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Governance and Civil Service Reform: A Regional Program

What is it?

The Governance and Civil Service Reform (CSR) Program is a regional program of the Africa Technical Department that explores innovative ways to improve the effectiveness and efficiency of the civil service in the countries of Sub-Saharan Africa. "Governance" here stands for the practical exercise of power and authority by governments in the management of their affairs in general and of economic development in particular. Jointly with country departments in the region, the Technical Department through its Capacity Building and Implementation Division helps prepare targeted operations based on an understanding of the critical impediments to a well-functioning government administration and oriented to building public administration capacity. The CSR Program consists of 2 stages: the first was a conceptual and region-wide vetting stage that led to the launching of the concept of a "governance approach" to civil service reform; and the second involves the operationalization of this concept through the preparation of certain lending operations.

Why is this Regional Program Needed ?

In many SSA countries, development efforts are threatened by the ineffectiveness of the civil service. This crisis assumes more significance when the civil service is required to play a central role in planning and managing fundamental changes in the economy as part of structural adjustment programs. At the end of 1991, there were fifty-seven Bank-supported operations—Structural Adjustment Loans (SALs), Technical Assistance Loans (TALs) and Social Dimensions of Adjustment (SDA)-related projects—in Africa.

With regard to the SALs, the Bank focused on two key components: retrenchment to reduce the wage bill; and reform of pay and employment policy as incentives to greater efficiency/productivity in the

civil services. With regard to TALs, it generally focused on the dual purpose of building institutional capacity and physical implementation of projects/reform programs.

Overall results are, at best, mixed. Regarding retrenchment, the gross figures indicate a considerable downsizing effect. But on the qualitative size, both the fiscal and efficiency impacts were substantially less than expected. In a sample of 15 countries with retrenchment, 8 recorded increases in wage bills (e.g. Senegal); even among those registering reduced wage bills, severance payments generally drained the budget substantially, often exceeding or equalling the short-term savings from downsizing (e.g. Ghana). TALs also generally showed only relative success in the delivery of technical inputs to solve short-term physical implementation and technical problems. However, the resulting over-reliance on substitute technical assistance (long-term expatriate advisors) was rather ineffective in building long-lasting and self-sustaining institutional capacity. The major cause of this failure is that the civil service reform programs and SALs as well as TALs have generally ignored the macro institutional/governance environment and its impact on civil service efficiency.

What is the Conceptual Framework Supporting the Approach?

A core publication in this regard is "A Governance Approach to Civil Service Reform in Sub-Saharan Africa," which articulates the conceptual framework for understanding the root causes of the civil service predicament in the region. The paper advances a set of strategic options to undertake civil service reform and to identify a lending operation suitable to particular institutional environments. The operationalization of the CSR Program rests on the application of the conceptual framework as well as on the proposed reform strategy to projects with substantial civil service reform components.

A central hypothesis of the governance approach to civil service reform is that Sub-Saharan public bureaucracies are by and large "patrimonialized" by ruling elites, which use them as control tools to ensure their own permanence in power at the expense of serving the public interest. "Patrimonialism," as discussed in the study referred to earlier is a system of leadership characterized by the inability or unwillingness of rulers to distinguish between personal and public patrimony (property). The power and authority of office are used as a form of "currency," and loyalty of subordinates is exchanged for parcels of power or for privileges from office. A formula definition of patrimonialism offered by the study is : Patrimonialism = Monopoly of power + discretion - accountability - transparency. The remedial approach calls for:

- Greater insight into the effect of patrimonialism on public bureaucracies; and
- More operational knowledge about the bureaucracies' response to an environment that confers on them little or no legitimacy and places them at odds with the society they are to serve.

This is done through an Institutional Environment Assessment (IEA).

What is an Institutional Environment Assessment (IEA)?

An **Institutional Environment Assessment** is an upstream diagnostic exercise with the following characteristics. It is:

- Undertaken primarily in the context of World Bank (and/or donor partner) project preparation or as part of economic and sectoral work on institutional development (ESW ID);
- Government-driven and donor-assisted;
- Sequenced either top-down or bottom-up;

- Diagnostic of both the institutional and the governance dimensions of the civil service environment, focusing on three levels of analysis: structural, administrative, and technical;
- Group-based, allowing ample participation, ownership, and sustainability of outcome;
- Geared to building consensus around the institutional profile drawn or problems identified, and corrective actions;
- Directed to review and reformulate on-going strategies or reform programs as well as prospective design and projectization, regardless of funding source (action planning oriented).

A more restricted variant is the Institutional Assessment (IA) when the exercise is limited to a specific sector or Ministry.

Which Countries are Being Considered for this Approach?

