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EXECUTIVE SUMMARY

This paper examines current civil service reforms (CSR) worldwide to identify trends and lessons to guide UNDP in its efforts to help governments frame their own policies, strategies, and programmes to make their executives more responsive, transparent and accountable to their citizens in an era of unprecedented global change. It focuses on developing countries in particular, especially those most in need of wide-ranging reform that also face obstacles that seem insurmountable. The study approaches CSR in concrete, practical terms; it is addressed to national reformers not only within the public sector, but those active in the business world and in civil society organizations. It is also a tool for development professionals in donor institutions.

The first section of this monograph sets out fundamental concepts involved in civil service reform. The next four chapters frame reform issues as they relate to structure, programme, performance, and process. Each of these aspects of CSR is illustrated by a country case study. The final section outlines an agenda for action and the partnerships needed to make it work.

A brief review of the concept of CSR reveals the difficulties involved in setting its boundaries. It surveys varied practices for setting up uniform budgeting and payroll systems while separating traditional government service personnel from the military and security forces and from teaching, medical and foreign service personnel. It reviews the linkages among these types of service and the drive for economic and financial reform driven by the need to reduce budgetary deficits through privatization and corporatization to trim the government of burdensome public enterprise. In many cases, these CSR processes were closely bound up with economic liberalization and the institution of free trade practices as integral elements of attaining financial and economic stability. In addition, this chapter studies the connection between CSR and democratization in response to public indignation at corruption and demands for citizen participation in the wake of technological advances that foster openness in the transmission of information across national frontiers. Whatever the dominant context, a number of global, regional and bilateral donors have helped initiate and support reforms. However, external assistance can go only so far in implementing and sustaining CSR.

Civil service issues cannot be discussed in isolation from the structures of government, especially its ministries and forms of administration, its degree of meritocracy, the neutrality and autonomy of its civil servants, and its mechanisms for policy-making and coordination and for coherent programme implementation. Many countries simply have too many ministries and multiple, unwieldy administrative structures that obstruct development and effective governance. This monograph suggests a maximum of 20-25 ministries and a systematic rationalization of their components to avoid duplication, to provide a sense of homogeneity, and to foster integrity and esprit de corps. Civil service is becoming increasingly politicized in many countries, not only at the policy-making levels, but at the level of service delivery. A number of governments
have benefited from improving their structures to develop policy and from employing alternative modalities for regulatory functions and for the delivery of a variety of services.

This monograph also reviews CSR programmes in streamlining, recruitment and promotion; remuneration; incentives; training and capacity-building; and ethics, integrity, and professionalism. To take only one example, downsizing can often be achieved through the elimination of ghost workers and vacant but budgeted positions and the recruitment of temporary personnel. However, apart from employees in public enterprises and government corporations, downsizing has not tended to work in the central civil service except when dictated by severe budgetary considerations for a number of reasons, especially where the private sector is not expanding sufficiently to absorb surplus government employees. The elimination exercise has often been subjective and unfair, resulting in uncertainty and demoralization throughout the civil service. Few support schemes have been developed to retrain and re-employ workers who were declared redundant. It has also been difficult to design satisfactory programmes for voluntary separation. Above all, few thoroughgoing downsizing efforts were followed by successful initiatives for building capacity, instituting incentives and redesigning procedures and management structures to enhance the new, lean civil service and sustain its performance.

At all levels, this performance depends on remuneration and employment conditions. A living wage must be instituted at the lowest level and used as a base for adjusting salaries at higher levels, taking into consideration the complexity of the job, private sector salaries for comparable work, the fringe benefits that should accompany public service, job security, and intangibles such as job challenges and satisfaction, respect, power and social recognition. Compression ratios in public sector remuneration are not as significant as those in the private sector for a number of reasons. One is the range of private sector salaries and other remuneration practices such as bonuses, profit-sharing schemes and other market perks and benefits. Given the limited scale of public sector salaries and benefits, it is necessary to emphasize non-monetary incentives, recognition systems and group-oriented rewards so as to build morale and preserve the public sector ethos. This calls for equity in such non-wage benefits as transportation, housing, medical and educational facilities.

One of the greatest challenges in CSR is corruption, weak ethics, and a lack of professionalism in the public service. Consequently, in addition to the reform of salaries and benefits, emphasis needs to be placed on probity in dealing with public funds, a service orientation in delivery, the enforcement of laws against bribery and other corrupt practices, financial reform in political appointments and electoral campaigns, and the development and implementation of a generally accepted code of ethics, professionalism, and civil service autonomy. Promotions should be based on objective performance criteria rather than automatic seniority. Similarly, reformers must ensure that job rotation does not result in the poor functioning of agencies and programmes.

Given current emphasis on private sector practices, this paper examines reforms that focused on performance and outcomes, using generic management concepts and the experience of private firms and competitive markets as models for the civil service. These
reforms indicated considerable improvements in doing the same or more work at lower cost through limiting such inputs as appropriations and personnel, as well some enhancement in accountability and in quality of service. However, these CSR efforts do not bear out the expansive claims made for budgetary and personnel savings or improvements in quality as other reform measures such as citizens' charters, quality control systems, and various client/beneficiary accountability mechanisms. Since individualized monetary benefits have no role in public service, performance-based programmes and procedures are not easy to incorporate into CSR without a strong base of ethics, accountability, and professionalism. This precludes their introduction into the efforts of many developing countries.

The process of CSR is as important as its substantive elements. Its design calls for broad collaboration and support. Coordination must be ensured and leadership commitment maintained. All these processes also require recognizing cultural and institutional factors unique to each country. Popular backing is essential and may be generated, where appropriate, by citizen participation. In addition, the success of CSR trends to be buttressed by linking a strong central reform agency to the highest executive office of the country.

In developing an agenda for action, the last chapter of this monograph examines some of the reasons that CSR is not undertaken despite obvious needs. In developing countries in particular, political leaders often have a limited understanding of bureaucratic systems and processes. Indeed, CSR is rarely viewed as a political issue of critical importance; although everyone considers it necessary, it is no one's high priority. Then, too, key legislative and other interest groups may have developed relationships with the existing bureaucracy that may be jeopardized by reform efforts. Finally, CSR depends upon partnerships both within the country and outside it, including those with global intergovernmental bodies such as UNDP.

To sum up, it is generally agreed that a competent civil service has the following characteristics:

- it is merit-based and politically neutral;
- it is well-structured, “right-sized”, and well-paid;
- it is accountable, professional, and generally free of corruption;
- it is relatively autonomous, responsive, and representative;
- it is well-trained, performance-oriented, and relatively open.

Any prospect for serious civil service reform, especially in developing countries, requires some, if not all, of the following preconditions:

- the establishment of a nation-wide political system;
- the establishment of a stable, workable constitutional system;
- a viable economic system;
- an enlightened, unified elite capable of guiding orderly change; and
an electorate sufficiently aware of the nature of administration and its rights and responsibilities vis-à-vis its civil servants.

Some of the key guidelines that this paper suggests for initiating and supporting CSR stem from an understanding that the impetus for the governance, institutional and administrative changes it entails is essentially indigenous. Economic and financial reforms may – and often do -- develop in response to largely external pressures. However, the viability of serious CSR depends on mobilizing and harnessing national will, energy and creativity. Even though it may be critical to reform endeavours, the role of external agencies, such as UNDP, is necessarily limited; its success depends upon its sensitivity to conditions within the country and coordinating assistance from other external sources.

