Formulation of Reforms of Administration and State Institutions

Presentation by
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Introduction

- Public service is the machinery that governments rely on to design, formulate and implement its policies, strategies & programmes, & to discharge all routine government functions.

- Public sector can be understood to be key apparatus for execution of functions of the state or government.
Introduction

- It is represented by the executive & its bureaucracy at national, federal, provincial & local levels, together with the various statutory & parastatal bodies that perform a number of regulatory, monitoring, production and service delivery functions.
Major Influences of Reforms

- Reforms are mainly implemented as a result of the failure of this key apparatus to meet the demands of the changing times and foreign influences.

- The importance of the reforms lies in the highly centralised forms of governance around which most public services are designed. These include infrastructure development, health and education services, resource allocation and general planning and management systems.
Major influences of Reforms

- Redefining the role of the state- Influenced by a new core paradigm known as the New Public Management (NPM).
  - NPM is label used to describe a set of broadly similar administrative doctrines, which dominated the public administration reform agenda in the late 1970s).
  - Held view that it would be better for the public services to be organized and managed as much like the private sector as possible. State seen as an enabler rather than a doer, a State that regulates instead of manages. This new requirements demanded a new type of public administration and new methods of operation.
Major influences of Reforms

- The focus of the NPM movement was on creating institutional and organizational contexts which were to mirror what is seen as critical aspects of private sector modes of organizing and managing.

- Tenets of the NPM ideology and philosophy were:
  - Public delivery of services is inherently inefficient;
  - There are few (core) services which the Government needs to directly produce or deliver;
  - There are many redundant functions and services which government bureaucracies continue to perform, from which the Government should divest; and
  - A corporate (results-oriented) culture is necessary for efficiency and effective management public services
Major influences of Reforms

- Another common feature in most countries implementing PSR’s was the democratisation process.
  - Countries such as Zambia, Kenya, Ghana and Malawi were fresh from installing new popularly elected governments.
  - This in itself presented a desperate need for the new governments to improve service delivery which had in many respects been the cornerstones of their campaigns.
  - With democracy came demands for transparency, integrity in public service and accountability.
Major influences of Reforms

- It should be noted that of all the influences leading to the reforms, the most significant force in the reforms has been the international community comprising Western developed nations and International Financial Institutions (IFI’s).

- Reforms in Africa were characterised by fast paced implementation due to the heavy hand of international pressure mainly through conditionalities.
From 1980s, most of the Public Sector Reform Programmes (PSRP’s) that took place in developing countries during the last two decades were introduced as part of the Structural Adjustment Programmes (SAPs) of the World Bank.

Particularly for Africa, lending conditionalities and the increasing emphasis on good governance where key influence in the public service reforms
Background to Reforms

- Reforms can be said to have taken place in three waves:
  - 1\textsuperscript{st} wave - mid-80s to mid-90s: Distinctive feature is focus on restructuring the public service.
  - 2\textsuperscript{nd} wave - dominant in the late 1990s. Predominant feature was capacity building; and
  - 3\textsuperscript{rd} wave – 2000+: Particular objective to underline improved service delivery.
Background to Reforms

- Reforms emerged from the macroeconomic and fiscal reforms embedded in structural adjustment programmes (SAPs). Reforms sought to:
  - Make Government affordable and lean through cost reduction and containment measures using
    - Rationalising the machinery of Government,
    - divesting non-core operations,
    - retrenching redundant staff,
    - removing ghosts workers from the payroll,
    - freezing employment and adopting measures to control the wage bill and other personnel-based expenditures.
Background to Reforms

- Impact of the reforms involved stabilization or reduction of the wage bill, reorganization of ministries, administrative decentralization, strengthening of economic planning instruments, improvement of systems for the control of expenditures, fiscal management reforms, management of foreign debt, personnel training,
Common Factors in Reforms

- The factors common in most Public Service Reforms stem mainly from the similarities in
  - the systems of ideology and political governance systems,
  - sources of influence advocating the implementation of the reforms and prevailing economic conditions in Africa.
  - Most countries were pursuing half hearted socialist/communist principles,
  - most countries were highly centrally governed with virtually no private sectors to talk about and were economically in a state of collapse.
Common Factors in Reforms

- The models, process and effects of the reforms were therefore in many respects very similar.

- Generally, the most significant thrust of the public sector reforms throughout Africa was to strengthen and rationalise functions such as budgeting, financial control, staff classification and complement control.
Common Features in Reforms

- The reforms while being applied at different paces and with different emphasis resulted in the following common features:

- **User fees**
  - One of the most significant developments in the provision of public services was introduction of user fees or charges. These charges to consumers for public utilities represented an attempt to diversify financing for public services and reshape public spending.
  - User fee reforms were most extensive in sub-Saharan Africa. Mainly because gap between resources and needs, and the influence of international donors.
Common Features in Reforms

Decentralisation

Defined as transfer of authority or responsibility for decision making, planning, management, or resource allocation from the central government to its field units, district administrative units, local government, regional or functional authorities, semiautonomous public authorities, parastatal organizations, private entities and non-governmental private voluntary organizations.

Another aspect of downsizing was the removal of some functions from the civil service. In Malawi for instance, the number of ministries was reduced from 26 to 23, and several functions were identified as appropriate for contracting out such as catering, laundry, security, construction and ground maintenance.
Common Features in Reforms

- **Downsizing and Retrenchments**
  - The issue of numbers was at the very heart of the reforms. Many civil services became bloated and the numbers became unsustainable. In 1965 the number of civil servants in Zambia was estimated at about 34,149 while in 1993 this figure was at 98,331 representing a 187 percent increase.

