterion is not necessarily small on another. In general, the three main dimensions in assessing a small island state are the size of its population, its geographic area, and the size of its GNP. Although population size, geographic areas and size of GNP vary greatly all small island states have a set of common characteristics and peculiar vulnerabilities. These include:

- a narrow range of resources, which forces small island states to specialise and rely excessively on international trade, thus increasing their vulnerabilities to changes in their export markets;
- openness of their economy, with adverse terms of trade, very often leaves island states with a huge balance-of-payments deficit;
- high population growth and density increase pressure on already limited resources thus leading to overuse and premature depletion of resources;
- isolation and distances result in high transport costs including high transport insurance costs and, transport and communications being lifelines of the small island states, very often these costs have to be borne by them; and
- vulnerability to natural disasters: many small island states suffer from disastrous damage caused by cyclones and hurricanes with entire crops being wiped-out, leading to island states being classified as high risk entities. As a result, insurance and reinsurance is unavailable or only available at a high cost which in turn has adverse effects on investment and production costs.

Expenditure on government administration is disproportionately high in small island states. Certain jobs have to be done whether the country is large or small, namely the operation of ministries, maintenance of the police force and establishment of the legal system.

Most small states because of their size and closeness to each other have developed a sense of belonging, which makes islanders very proud of their natural assets – the

island environment. In small island states, like the Seychelles, most of administrative and survey tasks are more easily achieved than in larger countries. For example, a survey on the state of the health of the population of Seychelles was carried out on a sample of two per cent of the population. This cannot be easily attained in a bigger country.

Most small island countries are fortunately endowed with natural assets that are the bedrock for the development of a rich tourist industry. Seychelles, for example, is endowed with oceans, rich marine resources and beautiful natural beaches, which make the islands an attractive tourist destination.

The tourist industry being the mainstay of the economy has spin-offs for the economic and social life of the country. We have so carefully and successfully managed our environment, that, we can be part of the international effort in preserving the natural heritage. However, there are many challenges and opportunities which are yet to be accomplished in the tourist industry.

The small size of society also has its politico-social benefits. Close interaction between policy-makers and the people leads to a system of direct democracy. Alienation and anonymity of a larger society are virtually unknown to us islanders. Social cohesion is easier to achieve thus avoiding the undesirable phenomena of depersonalised societies, namely crime and anti-social behaviour.

The opportunities for development

The development and economic objectives of the Seychelles are similar to those of larger countries. Policy-makers aspire to a prosperous economy and a harmonious and stable society, expanded access to world trade and financing as well as to improve the standard of living and quality of life of the people and to achieve a more equitable distribution of income. In order to achieve these objectives, the avenues open to Seychelles and other island states are limited.

Seychelles, having a small land area of 455 sq. km., is made up of small islands scattered over a vast area of 1,000,000 sq. km. and has a small population of 70,000 people. The only feasible development strategy lies in the export-oriented service industry of tourism and to some extent in fishing. Tourism is one of the pillars of the economy. The direct contribution of the tourism sector to GNP was 17 per cent in 1992. However, the share of tourism in GNP is much higher if we take into account its multiplier effect generated through its inter-relationship with other sectors. Tourism is the most important single foreign exchange earner in the country accounting for 60 to 70 per cent of total foreign exchange earnings. The health of the economy is linked to a considerable extent to the future of the tourist trade.

Nonetheless, the challenges facing the tourist sector are enormous. The right balance has to be struck between tourism development and the preservation of the environment and cultural heritage. The fragility and interdependence of coastal zones and the unspoilt areas on which tourism depends calls for careful management. The distinctiveness of the islanders "culture" is a special tourist attraction. Unfortunately the tourist trade very often has detrimental effects on the culture, the values, the way of life and the environment. The drug problem is greatly attributable to the tourist industry.

After more than two decades of tourism development, our experience has so far been positive. Tourism, rather than having adversely effected the environment, has served to strengthen our resolution to protect our natural resources. But our determination to increase tourist arrivals and revenue is ever present. Moreover, the fragility of our tourism industry cannot be disregarded. Tourism depends on a number of factors that are beyond the control of Seychelles. For example, the outbreak of the Gulf War was a hard blow to our tourist industry – highlighting again our fragility and vulnerability. Also the global economic recession has seriously affected the tourist industry in terms of tourist arrivals, and revenue earned per tourist night spent has decreased. In 1994, it is expected to decrease by a further 10 per cent.

Developing the human resources

One of the most important resources of an island state is its human resources. The emphasis has rightly been placed by the United Nations Conference on Small Island States:

"Development initiatives in small islands should be seen in relation to the needs of the human beings, their families, their values and their unique social, religious and cultural heritage".

It is very often said that, human resources development and educational needs of a small country are not as challenging as those of a bigger state. But the very smallness and vulnerability of small island states necessitates special attention and their problems are far more complex and severe than bigger countries. Seychelles is faced with the problem of high emigration and brain drain. For example, emigration of five doctors may have catastrophic dimensions in Seychelles; a hospital may have to be closed. However, such an emigration would have no effect whatsoever on a larger country. Skills required in specific areas are lacking and very often we have to resort to the recruitment of foreign consultants, who are expensive and frequently paid from national budgets. They may also lack the cultural understanding or appreciation of the country or may not be familiar with detailed intricacies of small societies and the personalities involved. On the other hand, if we do not have recourse to foreign labour, some work may not be done.

However, human resources development and national education are high priorities for the Government which came up with the National Manpower and Resources Development Plan in 1994.

Very often it is also said that educational planning in small island states is less of a challenge than in large countries. However, the Seychellois experience indicates otherwise. High costs of curriculum development, the critical shortage of qualified teachers, the remoteness and isolation of small communities poses problems that are unique to island states and the management and planning of education is made even more difficult. Fifty per cent of the population is under the age of 20 years making management of education even more difficult.

It would be a serious omission on my part if I didn't say a few words on women in island states. Although the burdens faced by women, in particular, as bread-earners and housewives are the same throughout the world, challenges faced by Seychellois women are far greater. They contribute to a large extent to the family budget. At present, data on women's contribution to the household budget are not available, but I would not be surprised if their contribution exceeded by far the men's share in the family budget. In fact, women in employment in Seychelles account for 48 per cent of the total active working population and in certain sections there is a predominance of women. For example, in the service sector, women in employment account for 47 per cent of the total employment in this sector.

Seychelloise women are also very active entrepreneurs and acute businesswomen. Fifty-eight per cent of total loans are given by the Seychelles Credit Union in 1993 benefited the Seychellois. Similarly, 20 per cent of loans granted by the Development Bank of Seychelles in 1993 went to women entrepreneurs. The total land ownership pattern also indicates that women own 42 per cent of the total number of rural properties. Out of eleven Ministers in the Seychelles Government, three are women.

Although these statistics may comfort many feminists, the problems and challenges faced by the Seychelloise women are many and varied. Divorces are on the rise, with the ensuing social problems and disruption of family life. The number of women-headed households is increasing.

However, our Government is determined to protect the rights of women, children and the family welfare. Payment of alimony is strictly enforced and the social security services provide for single-parent children. The number of single-parent families is increasing.

International competition

The Seychelles, not having paid a leading role in the negotiations of the GATT agreement, is at present assessing the impact of the agreement on the country's economic development. Will the benefits exceed the costs? No doubt benefits will include cheaper imports for an open economy like ours. However, on the other hand, reduction in import tariffs could lead to a significant reduction of Government revenue, and thus adversely affect Government spending on sectors like health and education. The Seychelles is also concerned about infant industries, like the tuna canning factory which is highly dependent on EEC special quotas. Can the Seychelles compete with larger American and Asian producers? All these are challenges facing the country in the near future and need to be addressed.

The challenges for the public service

Since this forum includes senior officials from all parts of the Commonwealth, I would like to say a few words on the crucial role of public administrators of small island states. It may be thought that management of smaller countries poses lesser problems than bigger ones. This may be true in general. Staff and personnel relations may be intimate as "everyone knows everyone else". However, this very intimacy can be a source of problems. Social relationships in small countries are described by sociologists as "multiplex" – meaning every relationship serves many interests. Decisions and choices of individuals are influenced by their relations with other individuals. Thus, it may be difficult to take disciplinary actions against an inefficient employee on the grounds of inefficiency alone because he may be a relative or family friend. Impersonal standards of efficiency, performance and integrity are modified by the many relationships connecting individuals. I would not say the above example is typical of the Seychellois life. But these are realities that have to be faced by more administrators of smaller countries than those of bigger ones.

Another aspect of island life is that people learn to get along and compromise with people for the sake of stability and not to hurt others feelings. This may appear to be a positive attitude, however by constantly adopting this attitude islanders become expert at muting hostility, deferring their views and avoiding disputes even at the expense of administrative efficiency. This is in fact one of the unfortunate realities of small islands.

Moreover, decisions taken by an administrator are known to everyone. The level of transparency is so much so that public administrators very often are hesitant to take decisions that may be viewed to be unpopular. Thus, as can be observed from the above discussion, the task of a public administrator in a small island is far more complex and demanding than that of a bigger country.

Conclusion

Having elaborated on the problems and challenges facing small island economies, I would like to conclude on a note of optimism. With proper (not over centralised) strategic planning, small island states can achieve remarkable rates of growth. In the case of Seychelles, the average growth rate throughout the last decade averaged 10 per cent. This may sound a high level of growth but the processes of planning, decision-making and implementation are easier and results readily evaluated and monitored in small island states than in large countries.

The small island states like other countries require capital inflow, both private and official, and if judicious use is made of aid, it can have very positive impacts on the economy of small island states. For example, in the past, the Seychelles has made excellent use of aid put at its disposal and very often is quoted as a reference point for the efficient utilisation of foreign aid.

Finally, investments in education and health are long-term investments in human capital. A small island state's only resources are very often its human capital. I feel that all efforts should be made by small island states to invest in their human capital and positive dividends will be earned in the future from such investment.

Challenges and opportunities for small states (Singapore)

Edited extracts from a presentation by Mrs Jaya Mohideen, Senior Consultant, Economic Development Board (EDB) Consulting Group, Singapore

During the Cold War, the military capabilities of the superpowers had an overwhelming influence on other countries. In this post Cold War era, whilst there remain militarily powerful countries, they either do not want or are not in a position to exert power militarily over other nations. The emphasis has shifted to smaller nations, particularly those which achieved reasonable political stability and economic success. The Newly Industrialising Economies (NIEs) are in this category. Being smaller and later developers, the learning curve was telescoped into a shorter period. Enriched by experience, they have a role to play by sharing this knowledge with other countries. John Naisbitt in his "Global Paradox" postulates that "the bigger the world economy, the more powerful are its smaller players". Naisbitt states that "Singapore's success says a great deal about how a country with virtually no natural resources can create economic advantages with influence far beyond its region". Singapore's firm belief and practice is that national prosperity can be created and not necessarily be inherited. A country's disadvantages in size and natural resources can drive it to convert factor disadvantages into competitive advantages.

I would like to share with you the experiences of Singapore, a small Commonwealth country, which faced numerous challenges in its 29 years of independence and how it created opportunities to meet these challenges. These experiences are particularly pertinent to small states but there are lessons also for our larger fellow Commonwealth members. I shall speak about how Singapore developed into a model for economic growth, its development goals and strategies, the role of the Government, Singapore's new directions and how we can share our development experience.

Singapore as a model for economic growth

In the early 1960s when Singapore was in the throes of independence, the odds were against its very survival as a nation state and any prospects of economic success. With a land area of 640 sq. kms. and no natural resources, its only natural advantage is its strategic geographical location in the Straits of Malacca straddling a key East-West shipping route. In the early 1960s its population was 1.6 million with unemployment at 14 per cent. Strikes and rampant labour unrest, communal violence, lack of housing, limited educational and health facilities, and the real threat of a Communist take-over prevailed. Singapore faced a bleak future as it lacked capital, infrastructure, technology and capabilities. Its GNP per capita was

US\$435 in 1960. Singapore's economic structure was weak, based mainly on entrepot trade and low-end commercial activities. These were daunting challenges.

Three decades later, in 1993, its GNP had grown from US\$0.7 billion to US\$55.8 billion, GNP per capita from US\$435 to US\$17,133 (up 39 times), total trade increased from US\$2.5 billion to US\$159 billion and unemployment fell from 14 per cent to 2.7 per cent. Overall balance of payments was US\$7.5 billion in 1993 compared to US\$0.05 billion in 1960. Population had less than doubled at 2.8 million (up from 1.6 million in 1960) and the quality and standard of living had made a quantum leap. Over 80 per cent of Singaporeans own their homes accompanied by high standards of health care and educational facilities. Singapore has the world's biggest container port, third largest oil refinery centre and is the leading exporter of disk drives. John Naisbitt describes Singapore as Asia's dream country. He says that "Singapore is the smallest of what are referred to as Asia's four "Little Dragons" – South Korea, Taiwan and Hong Kong are the other three – but in many ways it is the most successful".

How did this phenomenal growth occur despite all odds. In 1965, Singapore was thrust into independence. Its economic policies were then predicated on entrepot trade and in providing for an internal market within Malaysia. Having lost its hinterland, Singapore shifted radically from import substitution to an export-driven labour-intensive industrialisation strategy to solve its problem of high unemployment.

The development model of Singapore and the other highly dynamic economies of Asia has had a significant effect on other developing countries. Many are now more export driven, have encouraged multinational corporation (MNC) investments, and have begun a process of deregulation, liberalisation, reform and privatisation. Singapore has become a catalyst for change in its region as the benefits are visible of its development strategies.

Development goals and strategies

The first development goal adopted in 1965 was to choose the free market economy as the most efficient means to allocate and organise resources.

The second policy goal was to plug Singapore into the global economic system by promoting foreign investment. Since Singapore lacked natural resources, had a tiny domestic market, negligible industrial capital or manufacturing base, the solution was to tap investments from MNCs. These came with a ready package of technology, expertise, access to world markets and created instant jobs. Singapore then had a dire need to create jobs to meet the basic needs of the people and to avert social disorder.

The third goal was to institutionalise a meritocratic system that motivated and rewarded hard work and excellence. Singaporeans had equal opportunity of access to education and jobs. This was related to the fourth goal of a clean environment. High standards of integrity were set in the Public Service and a Corrupt Practices Investigation Bureau was established directly under the Prime Minister's Office. The physical environment was made safe and clean.

In the 1960s, Singapore sought labour-intensive industries as wage costs were low and there was a need to create large-scale employment. Singapore attracted and developed a co-operative, symbiotic and non-antagonistic business relationship with MNCs. Singapore proved that MNCs could be of major benefit to developing countries regardless of size of the host country. To stay competitive, the MNCs transferred relevant product lines and technology to Singapore. Singapore's policy of export-oriented industrialisation ran in tandem with the technological and growth paths of MNCs particularly in electronics and oil/petrochemicals. The Shell Company is a model MNC which grew with Singapore. MNC leaders in specific industries were attracted to Singapore and they brought with them their latest technology and expanding markets. Their competitive edge and urge to excel also honed Singapore's competitiveness. For these MNCs to stay competitive, Singapore had to provide a modern infrastructure with a state of the art communications system, transportation, a highly skilled and professional workforce and a supportive environment. Foreign investors were allowed 100 per cent foreign equity ownership with freedom to repatriate profits. A tripartite co-operative relationship was forged among the Government, employers and labour to foster a congenial environment for business. The tripartite system provided for consensus and not the traditional confrontation between labour and employers. There are now over 3000 MNCs in Singapore with high returns on investments.

After full employment was achieved, the next phase in the 1970s shifted from quantity to quality. Labour-intensive industries now placed a downward pressure on wages. To maintain regular wage increases, skills development was emphasised. The Government spearheaded the establishment of joint industrial training centres with other Governments (France, Germany and Japan) and with large foreign corporations (Philips and Tata). A young workforce was trained in critical skills which consolidated the choice of Singapore as an excellent location for high technology investments. This facilitated the second wave of investments in the electronics industry with their commensurate demand for parts and components. The experience obtained from the first wave of mass manufacturing production to world standards of quality had established the base for this wave of high technology investment. The second wave spawned local supporting industries through backward linkages in supplies of parts and components to MNCs. It also generated a new breed of Singapore entrepreneurs who would be a key factor in the regionalisation thrust of the 1990s.

The third wave of electronics investments in the 1980s was led by computer and computer-peripheral industries which established their manufacturing operations in Singapore. They competed in the high-growth information technology, leading to more intelligent products such as disk drives and computers. Telecommunications leaders, such as Motorola and AT & T, drew from Singapore's technological base in the electronics industry to develop and manufacture advanced telecommunications equipment. The electronics industry has been transformed into one that is capital-intensive and highly skilled. With each wave, fundamentals were improved to meet the challenges which led to new opportunities which were harnessed and built on again. The Government made major investments in upgrading and modernising the infrastructure including the airport, seaports, telecommunications, the services sectors and workforce. New industries, such as aerospace, developed to take advantage of Singapore's competitive edge in electronics and communications.

New challenges were posed in the 1990s as competition became keener. The recession of the mid-1980s had proven that Singapore's competitiveness had been eroded when costs had increased and also from an over-dependence on the semiconductor industry which took a global downturn. Singapore braced itself for the 1990s by taking tough decisions in 1980s to reduce costs including wage cuts. There was a need to make a paradigm shift to a second "S" curve. The first "S" curve had been completed when the output potential had been reached in the mid-1980s. The second "S" curve challenged Singapore to initiate new strategies for development.

Role of the Government and Public Administration

In Singapore, the Government takes a proactive approach in dealing with policy issues for economic development in the context of a free-market economy. It provides the institutional and regulatory framework and an administratively competent bureaucracy. Capital-intensive projects are undertaken by it to develop an efficient infrastructure. In the early phase of Singapore's economic development, the Government hived off salient Government departments to convert them into statutory boards e.g. telecommunications, civil aviation, port facilities, public utilities, trade development and urban redevelopment. The next stage was to privatise a number of the statutory boards and other service providers and list them on the Singapore Stock Exchange e.g. Singapore Airlines, Singapore Telecom, Keppel Shipyard and Sembawang Shipyard. In the absence of local entrepreneurs with the capacity to make massive investments, the Government took the initiative to establish these entities and, when viable, transferred their ownership to the private sector and moved on to promote other areas.

Great emphasis is placed on human resource development, technology, research and development. The economic agencies of the Government, particularly the

Economic Development Board, spearheaded factor creation and enhanced the business environment. The Government established and implemented the National Information Technology Plan and national electronic data interchange networks. It computerised the entire Civil Service and introduced a S\$2 billion National Technology Plan to propel Singapore into the major league of world-class innovation-driven economies and to be a global intelligent city.

New directions

Singapore has mapped out the next lap of its development strategy. Like the "S" curve of a product life-cycle, Singapore has begun a second "S" curve for continued growth. Singapore will further develop its role as an international business hub in the 21st century and play an integrated role globally. Its competitive advantage lies in its highly developed transportation system, including a world class port and airports, its modern communications and telecommunications system, banking and financial infrastructure, and highly skilled and educated workforce. The environment is being provided for total business capabilities in design, production, marketing, and distribution with a major expansion of its services sector. Singapore will function as the global business architect through international and regional business linkages. Singapore has recognised that the "borderless" age has arrived. Manufacturing, markets, manpower and goods move across borders easily. Production has become more integrated with interdependent linkages. Components are manufactured in different countries and assembled elsewhere, based on comparative strengths and competitive advantages.

