Making Government an Effective Partner: Civil Service Reform in Sub-Saharan Africa

In many Sub-Saharan countries, the ineffectiveness of the Civil Service threatens almost all development efforts as well as basic public administration. Weaknesses in key central functions of government are particularly damaging since they can affect all government activity and the economy as a whole. The capacity to make and implement policy is often reduced, revenue goes uncollected, such resources as are available are not well used, and morale and motivation have ebbed away. These are both effects of, and significant contributors to, poor economic performance. This has rightly been seen in a number of countries as producing a crisis of government administration. This crisis is doubly serious at a time when structural adjustment programs are requiring key central Civil Service institutions to plan and manage fundamental transformations in the economy.

This study is divided into three major parts. The first part (Chapters 2 and 3) provides an overview of Bank experience with civil service reforms concluding with the limits to existing approaches. The second part (Chapters 4-7) analyzes the key characteristics and major issues affecting the effectiveness and efficiency of civil service in Africa, and the last part (Chapters 8-9) presents an outline of the reform and lending package to address the major issues highlighted in Chapters 4-7. As this study shows, effective civil service reform cannot be dissociated from the issues of improved governance as they affect accountability, rule of laws, and transparency. The study, therefore, argues the case for a governance approach to civil service reform and proposes a framework for implementing it.

Limits of Existing Approaches

Although the World Bank has financed a substantial portfolio dealing with different aspects of the civil service riddle, there is still no agreed-upon conceptual framework which could help translate that knowledge into effective operations to address the qualitative aspects, i.e., more efficient and...
effective civil service in Africa. Economic liberalization poses, in new terms, the problem of civil service performance, insofar as "value for money" becomes the paramount criterion for evaluating performance. At the same time, democratization requires the publicity and transparency of decisions, including decisions about public expenditures. Therefore, in thinking about what can be done, primarily by African governments themselves, but assisted by donors, there is a fresh need for the new role of government to be more clearly defined in each country. The frequently heard desire to restore the Civil Service to what it was at some previous time is understandable. It may, however, be neither desirable nor possible. The 1980s have seen a thrust towards reducing the role of the State, with emphasis on creating an environment which enables the private sector to operate more effectively and with fewer negative controls. The direction and importance of the desirable change is clear, but governments, in many cases, need to rethink their role in their specific situations. This must have important implications for the civil service in Sub-Saharan Africa. In planning Civil Service reform programs, an assessment of the extent of the need for new organizational structures and management systems is required and, as a separate issue, a strategy developed to change the whole culture of the Civil Service. If fundamental change in attitude and behavior is required, for example in relation to decision-making or systems of delegation, simply changing organograms and procedures may have little impact.

Another important issue is the extent to which there is an availability of models of good practice, which are of general application, for re-orienting entire public administration systems. What works in the environment of developed countries cannot be literally transplanted into Sub-Saharan Africa. There is a need for a clearer understanding of the implications of different cultural and political systems for public administration. This, however, does not mean to say that outside experience is not relevant to Africa. It simply suggests that one needs to ensure that this experience is best adapted to the local/indigenous African environment by ensuring that the design and management of reforms are undertaken by nationals who are encouraged and assisted to fundamentally rethink the whole system.

Against this background, three crucial dimensions of civil service reform deserve to be highlighted:

- institutional environment
- economic management
- pay/incentive systems as they affect performance

In addressing the three sets of issues, it would be necessary to pay attention to the linkages among them. The study of the environment of CSR includes a clear statement of the mission of the state (in its specific context), its functions, and its relationships with other public sector and non-state sector organizations (private enterprises, non-governmental organizations, professional and community associations). The economic management issues relate to the quality of core economic management functions (government budget and financial management, policy management and improved management information systems and procedures). The pay/incentive issues (management of the civil service) have direct impact on the quality of core economic functions as well as the provision/delivery of public services.

**Reform Package**

The design of the reform program suggested would follow two phases. The first upstream phase will focus on the assessment of the institutional environment to determine the patrimonial profile of the countries; high, low, in between. The second prescriptive phase will determine the nature of the reform package and lending instrument suitable to the country's profile. Alternatives will be available to countries by considering the behavioral and institutional changes.
considered against the patrimonial profile of the country, characterized by the degree of: (i) Lack of accountability; (ii) Lack of the Rule of Law; (iii) Patrimonial Pay/Incentive System; (iv) Disabling Regulatory Burden on Private Sector Development; (v) Distorted Resource Mobilization; and (vi) Bureaucratic Budget Management. The three proposed alternatives are: (i) the Comprehensive Institutional Approach for countries on the high scale of patrimonialism; (ii) the Enclave Technical Approach for countries on the low end; and (iii) a Hybrid of the previous two approaches for countries in between.

The comprehensive Approach. The aim of the comprehensive approach is to effect the structural and functional changes needed to correct the patrimonial distortions affecting the institutional environment, incentives framework and the performance of core government functions. The different components of the reform are those related to the patrimonial environment. A loan to finance an administrative adjustment would be used to support the above reform. The comprehensive approach would be appropriate not only for a country that is on the high scale of patrimonialism (e.g., Zaire) but also one starting anew (e.g., Eritrea). The major benefit is the building of long-lasting and sustainable institutional capacity of the public sector. The major drawback is that the approach seeks to tackle complex and difficult governance/institutional and incentives issues that will take a long time to resolve.