This paper explores reform possibilities in several groups of developing countries, differentiating them largely in terms of their institutional and economic stability. It suggests various roles that external agencies can play in helping them devise administrative and other reforms for building a competent civil service system. It recognizes that the civil service in most developing countries cannot be an autonomous professional body under the direction of the executive branch of the national government, but, rather, an organized power centre in the socio-political development of the country. For this reason, the paper emphasizes a partnership approach to CSR that involves four broad categories of collaboration:

- that between politicians and civil servants;
- that between the public and the private sector;
- that between key societal actors, among them politicians, civil servants, academic institutions; the media; and civil society; and
- the national government and the international community.
INTRODUCTION

Whether the chief executive of a government is an emperor, king, president, prime minister, duke, governor, or mayor, that government cannot function without some form of civil service. According to several historians, the first true bureaucracies arose in response to the need to regulate water in the great river valleys, particularly those of the Nile, the Tigris and Euphrates, the Indus and the Yellow River. If these water sources supplied the lifeblood of the civilizations they nurtured, those who monitored their flow and supervised their distribution into complex irrigation systems constituted the lifeblood of government. In the millennia that have since passed, this characteristic has remained as the functions of government have multiplied. Governments themselves have changed and evolved new forms of organization, management and supervision, motivation and remuneration – some functional in terms of serving the needs of their peoples, some catastrophic in their inefficiency, greed, or oppression. We think of civil service reform (CSR) and modernization today primarily in terms of efficient and effective responses to changing needs and circumstances.

Whether in developed or developing countries, few success stories exist in the field of CSR. The leaders of developing countries in particular face tremendous hurdles in prioritizing and implementing programmes to this end. Because of the dilemmass they encounter, CSR continues as a prominent item in the discussions of international forums. In May, 1996, the first special session of the United Nations General Assembly devoted to public administration and development adopted a resolution urging the world body to focus on “strengthening government capacity for policy development, administrative restructuring, civil service reform, human resources development and public administration training” (resolution 50/225). In 1998, the President of the World Bank, addressing the Board of Governors, called attention to the need for “a well-trained properly remunerated civil service” as one of the five essential features of good governance to deal with the global crisis of poverty and development (Word Bank, 1998; 13).

During the last two decades, most civil service reforms (CSR) have been associated with movements towards democracy and economic reform efforts. Often, these are twin thrusts. Between 1981 and 1991, CSR in 44 developing countries was supported by 90 World Bank lending operations, which comprised 60 Structural Adjustment Loans (SALs) and 30 technical assistance loans (World Bank, 1995). But CSRs have by no means been confined to developing countries. They have taken place in New Zealand and the United Kingdom, as well as in rapidly modernizing nations such as Chile, Malaysia, and Singapore. Some have been comprehensive, others limited. A number have taken place without support from United Nations agencies or other multilateral or bilateral donors. While the experience of most of these reforms has been mixed, most indicate support for improving the efficiency of the economy as a whole, including the private sector, the public sector, and the government itself. Though difficult to organize and implement, such integrated reforms have led to economic growth in some countries, among them Botswana, Chile, Malaysia, Mexico, and Singapore.
Because CSR entails a variety of critical institutional changes, it is both difficult and lengthy. At its most fundamental level, it involves rearranging human configurations and modifying human behaviour (Olsen and Peters, 1996). Contemporary CSR in particular is closely tied to administrative reform that focuses on strategic action, notably the strengthening of government institutions and processes for performing the core state functions of policy-making and coordination and improving the effectiveness and efficiency of public sector systems, in part by strengthening linkages with the private sector and civil society and contracting out the delivery of services through the organizations of these governance partners. CSR therefore tends to centre on enhancing democracy and accountability and thus has a strong political component. Responsive and transparent bureaucratic mechanisms call for increased citizen participation.

All these three types of reform – civil service, administrative, and political – respond to local, national, regional and global pressures that challenge the very survival of many societies. Everywhere, even in the most technologically and politically developed countries, these pressures compel change and development. They range from protecting the environment to restoring faith in government. They involve the globalization of financial and labour markets and call for accelerated economic growth and for development with equity. The impact of these pressures differs from one country to another, as do their responses in their internal reform initiatives and packages. Industrialized countries and newly emerging economies are those most immediately affected by globalization. In transition economies and other developing nations, pressures for economic growth and development with equity tend to dominate. The results of CSR in these diverse situations have varied and provide a rich fund of experience, both negative and positive, for use in future reform efforts.

This paper covers the globe in its effort to provide a critical examination of current civil service reform policies, strategies, programmes, and measures so as to identify trends and guidelines for action by UNDP and other bodies. It emphasizes process as well as substance and uses the lessons it draws to analyze the prospects for CSR in the low-income countries and those recovering from civil strife that need such reforms most urgently, but face insurmountable obstacles in implementing such efforts. Approaches to dealing with these challenges are suggested where appropriate. The approach is concrete and practical, addressed to national leaders and administrators, business people, NGOs and other civil society groups, including women’s organizations and academic research institutions, as well as to development professionals in the international community and donor organizations.

The first four chapters of this monograph frame reform issues as they relate to structure, programme, performance, and process. Each of these chapters concludes with an illustrative case study of a particular country. The two final chapters deal, respectively, with an agenda for civil service reform and with the need for partnership to make the agenda work.
CHAPTER ONE:
CONCEPTS AND CONCEPTUAL ISSUES

The Meaning, Scope, and Functions of a Civil Service

Traditionally, civil service refers to the body of appointed officials who carry out the functions of government under the direction of the Head of Government. This is true in democracies, dictatorships, monarchies and republics alike. Beyond this postulate, various questions arise. Does the civil service include military personnel, judicial officials and foreign service officers? In rare cases, military officials are regarded as civil servants, although their wages and other costs are not part of the civil service budget (Lienert and Modi, 1997). Indeed, some military personnel are employed in civil service ministries in many countries. The inclusion of judges, magistrates and other judiciary personnel in the civil service depends on the judicial system the country follows, but their salaries and other costs are generally covered by the civil service budget. By contrast, diplomats and other foreign service personnel are usually excluded from any discussion of reform of the civil service, although in many countries, a number of these government employees move from domestic to foreign service (in Malaysia, the two categories are integrated) and their salaries are paid from the general civil service wage appropriation.

Apart from these obvious issues, there are others. Teachers and doctors may work in private institutions, but be paid out of public funds and may be subject to specific civil service laws. In addition, the employees of state-owned enterprises are not strictly civil servants, but are covered by civil service regulations and constraints, even though their organizations are governed by corporate laws. Other questions arise in regard to employees who serve at the provincial or state level in federal or semi-federal polities and who are not generally discussed in national CSR exercises. The same is true for the employees of municipal and city governments, whose scope is expanding in developing and transitional economies in which decentralization involves significant transfers of central government functions to local authorities.

Who is and is not a civil servant also varies with the functions of civil service. These, in turn, derive from growth and other changes in the roles and activities of government. Despite cuts and downsizing, public administration continues to grow. Before elections, politicians promise to reduce government functions and to cut the size of bureaucracies, but find themselves hard-pressed to so afterwards. Although large-scale privatization is taking place, it requires significant regulation. In some cases, the size of national governments has shrunk only because state and local governments have expanded. The growth of government in general stems from increasing entitlements, development concerns, fiscal improvements, and bureaucratic pressures. The expansion of bureaucracy in particular arises from the quantitative and qualitative growth of public concerns and the failure of two state institutions -- the executive and the legislature -- to cope with changes in the policy-making and policy implementation environments (Peters, 1995; 22-34).
Nonetheless, in recent decades, significant counter-trends have begun restraining the growth of government and of bureaucracy. Under the pressure of donors and lenders, some developing and formerly Communist countries have achieved real cuts through privatization and the rationalization of their administrations. These rationalizations have been carried out in terms of both functions and activities. Governments are urged to be strong without being big and strategic without being pervasive. The civil service is directed to perform only the strategic functions of policy-making, policy coordination, resource mobilization, and service delivery only of a critical nature. Governments are also being asked to engage with civil society and private sector organizations through market mechanisms to implement government functions that they can undertake, especially in service delivery. Similarly, governments are being urged to withdraw from commercial and productive activities, including utilities, and to concentrate on infrastructure, protection, and regulation.

Those who benefit from the earlier scope of government activities, including entrenched vested interests, tend to obstruct movement in these directions. The poorer and less developed countries that need such rationalization most -- among these, the nations of South Asia -- find it most difficult to implement. As such countries expand economically, the adjustment process becomes less burdensome, perhaps because of new livelihood opportunities for former civil servants. China, for example, provides significant new private sector openings. The CSR challenge lies in identifying forces for rationalization and patterns in which it can work.