In its new directions, Singapore is promoting regionalisation. MNCs are increasingly using Singapore as their beachhead into the Asia-Pacific region. To assist companies from the US and Europe which seek to invest in the Asia-Pacific region, Singapore will expand its functions as the "global knowledge arbitrator" providing information and advice to foreign companies on investments in the region. On a government-to-government basis, Singapore has developed the growth triangle with Johore (Malaysia) and the Riau Islands (Indonesia). It represents collective competitiveness and a partnership which transcends Singapore's limited production space and labour into the region. This concept has triggered off other growth triangles and even a growth quadrangle in the region. The objective of such regional co-operation is to increase transnational economic co-operation, spearheaded and assisted by governments but operationalised by private business.

The Economic Development Board has a key role in the development of industrial parks in the Indonesian Riau Islands of Batam, Bintan and Karimun, Bangalore IT Park in India, and Wuxi Industrial Park and Suzhou Township in the People's Republic of China. These industrial parks provide the physical and fiscal infrastructure, manufacturing environment, factor creation and investments.

Naisbitt calls this a model for economic growth into the 21st Century with the creation of win-win situations in which countries assume the economic tasks for which they are best suited.

Most of the larger investments in Southeast Asia and China are no longer from the US and Europe but from Japan and the NIEs including Singapore. The pace and scope of NIEs' direct investment into the region is accelerated by the deregulation and liberalisation of the recipient countries which are eager to receive these investments. Significantly influencing these regional investments are factors such as geographical proximity and cultural/linguistic affinities. Indigenous entrepreneurs are forging ahead on their own, in partnership with other Asian entrepreneurs or with foreign companies.

Apart from developing an external wing to the domestic economy, Singapore will concurrently promote inward investments vigorously into Singapore for higher-end technology and in developing world class industry clusters in Singapore. Cluster development will be a core component of the new directions. Using a total systems approach, Singapore will develop industry clusters in manufacturing emphasising electronics and chemicals, information technology and the International Business Hub 2000. These new directions are governed by the holistic "Singapore Unlimited" approach.

Sharing Singapore's development experience

Enriched with experience and having a sound track record, Singapore is now able to share and export its services abroad. Singaporean companies are beginning to be involved in infrastructure and other megaprojects in the Asia-Pacific region and beyond.

Singapore has been invited by several governments to advise on their development strategies. Whilst Singapore does not have all relevant experience or expertise, we have moved up the learning curve relatively quickly and have gained solid experience which we are happy to share with fellow Commonwealth countries in programmes funded by the Commonwealth Secretariat, World Bank, UNDP or other organisations.

Regime change and bureaucratic response: Hong Kong in transition

Edited extracts from a presentation by Professor Ian Scott, Head, Department of Politics and Public Administration, University of Hong Kong

Hong Kong is sometimes held up as an example of an ideal relationship between a bureaucracy and an economy. Two decades ago, the supposed advantages of this relationship were seen in expressly ideological terms.¹ A bureaucracy, such as that in Hong Kong, which intervened only minimally in the economy was believed to be conducive to rapid economic growth; by contrast, the heavy hand of socialism and the welfare state was seen to require a large bureaucracy supported by a high level of taxation which drained resources and initiatives from the private sector. It should be emphasised that this dichotomy was at once both simplistic and inaccurate. It was simplistic because the relationship between a bureaucracy and an economy does not hang on the single uni-dimensional thread of greater or lesser intervention. And it was inaccurate because, as some senior Hong Kong civil servants were at pains to point out, the Hong Kong Government did intervene in such fields as the provision of public housing when it saw the need to do so. Nonetheless, there is in Hong Kong today, as there was two decades ago, strong sentiment among the business class that bureaucratic intervention, perhaps powered by greater democratisation, leads down an inevitable slippery slope to the welfare state and higher levels of taxation.

Historically, however, the Hong Kong Government has never been able to afford the luxury of an ideological response to questions of governance. Its concerns have been essentially pragmatic, focusing on the difficulties of maintaining the legitimacy of a colonial regime, concentrating on very narrowly-defined goals. The extent to which it had a vision of the future is summed up in the oft-repeated, but seldom defined, phrase, "stability and prosperity". Reactive governments of this kind take on curious shapes if they are viewed from a longer-term perspective.

Economy and efficiency

For much of its history, until the riots of 1966-67, the Hong Kong Government was a classical, unreformed colonial bureaucracy, small in size, limited in function and dominated by expatriates.² In the 1970s, largely in an attempt to maintain political stability, the Government expanded the delivery of social services and, in doing so, changed its own character. More professionals were recruited and locals gradually began to move into positions of greater responsibility in the hierarchy. In 1949, the establishment of the Civil Service was 17,500; by 1975, it had risen to 110,000.³ After 1984, with the signing of the Sino-British Agreement, a further sea change took place. The Hong Kong Government, increasingly nervous about developments

after 1997, put caps on expansion, limited structural change within the Civil Service and sought to deal with the anxieties of its own staff. The formal size of the Civil Service has remained steady at about 180,000 although this masks a further quasi-governmental sector of about 120,000 personnel paid from public funds.

While these changes represent important, and very different, responses to the tasks of government, there are two critical values which have been consistently maintained since the civil administration was first established by despatch from the Colonial Office in June 1943.⁴ The first of these values is frugality. The origins of this incessant concern with "value for money" lies in the British Government's insistence that colonies, as far as possible, should be self-sustaining. But the business community has maintained that pressure, seeking to restrict expenditure, to keep taxes low, to check Civil Service expansion and to make sure that the Government balances its budget. These objectives have become ingrained in financial practices. That is not to say that the Hong Kong Government does not, on occasions, spend money needlessly or that it does not seek to increase the size of the Civil Service. But, when it does, the Financial Committee of the Legislative Council and the Director of Audit are quick to point out its transgressions or to question the wisdom of rapid public sector expansion. The Finance Branch controls the overall direction of fiscal policy and uses the power of the purse to regulate spending. Even small improvements in the quality of departmental services often require elaborate internal justification and are rejected more often than not. "Value for money" means frugality and the Government very often budgets conservatively and usually ends up with a substantial surplus. What may be a private virtue, however, is sometimes a public vice. Balanced budgets, or surpluses, mean that some goods and services are either not being provided or are not meeting quantitative or qualitative demand. For a people who have often suffered relative or absolute shortages – from housing, to tertiary education, to basic medical services – Government's fiscal constraint may often seem excessive and at the expense of their welfare. Nonetheless, only overt substantial political pressure or a perceived threat to stability has traditionally been seen as a reason to loosen the purse-strings.

Linked to the concern with frugality is an abiding concern with a second value, efficiency. It has been argued that the emphasis on efficiency stems from the difficult political problem of legitimating a colonial regime.⁵ If the normal means of legitimation are not feasible, so the argument runs, a colonial regime might well seek to persuade its subjects that it is the most efficient government possible and one which, in consequence, contributes considerably to rising economic prosperity. A further consequence of the stress on efficiency as a primordial value is that it concentrates the efforts of government on the means and narrowly-defined goals rather than the ends and tend to promote pragmatic rather than ideological responses to situations. In this respect, Hong Kong practice has long mirrored the precepts of new public management, although it must be said that this is not an entirely unmixed blessing, reflecting, as it does, inadequate consideration of longer-term goals. Nonetheless, the emphasis on efficiency has been maintained

despite changing political circumstances. In the Hong Kong context, efficiency means more output for less input but it is also associated with the notion that, to achieve this objective, repeated attention must be paid to improving the hierarchy.

Strong hierarchies

The Hong Kong Government has always been a highly centralised government. Decisions taken at the apex of the organisational pyramid are expected to be carried out quickly, efficiently and effectively at the base of the pyramid. Successive Government re-organisations have all been premised on the implicit value of making the hierarchy work better. The stress on hierarchy has meant that departments within the Government have enjoyed a good deal of autonomy in their day-to-day operations but have been controlled at the macro-policy-making level and in budgetary matters by the Government Secretariat. Because Hong Kong is a small place and inter-departmental communication is very easy, because strong hierarchies accord with the social values of civil servants and because the functions of Government have traditionally been limited, implementation has generally been very effective. The greatest disadvantage has been that the strong emphasis on the importance of hierarchy has tended to be detrimental to lateral co-ordination between departments necessary for achieving social policy goals.⁶

The concern with hierarchy and line implementation has also had some effect on the quality of policy-making. Policy-making in Hong Kong is officially, and rather restrictively, the prerogative of the administrative grade which was composed of about 400 officers in 1994. The grade, which is a British inheritance, reflects the belief that policy should be made by generalists and then executed by specialists and departmental line officers. Administrative officers are recruited from among bright and articulate university graduates from all disciplines but they are not given any specific training in policy analysis. In addition, because their numbers are so small – a by-product of the emphasis on hierarchy and line implementation – they are overworked and unable to devote sufficient attention to forward planning. Until the 1970s, the reliance on generalists did not create any great strains on the system. With the introduction of expanded social policies, however, professionals and specialists were recruited in greater numbers. They resented their exclusion from final decision-making on policy and also felt that their promotion opportunities were adversely affected because the administrative grade held such a large proportion of the most senior positions in the Civil Service. Attempts to maintain the artificial distinction between generalists and specialists seem increasingly dubious in the face of the complex policy questions which Hong Kong now faces.

The purpose of this brief sketch of the principal features of the Hong Kong Government is to set them against the major difficulties the Civil Service faces in the transition to Chinese sovereignty and to ask if more general conclusions may be drawn for small states and bureaucracies which are subject to an anticipated regime

change. Such changes almost invariably have effects on the nature of policy, and the way in which it is implemented, and on the composition, structure and morale of the civil service itself.

Policy change

In times of great political turbulence preceding a regime change, it is understandable that policy-makers should seek to introduce policies which they believe will promote political stability. Such policies usually involve increasing the supply of prized public goods in social policy areas. In the last years of colonial rule in Africa, for example, the British Government expanded the provision of education, ostensibly for the purpose of preparing the country for independence but also with the hidden aim of providing support for a shaky government. In Hong Kong, somewhat similar measures have been adopted. In 1985, immediately after signing of the agreement on Hong Kong, for example, the Government announced that it would build a third university.⁷ A few years later, after the Tiananmen Square massacre, the number of places was further expanded, a Bill of Rights was introduced to attempt to assuage the fears of the people about civil liberties, 50,000 British passports were granted to Hong Kong citizens and plans were drawn up to build a new airport.⁸ The objective of these policies, it was stated, was to build confidence in the future and to create support for what was increasingly seen to be a lame-duck Government. None of these policies has worked and it is interesting to speculate why.

The first, and most obvious, culprit is the Chinese Government which has been somewhat less than helpful. It has said, for example, that it will dismantle the Bill of Rights, together with the rest of the political system, after 1997. It denounced the nationality scheme and has created endless problems over the funding and building of the new airport.⁹ When the airport is finally built, the financial and psychic costs will have been excessive. The reasons for Chinese objections to these policies is that the British and Hong Kong Governments declared them unilaterally. The Chinese Government believes that it should have a right of veto over all matters spanning 1997 since, it claims, this is inherent in the resumption of sovereignty which gives it the right, in the interim, to speak for the government of the future Special Administrative Region. The effect of this is that, for both the British and the Chinese sides, 1997 is a cut-off date with little attention being given to the development of future policies.

If the attitude of the Chinese Government is a principal reason for the failure of these policies, it should also be noted that in some instances they have failed because they run contrary to the underlying values of the Civil Service. Higher education in Hong Kong falls under the jurisdiction of the University and Polytechnic Grants Committee (UPGC), a quasi-government organisation which receives its funds from the Government. When the decision was taken to expand

higher education, the Committee had little by way of expertise in planning for future numbers or maintaining cost controls over large projects. One consequence of this was that the Committee was partly to blame for the cost overruns of more than HK\$1 billion on the construction of the campus of the third university.¹⁰ A further consequence has been that its planning targets for student numbers have been inaccurate, requiring the Committee to ask the universities and polytechnics to return funds.¹¹ At the same time, a decision was taken to turn all four polytechnics and tertiary-level colleges into de facto universities with resultant great diseconomies of scale. Finally, the Committee allowed itself to be caught up in the rhetoric of new public management and required the tertiary-level institutions to conduct research assessment exercises which were badly conceived, badly implemented, enormously time-consuming and resulted in morale problems in some institutions.

The UPGC is not alone in experiencing difficulties in the transition. The problem arises when, for political reasons in times of anticipated regime change, government agencies are asked to take on tasks for which they do not have the capacity. Never having invested very much in human or other resources for policy-making, the Hong Kong Government suddenly required some of its departments to take on tasks for which they were not suited. The Government in effect abandoned its own implicit dictum that structure and resources should be appropriate for the tasks required; that frugality should be observed at all times; and that the hierarchy should be so constructed to maintain control over implementation. The reason why it abandoned its traditional values in these instances is that it felt that there were overriding political values which needed attention. The effect, however, in some cases, has been to increase administrative disruption and to create further anxieties.

Composition structure and morale

Regime changes – especially these which are known well in advance – result in great uncertainty within the Public Service. In Hong Kong, a survey of senior civil servants conducted in 1989 found that some 90 per cent of these sampled were mistrustful of British and Chinese intentions towards the territory.¹² Since most also regarded security of tenure as the principal reason for taking up a career in the Civil Service, it would be surprising if they did not view the future with some trepidation. Some grades are particularly vulnerable to the change of sovereignty in 1997. For example, there could be very large changes in the roles of the administrative grade and the police force after 1997. And it seems probable that both will undergo some changes in the transitional period. The administrative grade identifies itself as an elite which provides political direction for the Hong Kong Government. The Chinese Government is amply aware of its role and might very well decide to keep the grade and simply implant some loyal party cadres to ensure compliance with Beijing. Alternatively, it might decide to eliminate the grade, provide political direction from elsewhere and disperse the policy-making

function more widely throughout the Service. Whatever happens, it is unlikely that the grade will have the same composition in 1997 as it has to-day.

Two factors are likely to be of critical importance. The age structure of the grade is such that approximately 18 per cent of its present strength will have retired by 1997. Of this, more than half are expatriates. By 1997, assuming that no other expatriate resigns or takes early retirement, there will only be 79 expatriates left in the administrative grade; the likelihood, is that there will hardly be any left at all. The administrative grade will be composed almost entirely of local officers in 1997, however, many of them will be young and inexperienced. The grade is already suffering difficulties in recruiting the best graduates, many of whom have joined the private sector or have continued with further studies in the hope of obtaining foreign passports. It is possible that the grade could be supplemented by increasing its intake from other grades but this simply postpones reckoning with the problem that the grade is not attracting the best qualified graduates.

A second factor is likely to exacerbate the problem. The British nationality package contains provisions that every administrative officer with five years service by 1997 will be offered a passport. The package is intended to persuade key people to stay in Hong Kong. However, since it is not recognised by the Chinese Government, it could have precisely the opposite effect. By 1997, the administrative grade could have lost its pre-eminent position simply because wastage rates have become so high. This would have a considerable impact on policy-making, devolving much more to the departments and losing central co-ordination one of the advantages of the present system. It could also perhaps mean that the Civil Service and finance branches would have less authority in controlling the departments.

These examples are illustrative of wider problems of structure and morale in the Civil Service. The Hong Kong Government has sought to answer its difficulties by offering generous conditions of service and by assurances, contained in the Sino-British Agreement and the Basic Law, that the change of sovereignty will not mean more detrimental working conditions. The Chinese Government, for its part, has declined so far to specify what kind of policies it will adopt except to say that it expects all civil servants to serve the Government loyally.

Conclusions

If there are lessons to be drawn from Hong Kong's experience, they may relate as much to questions of regime change and to questions of resource allocation as they do to small states as such. However, since some small states do face regime changes and, since all governments face problems of how to allocate resources within government to strengthen capability, these concluding observations may have some relevance.

First, the Hong Kong experience, in the first century or so of the colony's existence, was very much a question of basic survival with limited resources. Under these circumstances, large-scale goals and visionary ends are unlikely to be achieved and, probably, should not even be conceived since they raise unattainable expectations. Hong Kong was fortunate in that its Government was usually congruent with the state of economic development and that it faced only occasional major political pressures to increase the amount of service delivery. The concentration on means rather than ends made for efficient Government at the expense perhaps of an agreed set of future social values, of the kind of society which Hong Kong should become. The society has paid for that particular trade-off in such areas, for example, as poor curriculum development, poor pollution control, inadequate housing and limited medical facilities and planning capabilities.

Second, these trade-offs occur also within the bureaucracy. It was appropriate, given its view of its role, that the Hong Kong Government should concentrate its limited resources on line implementation even if this was at the expense sometimes of imaginative policy-making responsive to complex problems. These decisions relating to allocating human resources within bureaucracies are very often implicit consequences of past historical circumstances which have not changed over time. Even to-day the Hong Kong Government is probably inadequately provided for in terms of professionals given the objectives it wishes to pursue. Governments rarely go beyond the level of devising inventories of the human resources they possess to the more difficult task of relating them to their capabilities and objectives.

Finally, it is not entirely clear that traditional increases in social policy outputs do in fact answer the problem of the anxieties and uncertainties caused by anticipated regime change. In many cases, in Hong Kong and other former colonies, it may be a matter of too little, too late. The new social policies may simply create inequities between generations leading to different forms of instability. They may also place demands on the capabilities of the bureaucracy which had not previously been experienced with the result that outputs do not meet targets and thus fail to achieve the desired objective of greater political stability and less turbulence. Some of these concerns are germane to small states but they also have relevance in a wider context. The search for solutions to the problem of political turbulence is unlikely to be assisted by inadvertently creating administrative disruption and may require more attention to establishing congruence between bureaucratic responsiveness and the prevailing situation rather than trying to anticipate an uncertain future.

Notes

1. Milton Freidman, *Free to Choose* (Penguin: Harmondsworth, 1980).
2. See Ian Scott, "Administration in a small capitalist state: the Hong Kong experience" in Randall Baker (ed.), *Public Administration in Small and Island States* (West Hartford, Connecticut, : Kumarian Press, 1992).
3. Hong Kong Government, Report on the Organisation, Methods and Staff Survey (Hong Kong: Colonial Secretariat, Legislative Council Sessional Paper, 1949); Civil Service Personnel Statistics 1982 (Hong Kong: Civil Service Branch, Government Secretariat, 1982), p.1.
4. See G.B. Endacott, *An Eastern Entrepot: A Collection of Documents Illustrating the History of Hong Kong* (London: HMSO, 1964), pp.255-259.
5. Terry T. Lui, "Efficiency as a political concept: issues and problems" in John P. Burns (ed.) *Asian Civil Service Systems: Improving Efficiency and Productivity* (Singapore: Times Academic Press, 1904).
6. Ian Scott, "Policy implementation in Hong Kong", *South-East Asia Journal of Social Science*, Vol.15, No.2 (1987).
7. Address by the Governor, Sir Edward Youde, at the opening of the Legislative Council 30 October 1985 (Hong Kong: Government Printer, 1985).
8. Ironically, these proposals were formulated because it was thought that they would not meet with opposition from the Chinese.
9. Attempts to resolve these differences in 1991 in a memorandum of understanding came to nothing. See Memorandum of Understanding concerning the construction of the new airport in Hong Kong and related questions (mimeo, 4 July 1991) and Brent Hannan, "An expensive mistake?" *Asia Inc.* Vol.1, No.6 (November 1992).
10. The matter was discussed at length by the Director of Audit and in the Legislative Council with the Government and the Jockey Club which funded the project, both being blamed for the overrun.
11. University and Polytechnic Grants Committee of Hong Kong, *Higher Education 1991-2001: An Interim Report* (Hong Kong: Government Printer, November, 1993).
12. Terry L. Cooper and Terry T. Lui, "Democracy and the administrative state: the case of Hong Kong", *Public Administration Review*, Vol.50, No.3 (May/June 1990).