An initial group of 6 countries was selected in consultation with the World Bank's Africa region country departments to serve as "pilots" for the application of the approach. The 4 criteria used for inclusion as a pilot operation were:

- Prominence of civil service reform in the respective country program, evidenced by the presence of a civil service reform operation or major economic and sector work on civil service reform (CSR) or institutional development (ID);
- Country interest and cooperation in participating and supporting the pilot activities;
- Relevance of civil service reform, especially in the context of governmental transition-making incoming governments with revisionist platforms particularly appropriate; and
- Funding considerations on the part of the World Bank or partner donors.

The following countries were selected on the basis of these criteria: The Gambia, Zambia, Mali, Zimbabwe, Mozambique, and Angola. Targets of opportunity or changing circumstances in the selected countries have caused the programming of the pilot activities to shift and countries to be changed. The following countries are also considered for pilot operations based on IEAs or IAS: Malawi, Cape Verde, Ghana, Uganda, Mauritania, Kenya, Botswana, Guinea and Mali.

Why was the Gambia Chosen as the First Pilot for an IEA?

The Gambia was selected as the first pilot case for the application of an IEA because it met all of the selection criteria except that relating to political transition. But the strong commitment to the exercise by the president himself and his cabinet provided the needed political opportunity. Furthermore, the IEA was designed in direct response to the need to prepare a programmed SECAL operation focusing primarily on resource mobilization and resource allocation. Civil service reform was to be included as a means of ensuring improvements in the performance of those key economic management functions- as well as to revitalize the on-going civil service reform under the Administrative Reform Program.

What was the Outcome of the Gambia IEA and What Lessons Were Learned?

The IEA Workshop experience

Although there are several lessons to be learned from the IEA exercise in The Gambia, it has been judged by both the World Bank and the government to have been by and large successful. The IEA Workshop achieved the goal of providing a forum for participation with both upward and downward communication-enhancing awareness of environmental impediments to civil service performance.

The Workshop format created a climate conducive to frank confrontation of the central problems affecting the functioning of the civil service as well as their root causes.

The Governance Survey Experience

The Governance Survey went well in terms of eliciting the collaboration of most respondents. It achieved its goal of creating an unprecedented forum for the Gambians to assess the environment within which their civil service operates. It also allowed for broad participation and served to increase awareness of environmental impediments to sound economic management in particular, and good civil service in general. The governance issues emerging from the Survey were featured prominently and openly discussed at the Workshop. Participants seized the opportunity to vent their views and frustrations about the ways in which the civil service operates.

The responses obtained from respondents enabled the IEA to discern the particular characteristics of the "*friendly*" patrimonial environment in The Gambia that would qualify it as "*benign patrimonialism*." This conclusion provides two lessons for World Bank operations:

- The performance of the civil service is seriously constrained by structural and environmental obstacles. Hence, it is not enough for political leaders to declare commitment to reform while the character of the public administration system and its governance culture limit the propensity of the civil service to manage the economy effectively.
- The prevalence of patrimonialism is a strenuous challenge to technical assistance (TA). It limits TA impact on the ground and compromises opportunities for building local capacity. Unless a serious reform process removes patrimonial impediments and evolves environmental and institutional mechanisms of good governance, patrimonial traits-characterized by distortions such as tax evasion-will continue to pervade economic management functions.

How Far Did the IEA Go in Projectizing the SECAL?

An important goal of participatory project preparation on the basis of an IEA is that participants in project design continue to be involved in project preparation and remain involved in project implementation so as to ensure sustainability. At present, the Gambia SECAL is under preparation; therefore, outcomes as to the continuity of the participant network developed by the IEA can only be assessed in terms of its involvement with project *preparation*. The follow-up mission to the IEA ascertained the continuity of the network.

While an IEA is primarily intended to be a means of preparing sustainable World Bank projects, its benefits to the borrower go beyond securing a loan or credit. In the case so far documented in The Gambia, the IEA has triggered initiatives that are likely to run their course irrespective of the approval of a SECAL.

What is the Status of the Remaining countries Considered for this Approach?

Based on the readiness of both the borrowers and the Bank, the level of political will and government commitment, the three following countries present the most favorable conditions for structural CSR reform along the lines of the Gambia experience: Zambia, Ghana, and Guinea.

More information on the Governance Approach to Civil Service Reform in Sub-Saharan Africa

Technical Paper No 225 by Mamadou Dia, "A Governance Approach to Civil Service Reform", (see **Findings No. 4**) lays the ground for the approach. It articulates the conceptual framework for understanding the root causes of civil service underperformance. A companion Discussion Paper by Rogerio Pinto and Angelous Mrope (forthcoming) operationalizes the conceptual principles of the Technical Paper by laying out the method to conduct an Institutional Environment Assessment. It also includes model instruments to undertake a governance survey and to assess participation in project planning and preparation.

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