Comparing macro data on civil service employment and wages is easier said than done, as Stevens has shown in his 1994 study [??]-- NOWHERE IN REFERENCES OR BIBLIOGRAPHY]. As far as possible, IMF studies have included data on all education and health sector employees, as well as the police and other internal security personnel, but have found it impossibly to exclude the military in many countries. Although, ideally, wage data should include all levels of government, nearly all regional and local public service employees were excluded. Disparities in wage bills in respect of military and foreign service personnel also aggravates the problems of cross-national comparisons. The exclusion of the military, for example, may introduce a bias of as much as 20 per cent in average wages per government employee. This may also be the case if the salaries of non-government contractual personnel in public health and education are excluded from the employment data.

Administrative Reform and Good Governance

Historically, "administrative reform" and "civil service reform" have been used almost interchangeably. The components of structure, system, processes and procedures were all organically related to recruiting and maintaining competent, motivated staff. Recently, "governance" has been used as an all-inclusive framework not only for administrative and civil service reform, but as a link between CSR and an all-embracing framework for making policy decisions effective within viable systems of accountability.
and citizen participation (World Bank, 1993). Administrative reform focuses on rationalizing structures of government. It creates strategic mechanisms and processes for policy- and decision-making coordination; for literally re-forming institutions for the delivery of services, sometimes through contractual arrangements with civil society and private sector organizations; for improving delivery mechanisms within core public sectors and broader contexts; and for other means to strengthen processes and procedures for effective, efficient, economical and ethical management. Governance reform tends to refer to the improvement of legal and policy frameworks to create proper decision-making environments; participatory systems for elements of civil society to become actively involved in policy and programme formulation and their implementation; and an effective and transparent system and process for control and accountability in government activities. In both administrative and governance reforms, civil service reforms are essential to reshaping the behaviour of human beings in initiating and managing all these changes sustainably.

Although comprehensive reform that involves governance, the civil service, and civil society is ideal, it requires sustained commitment from political and administrative leaders, is usually too complex to implement all at once, and often creates unmanageable dislocations. Few countries have undertaken comprehensive reforms. In those that have, results are mixed. The challenge lies in finding linkages among the governance, civil service and civil society components, determining which require priority attention, and finding sufficient support within the system to carry out strategic changes. One obvious example is the need for inter-ministerial coordination in the formerly Communist countries of Central and Eastern Europe.

**Sustainable Economic and Social Development**

Civil service reforms aimed at strengthening administrative capacity to perform core government functions and to raise the quality of services to the population are essential to the promotion of sustainable economic and social development. CSR can contribute to macroeconomic stabilization by restoring budgetary stability, strengthening revenue collection, managing aid effectively, and improving development performance through the proper implementation of investment frameworks and the management of public expenditure plans and programmes. Similarly, CSR can contribute to the design and implementation of an equitable programme of social development. Enhancing the capacity of civil servants and improving their morale are critical to all these functions. A major constraint on CSR for economic and social development is the rising politicization of the civil service in many developing countries. In formerly Communist countries, a major challenge is shifting the historic political orientation of the civil service towards greater neutrality and impartiality.

**The Promotion of Pluralist Governance and Participatory Democracy**
As in the case of economic and social development, CSR is essential to promoting and sustaining pluralism in political life and ensuring the participation of citizens in public activities. The increase of violent crime, the criminalization of politics, the rigging of elections, and the pervasiveness of corruption among politicians and civil servants are all hindering the development of democracy in many countries. The decentralization of decision-making to the community level in both industrialized and developing countries permits greater participation by individuals and local groups in matters that affect their lives, but is also a complex process that is easily politicized at many levels of the bureaucracy. A major challenge to CSR is devising sufficient incentives and safeguards, particularly at the grassroots level, to ensure that civil servants discharge their responsibilities impartially and contribute to building credible institutions and processes for participatory governance.

**Global Trends and Increasing Interdependence**

A number of worldwide developments have not only spurred initiatives to undertake CSR, but also condition its implementation: the globalization of markets; scientific and technological advances, especially in informatics; the emergence of vibrant civil societies; and domestic and foreign pressures to reduce corruption, increase transparency and raise ethical standards in the conduct of public affairs. International economic trends in particular -- in trade, movements of both capital and labour, the liberalization of markets, and unfettered exchanges of information across borders -- have created complex new interdependencies that national systems must recognize, adapt to, and manage. The degree to which these trends impact individual countries varies in large measure with that nation's stage of development and level of integration into the global economy. In addition, the activism of a number of civil society organizations (CSOs) -- much of it undergirded by Internet communication -- has attracted the support of donor governments and Northern NGOs and has helped these movements to become dynamic partners in the conduct of public affairs and economic activities both domestically and internationally. Each national government and its civil service must prepare to deal with these phenomena effectively as they impact their respective countries in different ways.
CHAPTER TWO --
STRUCTURAL ISSUES

Government and administrative structure provide the framework for civil service positions and thereby determines not only the total numbers and levels of civil servants, but the organizational and managerial context in which they carry out their functions. Structure provides the system of coordination imposed upon the divisions and units of an organization and its channels of communication and collaboration with other government agencies and the world outside government. The challenge of finding appropriate governmental and administrative structures has motivated leaders worldwide to create commissions for the study and reorganization of the apparatus of the state.

This need appears in many countries irrespective of their size and level of socio-economic development. In the United States, five Presidential Study Commissions have been created since 1937 to review the structure of the federal executive branch. Vice President Al Gore's task force on "Reinventing Government", which began in 1995, was an exercise undertaken in the same spirit. More than half a world away in Bangladesh, five commissions and committees were reformed to examine the needs of the national civil service between the country's independence from Pakistan in 1972 and, most recently, the Public Administration Sector Study of 1993. Between these two examples, however, especially in developing countries, there is a pressing need to review existing structures.

Size and Structure of Government -- Growth in Ministries

Since attaining their independence, the governments of many developing countries have increased the number of their ministries, departments and officials, in some cases even doubling them. The state has also expanded into a number of commercial activities. In part, this growth has been stimulated by political considerations; it accommodated more and more intra-party groups by offering more ministerial positions. It also created posts for senior civil servants, along with other jobs at other levels that enlarged the patronage capabilities of a number of political and bureaucratic leaders. In Bangladesh, for instance, the number of ministries rose from 21 to 35 between 1972 and 1994 and public sector employment from 454,450 to almost 1,000,000 -- an annual compounded rate of 3.6 per cent that outstripped even the population growth rate of 2.5 per cent over the same period. However, even the 1,000,000 figure understates the real number of civil servants, as it does not include the military or the staff engaged under the Annual Development Programme or temporary workers employed under the revenue budget in contingency posts (World Bank, 1996; 17 - 18). Other countries manifest similar patterns, particularly where the government has become the employer of last resort and where it has been unable to eliminate ghost workers.

Many countries have responded to changing circumstances and priorities by creating new ministries, divisions, or departments. These increases have not been offset
by a concomitant shedding of lower priority responsibilities or other attempts to eliminate redundancy. Apart from its budgetary aspect, this kind of expansion has stretched implementation capacity, compounded coordination problems, and exacerbated regulatory intrusion. More and more time has been spent by civil servants in maintaining and/or clarifying their jurisdictional rights and boundaries, clearing their decisions through increasingly complex internal processes, and coordinating their activities through an increasing number of agencies. All this has left little time for settling substantive questions in a timely fashion. In addition, it has created vested interest groups at all levels that have blocked efforts at reform and rationalization. Once a ministry, department, division and even unit has been created, it is difficult to abolish, even though its function may well have been transferred or may no longer exist. Similarly, it is difficult to dismiss a government employee who has tenure guarantees, whatever his or her actual work. In Pakistan, for instance, some 30 administrative reform attempts, most of which dealt with reorganizing civil service structure, recruitment, training, and career development resulted in the implementation of very few recommendations (Mohal, 1996).

Although these kinds of expansion have serious impacts on the performance of civil servants, they are difficult to compare systematically in either fiscal terms or in terms of quality of service. Although the cost of running the government as a percentage of GDP is roughly the same in many countries, taxpayers receive vastly different values in return. Although governments cost about 4.2 per cent of GDP in Bangladesh, the Republic of Korea, and Singapore, the efficiency of the latter two is far greater.