9. TRANSITION IN SOUTH AFRICA

The platform:

- Dr Zola Skweyiya, Minister for the Public Service and Administration, South Africa
- Dr Sibu Vil-Nkomo, Commissioner, Public Service Commission, South Africa
- Sir Kenneth Stowe, Chairperson, CAPAM Steering Committee (Chairperson)

The presentations on the transition in the Public Service of South Africa illuminated a daunting task. Apartheid has left separate public service organisational structures in its wake which must be unified. The principled and remarkably transparent steps which have been taken towards unification and rationalisation, while moving towards a more representative service and while protecting the rights of existing public servants, are impressive reminders of what can be achieved with vision and determination.

These moves highlight a particular paradox. In confronting the legacy of apartheid, the Public Service in South Africa must focus on consistency in systems and structures to achieve a unified service. As this Conference indicated, Governments across the Commonwealth are reforming the public service in response to a renewed emphasis on the responsibility of government to be both efficient and accountable, and to the rising expectations of citizens concerning quality. These pressures are forcing governments to adopt innovative and diverse organisational forms and management practices within the public service. The Public Service of South Africa has a need to achieve unification of the Public Service at a time when organisational uniformity is seen to be a limitation to efficiency.

Unity must be distinguished from uniformity - of structures and of conditions of service - if excellence is to be recognised and encouraged at individual and organisational levels.

A regional CAPAM seminar planned for June 1995 to be hosted by the Government of South Africa will draw lessons from the experiences of countries in the region and elsewhere concerning the impact of recent human resource management reforms within the public service. In particular, the seminar will assess the implications of managed diversity in public service terms and conditions, in recruitment and retention practices, and in organisational structure, for a representative workforce functioning within a transparent and accountable framework.

Government in transition: a South African perspective

Edited extracts from a presentation by Dr Zola Skweyiya, Minister for the Public Service and Administration, South Africa

The theme of this Conference is highly relevant to our situation as the South African Government, unlike many other governments, may be regarded as experiencing a dual transition.

First, we are experiencing a constitutional and political transition. South Africa only a few months ago adopted an interim Constitution after three years of difficult negotiations. In terms of this Constitution, we held our first democratic elections and established Governments of national unity at both national and provincial levels. Our new constitutional and political arrangements reflect the spirit of reconciliation which so dramatically changed South Africa's course. Our transition at this level is, however, far from complete. We still have to draft and reach agreement on a final constitution.

Second, we are also experiencing a transition at the institutional level of Government. I intend to focus my address on the issues confronting us here, as I believe our situation is special in the sense that we are required to change the actual nature of the South African State. To understand the challenges we have to contend with, one has to understand the present state of the South African society.

The current situation

The legacy of apartheid has left us with a country characterised by huge imbalances and tremendous inconsistencies. To some, South Africa is a country of affluence and luxury, to others it is a country of dismal poverty and deprivation.

Poverty afflicts fewer than two per cent of whites, but more than fifty per cent of the black population. Ten per cent of black children compared to one per cent of white children die in infancy. Per capita, whites earn 9.5 times the income of blacks and live on average 11.5 years longer. These are just some of the statistics which indicate the anomalies prevalent in our society. I can quote many more. There is in fact not a single sphere in our society which has not been affected by the consequences of apartheid.

The challenges of reconstruction and development of our country and the community as a whole are consequently enormous, and obviously we need a comprehensive approach and coherent plan if we are to restore law and order, improve people's lives and bring about a more just society. For this purpose, we have drafted a Programme for Reconstruction and Development which articulates our commitment to these goals.

The challenge for the Public Service

Although we recognise that non-governmental and community-based organisations as well as the private sector will play their part, there is no doubt that it is up to the Public Service, as the Government's most important instrument, to normalise our society. However, the Public Service needs to be reoriented to attain the objectives of our Programme for Reconstruction and Development.

As an organisation, the Public Service of the old South Africa was fragmented since it was created along racial lines. It consisted of 30 central departments, four provincial administrations and three own affairs administrations. The four so-called ethnic homelands and six self-governing territories also had their own Public Services with their own departments. Our Constitution now provides for only one Public Service to serve the national Government and nine provincial administrations. We consequently had to unify the old structures into a single Public Service, and deploy them in new national departments and provincial administrations. This could only be done once the functions of Government were properly evaluated and detailed plans for implementation drawn up.

An important shortcoming of the present Public Service is the fact that in terms of its composition, it shows serious imbalances as regards representation of our different population groups. The problem is compounded by a gross underrepresentation of women, particularly black women. Our Constitution requires us to promote an efficient public administration broadly representative of the South African community. We have therefore initiated short- and long-term plans to correct the imbalances that exist.

The short-term plan includes the advertising of more than 11,000 existing vacancies and also providing for the creation of a limited number of additional posts, should suitable candidates be attracted. The long-term initiatives include the granting of bursaries to under-represented groups and the training and development of new recruits.

We have made this process completely transparent by discussing it with our trade unions and communicating our intentions to public servants and to the general public. We have also initiated a process for the drafting of a comprehensive policy framework in this regard in consultation with the trade unions forming part of our central collective bargaining structure.

All this will obviously take some time. We will, however, not be satisfied until we have achieved our goals in this regard. A broadly representative Public Service will not only be more legitimate from a constitutional point of view, but will also be more effective as it will be more in touch with society's needs and more responsive to both the elected politicians and the public.

Another problem we face in the Public Service and which militates against efficient service delivery, is the existence of discrepancies in the terms and conditions of service of public servants. These discrepancies are one of the consequences of having had different public services in South Africa.

To provide the necessary legal basis to address this problem, we have enacted a new Public Service Act, which means that all public servants are covered by the same Employment Act. This enables us to proceed with the process of unifying the public services and applying the same measures to all public servants. We have also issued a consolidated set of regulations and codes which will apply to all South African public servants.

We are now engaged in the task of rationalising salaries, salary-scales and allowances. Although this is obviously a very sensitive process, since vested interests are involved, we are confident that we will soon find a solution which will be acceptable to our trade unions.

We have also made considerable progress in rationalising the pension benefits of public servants. Considering that this action involves eight pension funds and 1.2 million public servants, you will appreciate the enormity of the task. We intend rationalising the pension funds and benefits of the former public services into a single pension fund and ensuring that no employee is prejudiced in the process.

I also wish to refer to the labour rights of public servants as a factor which until very recently had a detrimental effect on service delivery in terms of unnecessary labour unrest and low motivation and morale. In the past, many public servants were denied fundamental rights such as the right to bargain collectively and to be protected against unfair labour practices. We have made an important start in redressing this situation by extending existing public service labour legislation to all public servants. All public servants now have the right to form and join trade unions, to bargain collectively, and to use dispute resolution mechanisms. Public servants also have access to the industrial court.

Our labour legislation still needs to be refined further in view of developments in the labour field. We will do this in consultation with the trade unions who form part of our central collective-bargaining structure.

Training for the future

Consistent with the Government's aim of paying special attention to human resource development, we have identified the training and development of serving and prospective public servants as one of our highest priorities. We are urgently focusing on this area since the inferior system of apartheid education and

discriminatory legislation have marginalised the majority of South Africans. We intend to redress this and enlarge the pool of skilled public servants.

The Training Institute of the Public Service Commission has been called on to transform both its structure and policy direction to meet the new challenges . The Institute will establish partnerships with other tertiary educational institutions, such as universities and technikons, which will be involved in training serving personnel and new entrants. Mechanisms have also been established to allow it to obtain external support, including funding, in order to reach its objectives.

We would like to call on the Commonwealth to assist us through these mechanisms to produce a well-trained Public Service corps. We will do all we can to encourage public servants to become more development and community-oriented. Through training we hope to inculcate a professional ethos in public servants so that it is possible to restore the public's trust in the Public Service and to enhance efficiency. We expect the code of conduct which we are presently developing to strengthen our initiatives in this regard.

The organisational restructuring of the South African Public Service

Edited extracts from a presentation by Dr Sibuyi Vil-Nkomo, Commissioner, Public Service Commission, South Africa

Transition in South Africa has required a major overhaul of our Public Service organisational arrangements. I wish to focus specifically on this area as I believe that a task of these proportions is rare in most countries. Despite our country's highly publicised constitutional and political transformation, this is a facet of our transition which is not widely known. The importance of this task can, however, not be overemphasised as it entails the rebuilding whole levels of Government, and the restructuring and redeployment of the Public Service. You will also appreciate that the successful and expedient finalisation of this task is regarded as crucial in ensuring a smooth transition and a stable Public Service.

Rationalisation and reallocation of functions

Our Constitution enables us to make the necessary changes by providing for the rationalisation of all existing institutions performing governmental functions with a view to establishing an effective administration at national and provincial levels. This entails the reallocation of functions to the national and provincial levels of Government, according to their legislative competencies.

Although our Constitution contains a list of the legislative powers to be executed by the provincial governments, the national Government may also adopt legislation in regard to these functions in certain circumstances. Such legislation includes laws dealing with minimum standards and uniform norms. As a whole our Constitution can be said to provide for a very delicate balance between the power of the national Government and that of the provincial governments. This obviously complicates the allocation of national and provincial governmental functions. The problem is compounded by the previous governmental structures which were created along racial lines.

Despite all the complications, the Public Service Commission set itself the task to comprehensively review first and second tier governmental functions, in order to advise Government on their proper location. The two principles utilised as the primary points of departure were subsidiarity and empowerment.

The subsidiarity principle postulates that a Government programme or function must not be assigned to a higher level of Government, if it can be dealt with satisfactorily at a lower one. The Commission views this as the organising

principle that, above all, must be applied if communities are to be successfully involved in the processes of governance and administration.

The empowerment principle postulates that where the power to decide or act on a certain matter has been assigned to a government authority at a lower level, any government authority at a higher level must, as far as possible, be excluded from interfering with that power.

Arising from a function analysis made by the Commission, a data-base was compiled which provided a valuable basis for the determination of the functions of the various new departments and administrations and the development of their organisational structures.

Blueprints were then developed for each of the main functions of Government, showing their rational deployment over the levels of Government. Each of these blueprints was cleared with the key actors involved in the execution of the function.

Thereafter, new departmental models were developed. This involved defining the main units of administration at the national and provincial levels of Government, and determining their functional content. After these models were cleared with the newly-elected Government of National Unity, the restructuring process could formally commence.

The principles of restructuring

In restructuring the Public Service, the following principles guided our actions:

- there had to be orderly continuation of services;
- no legal uncertainty should exist as regards the transition measures and actions;
- the transition had to be brought about as fast as possible without undermining order and stability;
- the cost of the transition process had to be kept as low as possible; and
- measures and programmes for transition had to be cleared with the appropriate elected authorities.

An interesting feature of our Constitution is its transitional provisions which had the effect that, from the time of assumption of office by the President, all Government powers, including provincial powers, were initially vested in the

national Government, to allow time for the orderly establishment of provincial governments. This was confirmed by a proclamation of the President which assigned the administration of all regional laws to national Ministers.

Phased change

A phased approach was then embarked upon to rationalise the organisational structures of the 11 former public services of the Republic of South Africa (RSA).

In the first phase, with the proclamation of the Unified Public Service Act, 42 new departments, including nine provincial administrations, were created. This Act replaced all other laws on public services and legally created a single new Public Service for all of South Africa.

In the second phase, the administration of the laws of the former so-called Transkei Bophuthatswana Venda Ciskei (TBVC) states and self-governing territories, as well as the ordinances of the old RSA provinces, were transferred to the new provincial governments. Almost 800 regional laws were involved. The assignment of the administration of RSA laws is now receiving priority attention. This is a task of considerable complexity as the laws in question were originally written for application in the whole of the country as a unitary entity. A great deal of analytical work is required regarding legislation and in many instances substantial amendments to legislation will be necessary in order to ensure effective application in the provinces.

In a third phase, the new departments and provincial administrations were effectively put into operation through the transfer of functions, posts, personnel and other resources from existing institutions to the new ones.

In a fourth phase, the Office of the Public Service Commission and the relevant role-players are at present busy developing and refining these reconstructed departments and provincial administrations by means of an internal rationalisation process.

Although we have made good progress in restructuring the Public Service, the process is far from complete. In many instances the practical division of functions between the national and provincial governments are still being discussed by the respective Ministers. One can expect that this will be an ongoing process and that it will be necessary to continue evaluating the allocation of government functions at the two levels.

The rights of public servants

The organisational restructuring of the Public Service obviously has a profound effect on public servants. Measures have consequently been included in our Constitution to ensure that services are not disrupted and that changes are brought about in an orderly manner. I wish to refer to the most important of these.

First, the Constitution provides for all public servants to continue in their employment subject to, and in accordance with, the provisions of the Constitution and other applicable laws regulating their employment.

Second, terms and conditions of employment applicable to a public servant shall continue to apply to him or her after the commencement of the Constitution, until amended by or under any law. Such a law could include a law enacted in order to establish uniformity in terms and conditions of employment, arising from the necessity to amalgamate the existing public services into a single national public service.

Third, the Constitution guarantees that the pensionable salary or salary scale of a public servant shall not be reduced below that applicable to him or her immediately prior to the commencement of the Constitution, except in the case of unfitness or incapacity of a person to carry out his or her duties efficiently.

Fourth, the Constitution contains a "review clause" providing for the correction of any improper or unjustifiable action favouring a public servant which may have occurred, or may still occur, in the period leading up to the commencement of the Constitution and in the months immediately thereafter.

Fifth, the Constitution anticipates the likelihood of claims and disputes of right arising from the implementation of the provisions of the Constitution dealing with transitional arrangements and the rationalisation of public administration. Any such claim or dispute shall be dealt with by the labour appeal court sitting as a special tribunal.

From my explanation, it should be clear that the Constitution contains elaborate provisions on the rights of public servants and that these cannot be prejudiced during the rationalisation process.

Taking into account the constitutional provisions on the rights of serving public servants, the proposed detailed measures with regard to the absorption of serving public servants in the newly-created departments, have recently been submitted to the trade unions forming part of our central collective bargaining structure. These measures are aimed at reducing situations of personnel redundancy and providing for a just and fair procedure in transferring personnel to the new organisational structures.

10. TRANSFERRING SUCCESSFUL TRANSITION EXPERIENCES

The panel:

- Mr A. A. Adamson, Head of the Civil Service and Secretary to the Cabinet, Zambia
- Professor Adebayo Adediji, Executive Director, African Centre for Development and Strategic Studies, Nigeria
- Ms Huguette Labelle*, President, Canadian International Development Agency
- Mr Kevin Sparkhall, Principal Adviser, Government and Institutions Department, Overseas Development Administration, UK
- Dr Mohan Kaul, Director, Management and Training Services Division, Commonwealth Secretariat (Chairperson)

The very lively discussion which followed the presentations highlighted the tensions between two sets of observable facts, but suggested the outline of a way forward.

On the one hand, there is an identifiable international movement of ideas in relation to the structures and functions of the public sector. Some elements of a new consensus are in place and remarkably similar developments can be seen in very diverse settings.

On the other hand, there is some fear that public sector reform is over-described but under-evaluated, particularly in relation to developing countries. At its worst, there is a concern that a standard "bag of tricks" is being applied in any situation and that, for example, its contents owe more to the imperatives facing OECD countries than to the realities in Africa. This point connects closely with a second concern, that insufficient attention has been paid to developing public sector management frameworks which address the particular public sector realities found in developing countries. In the absence of such grounded proposals for reform, less appropriate models move in to fill the conceptual vacuum.

This last point was well expressed in discussion when it was noted that the many references to external ideas unfairly imposed upon developing countries obscured a somewhat more subtle problem. Situations were described when, in discussions with donors, officials from developing countries had themselves voluntarily bought

* A paper by Ms Labelle was not available.

in to proposals for reform which they subsequently accepted were inappropriate. The officials had not been browbeaten in any obvious way – they had simply been unable to supply an alternative conceptual model and in the absence of appropriate frameworks for reform an inappropriate one was seen as better than none.

The bare bones of a way forward were suggested by panellists and conference participants when they welcomed moves towards collaboration at ground level. Where – and only where – they can be built around an area of demonstrable success, strategic alliances between professionals or organisations in two or more developing countries, with some input from developed countries, might provide more appropriate models than those which suggest that developed country frameworks for reform can simply be tailored to fit other situations. Such collaboration between professionals and organisations facing similar challenges, harnessing success, offers the opportunity for some practical ways forward particularly in reforming public sector management and will be facilitated by the networks which are emerging from the establishment of CAPAM.

The challenge beyond remains that of establishing how such focused co-operation might assist in addressing the larger questions of constitutional and political reform. Put starkly, unless some relationship is defined between reforming public sector management and strengthening national institutions and political structures, neo-colonialism cannot be distinguished from practical assistance and the development of indigenous solutions cannot be distinguished from self-interested resistance to change.

CAPAM will make a further contribution to addressing the question of what actually works in reforming the public sector at its 1996 Conference in Malta.

Transferring successful transition experiences (Zambia)

Edited extracts from a presentation by Mr A. A. Adamson, Secretary to the Cabinet and Head of the Zambian Public Service

In my long career in Government, I have witnessed and, to a large extent, been part of several transitions. Among these transitions, the major ones are:

- the transition from a colonial government to a national government;
- the transition from a multi-party system of government to a one-party system which was committed to socialist/humanist principles of governance, and
- most recently, the transition from a one-party system to a multi-party system that is based on the principles of a free-market system.

Prior to independence on 24 October 1964, Zambia, like all other colonised countries in Africa, was administered by a foreign-dominated colonial Government. As a young man, I worked in the British Colonial Civil Service in the then Northern Rhodesia and Nyasaland, two neighbouring countries which are today called Zambia and Malawi respectively. Based on my experience during the colonial era, Government was characterised by rigidity in the provision of services to the African population.

The Government basically existed to serve the economic interests of the colonial power while little attention was devoted to the improvement of the quality of life of the indigenous population. Even more important to the Colonial Government was the preservation of law and order, especially in the face of mounting anti-colonial activities by the nationalist movements.

In accordance with the general ethos of the time, the civil servant was, first and foremost, the custodian of law and order. In this regard, a civil servant's loyalty to the Government of the day was determined by his or her ability to impose on the people stipulated regulations that suppressed any form of disorder in the community. In addition, the civil servant was considered as an administrator whose prime responsibility was to ensure that rules and regulations were strictly followed in all aspects of civil life while providing few developmental services. Notwithstanding the moral impropriety of colonial administration, the Government was effective and efficient in fulfilling its obligations.

In the late 1950s and early 1960s, I was part of a tumultuous, although relatively peaceful, transition to political freedom and self-governance in Zambia. At the time of independence, the country inherited on the one hand a healthy

infrastructure, bountiful Treasury and relatively strong economy on which to ride the wave of a newly-independent nation. On the other hand, the number of Zambians capable of organising the country's affairs, managing its Government services and sustaining its industrial and agricultural base was extremely small.

The new Government's immediate obligation was, therefore, to put in place ambitious programmes for training Zambians to administer the affairs of the country and improve the standard of living of its population.

Alongside this new post-colonial development, attempts were also made to remodel the Government structure to suit the political and economic aspirations of the newly-independent country.

These reforms had their successes and failures and in the course of time many new changes were made in the structure of Government, mainly to support an increasingly strong political framework in the country. It is for this reason that when Zambia became a one-party state, Government became more committed to mobilising people to support the one and only political party than providing an enabling environment for self-sustaining economic development.

At this time, the Government and especially the Civil Service, became highly centralised and politicised. The resulting effect was a significant decline in the efficiency and effectiveness of Government in pursuing economic development programmes.

During this era, it was expected that the civil servant would be partisan through active participation in implementing political programmes of what was then called the "Party and its Government", rather than operate as an agent for economic development.