The Enclave Approach. In countries with relatively low patrimonial issues to be resolved, the problems of civil service efficiency are more of a managerial and technical nature than environmental. The patrimonial distortions are either non-existing or in the process of resolution. The aim therefore is to build/reinforce the organizational, managerial and technical capacity to improve the performance/productivity of existing institutions. Botswana provides a good example of a country ready for enclave technical interventions. A variation of the enclave institution theme is the removal of tax and customs administration from the civil service, constituted into an agency or authority to be managed by nationals who cease to be civil servants and are subject to contract appointment with pay and conditions of service that are linked to performance. This approach has been adopted in Ghana and Uganda. A similar enclave operation is being prepared in Cape Verde. Free standing loans for technical assistance constitute appropriate lending instruments in this case. It however should generally include performance evaluation systems to link pay/employment and merits.

Unfortunately, the enclave approach has sometimes been used in environments with patrimonial distortions. The purpose was to build fences to insulate organizations/entities from the distorted institutional environment in order to (i) implement specific donor-financed projects; and/or (ii) carry out specific core government functions (customs); and/or (iii) ensure the delivery of specific public services. The resulting enclave entities take the form of donor-financed project management units (PMUs); public enterprises; management contracts with expatriate exports (e.g., DGTEX in Cote d'Ivoire, French management of Air Afrique); and even direct tutelage of certain key government economic/financial functions by bilateral donors in exchange for their assistance (e.g., customs). The common denominator of all the above enclave entities is that they are completely donor-driven and donor-dependent and unsustainable. Ethiopian Airlines which, by all accounts, is Africa's leading airline, constitutes an interesting exception. It has provided quality service that compares favourably with international standards, despite years of a very unfavorable macro institutional/governance environment. A major difference is that it relies on local management instead of transplant expatriate team.

The contrasting illustration of the enclave approach provided here leads to two conclusions. First, with regard to enclave institutions that are donor-driven and which rely on donor assistance for their
effective functioning, the short-term benefits do not really constitute a solution to the institutional capacity building problem of the borrowing countries. With regard to the successful endogenous enclave institutions, it would be necessary to distill the main lessons from this experience with a view to adapting them for use in other contexts.

The Hybrid Approach. The last approach that is recommended is applicable to all countries with an average patrimonial profile. It builds on the strengths of the preceding comprehensive and enclave approaches but with a few twists. The comprehensive component will be bottom up instead of top down. The starting point would be the identification of one or a few core government functions that are key and in the critical path to improved performance of economic/public sector management but are not performing well. Next, the assessment phase would analyze the macro-governance and other structural root causes of this poor performance and recommend an appropriate reform program. The resulting changes in the macro-institutional/governance and pay and employment will then be considered only as a means of achieving improved performance of the targeted core government functions rather than an end in themselves. Regarding the enclave component, it will essentially focus on the production aspects of service delivery. The emphasis will be to shift the production/management responsibilities from the public to the private and third (voluntary/NGOs) sectors rather than to build fences around ad hoc enclave organizations. This will be more in line with the redefinition of the role of the State that will focus more on provision of services and less on production. In contrast to the donor-driven enclave approach, the institutions and staff used for the management/delivery of public services should be local rather than expatriate (good examples are AGETIP in Senegal, Ethiopian Airlines). Cost recovery through users fees will be built in to reduce donor's dependence and ensure long term sustainability. The resulting hybrid adjustment operation would therefore include the following two major components:

1. A sector adjustment component to support the removal of patrimonial distortions in the institutional environment, creating an enabling and accountable institutional infrastructure for improved performance of targeted core government functions. Starting with these targeted core government functions, this part of the operation focuses on fostering the required: (i) structural changes to the role of the State and its key institutions, rendering it more responsive to, and less oppressive of, the public interest at large; (ii) functional-behavioral changes through alterations of the induction and incentive systems, linking them to performance; and (iii) technical-managerial changes to remove distortions in the performance of core government functions.

2. A technical assistance part to facilitate the use of the private sector, local communities, and/or voluntary organizations (NGOs) for the delivery of public services (health, education, agriculture, etc.). This could include contracting out or management contracts. This part could also include technical assistance to help implement the adjustment component.

Government Commitment and Participation.

It is clear that the direction of the changes outlined is likely to shift the burden/costs of the reform on the elite who were the main beneficiaries of the patrimonial state and its accompanying spoils and rents situation. As a result, a government's commitment to such a reform program is likely to be strong only with new regimes that have just taken over power (through democratic or other process) and which would be looking for ways of distancing themselves from their predecessors. Regimes that have been in power long enough to benefit from the patrimonial system are likely to resist reform. For the last category of countries, therefore, commitment will be sought through vigorous donor lobbying.

The design, processing and implementation of the proposed administrative adjustments operations will clearly be a labor-intensive and long-term process and raises the issue of sequencing and comprehensiveness. Clearly, the need for a comprehensive program that covers all three levels of reform or a more scaled-down hybrid program focussing on only one or two components will depend on where the administrative profile of the country fits in the scale of patrimonialism.

The ultimate goal is to move away from a patrimonial bureaucracy where the emphasis is on control and exercise of power as an instrument of exchange, to one where emphasis is on delivery of service needed for development, and rewards/sanctions reflecting performance and merit. In this process lies the hope for a stronger and more self-reliant Africa.