This issue of civil service efficiency vis-à-vis size is critical. Although many countries are reducing the overall size of their civil services -- often under budgetary pressures and/or threats from donors and lenders -- their governments have not yet fully understood fundamental questions such as the number of ministries and internal cohesion and the integration of functions within each ministry. Creating a ministry entails developing and legitimizing an integral entity with its own jurisdiction, interests, status and reputation to defend, promote and sustain. The more ministries there are, the more institutional personalities will develop -- with a greater need to coordinate and ensure collaboration for effective policy development and implementation. Most governments have recognized this dynamic and restrict the creation of ministries, either by law or by consensus, to a reasonable number. This varies from 12 to 20 in many industrialized countries (Japan has 14 and the United Kingdom 16) and, in several emerging Asian nations, the number hovers well below 30, Malaysia having 25 and the Republic of Korea 26.

Nonetheless, attempts at efficiency can yield to duplication and confusion. Bangladesh, for instance, created two new ministries, one for jute and another for textiles, from its Ministry of Industry. The exercise promoted redundancy, confusion, and lack of coordination after both the jute and textile industries were privatized. Keeping two or more broadly related areas under one ministry may prove more efficient. For example, many countries, such as Japan, combine agriculture, forestry and fisheries into a single ministry of agriculture.
Although limited guidelines exist on the appropriate size and structure of a ministerial administration, it is possible to make some tentative recommendations. The number of ministries should be kept low, if at all possible, below 20; it should never exceed 25. Even if political considerations warrant the appointment of new ministers, these should be kept as ministers with a major portfolio either within an existing ministry or within the office of the President or Prime Minister (as is the case in many countries). The critical point is to retain the viability and integrity of a ministry by keeping all the closely related activities in the context of a government's priorities within one administrative structure. Such is the case of the Ministry of Trade and Industry in Japan, the Ministry of Economy in Poland, and the Ministry of Finance and Planning in Botswana. This enables ministry officials to carry out their responsibilities efficiently and to be held accountable for their performance.

Structures for Protecting the Neutrality of Civil Servants

The neutrality of civil servants, especially at the highest levels of policy-making and programme formulation, is important to maintain, particularly in democracies where leaders change periodically. Bureaucratic continuity is a necessity, even though it may become a mechanism for creating a privileged, self-oriented group within the state. It is worth noting that the principle of bureaucratic neutrality as an instrument for the preservation of democracy has never been rejected outright. In countries such as France and Italy, the neutrality has proved to be both durable and useful, particularly during periods of political and social instability, because it has helped ensure the continuity of government administration and to preserve essential linkages between state and society (Heady, 1979).

Although legal, sometimes constitutional measures can provide for such neutrality, there are also structural arrangements that facilitate the separation between politics and administration both substantively and procedurally. In parliamentary democracies, the secretary of the ministry is a permanent civil servant who heads the ministry's administration and acts as the chief advisor to the minister. He or she is thereby involved in discussing and often influencing political matters that relate to the ministry. Usually, a thin line is drawn between the secretary's advisory capacity and his or her active involvement in promoting the interests of the dominant party in policy formulation and implementation. However, neutrality does not mean that high-ranking civil servants cannot or should not be involved in articulating public policy. Indeed, senior officials are professionally and morally obliged to provide their political leaders with policy alternatives based on sound arguments, relevant precedents, and sustainability in the context of changing political environments. It is essential that they do so, however, from a non-partisan position (Asmeron and Reis, 1996;9).

So thin a line may be difficult to maintain, particularly in the highly partisan environments of emerging democracies, which generally do not have traditions of loyal oppositions and other constraints on political rivalries. For this very reason in many of these countries, ministers are employing advisors to help them learn about the political
and administrative implications of proposed actions or ongoing policies and to preserve
linkages with relevant interest and political groups.

In other countries, such as Japan, a minister has both an administrative secretary
and a political secretary to deal with two different types of matters and to protect the civil
service head in maintaining his or her neutrality in the eyes of both subordinates and
superiors. In some European and Latin American countries, this kind of separation is
formalized further through the "cabinet of the minister", which comprises his or her
chosen confidantes from the political, technical, and administrative realms to advise and
assist in managing the ministry. The United States, in which some 4000 government
appointees are politically appointed -- the first three or four levels below a minister --
probably constitutes an extreme case.

As partisan issues and considerations are important to political leaders, neutrality
and its image are important to civil service leaders and their colleagues in both policy
advice and implementation. Because politics and political processes often threaten to
become all-pervasive, it is necessary to devise appropriate structures for preserving
neutrality without causing suspicion or confusion.

Structures for Policy-Making and Policy Coordination

Devising appropriate structures and sufficient capacity for making and
coordinating policy is a long-term process that demands difficult decisions and enduring
support. Without these structures for disciplining and integrating the policy debate and
questioning competing policy options and their costs, well-developed and credible
policies may never be formulated. In some countries, politicians have delegated macro-
economic and strategic policy formulation to autonomous agencies whose activities are
guided by transparent consultative processes. The Cabinet Secretariat in France and the
Office of Management and Budget in the United States serve these functions. In other
countries, especially in the industrialized world, politicians collectively challenge and
restrain themselves in forums such as cabinets, cabinet committees and legislative
committees, where decisions are made in common. But many countries have no such
mechanisms and their absence becomes manifest in incoherent strategies and

Three characteristics of such structures become apparent over time: (1) a strong
central capacity for macroeconomic and strategic policy-making, over and above the
capacity for policy-making within each ministry; (2) mechanisms to analyze and debate
policies among government agencies; and (3) institutional links to shareholders outside
the government, which provide transparency, accountability, and productive feedback.
Many OECD countries have developed mechanisms for preparing policy proposals,
estimating the costs of alternative proposals within an overall budget framework that
ensures their critical evaluation, and reaching and recording decisions to monitor the
implementation process. They also have central capacity, like the Ministry of Finance in
Japan, as well as the French and American institutions mentioned above, to facilitate
consultation among ministries and coordinate proposals before they are submitted for legislative or executive action.

Many of these countries involve citizen groups and client and interest groups in formulating policy. In a number of Commonwealth nations, the Cabinet Office system has a network of specialized capacities that serve the Cabinet and Cabinet Committees in examining policy proposals for their cross-departmental implications. In Australia, Canada, the United Kingdom, and Zimbabwe, cabinet committee structures are used to open the cabinet system to both civil servants and outsiders. Such structures also help organize the cabinet workload and facilitate the coordination and the monitoring of policies that are implemented. They assist the cabinet in functioning as the "nerve centre" of government. The Canada Privy Council, one example of this kind of structure, has 300 staff members, including 50 - 60 professionals, as well as experts.

Box 1: Cabinet Committees in Zimbabwe

In Zimbabwe, a system of Cabinet committees coordinates government policy. The Cabinet Office serves as the hub of this network. Ministers with policy initiatives present them to the Cabinet, which may refer the proposals to a relevant Cabinet committee -- either the Legislation, Economic, or Finance Committee -- for detailed examination. Each of these has a shadow committee of civil servants who give expert advice. The Legislation Committee, for example, considers all the draft bills proposed by ministries and outlined by the President at each session of Parliament so as to ensure that all legislation conforms to government policy. The Committee also assigns priority to each draft and monitors its progress through Parliament.


Many East Asian and Latin American countries have created a unit within each ministry for policy formulation and review. In Argentina, Chile, Colombia, Mexico and Peru, macroeconomic policy is delegated to reputable technocrats. Combined with effective and transparent budget procedures, this kind of delegation helped reduce inflation in these countries in the late 1980s and early 1990s.

Some Asian countries have delegated macroeconomic and strategic policy-making to powerful elite agencies, such as the Economic Planning Board of the Republic of Korea and, in Thailand, the Ministry of Finance, the Budget Bureau, the Central Bank, and the National Economic and Social Development Board. These agencies, staffed by professionals and experts, have relative autonomy. Their deliberations are embedded in processes that provide input and oversight from private sector firms through public/private councils and other forums. These councils, which also exist in Japan, Malaysia, the Republic of Korea and Singapore, scrutinize costly programmes rigorously.
They give people outside government the power to restrain its actions, even to veto them. They also give government policy-makers the flexibility to adapt to changing circumstances. To be effective, these councils require technical capacity that may call for sustained public support free of political obligations. They also need to be broadly based so that their deliberations are perceived as legitimate by society at large. Both capacity deficiencies and limited membership may have contributed to the ineffectiveness of comparable African councils.