Most recently, in November, 1991, the third and perhaps most significant socio-political transition took place of which I was a participant. At this stage multi-party elections were held which ushered in the Third Republic. A new era of structural adjustment programmes based on the principles of a free-market system came into being involving the dismantling of a state-owned and operated economy based on socialist/humanist principles of governance.

The biggest challenge facing the present Government is the task of revamping the Public Service machinery to provide a conducive environment for involving the private sector as the key participant in promoting economic development in the country.

As Head of the Zambian Public Service, I recognise the biggest challenge as being that of moulding a non-partisan Civil Service that is operated by managers rather than administrators or political patriots. The civil servant in our current

environment must effectively and efficiently manage a whole range of resources and must manage the change process towards the realisation of a highly productive, receptive and responsive Civil Service.

To assist us in achieving this objective, we have developed and installed a Public Service Reform Programme (PSRP), whose overall goal is to improve the quality, efficiency, delivery and cost-effectiveness of public services to the people of Zambia.

In each of the areas I have referred to above, I have witnessed and participated in successful and unsuccessful transition experiences, both for individuals and organisations, which in my view possess some fundamental attributes that make them transferable to another era or environment.

Zambia's problems have been in some degree of her own making because basically there has been much incompetence in public administration and management. As an example of a developing country, Zambia, in its successes, its tribulations and its failures, is an almost textbook model for study by public administrators, economists and political scientists. This may sound daunting, but the story of Zambia's 30 years of independence has also been shot through with human drama and excitement.

Transferring successful transition experiences (Africa)

Edited extracts from a presentation by Professor Adebayo Adedeji, Executive Director, African Centre for Development and Strategic Studies, Nigeria

The collapse of the centrally-planned economies and the disintegration of the former socialist block of Eastern Europe, along with the victory won by centrifugal forces in the former USSR, were so dramatic and traumatic that Fukuyama thought we were at the end of history. In reality, the process through which the people of these countries are seeking viable political and economic systems is unfolding with ever greater complications and complexity. The formula of parliamentary democracy plus marketisation as a straightforward and peaceful alternative to the one-party state plus a command economy has become dented on all sides. Democracy and tolerance do not necessarily and automatically succeed an authoritarian system; there is also the real possibility of a transition to fascism, sheer farces and violent ethnicism. Neither does dogmatic marketisation lead *per se* to maximising efficiency, let alone to social optima; as we painfully and abundantly know through the African experience. Proclaimed blind belief in market forces is often only the ideological companion of a very un-free, market-like power brokerage at global level with devastating and long-term effects on the socio-economic infrastructure and on people's welfare and lives.

Before discussing what might be termed "transitions" in Africa, we should bear in mind the limits in comparability between these "Third World" countries and "Second-World" countries of Eastern Europe. The "Third World" African countries are typified by structurally-vulnerable economies with a large dependence on the primary sector and low development of human resources, a low level of social and political organisation, only very recent and *ab initio* flawed conditions for nation-building, colonially-inherited civil service structures which are not capable of responding to development needs. While the "Second World" Eastern European countries have a fairly well-developed secondary sector and infrastructure, a high degree of industrial organisation, long traditions of attempting, albeit often not succeeding in, nation-building, government apparatus which, even though often paralysed by over-bureaucratisation, have been able to promote science and technology and have developed one of the best educational and health systems in the world.

A note of warning is therefore called for concerning the possibility of globalising and universalising the experiences of particular societies. Since societies and peoples are bound by history and culture, institutions differ considerably in their responses to impulses, both internal and external. Inevitably, social and political phenomena are unique. It is therefore important that we avoid all attempts to extrapolate to African and Asian countries the road which has been taken in Eastern Europe – even more so as the experiences there are far from being

successful. Russia has just made the remarkable transition from having a poverty level below 50 per cent of the population to one above the same figure.

In this context, we must draw lessons from four decades of attempts by development economists and other social scientists from industrialised market economies, including many of those responsible in the donor community for external assistance, to impose on Third World countries their own countries' and societies' particular experiences. As we know full well, this natural human behaviour to assume that what works at home must ipso facto work abroad, and of seeing other societies in the image of our own, has brought untold socio-economic disasters to developing countries. While exchanges of experience are valuable and necessary and while transfer of truly successful ones are to be encouraged, careful selection is imperative – even among countries of the South. Experience in one such country cannot be replicated in another, even though both may, on the face of it, display quite a number of similar characteristics of a historical, political and cultural nature. Just the same, in Africa, given its size and heterogeneous nature, replication and transfer must be handled with care and good judgement.

The term "transition" seems to have been coined in order to distinguish changes, such as the ones which occurred in the torment in the USSR, from revolutions. It indicates that a higher than common degree of political and economic re-engineering is taking place and that the momentum, which may initially have emanated from social pressure – be it in the form of mass protest or, as in the case of the United States in the early 1980s, the grumblings of the contented (Galbraith) – has been absorbed, and was absorbable, by the government and quasi-institutionalised political players. Transitions are therefore in the realm of the quantitative rather than the qualitative.

In the following, I am presuming that this forum can agree on the desirable goals to be achieved through transitions. For Africa, they can easily be spelled out at this stage: the reduction of poverty on a sustainable basis and the creation of conditions which can lead to a more equitable distribution – across gender, religious and ethnic lines – of income and wealth as prerequisites to stability and development.

The issue is then, how can African countries, governments and peoples achieve transitions which succeed? Given the fact that the "governments of the day" are to engineer such transitions, what is the likelihood of a successful outcome? What are the relationships between and among social/political/economic forces on the continent?

The following factors are crucial:

- social, economic and political conditions must be susceptible to reform;
- the main players must have become wise enough to recognise that their interests are ultimately better served through compromise than through confrontation;
- the main players must all be in a position of relative strength, some ascending some descending, where they are able to give and take;
- hegemony must be relatively absent, either by internal or external forces, be it in the form of a military ready at any point to use force to stay in power if the civilian surrogates deviate unduly or be it in the form of international financial institutions using the leverage of creditors to define the perimeters of change; and
- a responsive civil service and state structures, which can transmit signals in both directions, must exist or rapidly emerge.

Transitions can encompass one or more of the following:

- (i) democratic and political transition;
- (ii) creating or recreating a strong and effective civil society;
- (iii) economic transition; and
- (iv) transition in governance and administration and management.

There can be no doubt that well before the political systems in the former COMECON countries collapsed, prolonged popular struggle and an increased degree of organisation within civil society had spread in Africa. Examples are the recurrent student and workers protests against cuts in allowances and economic retrenchment which invariably implied a political dimension, especially as repression was part of governments' response. Yet, the awakening of civil society and the assumption of wider political space by its organisations had a very chequered history across the continent. Even though the transition to a government in South Africa under the leadership of Nelson Mandela, the symbolic figure in Africa's fight for freedom, has during the first two months not been as rocky as many had feared, the sustainability of change will require an even higher degree of commitment and circumspection than was needed during the days of open struggle. In other African countries, the mood, as compared to the early 1990s, is considerably more muted: a number of horrendous failures have turned maybe naive euphoria into desperation and despondence.

Let us consider for a moment how a selection of 16 African countries, jointly representing almost two-thirds of Africa's total population and some of its most important economies, have fared since the late 1980s/early 1990s with transitions towards more democratic, transparent and representative systems (the figures in brackets are the populations in millions for 1992):

In North Africa, *Algeria's* (26.4 million) transition to a multi-party system was abruptly halted when the second round of elections was cancelled in 1992 in order to prevent the pending victory of the Islamic Salvation Front (FIS). Since then, Algeria has been moving towards a quasi-civil war situation with almost daily violence by the State and the opposition. Severe human rights violations have been reported on both sides. Instead of transiting from a one-party-State to a multi-party system, Algeria might be in a transition towards a non-secular State.

The transition of the *Sudan* (26.7 million) towards an Islamic state proclaimed by the Government in Khartoum (military-dominated) has engulfed the country in a civil war with Southern rebel factions. No negotiated settlement of the conflict is currently in sight. Terrible war induced suffering and the death of hundreds of thousands have been the result.

In West Africa, *Benin's* transition (4.9 million) from a military to a multi-party system has gone ahead and led to the election of President Soglo and conditions of relative political stability, even though the economic situation is highly precarious.

In *Cote d'Ivoire* (12.9 million) the country has made a so far successful political transition from the reign of Houphouet-Boigny to a new generation of political leaders. With the prices for the country's export commodities falling in the course of the last few years, the economic situation remains volatile, albeit with brighter prospects than comparable countries which suffered from the recent CFA devaluation.

Ghana's transition (16.0 million) has been, at least on the political surface, considered successful, in spite of opposition claims about gross voting irregularities. The former Head of the military Government has become the elected President. Economic reforms have had similar marginalising effects as in other African countries which had to undergo structural adjustment programmes. Ethnic clashes have led to the death of over a thousand people and a state of emergency remains in effect in the affected areas.

In *Nigeria* (115.9 million), inspired by the military, one of the longest transition programmes anywhere has, after several delays, come to an abrupt end through the annulment of the results of the Presidential election of 1993. Against a drop in the price of oil, severe misdirection of resources and mismanagement of the economy, Nigeria has transited from a budding slowly industrialising country to a state of economic apathy and political paralysis. Civil society is, however, reaffirming itself vis-a-vis the State in an attempt to effect the transition from military to civilian rule.

In *Senegal* (7.8 million) the recent political elections were accompanied by outbreaks of violence and resulted in the arrest of the prime opposition leader.

Economically, Senegal cannot cope with the provisions under the Structural Adjustment Programme and is suffering from a much paralysed economy.

In Central Africa, in *Burundi* (5.8 million) and *Rwanda* (7.5 million) the Hutu/Tutsi internecine, inter-ethnic conflicts have resurfaced with all their savagery once again. The attempted transitions to a pluralistic political system with governments representing a national consensus have been aborted. Least-developed, land-locked and overpopulated the struggle for scarce resources can only be addressed in the context of a wider regional solution and the acceptance by the elites of the two ethnic groups to co-operate, including effective civilian control over the armed forces which have turned themselves into instruments of destabilisation and instruments of "ethnic cleansing" and brutality.

Cameroon (12.2 million) has suffered a grievous set-back since President Ahidjo's death. The successor Government has not been able to temper centrifugal tendencies. The half-hearted attempt at political transition was abandoned in the face of the inescapable defeat of the Government in power and has led to a protracted period of political instability and economic decline in a country which was once the flag-bearer of steady economic progress and an above-average management of the economy. The Cameroon case epitomises the crucial role of leadership.

This is also the case, albeit in a more dramatic and macabre manner, in *Zaire* (40.0 million) where the leadership has taken the transition to multi-partyism from the sublime to the ridiculous by sponsoring scores of "political parties" and frustrating the National Conference at every turn. As a result, Zaire can boast of two prime ministers and governments, one appointed and financed by Mobutu, and the other elected by the sovereign National Conference with no access to the machinery of public administration and, needless to add, public finance.

In East Africa, *Kenya* (25.3 million) is going through an uneasy transition programme due to lack of unity among the opposition parties each of whose leaders would like to be President of the Republic. As a result, no change in leadership has materialised from the last elections. However, a re-invigorated civil society has emerged and political re-alignment and coalition-building seems possible.

The transition in *Tanzania* (27.9 million) has yet to pass through a decisive test. The next general election will provide such an opportunity. In the meantime, the unity of the country, specifically the link between the former Tanganyika and Zanzibar has been put into question. And in a country, which had since independence been devoid of ethnic and religious schisms, is joining other countries in Africa in this unfortunate and unproductive battle.

Uganda (18.7 million), the third of the trio of the former East African Community countries, provides a breath of fresh air after more than a decade of political

instability, near-total destruction and untold human suffering. The present political leadership seems to have found a formula for increasing the participation of the Ugandan people in political and economic development without mimicking the Western political model.

In Southern Africa, and indeed throughout Africa, the transition in *South Africa* (39.9 million) from apartheid to a non-racial political system is the most significant so far. The successful conduct of the first-ever non-racial elections held in which all parties, including Inkhata, participated was a feather in the cap of the leadership in the Republic of South Africa. Yet, horrendous challenges face the Government of National Reconciliation under the presidency of Nelson Mandela and it may be fundamental transformation of the socio-economic structures rather than transition which will be needed.

In *Zambia* (8.6 million), a much heralded transition has gone sour. Led by one of the leaders of an important organisation of civil society, the Zambian trade union, the current administration is battered by accusations of severe economic and political mismanagement, criminal activities and corruption. The mass of the population in Zambia is described as considerably worse off today than prior to transition.

In summary, while transitions to democracy in many African countries have been spurred by popular protests and external demand and conditionality, the actualisation of the process and its translation into lasting political democratic structures has in many cases been hijacked, controlled and often aborted by the ruling authoritarian cabal. In countries where the military have been in power, the transition has been a particularly uphill and erratic task as the military have shown a total lack of capacity to disengage. In Algeria, Zaire and Nigeria disengagement has turned out to be "mission impossible". In Ghana, where the military Government has changed from uniform into mufti, the transition has been rather superficial. In Benin Republic, thanks to a virtually complete systemic collapse, economic paralysis and an extremely heavy dose of external pressure, the transition went through and has so far lasted.

Indeed five typologies of transition to democracy are discernible. These are:

- (i) transition following systemic and political collapse (e.g. Benin);
- (ii) transition brought about by armed conflict in which the former opposition assumes power (e.g. Uganda, Ethiopia and most recently Rwanda);
- (iii) transition through popular revolt (e.g. Togo, Central African Republic);
- (iv) transition through negotiation between the powers-that-be (military or civilian) and the democratic torches (e.g. Zambia, Ghana, Tanzania); and
- (v) aborted transition by the rulers of the day refusing to hand-over power to elected representatives (e.g. Algeria, Nigeria, Zaire, Congo).

The sustainability of democratic structures emerging from transition processes naturally depends on the type of transition encountered. Given the above record, it is therefore hardly surprising that Africa continues to have a serious democratic deficit. How could democracy take root in countries embroiled in armed conflict, civil strife, ethnic, racial, religious and social conflicts and severe political crises? In such situations, quick fixes and short-cuts or any mimicry are simply futile. Transition to democracy, to be credible and sustainable can only succeed as an integral part of the transformation of the entire political and socio-economic structures where people are at the centre of the process.

Of course, all democracies are a matter of degree, falling somewhere along a continuum. However, it needs to be emphasised that given the structural rigidities – economic, social and political – of most Third World countries at the moment, a rigidity which has a lot to do with their assigned role in the world market and political system, not much can be expected in the short- to medium-term.

Still, weak democracies are preferable to authoritarian and despotic rule, particularly as they might provide an opportunity to begin the learning process that is creating attitudes, structures and procedures needed for producing a mature, effective and stable democracy. It is imperative, however, to avoid, at all costs, low-intensity democracy which I described elsewhere as a compromise between pseudo-democratic institutions and dictatorships, enjoying very little support of the populace for their political and economic goals. "Low-intensity democracy ensures that the democratisation process remains confined only to a state-oriented and state-defined, formalistic form of democracy (political parties, elections and parliaments) and that the new "democratic" regimes are in the safe hands of a coalition of conservative politicians and a segment of the business community whose main purpose will be to preserve their manifold privileges".¹

As the case of Nigeria has tragically shown, there is a narrow, almost indiscernible line between low-intensity democracy and outright failures. After going through what must have been one of the most elaborate, protracted and expensive transition programmes which the world has ever seen, a presidential election was held on 12 June 1993 as the final lap in a process of installing elected democratic institutions. Even though judged as free and fair resulting in a clear majority, and, most importantly with a vote for the first time cutting across ethnic, religious and economic lines, the military, for reasons never revealed to the electorate, decided to declare the whole process as null and void and dissolved all elected bodies throughout the country. Since then, a combination of in-fights among factions of the ruling elite to which ever larger segments of the population are reacting with civil disobedience, strikes and protests has effectively paralysed the better part of the country.

Who could have, in his or her wildest imagination, thought of the possibility of a military regime seizing power in order to "correct" the abuses and excesses of the

political class, only to demonstrate such utter contempt for the people as to annul the results of an election that it teleguided and conducted and, by so doing, declare arrogantly and brutally the will of the people to be null and void? Why should the armed forces of an independent country continue to manifest some of the worst features of the colonial army: repression and despotism against the people? Experience has now shown beyond doubt that the military cannot be the handmaiden of the transition to democracy. This Nigerian example has, yet again, demonstrated that the scramble for political power is not the monopoly of the political class.

Low-intensity democracy or the outright abortion of any democratic move – these winners take all, zero-sum games, illegal and illegitimate usurpation's of power – can only be prevented if civil society is strengthened, recreated and rejuvenated. In other words, transition to democracy can only become a reality if a strong civil society can constitute an effective countervailing force to autocracy and despotism.

It is in the rejuvenation of civil society and their organisations that exchange of experience and transfer of techniques can take effect in a mutually beneficial manner. Civil society is the link between political transition and economic transition. It is a great challenge in institution-building as it demands a great deal of effort and resources. Establishing non-governmental or voluntary development organisations (NGOs and VDOs) is a hard and slow process, particularly if such organisations are to satisfy our five conditions. While Africa has made considerable progress in this area, still more effort is required and this must be backed up with independent sources of domestic and external funding.

The vacuum created in many African countries by the lack or the inadequacy of grassroots peoples organisations and NGOs and VDOs is currently filled by non-African NGOs and VDOs. It is to be hoped that this will be just temporarily the case and that the people of Africa will shake off their lethargy, reconstitute and modernise their traditional grassroots organisations that have become moribund for too long and/or establish new ones. It is by so doing that they can develop their capacity to participate effectively in debates on political and socio-economic policies and strategies and promote education, literacy, skill training and human resource development as a means of enhancing popular participation. In the meantime, every effort should be made to strengthen co-operation and dialogue between African and non-African NGOs and VDOs.

As far as conventional wisdom is concerned, economic transition means the sovereignty of the market, the rolling back of government and the public sector and the removal of all protectionism and tariff walls. Marketisation, liberalisation and globalisation are names of the game. The yearning for political freedom has been extrapolated to economic freedom. The rediscovery of the nineteenth century neo-classical economics of *laissez-faire* by the industrial economies of the North – a phenomenon of the 1980s under the influence of monetarism and the joint

Thatcher-Reagan leadership – was in response to the peculiar needs and circumstances of these countries.

Whatever domestic controversies reactions to post-war socio-economic policy orthodoxy, which derived from the Keynesian revolution, might have provoked, the most regrettable development was their global extrapolation. Marketisation has thus become both a domestic and an international development. Technology change, particularly the communications revolution, migratory forces and institutional development have greatly facilitated the globalisation process.