- **Performance contracting**
  - Another key trend in implementation of the reforms was performance contracting as an instrument to reform state-owned enterprises. Performance contracts or agreements specify standards of performance or quantifiable targets which a government requires public officials or the management of public agencies or ministries to meet over a stated period of time.
Public service reforms not an entirely new concept to Africa as a whole and Zambia in particular. Several initiatives at reforming the public service were undertaken at various stages of the country’s development.

- 1979 - Government proposed reduction of the civil service by 50 percent. Proposal could not be fully implemented because it was unrealistic (too ambitious) and the effort also met with resistance arising from vested political interests.

- 1981- Administrative Committee of Inquiry set up to examine ways and means of curbing the high cost of running the Civil Service Main recommendation was de-linking the Party from the Public Treasury & a freeze in the hiring of new entrants into the Civil Service pending job and performance appraisal in the entire Public Service bureaucracy. The Government balked at implementing measures for fear of triggering a violent social backlash.
1983- under advise by IMF/World Bank to seriously tackle the question of the bloated Public bureaucracy, Gov’t set up probe into conditions of service to make it leaner, better motivated and more responsive. Major recommendations not implemented mainly due to (i) lack of political will, (ii) political interference and (iii) lack of proper mechanisms for monitoring the implementation process.

1986- Put in place policy of freezing recruitment, lowered retirement age from 60 to 55 years for men and 55 to 50 years for women as a way of indirectly reducing the size of the service, incentive for early retirement through substantial increases to pension benefits and lump sum gratuities. Proved disastrous because number of young well qualified and experienced officers left the public service.
Zambian PSRP- Background

- In 1993, the PSRP was launched with three major objectives;
  - To make the Zambian Public Service leaner (through a targeted retrenchment program) so that the costs of running it can be made more manageable
  - To improve Human Resource Management through Performance related incentives for a smaller and better remunerated work force, and
  - Decentralize and devolve administrative power away from Central Ministries in Lusaka to the field stations/ and local government structures
Zambian PSRP- Background

- The strategy had three components:
  - Restructure and rationalise the size of the ministries, departments and provinces;
  - Introduce improved organisational and personnel management and accountability systems into government operations; and to decentralise decision making authority and control of resources allocation and utilisation from central government to the districts and local authorities;
  - Introduce a management information system to enable the government to effectively compile and manage data useful in making vital management and personnel decisions (Cabinet Office, 1993).

- The PSRP was mainly a World Bank sponsored programme
Zambian PSRP-

**Problem Statement**

- There were problems in sustaining the desired levels of the Public Service as the size has kept fluctuating;
  - Between 1997 and 2001 we managed to reduce the size of the Public Service from 139 000 to 104 000 per month during the first 9 months of 2000. 105 800 to 113 260 before declining to an average of about 109 700 per during the last 3 months of 2001. In early 2002 this number increased to 112 000 and currently at 120 000.
Zambian PSRP- Challenges to Right-Sizing

- Weaknesses in the management of the establishment register and the payroll.
- Other Government institutions such as Provincial and District Administration and Local Authorities have not yet been restructured and continue to have bloated establishments.
- Expanding needs in the Health and Education sectors, which necessitate the continued recruitment of personnel e.g. we recruited 6000 teachers in July 2002 and are under pressure to include on the payroll 4000 teachers who graduated from various colleges in 2002.
Zambian PSRP- Achievements

- Launched the Interim Establishment Register in order to assure that future recruitment of staff is in accordance with Government Regulations.
- Launched revised Public Service Commission Regulations and the new Terms and Conditions of Service as a way of strengthening accountabilities of Public Service employee.
- Completed the restructuring of Central Government Ministries to make them more efficient.
- Frozen on engagement of new staff up to December 2003.
- Introduction of the PEMEC system which combined establishment controls with payroll management in 2004.
Reforms in order to achieve national visions
In which areas are reforms needed?

- Civil service reforms are still needed but the approach should be based more on scientific methods rather than the approaches used in the past
- The sizing of the civil service
- The operations of the civil service in terms of efficiency and effectiveness
- Motivating of civil servants
- Building institutional capacity to improve coordination and accountability
What type of reforms should be conducted?

- Strengthening policy management
- Rightsizing and Human resource Development of civil service
- Government reorganization and capacity enhancement through Pay reforms to motivate civil servants
- Service delivery improvements
- Strengthening of public auditing
- Enhancing good governance and justice
- Enhancing public expenditure oversight
How to conceive & conduct reforms?

- Strengthening institutional capacity and framework for systematic policy analysis and coordination; strengthening linkages between policy and budget processes.
- For right-sizing, we need to come up with sizing guides for the African public services.
- Integrate establishment controls with payroll management and interface the systems with other IT systems in government.
- Undertaking in depth review of the implementation of all performance management initiatives
- Introduce PE planning and budgeting, this should also help with accountability;
- Enhancing Expenditure oversight through Parliament; Strengthening Public Auditing function.
Who should be involved?

- Government
- Cooperating partners
- Private sector
With what resources?

- Budgetary resources from the national treasuries
- Resources from cooperating partners especially the World Bank and other multilateral institutions. Eg Zambia has committed