Especially in Africa, Central America, and the Caribbean, developing countries lack the critical mass of expertise, as well as structural arrangements, to formulate their macroeconomic and strategic policies. Their central capacity is stretched thinly over a handful of senior officials who attend to numerous tasks. This tends to preclude setting up effective specialized units for policy analysis and review in key ministries. Nor do public/private councils or external think tanks exist in many of these countries to provide comment and guidance on policy processes or to forecast budgets on the basis of realistic assumptions. The absence of such institutions undermines both transparency and predictability in decision-making. In Tanzania, for example, the difference between budgeted and actual recurrent expenses averaged more than 50 per cent. In Uganda, thus discrepancy amounted to 30 per cent. In addition, the use of extra-budgetary funds, together with long lags in financial accounts and audits, contribute to depriving decision-makers of any real sense of the costs or outcomes of policies. Partly as a result, budgeting focuses almost entirely on the allocation of inputs rather than the results they are intended to achieve.

In countries that depend on aid, donors sometimes attempt to alleviate these constraints by providing advice. However, this may worsen the situation by creating dependency on foreign advisors at the expense of the countries developing its own capacity based on the recruitment and consolidation of local expertise. Donors may also inadvertently fragment central capacity for policy formulation by entering into bilateral aid arrangements with individual ministries on multiple projects without determining whether these efforts will reinforce one another or whether the cumulative effects of such efforts are sustainable. Although this type of external assistance may have short-term benefits, it ultimately impedes the creation of national structures and capacities to initiate, coordinate and evaluate policy and its implementation.

A medium- to long-term view is needed for this kind of development. Political leaders may not have the necessary development background or experience to direct and manage policy processes. It is therefore recommended that governments consider establishing one or two central agencies to deal with policy processes and to develop policy proposals with comprehensive costing and systematic projections of results. These central structures should be complemented by policy units in the individual ministries. It is essential to staff these institutions with experts and experienced officials. If such personnel must be hired from the outside, preference should be given to national expatriates paid with donor support.
In addition to these government structures, countries should also institute some form of public/private councils in major policy areas such as macroeconomics, industrial and agricultural development, and social services. Representation from the nation's legislative bodies can buttress the legitimacy of such councils. They must also have adequate technical support. For an initial period, this can be provided by the government until such time as private sector members can assume their full responsibilities.

Although there is an increasing tendency worldwide to separate policy processes, especially formulation from policy implementation, the initiation of policy, its formulation, approval, implementation, and evaluation remain fundamentally unified activities. The drive to separate formulation from implementation derives largely from a desire to divorce policy advisors from their vested interests in the implementation of their policies and to create mechanisms for independent monitoring of service delivery. New Zealand, for instance, identifies policy advice as an output of the core state agencies that have the necessary expertise and links this function to distinct structures that deal with down stream policy processes. This may be necessary in areas where service delivery is questionable. However, in most developing countries, it is preferable to involve the programme managers who implement policy in the formulation process precisely because the two are intrinsically intertwined. Political responsibilities for policy formulation are not easily defined and managerial responsibilities for implementation rapidly become political when problems loom (Kaul, 1997;24).

Many developing countries neglect the presentation of policy. Poor presentation can impede the participation of interested groups and of the general public in policy processes. Communication with the public crucial, since governmental operations are rapidly changing in goals, focus and orientation, and non-governmental actors are emerging in the development and democratization processes. Improving policy presentation involves developing a government information agency and locating some of its officials in individual ministries. All in all, the enhancement of communicating policy requires the following:

- involving information officers at an early stage in policy formulation so that they can advise on likely public reaction and on appropriate methods of presentation. They should also plan well in advance, so that they can budget for advertising, determine media availability, and select the most appropriate media;
- strengthening the government information agency with staff who can manage shifting relationships with the media;
- establishing channels of communication that provide information officers with a good understanding of emerging developments throughout the public service;
- developing and managing targeted information distribution lists; and
- comprehensively monitoring the media for comments on government policy.

In Malaysia, the Ministry of Information is generally responsible for policy presentation. Its public information officers are stationed in various ministries to ensure
that official news and information reaches the public through press releases, press conferences, ministerial interviews, interviews with senior officers, and special launchings. In Canada, each ministry is responsible for putting in place a communications group for its own public. Some coordination is also provided by the Communications Consultation Secretariat of the Privy Council Office (the Prime Minister's Office). An information, Communications and Security Division within the Canadian Treasury Board ensures that all government communications activities meet Treasury Board guidelines on "no frills" publishing and the uniform "look" of government information materials. In short, this Division aims at producing effective communications materials that are economically designed and environmentally sound. It also appreciates the need of each ministry to communicate continuously with its own publics, domestic and external, on fundamental issues and new developments within its particular sector.

Structures for Policy Implementation

Even the best policy will achieve little if it is badly implemented. Although there are no universal patterns and methods for good service delivery, each country has devised its own systems, structures, and processes for implementing its various policies. In the United Kingdom, national policies and programmes are implemented largely by local governments. Consequently, the central bureaucracy is relatively small, consisting largely of administrators and monitors located in London. However, in many countries, the implementation of policies and programmes belongs entirely to the central government, down to the last point of service delivery without involving local authorities at all. In such countries, the national civil service will be very large, with administrative structures dispersed throughout its territory. Between these two extremes, numerous variations attest to different governments' experiments with a range of institutional mechanisms for improving service delivery.

When governments withdraw from commercial, production, and other business-related activities, they draw increasingly on the private sector, especially in the social services, housing, infrastructure, and utilities. By contrast, in the law enforcement and justice services, a government usually requires its own agencies and staff. The type of policy and programme should always determine the nature and form of the implementation and delivery mechanism.

In some cases, such as New Zealand, the United Kingdom, and the United States, governments are setting up performance-based agencies in the public sector and entering into contracts with them, permitting them the managerial flexibility of a private firm and holding them accountable for specific outputs and outcomes. Elsewhere, governments continue to rely on more traditional bureaucratic structures in the core public sector, placing greater emphasis on accountability in the use of resources, basing recruitment and promotion on objective criteria, and offering incentives to encourage greater commitment and better performance. In many countries, governments are instituting mechanisms such as user and client organizations to increase citizen participation for securing better delivery and effective policy implementation.
In many developing countries, service delivery and policy implementation are poor simply because governments have overextended themselves and have not sought innovative approaches and institutions for reaching their citizens in various sectors. In the low-income countries that can least afford wastage, power generation losses are double those of developed countries; irrigation systems, roads, and bridges are not properly maintained; health services are poorly staffed and the morale of medical personnel diminishes because of bad sanitation facilities and inadequate drug supplies and equipment; and ill-trained teachers try to cope with overcrowded schools. Newer projects tend to attract greater resources than those already in operation, leaving little for the maintenance of existing facilities. Governments urgently need to critically examine their existing structures and mechanisms for policy implementation and service delivery and to abandon the idea of uniform approaches for every sector at all levels. They need to explore and experiment in consultation with user groups and target beneficiaries. As a rule of thumb, they should examine decentralized structures close to these clienteles and/or NGOs for the delivery of services. In addition to experimenting with delivery mechanisms, there is also an urgent need to create suitable structures with adequate capacities to monitor implementation, beginning with a few critical and visible sectors such as health, education, and infrastructure.

Whatever the orientation and focus of delivery mechanisms, it is usually useful to place them in a competitive environment so that governments can analyze and measure their performance and determine the reasons for successes and failures. Such an approach also lays the foundation for a memory bank as a basis for further improvement.