Domestically, marketisation has meant reduced state intervention, reduced subsidisation and increased privatisation. Global markets include principally the operation of international financial markets and the actions of transnational corporations in flows of technology, finance and management. Unregulated financial and capital flows have increased beyond belief. Computerised dealings are estimated to transmit more than US\$300 billion across national borders each day. Such a volume of unregulated flows cannot but cause severe problems particularly for Eastern Europe and Third World countries. The reverse flow of capital from these countries to the advanced industrial countries has accentuated severely the marginalisation process. Such biases in the global markets have strengthened the forces of inequity for while these markets (except the labour market which rather than expand and be globalised has been severely restricted through discriminatory migration and labour policies in Europe and in North America) have expanded rapidly there has been a serious lag in the development of a rational and equitable system for regulating them.²

In emulating the Industrial Revolution of the English, while deliberately avoiding the path of the French Revolution, the East Asians have opted for the *competitive-regulated* economies which had been a central element in the economic growth of the West. They have definitely shunned the free-unregulated market system that the neo-classicists of the 1980s, using the Bretton Woods institutions as their instruments, have been forcing on Russia, Eastern Europe and the Third World. As David C. Korten and Paul Ekins have observed:

"while the market is often touted as the necessary companion of democracy, this claim holds true only for the competitively-regulated market. Unbridled power, whether that of the unaccountable state or the unregulated market, is the enemy of democratic accountability, justice, peace and ecological sustainability. The unregulated market leads to unbridled market power. The human interest is poorly served by a tyranny of either the state or the market".³

I have for years argued that the market versus state argument is most unhelpful as it creates two artificial extremes, instead of focusing on how the private sector, the

labour movement and the State can collaborate in effecting development. Pretending that it was the "free market" which enabled the West to prosper, is not only a deliberate misunderstanding of its economic history, but also a romanticisation, if not a deliberate misrepresentation. Even today, in spite of the Thatcher-Reagan counter-revolution, the West is still closer to the competitive-regulated market economy than to the free-unregulated market system – the latter being specifically crafted for export only! One does not need to be an economist to appreciate that:

"a well functioning modern society depends on the countervailing powers of a strong accountable government and a strong regulated competitive market – each serving its distinctive role in the service of the public good".⁴

The transition from authoritarian to democratic structures of governance which is accompanied by the growing strength of unregulated market forces inevitably results in a shifting allegiance of democratic political systems from the people's interest to corporate interests, and in an inevitable weakening of the state as an effective instrument for managing society's affairs in the public interest. As Korten and Ekins quite rightly concluded, those who herald this process as a harbinger of democracy's growing hegemony have confused market freedom, which is a freedom of the rich and powerful, with democratic freedom, which is the freedom of all people. A strong and dynamic civil society is required to bring the citizenry into direct and active involvement to achieve the required balance between market and State.

Transition is usually seen only in terms of traumatic change in the political and economic systems. Little thought has been given to the impact of transition on the institutions and instruments of governance, particularly on the public service. What is often emphasised, as a requirement of the unfettered free-market ideology, is the rolling back of the State and the privatisation of public services and utilities. Particularly in Africa, public administration has not survived the decay and decadence that was the plight of the continent throughout the "lost decade" of the 1980s. Not only has its effectiveness become, in most countries, severely impaired, but organisational loyalty and programmatic commitment have all but disappeared. The management of African economies has suffered greatly both on account of lack of relevant institutions and poor institution-building and development and as a result of such basic problems as poor accountability and policy discontinuity.

During the 1960s and '70s, we had completely ignored the ecology of the bureaucracy approach. We had down-played it in favour of development and social engineering through the various institutes and schools of public administration that had been established after independence. We had opted for a system and culture of development administration that could meet the challenges of expanding government operations and their growing involvement in the development process.

It was our perception that such a development-oriented public service would also conform to the Weberian definition of rational bureaucracy i.e. the application of the norms of professionalism, universalism, detachment and strict objectivity in policy analysis and decision-making with a hierarchical pattern of supervision and an information system which ensures continuity and certainty.

Hence, the main thrust of administrative reforms during the first two post-independence decades was on structure, organisation and the internal administration and management of public service operations, rather than on addressing the priorities and values of the political system or on opening that system to broader popular participation. Although we had perceived development administration as being capable of providing the catalysis for change in the developing, transitional societies of Africa, unfortunately most reform measures were more focused on the conventional administrative development aimed primarily at improving the instrumentalities of administration.

Had we but followed through with the logic of our perception, we would have taken fully into account the ecological factors and in particular the ecology of bureaucracy. By so doing, administrative reforms would have been conceived as a component – a major component – of large-scale political and socio-economic reform. As it turned out, administrative reform became a main ingredient in circumventing critical issues and in frustrating large political and socio-economic reforms. As Dwivedi and Nef have succinctly put it:

"Proceduralism and technicalities took precedence over objectives, and reform became an aesthetic and rhetorical exercise, quite harmless to the status quo."⁵

That is why, when the economic crisis assumed such a threatening proportion in the 1980s, the state bureaucracies were unable to meet the challenges. The public services, weakened and ineffective as they had become, were burdened and dominated by the ever-growing concern and pre-occupation with short-term crisis management almost to the exclusion of the pursuit of long-term objectives. Worse still, senior officials were shunted aside and marginalised as the role of foreign experts and managers, particularly officials of multilateral development institutions, in national economic decision-making and management became predominant. With this virtual taking over by foreigners, the scope for independent policy-making disappeared. As if this was not enough, the downsizing of these services, which was required by SAP, threw them into complete and total disarray and paralysis and the devaluation of their labour through the devaluation of their national currencies gave overt encouragement to moonlighting and barefaced, shameless corruption, even in high places.

Thus, today, bureaucracies in Africa have lost their dynamism, resilience and commitment. Instead, they have become stagnant, dependent and largely

unproductive. Lack of probity, of accountability, of equity and of professionalism and a merit system along with scandalous and unchecked corruption have conspired to undermine any semblance of respectability. There is the virtual collapse of law and order in many African countries today. We are also confronted with the dangers of institutional decay which is spreading daily in our societies. Public utilities and infrastructural facilities are malfunctioning because of the poor standard of maintenance. Good humane governance has become a thing of the past in many countries. Those who exercise power are busy inflicting injury on their people because ethics and morality have disappeared from governance and indeed from public life.

The differences between Africa and South-East Asia are tremendous. In contrast to the decay in African public administration, the state in South-East Asia has been entrepreneurial and pro-active in steering social and economic change. It has put strong emphasis on selective treatment, competence-building, surveillance of imports of technology and almost continuous restructuring.⁶ Thus in contrast to the push by the World Bank to villainise and minimise the role of the state in Africa, an overwhelming weight of empirical evidence shows that the state in South-East Asia, by Western standards authoritative and rather autocratic, has played, and is playing, a very active, direct and pervasive role in the economy.

The consistent effort of the South-East Asian governments to foster effective bureaucracy has paid dividends. Competent and relatively honest technocratic cadres who are insulated from day-to-day political interference and who wield substantial power have helped their political leaders to devise credible strategies and policies which have also been faithfully implemented. The civil servants are relatively well paid compared to the private sector. For example, Singapore, which is widely perceived to have the region's most competent and upright bureaucracy, pays its bureaucrats best. In bureaucracies, as in everything else, you get what you pay for. Recruitment and promotion in the Civil Service is highly competitive and by merit. Not surprisingly, the Civil Service enjoys high prestige and attracts some of the best and most able people in these countries.

These are experiences that African countries should emulate.

References

1. Adebayo Adedeji, "Beyond Economic Reform and Democracy: the Imperative of Structural Transformation in Africa", *Journal of Democracy* (forthcoming issue).
2. See Frances Stewart, "Biases in Global Markets: Can the Forces of Inequity and Marginalisation Be Modified?". A paper presented to the North-South Roundtable on *United Nations and Bretton Woods Institutions: New Challenges for the 21st Century* (New York, April 1993). See also, Adebayo Adedeji (ed.), *Africa Within the World: Beyond Dispossession and Dependence* (London, Ijebu-Ode Zed Books, 1993), pp. 1-13.
3. David C Korten and Paul Ekins, "Beyond Market versus State "in the People Centred Development Forum, April 1992.
4. Ibid.
5. O. P. Dwivedi and J. Nef, "Crises and Continuities in Development Theory and Administration: First and Third World Perspectives", *Public Administration and Development*, Vol. 2, 1982, p.62.
6. Report of Chr. Michelsen Institute. Norway, *Development Theory: Recent Trends*, Proceedings of the NFU Annual Conference 1992; p. 54.

Supporting governments in transition: assistance from the Overseas Development Administration (UK)

Edited extracts from a presentation by Kevin Sparkhall, Government and Institutions Department, Overseas Development Administration, UK

The changing pattern of assistance

The Overseas Development Administration (ODA) is responsible for the UK's overseas aid programmes. ODA has provided assistance on public administration to Commonwealth countries for over thirty years. Initially, most support consisted of long-term personnel carrying out line jobs for which there were insufficient national staff. Alongside this went a training programme which usually gave priority to localisation objectives.

Over the years the balance of ODA assistance has substantially changed. The number of long-term line posts filled has fallen dramatically. At first this was partly offset by a rise in long-term advisers but these too have now declined. Meanwhile provision of consultancies whether through individuals or organisations has significantly increased. Training has retained its importance but with a shift towards shorter-term post-graduate and post-experience courses and an increasing emphasis on in-country and third-country training.

These trends reflect changes in recipient countries. The supply of manpower within countries has increased as has domestic training capacity. Countries have also diversified their sources of assistance both to other bilateral donors and to multilateral agencies, such as the World Bank and UNDP. The UK is however still a major donor in the area of public administration. This reflects shared traditions and systems and our wider long-term relationship with Commonwealth countries. For the same reasons there is a wealth of experience in the UK in this area, not only in Government itself but in universities, consultancy companies and individuals.

A further change in the pattern of assistance has been a move away from a scattered approach of many individual posts and training awards to one of greater focus. This partly reflects a view that greater concentration of effort is likely to yield more substantial impact. It also responds to the need which many countries have identified for reform of public administration. In some cases this follows from a wider rethinking of the role of government, recognising both the role that the private sector can play and the need for government to concentrate on what only it can do and on key priorities. Often there has also been a review of the size of the civil service, of management arrangements and of policies on pay and personnel management. ODA has helped in all these areas.

Assistance currently provided by ODA

ODA assistance takes many forms and operates at many levels from the most strategic to the most detailed. Projects are based on a dialogue with the country concerned about priority needs rather than any preconceived model of assistance. There is therefore no standard programme. The following examples illustrate recent experience:

- (i) high-level advice from current or retired senior civil servants on overall reform strategies;
- (ii) study visits to the UK and sometimes to third countries to look at outside experience, either across the board or at specific innovations such as agencies, efficiency units or audit systems;
- (iii) sponsorship to attend short courses or seminars which bring together ministers or senior officials from a range of countries to compare ideas and experience;
- (iv) support for public service reviews undertaken by governments, for example to look at the structure of government;
- (v) consultancies to help develop and implement specific reforms or innovations such as in management of the public service;
- (vi) support with the design and implementation of programmes to reduce the size of the civil service;
- (vii) assistance with the design and implementation of pay reform;
- (viii) strengthening of public service training institutions;
- (ix) support for detailed systems improvements such as personnel records, financial management or public records management; and
- (x) assistance with the reform and strengthening of local government.

There are many forms of support not covered in this list including much long-term personnel and training assistance provided through a wide range of sector projects. Nor does the list cover the substantial area of public enterprise reform and privatisation. It may however serve to demonstrate the range of ODA activity in terms both of objectives and of ways in which ODA is able to assist. Aid is primarily in the form of technical co-operation but in some instances financial assistance is also provided. Examples include part-funding of pay restructuring,

meeting some of the costs of redundancy programmes, and financing essential building work or equipment.

Lessons of experience

Experience illustrates both the value and the limitations of external assistance. The conclusions which can be drawn include the following:

- (i) Aid can support local commitment to change but it cannot substitute for it.
- (ii) Change needs strong local leadership, often from a key individual, to achieve momentum and overcome inertia, but to sustain it a wider measure of support is needed.
- (iii) Reform of the public service frequently raises issues of good government or governance which only ministers can address. Where such larger issues are important but unresolved, other efforts to reform the public service are likely to be of only limited effect.
- (iv) While there is a need for a vision of where a reform programme should head, attention also needs to be paid to issues of transition, that is how to get there from where we are now.
- (v) Institutional strengthening is as important as the immediate task if impact is to be sustained, though it is also important for programmes to demonstrate success in the short-term to help build or maintain support.
- (vi) Significant change takes a long time; unfortunately it is all too easy for this truth to be used to mask resistance to change.
- (vii) Providing personnel and training in environments where government cannot fill posts due to inappropriate pay policies is an unending and ultimately thankless task. It is better to address the causes of manpower shortages.
- (viii) Subject to the above, external assistance has a valuable and often essential role in providing access to outside ideas and experience, developing skills and supplementing available expertise.
- (ix) There are no universal models for good public administration, though there are general principles, such as on the need for accountability, and there are common constraints. Outside experience therefore provides ideas and skills for designing and implementing a reform programme rather than providing the answers themselves.

- (x) Specific aid activities need to have clear objectives, outputs and accountabilities albeit that there may need to be flexibility in the overall reform programme within which such assistance is provided.

11. BIOGRAPHICAL DETAILS OF SPEAKERS

Mr Aldridge J. Adamson

Mr Adamson was appointed Secretary to the Cabinet and Head of the Public Service in Zambia in June 1992.

In the early part of his career, he spent nine years in the Ministry of Education in several posts before becoming Permanent Secretary from 1972-73. Later, he became Permanent Secretary in the Ministry of Local Government and Housing (1973-78), and Permanent Secretary in the Ministry of Works and Supply (1979). From 1980-81, Mr Adamson was Deputy Secretary to the Cabinet before his secondment to the Commonwealth Fund for Technical Co-operation as Adviser to the Namibian Distance Education Teaching Unit (1982-85). Later, he returned to the Zambian Public Service and was appointed Principal Adviser to the Prime Minister on Restructuring of the Public Service and Decentralisation Policy, and Deputy Secretary to the Cabinet.

From 1990-92, Mr Adamson was Group Executive Director of Zambia Industrial and Mining Corporation Limited.

Professor Adebayo Adedeji

Professor Adedeji is the Executive Director of the African Centre for Development and Strategic Studies (ACDESS), an institution which he founded in 1991. Prior to this he was United Nations Under Secretary-General and Executive Secretary of its Economic Commission for Africa (ECA), an organisation he worked in for 16 years.

Before joining the UN, Professor Adedeji held several posts in the Institute of Administration, University of Ife, Nigeria, before becoming Professor of Public Administration from 1967 to 1975. Between 1971 and 1975, he also served as Nigeria's Federal Minister for Economic Development and Reconstruction, responsible for planning and supervising the reconstruction of an economy devastated by civil war.

Professor Adedeji, a graduate of both London and Harvard Universities, is a recipient of many honorary degrees and international honours. He has also served as President of the African Association for Public Administration and Management.

His Excellency Chief Emeka Anyaoku

Chief Emeka Anyaoku became the third Secretary-General of the Commonwealth in July 1990. His international experience began when he joined the staff of the Commonwealth Development Corporation in 1959, working in Lagos and then in London. He joined the Nigerian diplomatic service in 1962. He was Director of the Permanent Secretary's Office in the Ministry of Foreign Affairs, and in 1963 he was posted to Nigeria's Permanent Mission to the United Nations in New York.

When the Commonwealth Secretariat was established in 1965, he was seconded to the new organisation. He joined the Secretariat as Assistant Director of International Affairs, and was later promoted to Director. In 1975, he was appointed Assistant Secretary-General. Two years later he was elected Deputy Secretary-General by Commonwealth governments.

He served briefly as Nigeria's Foreign Minister in the civil administration of 1983 before returning to his former post as Deputy Secretary-General at the Commonwealth Secretariat.

Chief Anyaoku, a graduate of University College, Ibadan, has received many honorary degrees as well as national titles and decorations.

The Honourable Dr Kwesi Botchwey

Dr Botchwey is Minister of Finance and Economic Planning in Ghana.

The Honourable Ms Simone de Comarmond

Ms de Comarmond is Minister of Tourism and Transport in the Seychelles.

Dr Carlton E. Davis

Dr Davis is Cabinet Secretary and Head of the Jamaican Civil Service.

Mr John S. Dawkins

Mr Dawkins was the former Australian Treasurer.

Mr Robert Dodoo

Mr Dodoo is Head of the Civil Service in Ghana.

The Honourable Gordon M. Draper

Gordon Draper is Minister for Public Administration and Public Information in the Office of the Prime Minister in the Government of Trinidad and Tobago.

From 1976-88, he lectured in Management at the University of the West Indies (UWI) and served as Head of Department until 1988. He held the position of Executive Director, Institute of Business, UWI, until his appointment as a government minister.

For five years, he served as Chairman of the Trinidad and Tobago Management Development Centre, a government-sponsored institution, and for a similar period as a Commissioner of the Trinidad and Tobago Utilities Commission. During the period 1984-86, he served as a member of the Public Service Reform Task Force, and from 1987 as a member of the Government's Administrative Reform Task Force.

He has worked as Marketing Manager of a leading commercial bank in Port of Spain; a Director of Price Waterhouse Management Consultants; and Group Human Resource Manager, McEearney Alstons Limited, a regional conglomerate.

He is also Chairman of the CARICOM Working Group on Public Service Reform.

Professor Jona Isawa Elaigwu

Professor Jona Elaigwu is Director-General and Chief Executive of the National Council on Intergovernmental Relations in Nigeria.

His academic career began in 1975 as a lecturer at Ahmadu Bello University, Zaria, Nigeria. Later, he was a visiting lecturer at the University of Kentucky and Transylvania University before joining the University of Jos in 1979 where he was appointed Professor and Head of the Department of Political Science in 1983.

Professor Elaigwu has been a member of many important committees and organisations, amongst these he is an Executive Committee member of the Research Committee on Federalism and Federations and a member of the Presidential Advisory Committee. He was a member of the United Nations Institute for Training and Research (UNITAR) from 1986-92, and was Chairman of the Board of Trustees of UNITAR from 1991-92.

The Right Honourable Dr Edward Fenech-Adami

The Right Honourable Dr Edward Fenech-Adami was sworn in as Prime Minister of Malta in May 1987. He currently also bears ministerial responsibility for the Civil Service, the Armed Forces and Local Government. Between 1989 and 1990, he also held the Foreign Affairs portfolio. He has been Vice-President of the European Union of Christian Democrats since 1979.

Dr Fenech-Adami was called to the Malta Bar in 1959. During the 1960s, he was Assistant Secretary-General of the National Party (PN) as well as Editor of the Party newspaper. He entered Parliament in 1969. In the early 1970s, he had a major role in the PN's re-organisation following its narrow defeat in 1971 after nine years of government and was elected President of the Party's General and Administrative Councils in 1975 and was PN Parliamentary Spokesman on Social Services from 1971-77. Dr Fenech-Adami was leader of the Opposition from 1977-82 and 1983-87. The PN, led by Dr Fenech-Adami, won the 1987 election and in February 1992 was re-elected with an increased parliamentary majority.

The Right Honourable Hage Geingob

The Right Honourable Hage Geingob was inaugurated as the first Prime Minister of the Republic of Namibia on Independence Day, 21 March 1990. This followed a long journey, which began while studying for a teaching diploma at Augustineum College in Okahandja in 1961. While there, he was initiated into politics and joined SWAPO. He taught for only one year before going into exile in 1962.

He became SWAPO's Assistant Representative in Botswana, and after suffering extreme hardships to reach Tanzania, he finally succeeded in leaving for the USA where he obtained a master's degree in International Relations. During his studies he was appointed by the President of SWAPO as Petitioner at the United Nations. In 1975, he became a member of the SWAPO Politburo and was appointed Director of the UN Institute for Namibia in Lusaka, Zambia.

Having received the Ongulumbashe Medal for bravery and long service in 1987, Mr Hage Geingob returned to Namibia two years later as Election Director. After SWAPO's election victory in 1989, he was appointed Chairman of the Constituent Assembly, as well as Chairman of the Namibia Independence Celebrations Committee.

Mr Denis Ives

Mr Denis Ives was appointed Public Service Commissioner in September 1990, a statutory position with wide-ranging responsibility for personnel management in the Australian Public Service (APS).

He is also a member of the Australian Public Management Advisory Board (MAB) which advises the Government on major public service management issues. He was closely involved in MAB's recent review of management reforms in the APS and the strategy document entitled "Building a Better Public Service".