CIVIL SERVICE REFORM IN MALAYSIA: A CASE STUDY

In many ways, Malaysia exemplifies home-grown experimentation in comprehensive administrative reform in accordance with a strong statement of government mission. Unlike other cases illustrated in this study, CSR in Malaysia did not result from sudden political or economic crisis. Public sector reform, including important changes in the civil service, have featured in the government agenda since 1957. The Malaysian civil service has played a significant role in the country's achievement of economic growth with equity. During the 1960s and 1970s, reforms focused on transforming the country's law and order administration and development administration so as to make civil servants agents of change. Federal, state and local officials began interacting to discuss development issues, ensuring planning that entailed both "top-down" and "bottom-up" inputs. During the 1980s and 1990s, as the economy was liberalized, the private sector began leading the country's growth, and emphasis shifted to improving the quality of public sector management as the private sector increasingly took on responsibility for economic development.

The successive series of administrative reforms encompassed changes in structure, management technologies, skills and knowledge, attitudes, systems and
procedures. They contributed significantly to the successful completion of the 1971 New Economic Policy, following the first and only racial riot in Malaysian history. Continuing reforms were designed to support the New Development Policy set out in the 1993 document, *Vision 2020*, which defines the national aspiration of attaining "a fully industrialized and developed nation within the next three decades" (Commonwealth Secretariat, 1994).

*Vision 2020* identifies the following challenges for the country's public service:

- the development of an administrative system that is mission-oriented and has the inherent ability to focus of effective delivery of quality services;
- the development of institutional capacity to promote and sustain a climate of creativity and innovation;
- the ability to respond effectively to complex and rapidly changing environmental demands; and
- the development of quality human resources to facilitate the transformation of Malaysia into a modern industrialized and fully developed nation.

The Malaysian public service concentrated on gearing administrative improvements to the adoption of a new mindset and paradigm of thinking. To this end, it focused on internalizing seven fundamental values among its public servants: quality; productivity; innovativeness; discipline; integration; accountability; and professionalism so as to create a forward-looking, flexible, market-driven public service motivated to meet the challenges of rapid development.

**Structural Changes**

Once established for initiating change, training staff, and leading administrative development were seldom significantly modified. This gave them continuity, consistency and legitimacy. Following the recommendations of a major study carried out within a few years of independence by American consultants, the government established the Development Administration Unit within the Department of the Prime Minister so as to reorient the thinking and operational style of the public sector and to act as a centre for the introduction and monitoring of reforms and improvements in the civil service. Public enterprises were established to compensate for the weakness of the private sector. A comprehensive National Training Institute (INTAN) was set up in 1972 to provide short and long-term training for all the country's public sector employees. Overseas training for selected key personnel was also instituted. In 1970, a comprehensive central personnel agency was established in the Public Service Department to formulate and implement personnel management policies and programmes to increase the efficiency and effectiveness of the public service. As needs changed, a new organization, the Malaysian Administrative and Manpower Planning Unit (MAMPU) was established in 1977 under the Department of the Prime Minister to identify and study the major problems of administrative development at all levels and suggest measures to overcome them.
Integrating administrative and developmental change for civil servants, MAMPU continues to initiate and spearhead modernization efforts.

Improved Productivity and Delivery of Services

As in other countries, the Malaysian civil service and administrative structures created in the 1960s and 1970s were criticized for growing bureaucratization, increased red tape, and inefficient management. Slow economic growth and a large budgetary deficit accentuated these deficiencies. The emphasis of reform shifted to improving the productivity of civil servants, reducing the size of the civil service and measures to support these aims, including a client's charter, total quality management, and performance indicators. In 1987, MAMPU created a Productivity and Quality Management Division, which developed a programme with four prime objectives:

- to increase the awareness in the public sector agencies of the importance of productivity measurement and improvement;
- to provide advisory and consultancy services to government agencies for productivity measurement and improvement;
- to conduct studies on behavioural and other aspects of the working environment that could affect productivity; and
- to monitor and coordinate productivity measurement and improvement efforts by government agencies.

MAMPU developed and issued guidelines to assist government agencies to understand, plan, and implement measures for improving productivity, using a system that determined each agency's output and to measure productivity in units of cost and time. The following eight factors were considered critical: manpower; systems and procedures; organizational structure; management style; work environment; technology; materials; and capital equipment. In addition, the government produced a paper entitled "Unproductive Practices", defining these as ways of working that increased operational costs without contributing to the achievement of organizational objectives. The paper also illustrated such practices with common examples.

The following factors were key in contributing to the success of the productivity improvement effort:

- top management commitment and support;
- a structure for managing productivity improvement;
- the involvement of all employees in these efforts; and
- training and recognition.

The public sector was also trimmed through privatization and the reduction of civil services. In early 1980, a phased privatization began selling a number of public enterprises and transferring and consolidating departments and statutory bodies. Some 150 public enterprises, including airlines and shipping, the railways, and electricity, power and communications services, were privatized, resulting in an estimated 10 per cent of the public service, some 90,000 employees.
The privatization programme was part of a larger effort to determine the role, size and structure of the government at the federal, state and local levels. The government had set a civil service growth rate of 0.53 per cent per year to rationalize the structure of government agencies and to eliminate duplication and obsolescence in their roles. A new remuneration policy was also introduced to further rationalize the salaries and incentives of civil servants. Under the guidance of the Steering Committee on Reduction in the Size of the Public Service, several working committees reviewed various ministries and statutory agencies, using as their guidelines the set growth rate and a proviso that increases in posts would be confined to the social sectors and areas critical to accelerating economic growth and revenue collection. The restructuring exercise was participatory, shared by all civil servants under the overall direction of two committees created by a Meeting of the Secretaries-General and Heads of Service. A Special Committee to study top management posts was chaired by the country's highest civil servant, the Chief Secretary to the Government, while the Working Committee in the Public Services Department took charge of the rest of the civil service. By 1994, 220 of Malaysia's 274 agencies had submitted restructuring proposals that resulted in the abolition of 9253 posts.

**Making the Most of Staff**

To improve the performance of individual civil servants, the Malaysian government introduced a number of direct measures including non-discrimination in employment; practices to improve recruitment and retention; a new performance appraisal system; a comprehensive remuneration system providing performance incentives; the enhancement of staff training and development; and the development of a public service code of conduct. The first of these measures gave women equal opportunity for appointment and promotion in the civil service. In addition, 1 per cent of all civil service posts were reserved to handicapped persons registered with the Ministry of National Unity and Social Development. The responsibility for recruitment lies ultimately with the Public Service Commission, an independent body, which, in cooperation with the relevant executive agencies, advertises, conducts examinations, interviews and selects candidates for various posts. In recent years, however, these functions have been delegated to heads of departments in respect of the staff of selected support services.

The 1995 New Remuneration System (NRS) set out to streamline job structures, to harmonize various job groupings and salary systems vis-à-vis the private sector in particular, and to provide performance-based rewards. This initiative resulted from a study carried out by the Special Committee on Public Sector Salaries chaired by the Prime Minister and serviced by the Public Services Department. The NRS reduced 574 job classifications to 274, grouping them into 19 service categories based on similarities in functions so as to increase effectiveness in the planning and management of civil service personnel. It also set out principles such as flexibility, standard rates for jobs, training and entry qualifications, "clean" wages, and fair compensation.
Some changes in terms of service introduced by the NRS include recognition of experience and expertise in lieu of academic qualifications for certain support posts and annual salary progression based on individual performance. In-service training has become an important requirement for career development and an induction course has become mandatory for new employees. It specifies ways in which salary progressions take place and sets out the principles for determining allowances and benefits. Other initiatives instituted alongside the NRS included Public Service Innovation Awards for individuals who have advanced and implemented ideas to improve the quality of public service and Public Service Excellent Service Awards to those who have rendered services exceeding expectations and normal job responsibilities.

The Malaysian civil service has always emphasized training not only for improving knowledge, capability, and skills, but also for attaining attitudinal change, preparing candidates for promotion, inculcating positive values, and engendering an excellent culture of work. Spearheaded by the Training and Career Development Division of the Public Services Department and the National Institute of Public Administration, each department and agency carries out its own training activities through in-house sessions. Among these are the following programmes:

- training for top management;
- post-graduate training;
- training on the Malaysia Incorporated Concept;
- training on Development Administration Circulars;
- international training programmes;
- induction training;
- special departmental training; and
- skills upgrading training programmes.

The development of expertise and specialization in the civil service, so critical to an emerging industrialized nation as globalization increases, is made possible by scholarships for advanced study abroad. Between 1987 and 1993, 123 government officers were sent to other countries for doctoral courses and 1245 to study for the master's degree. To orient civil servants in various administrative improvement programmes, 25,768 government employees undertook intensive training on Development Administration Circulars between 1991 and 1993. To enhance understanding of the corporate world and its management skills, the government has encouraged civil servants to participate in seminars, workshops, conferences, and dialogue sessions organized by the private sector. It has also seconded qualified personnel to private firms identified by the Business Council and various multinational corporations. The British Malaysian Industry and Trade Association loaned 12 officials to British firms in Malaysia and, since 1993, 12 officials have been chosen annually for overseas assignment to European firms.

Special attention is given to management development through advanced management training for top executives and mandatory courses for those recently promoted. Senior officials are sent for advanced training to such business schools as Harvard, the Massachusetts Institute for Technology and Stanford in the USA, the
London Business School in the UK, and the French Institut National …… (INSEAD) - 45 "Superscale C" officers in 1993. Also in 1993, training courses for high-level posts were made mandatory to prepare officers to move into these grades from the one just below.

Performance Appraisal System

As indicated above, the NSR emphasizes merit in determining salary progression, promotion, and training opportunities for civil servants. To this end, the Performance Appraisal System introduced in 1992 specified the following objectives:

- to create a reliable and comprehensive procedure for work performance;
- to develop an appropriate system for measuring performance at all levels, groups and classifications of public service. This comprises five different forms, the first part of each devoted to vital information on the individual and the second to numeric calibrations of performance in six specific areas;
- to extend the use of performance appraisal for personnel functions such as salary progression, promotion, placement, and training; and
- to enhance the participation of department heads and all levels of supervisors in appraising the performance of their officers, especially in work planning, supervision, motivation, counseling, and development.

The system encompasses a determination of annual work targets, a mid-year review, an open process of performance appraisal, and the establishment of Coordination Panels on Performance Appraisal and Salary to ensure fairness in these two areas. Like other Malaysian Administrative reforms, this new system grew out of extensive discussion and negotiation among the four major permanent committees of the top management of the civil service. Substantive input to the draft was supplied by the experience of both the Malaysian private sector and the civil services of several developed countries. The Public Services Department also produced a guidebook and training courses to facilitate the operation of the system.

A New Public Service Code of Conduct

In addition to the reforms discussed above, the Malaysian government issued a new code of conduct in 1993, the Public Officers (Conduct and Discipline) Regulations. The new code aims at the following goals:

- highly disciplined civil servants who are responsible and committed to their jobs;
- excellence in job performance;
- high productivity and quality in the delivery of services; and
- a clean civil service, free of any taint that could mar its image,
The Regulations stipulate not only a code of conduct, but disciplinary procedures. Disciplinary action can be taken against a civil servant found to have committed the following: disloyalty to King, Country and Government; placing self-interest above the public interest; conflict of self-interest with public service responsibilities; conduct that gives the appearance of conflict between personal interest and that of the service or using a public position for self-interest; behaving in such a manner as to bring the Civil Service into disrepute; being inefficient or lazy; being dishonest; being irresponsible; bringing or attempting to bring outside influence to bear upon the Civil Service, whether to further one's own interest or that of others; being insubordinate or conducting oneself in any manner that may reasonably be construed as insubordinate; being untrustworthy; and being negligent in the performance of one's duties.

Civil servants who are convicted of possession or consumption of drugs or of drug abuse are subject to termination of service. Those suspected of having committed a criminal offense or a serious breach of discipline can be immediately suspended. In addition, seven types of punishment are stipulated for an employee convicted of a disciplinary offense: warning; fine; forfeiture of emolument; deferment of salary movement; reduction in salary; demotion; and dismissal. In addition to the 1993 code, civil servants are also subject to other regulations and criminal laws, including the 1962 Anti-Corruption Act and the 1972 Official Secrets Act.

Various strategies are aimed at inculcating the values of discipline and continuous self-improvement. These include training courses at home and abroad; publication and wide dissemination of books and guidelines; emphasis in speeches by national leaders and senior managers; and various psychological tests to identify candidates for promotion and rewards. Further measures for improving civil service discipline were taken in 1993 by regulations that changed the membership, powers and purview of the Public Services Disciplinary Board and consolidating several appeals boards into a single one under the Public Services Commission.

**Supporting/Complementary Administrative Reforms**

The Malaysian government has used a holistic approach to introduce reforms that relate particularly to input/output and demand/supply. The most salient are the following:

**Client/Counter Services**

These measures include one-stop counters on the ground floor of each office building to answer questions from the public; electronic queuing; one-stop bill payment centres; a single counter for collecting fees for all public services; an on-line, real-time, government-wide computer system; and the establishment of a telephone system to provide information about services directly to citizens. The use of client/counter services is also facilitated by the distribution of guidebooks about these facilities and the location of informational centres in key places.

**The Client's Charter**
Introduced in 1993 to foster customer-focused orientation, the Client's Charter requires government agencies to deliver goods and services to its customers in accordance with predetermined standards. Based on a generic charter of each particular agency, individual officers are required to provide explicit information on the quality of output/service they will give their customers. Agencies are also required to undertake continuous review of their work processes and systems and to take corrective measures.

Total Quality Management
Initially introduced as an element of the 1984 nationwide Excellent Work Culture Movement, total quality management focuses on the needs and satisfactions of customers and stakeholders in all government operations and received new impetus in the 1991 Government Guidelines on Quality Control Circles. These Guidelines require public sector agencies to set up circles for mobilizing expertise, experience and employee creativity to improve quality. Conventions of these circles were held regularly at the national, regional and local levels to recognize and enhance performance. In 1992, the government introduced Guidelines on Total Quality Management that set out seven principles to be emphasized by senior management: support and commitment of top management; strategic quality planning; customer focus; training and recognition; teamwork; performance measurement; and quality assurance. Along with the productivity guidelines discussed earlier, the government outlined seven quality programmes to be implemented by public sector agencies: a quality suggestion system; quality process; quality inspection; quality day; quality slogan; feedback on quality; and quality information.

Improvement in Processes and Procedures
A simplified manual of office procedures that details all the operations involved in producing the goods and services of a government agency -- from office correspondence and desk filing to the management of meetings -- was issued. Given the government's aim of having a "paper-less" bureaucracy, as well as to improve service delivery, government agencies reviewed and reduced all requirements for licenses and permits, especially those needed by business. One-stop licensing centres were established and, in the case of motor vehicle registration renewal, some agencies did away with the need to complete forms. Office automation was enhanced and expanded to cover most government operations, among these finance, personnel, inventory, land administration, manpower planning, and integrated project monitoring systems. Management information systems were installed for the Prime Minister and cabinet ministers and heads of department. To enhance information service delivery, the government also introduced a Public Service Link that permits a wide range of on-line transactions by citizens at Post Office counters and a Civil Service Link, which serves as the on-line source of various types of information, notably those needed by the private sector and investors.

Attitudinal and Behavioural Changes
Although the government adapted most of its modernization measures, such as productivity enhancement and quality improvement, from Western reform models, its
efforts to modify attitudes and behaviour focused on the "Look East Policy" of 1982, which asked executives to emulate the role models of Japan and the Republic of Korea and, accordingly, sent a number of high-level civil servants to those countries for training and internships. Frequent government campaigns seek to inculcate values. The early 1980s witnessed three focused, respectively, on establishing a clean, efficient, and trustworthy administration; instilling Islamic values in the administration; and "leadership by example", which emphasized probity in the management of public resources and in the dealings of civil servants with their clients. The use of name tags and punch clock systems also enhanced service values such as punctuality and individual responsibility. The Malaysia Incorporated Policy noted above supplemented the "Look East Policy" by stimulating the public and private sectors to cooperate as partners in the country's economic development.