His statutory responsibilities include approval of all appointments and promotions within the Senior Executive Service (SES) and he has related policy responsibility for management development activities in the SES.

In addition, he is also Chairman of the Joint Australian Public Service Training Council (JAPSTC), which is responsible for the development of competency-based training in the APS.

Mr Ives has been an officer of the APS since early 1961 and has worked in many different Federal Departments, with particular emphasis on industry and energy policy. He held the positions of Deputy Secretary in the Department of Primary Industries and Energy (1987), in the Department of Industrial Relations (1989-90), and in the Office of the Prime Minister and Cabinet (1990), before being appointed Public Service Commissioner.

The Honourable Ashok Jugnauth

The Honourable Ashok Jugnauth was appointed Minister for Civil Affairs and Employment in the Public Service in Mauritius in March 1994.

He practised as a lawyer for 13 years, before joining Parliament in 1991 as first Member for the Constituency of Moka/Quartier Militaire. He is a member of the Commonwealth Parliamentary Association Executive Branch for the Africa Region.

Professor Moses N. Kiggundu

Professor Moses N. Kiggundu, a native of Uganda, holds a bachelor's degree from Makerere University, Uganda, an MBA from the University of Alberta and a doctoral degree in Management and Administration from the University of Toronto. He is currently Professor of International Management and Administration in the School of Business at Carleton University, Ottawa.

Over the years, Professor Kiggundu has collaborated with various national and international organisations, including The World Bank, UNDP, CIDA, USAID, GTZ, national institutions, universities, NGOs and multinational corporations. Within the Commonwealth, he has worked in many countries in the African and Asian regions.

Recent field projects include: a study of the size, cost and administrative reform of the African Civil Service; African management in the 1990s, with an emphasis on good governance through traditional and indigenous institutions; developing participative approaches to projects for improved national economic management and administrative reforms; institutional analysis and development; and project review. He is currently involved in a study of the challenges of managing telecommunications reforms and modernisation in South-East Asia and developing countries in other regions.

Ms Hugette Labelle

Ms Hugette Labelle was appointed President of the Canadian International Development Agency in June 1993.

Deputy Minister of Transport Canada from 1990 to 1993, Ms Labelle was Chairman of the Public Service Commission of Canada from 1985 to 1990, Associate Secretary to the Cabinet and Deputy Clerk of the Privy Council between January and September 1985 and Under Secretary of State in the Department of the Secretary of State from 1980 to 1985. From 1973 to 1980, she held senior management positions in Indian and Northern Affairs Canada and in Health and Welfare Canada.

Before joining the Federal Government, Ms Labelle held management positions in health science education and in nursing education. Between 1974 and 1976, she served as a consultant to the Governments of Haiti and Cuba on health care planning and health science education. In 1987, she was co-chair of the World Health Organisation (WHO) Expert Committee on Health Manpower Management Systems.

Ms Labelle has held many senior positions with a variety of volunteer organisations in Canada. She is currently Chancellor of the University of Ottawa; and a member of the Board of Directors of Public Policy Forum, the International Development Research Centre, the Export Development Corporation, the International Centre for Human Rights and Democratic Development, the International Institute for Sustainable Development and WHO's Working Group on Health and Development Policies.

Mr Robert Laking

Mr Robert Laking has been Chief Executive of the New Zealand Ministry of Housing since 1992. From 1964-86, he was employed by the New Zealand Treasury in various positions in the areas of economic and financial policy and financial management. His assignments have included economic analysis of major industrial projects, development of government financial management systems and principles for management of state-owned enterprises. During his time with the Treasury, he was seconded to London as Counsellor (Finance) in the New Zealand High Commission, and spent a year as IMF Adviser on budgeting and financial planning to the Bahrain Ministry of Finance and National Economy.

In 1986, Mr Laking became Deputy Director-General (Policy and Services) Department of Social Welfare. After three years there, he joined the State Service Commission as Assistant Commissioner responsible for reviews of the performance of government departments and their chief executives. In that capacity, he was a member of the Steering Group and convenor of the project group for the review of State Sector Reforms which reported in late 1991.

The Honourable Marcel Massé

Mr Massé is President of the Queen's Privy Council, Minister of Intergovernmental Affairs and Minister Responsible for Public Service Renewal in the Government of Canada. He was a former President of the Canadian International Development Agency.

Mr Steve Matheson

Mr Steve Matheson was appointed Deputy Chairman of the Inland Revenue in the UK Civil Service in 1993. He entered the Inland Revenue as Inspector of Taxes in 1961. He was Private Secretary to the Chancellor of the Exchequer in 1975-76. Following this, he was Project Manager, Computerisation of PAYE (COP) 1977-84. He was Director of Information Technology from 1984-89, and appointed Board Member and Commissioner of Inland Revenue in 1989. He has been a past President and Deputy President of the Computer Society.

Ms Adelaide Phindile Mkhonza

Ms Adelaide Mkhonza was appointed Principal Secretary in the Ministry of Commerce and Industry of Swaziland in 1994.

She started her career as Assistant Secretary (Budget) in the Ministry of Finance. For the next five years she worked for the United Nations, Department of Technical Co-operation Development (UNDTCD) as Associate Public Administration Officer in the Development Administration Division and later as Associate Programme Officer in the Programme Implementation Division.

Ms Mkhonza returned to work for the Government of Swaziland in the Department of Planning and Statistics (1984-91), as Planning Officer, Senior Planning Officer and Under-Secretary. From 1991-94, she held the post of Principal Secretary in the Ministry of Economic Planning and Development.

Mrs Jaya Mohideen

Mrs Jaya Mohideen is Senior Consultant in the Economic Development Board (Consulting Group) in Singapore.

She was appointed to the Singapore Administrative Service in 1967 in the Ministry of Interior and Defence (1967-71). She joined the Public Service Commission from 1971-76. Later, she worked in the Ministry of Foreign Affairs, as Principal Assistant Secretary and Director, Administrative Division. From 1987-92, Mrs Mohideen held several posts in the Singapore Embassy in Brussels, initially as Minister-Counsellor, then Charge d'Affaires, and finally Ambassador to Belgium and Head of Mission to the European Communities. She was concurrently accredited as Ambassador to the Netherlands, Luxembourg and the Holy See.

From 1993 to March 1994, Mrs Mohideen was Deputy Secretary (Management) in the Ministry of Foreign Affairs before being seconded to the Economic Development Board.

She has been awarded several medals both in Singapore and the Netherlands for her work in Public Administration and was twice Chairperson of the ASEAN Brussels Committee.

Mr Richard Mottram

Mr Richard Mottram is the Permanent Secretary, Office of Public Service and Science (OPSS) in the UK Cabinet Office. As Head of OPSS, he is responsible to the Minister for Public Service and Science for public service management reform, the Citizen's Charter, the Next Steps Programme, efficiency and market-testing within government), civil service management questions, the Government Centre for Information Systems (CCTA), science and technology policy and the science budget.

The OPSS also provides support to the Minister on those executive agencies for which he has responsibility: the Civil Service College, Chessington Computer Centre, Recruitment and Assessment Services, the Occupational Health Service, the Central Office of Information and Her Majesty's Stationery Office.

Mr Mottram entered the Civil Service in 1968 and has worked mostly in the Ministry of Defence and Overseas Secretariat of the Cabinet Office from 1975-77. From 1982-86, he was Private Secretary to successive Secretaries of State for Defence. From 1989-92, he was Deputy Secretary responsible for British Defence policy and strategy and defence relations with other countries and he led at official level the work on revising the UK's defence strategy and restructuring the armed forces following the collapse of Communism in Europe.

Dr Mario Mariyawanda Nzuwah

Dr Nzuwah is Chairman of the Zimbabwe Public Service Commission.

Ms V Lynne Pearson

Ms Lynne Pearson is the Chief Executive of Consulting and Audit Canada (CAC), a special operating agency of the Government of Canada, designed to improve delivery of services on a cost-recovery basis. Before joining CAC in 1993, Ms Pearson was Executive Director of Training Programmes Branch at the Public Service Commission (PSC), responsible for Language Training Canada and Training and Development Canada.

Before joining the PSC, Ms Pearson was Assistant Deputy Minister, Saskatchewan Region, Western Economic Diversification Canada, and the Federal Economic Co-ordinator for Saskatchewan for the Federal Government. Earlier, she held senior positions with the Federal and Saskatchewan Governments, including Regional Director-General, Saskatchewan Region, Employment and Immigration Canada; and Deputy Minister of the Saskatchewan Department of Consumer and Commercial Affairs.

Ms Pearson is an Executive Member of the Board of Directors of the Canadian Standards Association; Chairman of the Board of Directors of the Quality Management Institute; Chairman of the Endowment Fund of the Institute of Public Administration of Canada (IPAC); and a member of the Board of Directors of the Association for Professional Executives of the Public Service of Canada (APEX). She has also served as National President of IPAC and, in 1986, she was selected as Regina's Woman of the Year in the Business and Professional Category.

Mr Tim Plumptre

Mr Tim Plumptre is the founder and President of the Institute On Governance, a non-profit organisation, set up in 1990 in Canada, which deals with public sector issues.

He played an important role in promoting the reform of the Canadian Public Service in the late 1980s. He also provided advice to the Clerk of the Privy Council on an initiative for the renewal of the Public Service announced by the Prime Minister in 1989 as Public Sector 2000 (PS 2000), and he later served as Executive Director of a task force associated with PS 2000 developing proposals for improving service quality in the Government.

After the 1993 federal election in Canada, Mr Plumptre served as an adviser on policy to the Government. Mr Plumptre spent 20 years as a consultant on organisation and strategy to Government departments and business. He was a senior partner in two national consulting firms from 1977 to 1990. Earlier, he served in Canada's Department of External Affairs and in the Canadian International Development Agency.

Professor Jon S. T. Quah

Jon Quah is Associate Professor and Head, Department of Political Science and Co-ordinator, European Studies Programme, at the National University of Singapore. He was educated in Singapore and the United States and was a Fulbright-Hayes scholar at the Department of Government at Florida State University. He received his PhD in Political Science, majoring in Public Administration in 1975 from the same University.

Professor Quah has held visiting appointments as Professional Associate at the East-West Centre in Honolulu (1978); Visiting Scholar at the Harvard-Yenching Institute (1979-80); Research Associate at the Institute of Governmental Studies, University of California, Berkeley (1986-87); and Visiting Scholar, Harvard Institute for International Development (August 1994-March 1994).

Mr N. R. Ranganathan

Mr Ranganathan has been working as Secretary to the Government of India in the Ministry of Personnel, Public Grievances and Pensions over the past two years dealing with all personnel matters, including training, as well as administrative reform.

He joined the Administrative Service (IAS) in 1960. Early in his career, he held various posts, such as Collector, Divisional Commissioner in the State of Maharashtra, gaining regionally-focused socio-economic experience. Later within the Government of Maharashtra, he worked in the Industries Department with exposure to both public and private sectors. He was Home Secretary and Secretary in the Urban Development Department.

Within the Government of India, he has worked for several years in the Ministry of Finance (Department of Economic Affairs) as Director, Joint Secretary, Additional Secretary and Special Secretary. He dealt with bilateral and multilateral donor agencies, including UNDP. As Joint Secretary, he was involved with banking, particularly, development banking, dealing with nationalised banks and public financial institutions. He has also overseen the insurance sector in India and has been on the boards of several banks.

Mr Paul M. Rupia

Mr Paul Rupia is Head of the Tanzanian Civil Service.

Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid

Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid has been the Chief Secretary to the Government of Malaysia since 1990. He is Head of the Civil Service and Secretary to the Cabinet. During his career, he has occupied senior positions at district, state and federal levels. He was Deputy Director-General of two central agencies in the Federal Government, namely the Public Service Department and the Economic Planning Unit in the Prime Minister's Department. Later, he headed four federal government agencies, namely as Director-General of the Farmers' Organisation Authority Malaysia; Head of the Council of Trust for the Indigenous People (MARA); Secretary-General of the Ministry of Trade and Industry; and Chairman of the Malaysian Industrial Development Authority.

Professor Ian Scott

Professor Ian Scott is Head of the Department of Politics and Administration at the University of Hong Kong where he has taught since 1976. He has written widely on the Hong Kong Civil Service and on the politics of the transition to Chinese sovereignty in 1997.

Mr Khalid Shams

Mr Khalid Shams is Deputy Managing Director in the Grameen Bank in Dhaka, Bangladesh.

Dr Misheck J. M. Sibanda

Dr Sibanda is Secretary for Public Service, Labour and Social Welfare in the Ministry of Public Service, Labour and Social Welfare in Zimbabwe.

The Honourable Dr Zola Skweyiya

Dr Skweyiya is Minister for the Public Service and Administration in the South African Government.

Mr Kevin Sparkhall

Mr Sparkhall is Principal Adviser in the Government and Institutions Department of the Overseas Development Administration in the United Kingdom.

Dr Sibu Vil-Nkomo

Dr Vil-Nkomo is Commissioner in the Public Service Commission in South Africa.

12. IMPROVING THE PUBLIC SERVICE: A COMMONWEALTH PERSPECTIVE

Nick Manning, Adviser (Organisation, Structure and Design), Management and Training Services Division, Commonwealth Secretariat

Why focus on the public service?

Public service performance and the national strategy: the chain of connection

The last decade has seen an unparalleled debate concerning the size and role of the public sector.¹ This debate has been powered, in varying measure, by public disillusionment with the competence of government, changing views on the relationship between the citizen and government, and growing budget pressures.

Globalisation – the growing inability of national borders to restrict the flow of ideas or of capital – underpins every aspect of this debate. Public disillusionment with government has its roots in the over-optimistic assumptions of the 1960's and 1970's concerning the ability of the public sector to drive development by large-scale projects and large-scale spending. But that disillusionment can also be traced to the ready comparisons which an increasingly global media offers between standards of living in different regions. The performance of the public sector, previously accepted somewhat fatalistically, has become more open for debate.

Within increasingly global markets, national economic policies are now tested against international yardsticks of competitiveness. The capacity of the public sector to establish the right regulatory frameworks for development, to enforce them, to develop national productive capacity, to attract capital, and to act itself as a producer, are all in question. Again, globalisation has played its part in challenging the form and function of the public sector.

The debate concerning the role of government has also been strengthened by a remarkably consistent stream of managerial and political ideas which emerged during the 1980's. In sum these ideas, emerging from different settings but globally reinforcing each other, emphasised the significance of distinguishing between those who decide what should be done, and those who should do it – between policy-makers and implementors, or between purchasers and providers. Combined with a renewed conviction that market competition will improve efficiency, the managerial and organisational consequences for the public sector of these ideas have been vast.

In the 1990's, ideological rigour is giving way to a more considered evaluation of the newer organisational forms and distribution of functions, but the intensity of the international debate concerning the preferred *shape* and *size* of the public

sector is undiminished. Tentatively there is, however, some emerging consensus concerning one particular *role* of the public sector – that of aligning the need for personal freedoms and democratic accountability with the need to achieve a globally competitive position for the nation.

By tradition, there is a distinction between the overall public sector and the public service which lies at its core. That distinction has never been straightforward, and the lines have become increasingly blurred as newer and more autonomous organisational forms have emerged within government.

For clarity, this paper is taking the public sector to be the entire executive machinery of government – the public bureaucracy which responds to politically defined priorities within a constitutional framework. The public sector is distinguished from the private and NGO (or "third") sector in that it is directly accountable to government, and is subject to control by government in the details of its processes as well as through legislation and an overall regulatory framework.²

The public service, in some settings known as the civil service, is at the core of this sector. This consists of a body of employees unified by common professional norms and principles, by uniform financial and personnel management regulations and, traditionally, by a common career structure.

The public service always contains those arms of the state concerned with controlling the input of human and financial resources into the public sector: the treasury and the key personnel management functions. It generally contains core social and economic policy-making functions. Many service delivery functions and enterprises are within the public sector, but not within the public service, in that their internal personnel and financial management systems have drifted away from those imposed within the core public service.

As this paper will note, the boundaries between an increasingly less uniform public service, the broader public sector, and in some cases the private and NGO sectors, have become less distinct.

It is the ability of the public service to deliver the policy-making and regulatory basics that determines the overall capacity of the public sector. If not a *sufficient* condition, a competent public service is certainly a *necessary* condition for a competent public sector.

Improvements in the ability of the public sector to deliver a national strategy – the appropriate alignment of personal freedoms and democratic accountability with the need to achieve a globally competitive position for the nation – rest on an improved public service.

Three pressures for change

That linkage between national strategy and a competent public service can be seen in the three interlinked pressures which are forcing change within the public sector. Each of these change pressures places the performance spotlight firmly on the public service.

First, a renewed emphasis on legitimacy of government – where, as explained later, legitimacy includes equal portions of accountability and efficiency amongst its ingredients – is positioning the public service as the key indicator of successful change. More than any other national institution or sector, the public service must show that it reflects the changing emphasis.

Second, a concern for individual empowerment, the re-identification of the citizen as a customer of government, is requiring the public service to strengthen its roles as funder and regulator of other sectors.

Third, the imperative to get more for less, reorganising the machinery of government to increase efficiency, is requiring the public service to find new systems of accountability. The direction of organisational change within the public service is exposing ethical uncertainties which are focusing particular public attention on the previously obscure topic of public service organisational structure.

Pressure number 1: a renewed emphasis on legitimacy

The renewed emphasis on legitimacy of government, interpreted broadly, starts from the premise that the right of government to tax, spend, control and assist is constantly earned rather than permanently granted. Legitimacy is earned in three ways:

- through democratic accountability and transparency – a clear demonstration that ends have not been allowed to justify means and that redress is available;
- through actual or potential contestability – the provision of sufficient information to allow an observer to assess whether the services would have been better produced elsewhere; and
- through alignment with the procedures, structures and service standards of regional partners – very particularly through harmonisation within regional trading blocs.

These themes of political representation and accountability, appropriate constitutional and legal frameworks, transparency of government processes, strong civil society and mechanisms for achieving redress, are underpinning major

debates concerning the shape and nature of government in developing and, in different guises, in developed countries.³

In summary, the climate within which government must operate is being influenced by rising expectations concerning all aspects of its legitimacy: accountability of public office-holders; transparency in the disbursement of public finance and in the operation of state power; the availability of mechanisms for achieving redress; and consistency with trading partners.

The change in that surrounding climate can be assessed by such indicators as the freedom of the press, the independence of the judiciary, regional cohesion and, very particularly, the strength of civil society. The latter is, in turn, seen to be judged by the capacity and independence of non-governmental organisations, professional and labour associations, and other mechanisms for facilitating popular "voice" in national life.

In developing countries, pressure to change that climate of expectations has been substantially driven by the donors but it would be a caricature to imply that they have been the only source of pressure to place such values on the agenda – or that they have been substantially successful in doing so. The debate concerning these underpinning values and structures of the state has been encouraged by more pervasive developments ranging from satellite television to selective ideological emphasis on particular governance values in order to promote political agendas.

The Commonwealth itself is actively promoting distinctive values concerning the recognition and welcoming of diversity and pluralism within national life, and the significance of democracy and accountability, within a framework of the rule of law. These ideals found an explicit expression at the Commonwealth Heads of Government Meeting held in October 1991 in Harare. The Heads of Government noted that: "The special strength of the Commonwealth lies in the combination of the diversity of its members with their shared inheritance in language, culture and the rule of law. The Commonwealth way is to seek consensus through consultation and the sharing of experience".⁴ They concluded that: "To give weight and effectiveness to our commitments we intend to focus and improve Commonwealth co-operation in these areas. This would include strengthening the capacity of the Commonwealth to respond to requests from members in entrenching the practices of democracy, accountable administration and the rule of law".⁵

The importance of sharing experiences "within a framework of similar values including a respect for pluralism, informality, and a belief in genuine consensus"⁶ was emphasised at the 1993 Heads of Government Meeting held in Cyprus in 1993.

The pressure for change in the public service arises from the widespread perception that it lies at the centre of the machinery of state, somewhat insulated from the

surrounding climate of national values and public expectations. A popular image of the public service would hold that it is insulated from the public which it serves and correspondingly insulated from the changing values which make up this climatic shift towards enhanced legitimacy.

This insulation is provided by the political/legislative mechanisms of the state: the assumption that the electorate express their views and requirements to the legislature, and that it is this body which in turn operationalises these through the structures and processes of the public service.⁷

Identifying the public service as the partially insulated core of the machinery of government gives it a very particular significance. If the public service is one of the areas of national life most remote from changing national values and public expectations – the last resort of unreconstructed, unresponsive, at worst illegitimate and at best opaque government – then it follows that if the public service can be made consistent with the strengthened concerns for accountability and transparency, then these values must indeed be triumphant.

Significant improvements in the public service are seen as a key indicator of the successful penetration of the values supporting the legitimacy of government into the core of national life.

Pressure number 2: the citizen as a customer of government

The mass movement of citizens from passive recipients of government services to active customers has been a well-publicised journey. Charters, guarantees and service contestability are well documented themes⁸ emphasising the core dimensions of consumerism: access; information; choice; and redress.

The limitations of consumerism as a model for government are also well understood. The risks of attempting to squeeze the constitutional subtleties of liberty, nationality, community, collectivity, and national vision into the pint pot of a shopping metaphor are widely recognised. However, as a dynamic for change, the experience of consumers in the private sector market-place in relation to quality, responsiveness, and customer service at the point of service provision have placed very significant pressure on government to change the style and nature of its service planning and delivery.

The most dramatic form of this dynamic for change has concerned moves to improve the experience of individuals at the point of contact with government, but it is consistent with several other related themes all falling under the larger heading of output-orientation. This set of ideas moves the emphasis away from a concern with inputs of financial and human resources, and with processes, towards a concern with outputs – what was actually produced, and how well.

Focusing on outputs has been a necessary prerequisite for other consumerist moves, from contracting out (the purchase of goods and services, previously produced within government, from private sector suppliers) to the establishment of performance measures for government departments. All such moves presuppose that the outputs of government can be identified, qualitatively and quantitatively. That identification amounts to an assumption that all those outputs have customers – whether the customers are individuals, institutions, other government departments, or an entire sector.

This movement is leading to a separation of roles between the service planners and funders within government on the one hand and, on the other, the organisations which are contracted to provide those services – which may be in the public, private or NGO sectors. In this way, the move from citizen to customer has led to a greater emphasis on the provision of services by agencies outside of government.

As a result, in addition to its traditional relationship with the political structures of the state, and its diminishing direct service delivery relationship with the public, the public service must now increasingly manage contractual relationships with the private sector and parastatals and similarly with the NGO sector.

Given its increasing reliance on the private sector, parastatals and the NGO sector for service delivery, the responsibility of the public service to manage the regulatory environment and to manage the economic structures and conditions for enhancing the diversity and capacity of these sectors is emphasised. In this way, the proliferation of service providers has resulted in a more complex web of organisational relationships, but has simultaneously highlighted the role of the public service as conductor of this more diverse orchestra. Paradoxically, amidst much debate concerning the shrinking role of government, this positioning of the public service provides it with a role that is perceived to be broadening.

Significantly, the tidy distinction between, on the one hand, government services provided only by government employees and, on the other, NGO and private organisations providing services only on behalf of those sectors, has blurred. It is increasingly accepted that services for which government is responsible, are delivered by other agencies. Private sector companies and not-for-profit organisations are providing services for which, it is accepted, government is ultimately accountable.

For this reason, distinguishing between responsibilities has never been more difficult for consumers. For the recipient of government services provided through a private sector organisation, for example, determining whether a service failure can be attributed to government's inadequacies in letting a workable contract, or whether it is the responsibility of the company for not fulfilling its contractual obligations, can be all but impossible.

As a result, while the public service may attempt to do less, through its growing funding and regulatory roles it is in practice perceived as being responsible for more.

Pressure number 3: restructuring the machinery of government to increase efficiency

The pressures on government to increase efficiency are clear. They stem, as with all major developments, from a combination of *motive*, *opportunity* and *means*.

The *motive* stems from concern both about costs and about effectiveness. In the context of the dramatic globalisation of trade, national economies are exposed to harsh external judgements as never before. In developing countries, the dramatic growth in the public sector in the 1970s was based on a seemingly unbreakable chain of reasoning. More or less socialist principles inter-linked with economic nationalism, a limited private sector and an understandable need to guarantee employment for the newly educated, to produce an argument for national development powered by a growing public sector.⁹ In developed countries, the chain was formed from similar political assumptions, and a faith in the ability of the state to provide health and other social services at a level that felt comfortable to the contributing taxpayer.

In both settings, although to very different degrees, the harsher economic climate weakened these arguments at key points. The links between the larger public sector and enhanced development were very particularly challenged. In the 1980s, considerable attention focussed on public enterprises in particular. They seemed to typify the newly exposed errors of this thinking, as economic realities emphasised that public capital should, at the very least, not produce a negative return when invested.¹⁰

Despite the budget pressures, if a high growth strategy for the public sector had delivered the socio-economic goods, it is possible that the pressure for change would not have mounted so quickly. However, concern about the costs of this strategy coincided with increasing doubts about the effectiveness of the public service to deliver required policy outcomes. An expensive machine is one thing, an expensive machine that does not work is another. The overall pressure has been well summarised in the maxim that "the state should manage less, but manage better".¹¹

Surveying the international scene, the *motive*, the push for public sector improvement, has been increasingly evident since the early 1980s. To graduate into a fully developed public sector improvement movement, however, *motives* require both *opportunity* and *means*.

Opportunities have been spotted in most settings, most generally when the political nerve to label structures and practices as wasteful coincides with the political and administrative ability to identify a coherent change agent.¹² At the same time, public sector reformers have been equipped with a seemingly ever-diversifying array of *means*. These are the organisational forms available for use in the public sector which, simply by increasingly common usage, have entered the mainstream.

Organisational forms which were until recently considered radical for the public sector have now become real options on a dauntingly large menu for public sector planners.

Highlighting reorganisation as a key means of improving the public sector is not to argue that managerial practices and support systems are not equally significant. Whether public sector improvement is seen as the successful permeation of key values, a significant movement towards customer empowerment, or the selection of a more efficient organisational form, changes in strategic planning systems, performance management practices, strategies for the management of human and financial resources and capital assets, and in information technology support are all part and parcel of the development. Emphasising organisational forms is, however, very definitely intended to note that reorganisation has been the wedge which has introduced change into many public sector organisations.¹³

Reorganisations within the public sector can be characterised in many different ways. The six components of reorganisation generally employed within the public service are set out below. They are not mutually exclusive.

(i) *Consolidation*

associated changes:

downsizing – reducing the size of the workforce;

reducing – reducing the size and scope of the organisation;

de-layering – reducing the size of the workforce by increased delegation, increased spans of control, and the removal of management layers; and

centralisation – pulling back from decentralised or devolved organisational forms.

(ii) *Decentralisation*

associated changes:

deconcentration – the geographical relocation of parts of the organisation; and

horizontal restructuring – the creation of locally-based organisational units, each capable of providing a broad range of services.

(iii) *Devolution*

associated changes:

delegation of financial management and/or of personnel management – providing greater autonomy to managers at lower levels, within overall guidelines;

establishment of agencies – general delegation of authorities to cost and profit centres, with flexibility to achieve agreed goals within an agreed framework of accountability; and

establishment of internal markets – designation of cost centres with sufficient overlap of functions to enable budget holders to exercise some choices in "purchasing" from these internal suppliers.

(iv) *Corporatisation*

associated changes:

transparent funding – financial "ring-fencing" to identify all funding inputs, including government subsidies, allowing subsidised and unsubsidised prices to be established for all outputs;

change of legal entity – establishment of an organisation capable of addressing commercial objectives; and

vertical restructuring – the separation of interdependent activities previously undertaken within the same organisation.

(v) *Contracting out*¹⁴

associated changes:

contracting services out – pass responsibility for the provision of a specified level and quality of services to a private or NGO sector organisation;

contracting management out – retain ownership in the public sector while contracting out management of the organisation to the private sector for a specified period for a fixed fee or on a profit-sharing basis; and

leasing assets – the leasing of facilities or a brand name owned by the government to a private or NGO sector organisation for a specified period for a fixed fee.

(vi) *Divestiture*

associated changes:

selling unchanged – change ownership only;

restructuring;

selling as single entity;

disaggregating and selling – privatise constituent parts; and

selling the core – sell the profitable core following its separation from the less profitable or less strategic activities.

Broadly speaking, the use of these components of reorganisation as a means to achieve efficiency savings has been driven by two convictions which are recognisable in the elements of the new paradigm described by Professor Borins in his overview paper in this publication:

- (i) that increased managerial autonomy frees up managers to develop imaginative solutions for business problems; and
- (ii) that establishing some degree of private ownership provides the basis for incentives for performance improvements – particularly when it is associated with strong market competition.

It should be emphasised that much of the supporting evidence behind these convictions is anecdotal rather than substantial. However, they represent very strong assumptions within public sector improvement programmes.

The results from applying these reorganisation components to the public sector have been remarkable. Previously uniform structures have evolved and diversified into a complex patchwork of organisational forms. Boards, trading enterprises, NGO contractors, one-stop multi-function services have added increasing variety to the public sector scene.

The challenge of that new and more diverse scene is that the boundaries are no longer as clear as once they appeared. With increasing corporatisation and greater contracting out, the line between the public sector and the private and NGO sectors is somewhat more elusive. Similarly, at the core of the public sector, with the arrival of increasing varieties of operating or executive agencies within government, the traditional line between the public service and the public sector described above is now somewhat harder to trace.

The most challenging aspect of this shift concerns accountability. To its critics the public service is characterised as process-driven, overconcerned with regulatory compliance and insufficiently attentive to results. That preoccupation with process has certainly not rendered it immune to impropriety – but, successful or otherwise, it did represent a coherent attempt to emphasise consistency and to remove any distractions from the ultimate accountability of politicians for the policies they select.

In that increasingly uncertain territory between the public service and the private sector where the regulatory and process controls have been reduced, it is not yet clear what the new accountability approach should be. It is not always clear that coherent distinctions can be made between public and private interests or between managerial drive towards organisational survival and achieving public policy outcomes.

In consequence, the many moves to restructure the public sector for efficiency have focused attention on the public service because of a new uncertainty that surrounds it. In terms of systems for accountability, it is more clear what the public service is moving away from than where it is headed.¹⁵

The problem of change in the public service

Stability and resistance

Self-evidently, the public service is remarkably resistant to productive change. This resistance takes two guises – old and new. The well-established concern with the public service is that in its focus on process rather than product, it remains aloof from the disappointments of both its funders and its consumers, seeing any proposals for change as attacks on the integrity of integrated systems and careful precedent.

This form of resistance to change can be unpacked to reveal some more concerning dimensions. The presumption behind the traditional model is that the formalism of rules and procedures serve to insulate the service from the heat of short term political or other partisan pressures. If, however, partisan interests have entered the system through other means, that same insulation keeps the heat in rather than out. In the most extreme cases, the formalism provides cover for patronage through job-creation and erratic recruitment criteria, personalised patterns of loyalty, and organisational growth reflecting the role of the public service as a welfare employer rather than as a policy goals achiever.¹⁶

The degree to which the public service can be removed from the economic realities of its context are equally concerning. In relation to remuneration, a system which pays staff at a level which must require moonlighting for survival, while notionally relying on loyalty to the public service as a motivator, is clearly not concerned with achievement. Equally, a system which pays excessively well for poor results through intricately constructed benefit packages is little concerned with its reputation.

In relation to budgets, a system which encourages annual incremental increases to watertight budget allocations, regardless of national needs or economic growth, is less than well connected with the wider realities.

Emphasising these points comes close to caricature. The point to be made is simply that the resistance to change in the public service, in the traditional guise of addiction to process, is based both on loyalty to an idea – protection from interference – and on rather more self-interested loyalties to patrons and to

personal position. Both sets of loyalties have encouraged the development of constituencies which do not recognise change as in their interest.

The Public Service Commissions established in all Commonwealth countries offer a particular example of an institutional design which is intended to be resistant to change – and which has proved to be remarkably successful in this endeavour. This resistance to change also symbolises the positive and negative aspects of that stability. At their best, they have acted as bulwarks against undue political interference in recruitment, promotion and disciplinary activities. At their worst, they have locked into the service a perspective which barely recognises merit or initiative.¹⁷

The newer guise of resistance to productive change is more subtle and clearly not unique to the public service. Refocusing managerial attention on the change process provides a continued reason for avoiding the thorny issue of outputs and organisational effectiveness. Change itself rather than organisational improvement becomes the agenda.¹⁸

Again, this verges on caricature and risks placing the public service in a position where it is criticised for either change or for stability. The point at issue is that the public service is seen as an intrinsically stable system, prone to long term decline, but resistant to shorter term productive improvement.

Some change trajectories for the public service

In the face of this intrinsic stability, change is possible. As this conference has indicated, in some settings profound reforms of the public service have been undertaken with resulting performance improvements claimed and, perhaps less frequently, demonstrated.

If change really is the only certainty for the future, then it is important that the types of change are characterised. If there are to be no more pauses in which the public service might catch its organisational breath, then there is little time to review the assumptions implicit within any particular change strategy. Having started along one change trajectory, it will be difficult to switch to another.

Looking across the Commonwealth, change trajectories for the public service can be characterised along two dimensions according to the source of pressure for performance improvements, and to the way in which a successful change is defined.

Along the first dimension, the pressure for improvements can result from stimulating external expectations to provide a *push* to public service standards, or from ratcheting up internal expectations a *pull* towards improvement. A strong and current example of push acting on the public service is provided by the moves

towards empowering consumers by such devices as the charters or other service guarantees which provide the consumer with a lever for enforcing improved service (e.g. UK and to a lesser extent, Malaysia). An example of pull is the requirement to deliver year-on-year efficiency savings with no loss of output (e.g. Singapore).

Along the second dimension, success in improving the public service can be interpreted as the attainment of a specific and predictable result, a move from position A to position B. At the other extreme, improvement programmes can be intended to initiate a process in which constant change is envisaged – with no intention of stopping or perhaps with no belief that stopping is possible.¹⁹

In summary, the location of change along the two dimensions is determined by whether:

- (i) the source of pressure for performance improvements arises from increased internal expectations originating within the service, or increased expectations from external consumers; and
- (ii) the movement intended for the public service consists of well-defined, measurable improvements, or an open-ended process of continuing improvement.

These two dimensions intersect to produce four broad trajectories with differing characteristics:

- *Change trajectory 1* results from increased external pressure for improvement (increasing the power of consumers etc.) and defines success as implementing some specific improvements. It might be characterised as *predictable consumer gain*. Elements of the Malaysian Public Service improvements could be located under this heading.²⁰

RISKS. Increasing the external pressure is intrinsically risky in that it inevitably opens up the possibility that raised public expectations will not be met. The exposure is higher in a situation where specific anticipated improvements have been set out.

OPPORTUNITIES. To change the public perception of the public service by delivering on two definite promises: that reforms will be in place; and that the reforms will lead to service improvements which will be experienced by consumers.

- *Change trajectory 2* might be called *continuous service improvement* and results from the push of increasing external pressures with success defined as the commencement of an unstoppable process of continuing change. Arguably, the process underway in the UK is following this change path.

RISKS. The key dynamic in seeking this objective is the careful use of "mistrust" - an emphasis on the public's need to have ammunition to use against a public service which might not, of itself, deliver quality goods. This strategic use of mistrust can be seen in the growing range of charters and service guarantees, and more broadly, in the drift towards a "contract culture" in which careful service specification is seen as the key instrument for improving quality.²¹

The risk emerging from the use of this dynamic is that it may build in a permanent scepticism about the quality of public services – with implications for the perceived worth of government provided services. Equally, it might be argued that different sections of society are more or less able to use the consumerist model to full advantage, with a consequent risk of divisiveness.

A further risk is that government may not have the capacity to manage a high level of permanent change.

OPPORTUNITIES. The strategy provides the possibility that customer needs will determine the nature of public services in a way that could not be matched by internal planning. It allows for the possibility of a highly responsive service, in which emerging need and as yet unrecognised demand is translated into service provision more rapidly than would follow from bureaucratic prediction.

- *Change trajectory 3* results from the pull of increased internal pressures including higher managerially imposed standards, and embodies a reasonably clear picture of the desired improvements. This trajectory might be termed *predictable performance improvement*. Arguably, New Zealand's major reforms of the Public Service could be located here along with, less dramatically, the reforms in Trinidad and Tobago and in Malta.

RISKS. The principal risk is that of over-prescription based on ideology or internal planning. If the intended model is relatively clear, and if that model has been generated by change drivers with a focus internal to government, the resulting position might, in the extreme, owe more to administrative rigour and theoretical coherence than to customer need.

OPPORTUNITIES. The objective provides the opportunity for developing a model of public service which is clear, carefully structured, comprehensively planned, and tailored to meet national needs over a long time horizon – in particular economic and planning needs which government can see but which might not be clear to public service recipients.

- *Change trajectory 4* represents continuous performance improvement and is defined by an emphasis on internal pulls for service improvements, and by the very open-ended nature of the intended reforms. Elements of the Public Service changes in Singapore might be located here.

RISKS. This strategy fits with strong government leadership. It makes two key assumptions: that government can see emerging need more coherently than service recipients; and that government has the capacity to manage continuous change. In the absence of either of these foundations, there is scope for strategic and expensive misdirection of administrative effort.

OPPORTUNITIES. This strategy offers both the greatest risk and the highest potential gain. It provides a model in which government can develop a public service machine able to respond to strategic national needs as they are identified. One particular strength is that it allows government a full and pragmatic choice of strategies. Market testing and tightly defined contractual relationships between units within the public service and between the public and other sectors are a possibility to be used if necessary – but are not a requirement.

Making change happen

Since 1975, the Management and Training Services Division of the Commonwealth Secretariat, and its predecessor the Management Development Programme, have been providing extensive assistance to Commonwealth governments confronting the challenge of securing administrative and managerial improvements in the public sector. The Division's analyses of major trends and opportunities for public sector improvement are complemented by its tailored consultancy and training packages designed in response to national and regional needs.

In undertaking this work, a picture has emerged which offers some insights into the mechanisms for achieving change within the public service. Improvements, Commonwealth experience suggests, can be seen to be the result of *controlled destabilisation* of this resistant system employing some very particular tools which are generally used as the destabilising devices.

Each tool represents a possible point of entry into the process of improving the public service. As a tightly connected system, improvements in one area of the public service provide the springboard for improvements in others.

As will be explained below, disaggregating major public service improvement programmes into tools for destabilisation or constituent parts is not to diminish the need for an over-arching vision and high-level determination. It is however intended to capture the reality that not all public service improvements are defined within a large-scale public service improvement programme. Donor-driven pressure for such programmes has had the disturbing effect of devaluing small scale opportunistic improvements – with the consequence that, in caricature, poor services and bad practices must continue for some more years until every critical

path diagram in every printed volume of the integrated improvement programme has been agreed by all the key national and international players.

The individual tools employed follow a somewhat standard pattern across the Commonwealth. The mix, the selection from that broadly standard menu, varies considerably.

Taking as an example the need to *change the working culture*, a remarkably consistent set of devices are being employed to deliver change in the public service in some very diverse settings. The tools can be grouped into three principal areas:

- (i) *Tools for the development of a mission orientation for staff*
 - ensure that all units/Ministries have and own achievable and measurable operational goals (e.g. mission statements worked up from the bottom, steered by the top);
 - publicise operational plans (e.g. business plans);
 - publicise achievement (e.g. annual reports); and
 - disaggregate funding, ensure that staff understand the costs of failure (e.g. identification of costs of specific activities, highlight wastage).

- (ii) *Tools for emphasising business needs in recruitment and retention practices*
 - set budget control totals for wages/salaries – allow flexibility within the total (e.g. set budget for all running costs, allow flexibility between wage bill and work contracted out);
 - devolve recruitment to Ministries – under general guidelines set by the Public Service Commission (e.g. distinguish between the Commission's role in setting the rules for recruitment and in recruitment itself – the latter function may be moved);
 - establish the principle of differential pay-scales according to recruitment difficulties (e.g. gradually introduce delegated pay and grading systems for larger Ministries within a framework of centrally-determined rules);
 - encourage open recruitment for all senior positions (e.g. open competition for all but the most sensitive positions).

- (iii) *Tools for emphasising merit in performance management*
 - introduce performance review (e.g. modernise staff appraisal approaches);
 - develop performance incentives – financial and non-financial (e.g. Prime Minister's awards for excellence, performance-related salary enhancements); and
 - monitor performance improvements of units - develop shared strategies for improvement (e.g. regular briefings of all staff on achievements and shortcomings of the unit – within the context of collective responsibility, staff and management – and explain the proposed strategies for improvement); and

- train for identified business needs, counsel for failures (e.g. treat training investment as any other capital investment – appraise in terms of service gains achieved).

Tools to change the working culture, grouped into the above three "toolboxes", sit alongside other groupings of tools which are also used to *improve human resource management* within the public service. Tools for improving human resource management have been identified in the following categories.²²

- (i) *Tools for changing the working culture*
 - the development of a mission orientation for staff;
 - emphasising business needs in recruitment and retention practices; and
 - emphasising merit in performance management.
- (ii) *Tools for changing the way in which staff are acquired*
 - emphasising merit in recruitment and retention practices;
 - ensuring non-discrimination in recruitment; and
 - devolving responsibility for recruitment.
- (iii) *Tools for managing the workforce as a flexible resource*
 - using contractual employment;
 - developing redundancy management schemes; and
 - strengthening human resource information and planning systems.
- (iv) *Tools for maximising the contribution of staff*
 - enhancing staff training and development;
 - developing locally relevant codes of conduct; and
 - introducing career management.

Observations suggest that change happens through the use of tools chosen from this selection, only when commitment and ownership are present in a particular form.

Sustainable change is built on commitment and ownership from the most senior levels within government to a strategy for change and to the use of selected tools for achieving movement within it. With no commitment, the public service does not know what is expected of it. With no ownership, there is no incentive to maintain a difficult course. Above all, without both commitment and ownership, there can be no choice of strategy, and consequently no guiding principles.

Commitment from the top is referred to so frequently as a fundamental requirement for public service improvement that, through overuse, the phrase has now been very largely drained of meaning.²³ Experience suggests that if change is

to be achieved, then three components of commitment must be present managerially, and in the case of major programmes, politically.

First, commitment to change involves a willingness to indicate a clear preference for the future – to say what an improved public service would look like, and what it is in the past that must be left behind.

Second, it entails a willingness to take responsibility for, to own and to accept praise and blame, for the process that will lead to that future.

Third, commitment requires a preparedness to describe and repeat, as often as possible, both that preference for the future and the process for getting there.

A Commonwealth perspective on public service improvement

A concern for choice

The observation in this paper is that positive change within the public service is a priority, and is achieved by a controlled destabilisation employing a series of tools to generate movement along one or more of four change trajectories. This is not a recommendation. This is an observation – a recognition of the reality of change.

The intention of setting out this observation is to highlight choice in improvement programme design and to empower those who wish to improve the public service by providing a framework within which different improvement programme patterns may be selected.

This choice is not just for senior policy makers within the public service. This choice is also for those who seek to improve it from without, including special interest groups and those private and NGO sector organisations working in partnership with government, who wish to urge for particular improvement strategies.

Choices are made in the real world of multiple constraints. Highlighting choice does not deny the limitations imposed by budgetary constraints and donor conditionalities. The room for manoeuvre is small – but highlighting choice does seek to emphasise that it is there.

A concern for values

The public service is intrinsically value-driven. The values which are traditionally emphasised concern merit, equity, probity, integrity, ethical conduct, and political independence.²⁴ Public service improvement programmes recognise that there are other values which must intersect if the public service is to develop into an

achieving organisation. These concern leadership, a concern for quality, a loyalty to productivity, and a belief in the potential of employees to serve well.

The Commonwealth values, which inform the wider debate concerning national expectations of political representation and accountability, transparency of government processes, and mechanisms for achieving redress from government, also have their part to play in shaping the processes of the public service.

There is a common core – the Commonwealth approach in the design of public service improvement programmes is to encourage choices which lie at the centre of these three value sets. This common core has relevance for overall strategy, and for the selection of tools. Put starkly, in introducing any changes, are the gains in one value set offset by losses in another?

A concern for the best

The observations described in this paper suggests that there relatively few novelties in public service improvement programmes. The elements of reform emerge from a common portfolio of options.

Having identified potential levers for change, there is every reason to assume that they will have been pulled somewhere else first. There are increasingly many routes for examining best practices and new developments in other comparable public service settings.²⁵ The best of existing best practice is a sound starting point for a detailed consideration of change levers.

A concern for practical action

The similarity of public service structures across the Commonwealth provides an opportunity for developing these concerns for choice, core values, and best practice into practical programmes of action.

The support for the establishment of the Commonwealth Association for Public Administration and Management forms a key component of that action. CAPAM provides the framework for a professional debate about the public service, the pressures it faces, the values it represents and the practical possibilities for improvement. Uniquely, it provides a mechanism through which innovations and best practices developments can be shared between practitioners, between practitioners and politicians, and between practitioners and academics.

Those emphases on choice, core values, and learning from the best of best practices are being developed in other ways. In current work, innovations and best practices are being explored in seven key areas:

1. *Improving human resource management approaches.* As already indicated, this area includes the methods used: to change the working culture; to change methods of staff acquisition and exit; for the flexible use of the workforce; and to enhance skills and motivation.
2. *Restructuring for efficiency,* including the development of more efficient organisational forms and functions.
3. *Emphasising customer service,* including the methods employed for improving service quality.
4. *Improving organisational partnerships* between the public service and the private sector, parastatals, NGOs, and academic and other institutions; including the development of an appropriate regulatory environment and the management of economic structures and conditions which facilitate the development and diversity of these sectors.
5. *Improving managerial effectiveness,* including the development of managerial capability, improvements in information systems and the effective utilisation of advisory and consultancy resources.
6. *Modernising financial management* from overarching frameworks for financial management reforms to improvements in estate management, procurement and accountancy systems.
7. *Strengthening policy coordination and review,* including enhancing policy analysis capacity, policy co-ordination and presentation.

The results of the exploration of these areas at country level is emerging in the publication of the Public Service Country Profile Series. These publications provide insights under each of these seven headings into the recent developments and best practices in a broad range of Commonwealth countries.

The Commonwealth Portfolio is being developed which distils and analyses innovations and best public service management practices from across the Commonwealth to provide practical guidance for all involved in managing and improving the public service.

In summary, these initiatives are intended to assist officials, elected and appointed, extract the maximum value from the eight key lessons for public service improvement identified from Commonwealth experiences:

1. Public service improvements are one element of a larger concern to align the need for personal freedoms and democratic accountability with the need to achieve a globally competitive position for the nation.

2. Public service improvements are driven by three forces: a renewed emphasis on the legitimacy of government; a concern for the citizen as consumer; and the increased range of organisational forms available to the public sector.
3. Public service improvements are made possible by senior managers and policy-makers who feel empowered by focusing on the choices which they do have as well as the constraints which they must work within.
4. Public service improvements follow four broad trajectories, each with its own risks and opportunities.
5. Public service improvements are achieved by selecting specific tools for achieving change – and are best achieved by learning from the impact of those tools in other settings.
6. Public service improvements are sustainable only if there is a particular form of commitment from the highest levels within government.
7. Public service improvements and the tools used to deliver them can be assessed according to the degree to which they impact on "traditional", "achievement" and Commonwealth values.
8. Public service improvements are circular: sustainability of performance improvements is synonymous with a recognition of the need for further reform.

Notes

1. The debate has been well explored in *The Changing Role of Government: Management of Social and Economic Activities* (Commonwealth Secretariat, London, 1991) and *The Changing Role of Government: Administrative Structures and Reforms* (Commonwealth Secretariat, London, 1992).
2. The New Zealand Government refers to an intermediate organisational grouping - the state sector - comprising the public service and state-owned enterprises etc., but excluding local government.
3. See for example: *Development, democracy and human rights: an issues paper* (Commonwealth Secretariat, London, 1994, unpublished), and *Governance: The World Bank's Experience* (World Bank, Washington, 1994).
4. Commonwealth Declaration, Harare, October 1991.
5. ditto.
6. The Cyprus Communique, Commonwealth Heads of Government, October 1993.

7. This conceptualisation owes substantially to the framework developed in *Projectizing the Governance Approach to Civil Service Reform* (Pinto R., World Bank, Washington, 1994).
8. See, for example, the strategies described to improve the quality of services in Malaysia, the UK, and Singapore in the *Public Service Management: Country Profile Series* (Commonwealth Secretariat, London, forthcoming) and in the conference papers in this publication. "Customer-driven government" is a major theme in *Reinventing Government* (Osborne and Gaebler, Addison Wesley, Reading MA, USA, 1992).
9. See *Managing Organisations in Africa* (Blunt P., Jones M., de Gruyter, Berlin, 1992).
10. See, for example, *Adjustment in Africa: Reforms, Results and the Road Ahead* (World Bank, Washington, 1994).
11. *The Reform of Public Sector Management: Lessons from Experience* (Country Economics Department. World Bank, Washington, 1991).
12. This characterisation owes very considerably to Christopher Hood's more detailed analysis "Public Management Baseline Styles and Propensity to Shift NPM-wards: a tentative hypothesis" in *The New Public Management Model and its Conceptions of Performance Engineering* (Hood C., in *The Public Sector Challenge: defining, delivering and reporting performance*, New Zealand Society of Accountants, Wellington, 1992).
13. The need to distinguish between organisations as a whole, and their structure as one component of that whole, is well argued in *Beyond the Bottom Line* (Plumptre T., Institute for Research on Public Policy, Halifax, Nova Scotia, 1989) p240.
14. *Contracting out and divestiture* are frequently located together under the heading of *privatisation*. In this typology a distinction is being made between *the use of external markets for the supply of specific services* (contracting out) and *a change of ownership of the core business* (divestiture). Fuller details of privatisation are provided in *Management of the Privatisation Process* (Commonwealth Secretariat, London, 1994).
15. See *The Proper Conduct of Public Business* (Committee of Public Accounts, HMSO, London, 1994) for an interesting summary of recent concerns within the UK arising from excessive zeal in the interpretation of delegated authority.
16. See, for example, *A Governance Approach to Civil Service Reform in Sub-Saharan Africa* (Mamadou Dia, World Bank, Washington, 1993).
17. For an interesting discussion of the possible approaches to modernising the role of Public Service Commissions, see *The Report on the Role of the Public Service Commission in the Management of Human Resources* (Burton C., Caribbean Centre for Development Administration, Barbados, 1992).
18. Flynn captures this well when he refers to organisations "which have gone through major changes in the name of efficiency (and then) lose sight of their purpose and spend all their time meeting each other, rather than finding better ways of serving the users". See *Public Sector Management* (Flynn N., Harvester Wheatsheaf, Hemel Hempstead, UK, 1993).
19. This has resonance with the "managing in chaos" literature - for example: *Managing on the Edge* (Pascale R., Simon and Schuster, New York, 1990); *Thriving on Chaos* (Peters T., MacMillan, London, 1988); *The Age of Unreason* (Handy C., Arrow, London, 1990).
20. Supporting evidence for this and the subsequent very approximate positioning of public service reform strategies can be found in the *Public Service Management: Country Profile Series* (Commonwealth Secretariat, London, forthcoming) and in the conference papers in this publication.

21. This question of the use of trust/mistrust as dynamics in forcing service improvements within government is explored in relation to a developing country situation in *Trust in a Rent-seeking World* (Tendler J., and Freedheim S., in *World Development* vol. 22, no. 12, December 1994).
22. Support for this observation can be found within the *Public Service Management: Country Profile Series* (Commonwealth Secretariat, London, forthcoming).
23. "High-level political support, encompassing both the prime minister and cabinet, is required. Political support does not mean mouthing slogans, but rather includes an active understanding of the initiative and its logic." (See the paper from Professor Sandford Borins in this publication).
24. These values are eloquently identified by Denis Ives, Australian Public Service Commissioner, in his paper provided earlier in this publication. Similar values are also set out in *Changing Concepts of Power and Responsibility in the Canadian Public Service* (Kernaghan K., Canadian Public Administration, vol. 21, Fall 1978).
25. See Appendix for details of some relevant Commonwealth Secretariat publications.

Relevant Commonwealth Secretariat publications

Current Good Practices and New Developments in Public Service Management: a Commonwealth Secretariat publication series. This major publication series provides practical guidance to managers at all levels within the public service.

The Commonwealth Portfolio leads the series. In loose leaf format for easy updating it distils and analyses innovations and best public service management practice from across the Commonwealth. Its 65 entries will be published in stages and cover the following key areas:

- a. making the most of staff;
- b. making government more efficient;
- c. improving the quality of services;
- d. improving partnerships with organisations and agencies outside of central government;
- e. making management more effective;
- f. improving the management of finance; and
- g. improving policy-making.

An overview of Commonwealth best practices and the management of change, and the entries in sections a and e will be published in late 1994. The remaining sections will be published in early 1995. Registered holders of the Portfolio will receive regular updates and new entries.

The Portfolio is complemented by *The Public Service Country Profile Series* which provides a unique insight into recent developments and best public service management practices in a broad range of Commonwealth countries. Profiles of the Public Service of the following countries are in print or forthcoming:

- Canada
- UK
- Malaysia
- Trinidad and Tobago
- Zimbabwe
- New Zealand
- Malta
- Key features from selected countries, including Botswana and Grenada
- Profiles of the Public Services of Australia, Ghana and Singapore are planned.

Other relevant current Commonwealth Secretariat publications include:

Management of the Privatisation Process: A Guide to Policy-making and Implementation (Commonwealth Secretariat, 1994).

Choices in Decentralisation (Smith B., Commonwealth Secretariat, London, 1993): An overview and curriculum for central government officials responsible for the reorganisation of administration at the local level.

Government Information Technology Policies and Systems (Han C., Walsham G., Commonwealth Secretariat, London, 1993).

The Changing Role of Government: Administrative Structures and Reforms (Commonwealth Secretariat, London, 1993): Proceedings of a Commonwealth Roundtable held in Sydney, February 1992.

Public Administration in Small Island States (Baker R., Kumarian Press, Connecticut, 1992).

Successful Decentralisation (Commonwealth Secretariat, London, 1992): Proceedings of a Roundtable held in Male, December 1992.

The following publications will be available shortly from the Management and Training Services Division:

Performance Contracts: A Handbook for Practitioners.

Organisational Structure in the Public Sector: Choosing Options for Change.

Cabinet profiles of selected Commonwealth countries.

13. THE COMMONWEALTH ASSOCIATION FOR PUBLIC ADMINISTRATION AND MANAGEMENT

• CAPAM membership and how to join

CAPAM's membership is drawn from individuals, institutions and professional organisations in its member countries – both elected and appointed officials from all levels of government.

Each member will receive:

- a booklet summarising the Inaugural Conference "Government in Transition: A New Paradigm in Public Administration";
- quarterly issues of *Commonwealth Innovations*
- invitations to participate at reduced registration fees in both international and regional conferences; and
- access to Commonwealth contacts and database.

Institutional membership

This category includes government departments and agencies (governments may not be institutional members); private sector organisations; not-for-profit corporations and non-governmental organisations. Each institutional membership provides the equivalent of five individual members and other customised benefits in the process of being finalised.

Affiliations with CAPAM

CAPAM will negotiate affiliations with existing public sector institutions and training organisations to improve their access to information about government renewal and to provide services to members throughout the Commonwealth.

Application for membership

If you or your organisation would like to apply to become a member, you should send your name, address and type of membership required together with your payment, either in the form of a money order, VISA, MasterCard or cheque to:

Executive Director
CAPAM
150 Eglinton Ave. East, Suite 306,
Toronto, Ontario, Canada M4P 1E8
Tel: (416) 488-1504
Fax: (416) 481-6510

Type of membership

The cost of membership as at the beginning of 1995 was as follows:

Individual	US\$75
Institution	US\$2,250
Student	US\$37
Retired	US\$37
Affiliate	(please contact CAPAM by telephone or fax)

• **CAPAM Board and staff**

CAPAM is governed by a Board of Directors of distinguished officials from 10 member countries. The Board members are as follows:

President:

The Honourable Gordon Draper, Minister, Ministry of Public Administration and Public Information, Office of the Prime Minister, Trinidad and Tobago

Vice-President:

Tan Sri Dato' Seri Ahmad Sarji, Chief Secretary to the Government, Prime Minister's Department, Malaysia

Honorary Treasurer:

Ms Ruth Hubbard, President, Public Service Commission of Canada

Members:

The Honourable Dr Kwesi Botchwey, Minister of Finance and Economic Planning, Ghana

The Honourable Ms. Simone de Comarmond, Minister of Tourism and Transport, Seychelles

Mr Denis Ives, Public Service Commissioner, Public Service Commission,
Australia

Mr Richard Mottram, Permanent Secretary, Cabinet Office, Office of Public
Service and Science, UK

Mr N. R. Ranganathan, Secretary, Ministry of Personnel, Public Grievances and
Pensions, India

The Honourable Zola Skweyiya, Minister of Public Service and Administration,
South Africa

Mr Joseph V. Tabone, Chairman, Management Systems Unit, Malta

Dr Mohan Kaul, Director, Management and Training Services Division,
Commonwealth Secretariat

Dr George Post, Canada

Sir Kenneth Stowe, UK

Executive Director:

Mr Art Stevenson

Executive Assistant:

Ms Gillian Mason

• **1996 CAPAM Conference**

Malta will be the site of the 1996 CAPAM Conference. The planned theme is
"The new public administration: global challenges – local solutions".

The emphasis of the Conference will be an assessment of the impact of the new
paradigm in the different developmental contexts of Commonwealth and other
countries: What works where?

The most interesting time to be a practitioner in or a student of a field is when there is the possibility of a new paradigm replacing an existing one. Public management is clearly at that stage today. The first CAPAM Conference has provided a unique opportunity to initiate a dialogue among public servants and academics and to encourage the enthusiasm, commitment, and professionalism of those charged with the twin responsibilities of running and improving the machinery of government.

Copyright © Commonwealth Secretariat

Published by the Commonwealth Secretariat

Printed by the University of Toronto Press Inc.

May be purchased from:

Commonwealth Association for Public Administration and Management

150 Eglinton Ave. East, Suite 306

Toronto

Ontario

CANADA M4P 1E8

Telephone: (416) 488-1504

Facsimile: (416) 481-6510

ISBN: 0 85092 422 7

ISBN 978-1-84859-528-6



9 781848 595286