Lessons from the Malaysian Experience

Malaysia provides a case of pragmatic, incremental and sustained administrative reform, undertaking its transformation in tandem with social, economic and political changes throughout the country. This was made possible by the pervasive guidance of a united political party representing the country's three major ethnic groups -- Malays, Chinese, and Indians -- and the leadership of three dynamic Prime Ministers since Malaysia's accession to independence in 1957. CSR in Malaysia has been based on developing appropriate institutions, recruiting merit-oriented personnel who are well motivated and rewarded for performance, the coherence of well-articulated policies and the close collaboration of the country's public and private sectors within the framework of Malaysia Incorporated. Above all, the national vision of growth with equity has served as the keystone of reform, preserving civil service autonomy and providing equitable benefits to civil society.

As in the case of Japan and the Republic of Korea, both of which were emulated by Malaysia, the country's largely Malay political and administrative elite was remarkably united and supported by the dominant business groups, Chinese and Indian.
CHAPTER THREE -- PROGRAMMATIC ISSUES

Although CSR in most countries currently focuses on performance/results orientation, at least as its entry point, it is vital to bear in mind the basic inputs, which are the key components of the civil service system.

Components of Civil Service Reform

Unlike its counterparts in governance and administrative reform, a comprehensive approach is rarely used for civil service reform. The reasons for this will become apparent below. Changes in the civil service tend to evolve in accordance with specific themes or trends. Recently, they have been driven by donors with the stated aims of restoring fiscal balance and improving government performance to enhance the sustainability of development.

Box 2. Donor Support for Reform

Between 1991 and 1996, the World Bank made xxx structural adjustment loans and xxxx t… adjustment loans in xxx countries, which included a significant element of administrative and civil service reform. During this period, UNDP supported xxx projects in xxx countries that dealt with governance, administrative and civil service reforms

In developed countries, global economic and financial pressures have tended to spur CSR, and in the countries of Central and Eastern Europe, CSR has become a precondition of improving administrative capacity to carry out the obligations of prospective membership in the European Union.

The size and cost of the civil service have been the focus of recent reforms in the developing countries, where reducing the civil service wage bill is an important element of achieving greater budgetary stability. This kind of reform usually calls for the elimination of ghost workers, part-time, and temporary workers. In these countries, as well as others, downsizing exercises have also been undertaken to rationalize and decentralize the civil service, as well as to privatize some public services and contract others out. Downsizing has been accompanied by rationalizing the salary and emolument structure so as to bring civil service compensation in line with such factors as inflation, private sector salary levels, and the actual responsibilities involved in particular positions and groups of posts. This is often done by creating a Pay and Services Commission.
A second component of CSR that has recently received serious, sustained attention is the support of training activities, both generally for the entire civil service and for specific functional groups in individual ministries. Both types have been carried out in country and externally. A major element has been the creation and strengthening of training institutions throughout the country for developing its professional capacities and also for commercializing civil service operations.

Another recent CSR focus has been relating performance to the realization of policy and programmatic goals, such as the timely delivery of services and the number of clients served, by developing results-based management systems. This approach has frequently drawn on the experience of the private sector. Some countries have introduced performance-related salaries, bonuses, and other benefits. Still others have undertaken changes in internal classifications of services and grades, recognizing differing responsibilities, spheres of authority, and perquisites. Such changes can lead to tensions and rivalries that break down corps d'esprit, erode loyalty to the state, and compromise public service -- sometimes to the point of tempting civil servants to work for their own or outside interest groups. In Bangladesh, to take only one example, such infighting takes place along the lines of political partisanship and therefore very difficult to resolve.

Box 3: Developing Administrative Capacity for Membership in the European Union

The European Commission (EC) evaluates the capacities of prospective members to implement European Union legislation under "performance requirements". In such areas as competition, telecommunications, indirect taxation, transport, environment and border controls, the EC has found serious inadequacies in applicants from Central and Eastern Europe. It has also found a lack of coherent overall planning for administrative reform in several countries, notably in addressing legislative shortcomings, civil service morale and resources, inter-ministerial coordination, and combating fraud, corruption, and crime. In assisting the 13 Central and East European countries, the EC and OECD have organized a programme entitled Support for Improvement in Governance and Management (SIGMA), which works in six technical areas: public administration development strategies; policy-making; coordination and regulation; budgeting and resource allocation; public service management; and administrative oversight, financial control, and audit.

Accepting a comprehensive approach in CSR may be neither possible nor desirable, given the difficulties of agreeing on a comprehensive package and then implementing its elements. It is generally more realistic to focus on a set of issues that have public support and that can generate both political and administrative support. This issue package can then serve as a CSR entry point, simply because most CSR issues are interrelated: performance relates to both capacity and motivation, which, in turn, relate to training and systemic environment. Once positive results are achieved in some functional areas, these can "snowball" in reinforcing efforts in other areas.
This lesson emerged from the 1996 Olsen and Peters study of recent administrative reform experiences in eight industrial democracies: Austria, France, Germany, Japan, Norway, Switzerland, the United Kingdom, and the United States of America. None of these nations manifested universal acceptance of reform ideology. Nor was there any general wave of public sector reform. Significant variations existed in both discontent about the public sector and the perceived need for radical reform. While some of the governments strongly advocated comprehensive reform, others argued for preserving the status quo or for the incremental modification of existing administrative arrangements. In addition, a comprehensive reform plan does not seem to resolve emerging needs for further reforms. By contrast, however, one reform or set of reforms seems to create demands for new reforms. (Brunsson and Olsen, 1993).

**Administrative and Civil Service Structure**

Administrative and civil service structures are closely interconnected, so much so that it is sometimes difficult to distinguish between a Directorate as an administrative unit and a Director as a civil service post. The nature and extent of decentralization or deconcentration will also affect the size and structure of a civil service, especially with regard to structures for policy formulation and implementation and structures for policy coordination. In both unitary (UK) and federal (Germany) states, policy-making may be centralized, but its implementation may be left to state governments and local authorities. This translates into a smaller national civil service to manage at the central level, but a much larger one at the state and local levels, which may not be integrated with the national civil service. However, in the vast majority of countries, one national service carries out both policy-making and policy implementation. These services show significant variations with regard to recruitment, placement promotions, and exposure to political processes and pressures. It should also be noted that in most countries in which the civil service is charged with making and implementing policy, pressures for decentralization and deconcentration are mounting.

Administrative and civil service structures in developing countries have been enormously influenced by those of industrialized countries, notably France, Germany, Japan, the United Kingdom and the United States. These northern countries, though, are not currently changing as rapidly as the countries they have influenced. Moreover, their structures have tended to be modernized and liberalized in accordance with changing needs. By contrast, in the vast majority of developing countries, reform and liberalization are obstructed by well-entrenched vested groups intent on protecting the privileges and perquisites associated with their social class and cadre or corps. In many of these countries, such internal conflicts are eroding the neutrality and impartiality that are key civil service values, particularly for those at the highest levels who have the expertise and experience to assist the formulation of policies and programmes and should preserve a reasoned and informed view on matters of national and public interest. In these countries, the challenge lies in reforming internal structures so as to reduce divisiveness within and between groups and to promote the sharing of values and appropriate behaviour by enforcing uniform codes and standards and by training.
Top Management Service (TMS)

The pace of recent globalization has intensified the need for a critical mass of highly qualified technocrats in the public sector to manage economic and sectoral policies and to regulate the private sector. It is now recognized that sudden shifts to private sector-oriented strategies for development required comparable changes in the public sector. Regulation of the private sector required highly qualified technical civil service staff who could deal with the political establishment and maintain their independence while negotiating with private sector actors at all levels. This created a dilemma in many countries. Some were not able to pay for such experts and some were not willing to create a new elite of civil servants that might destabilize the political establishment. Individual countries are devising their own solutions to these problems. Some in Latin America are using donor resources to hire these kinds of civil servants, while others are offering them non-monetary incentives in addition to salaries, such as tenure and status. The Bolivian experience, outlined in Box 4 below, shows the extent to which that country has undertaken civil service reform.

[THIS DOES NOT STRIKE ME AS ADDRESSING THE PROBLEMS POSED IN THIS PARAGRAPH. I WOULD SUGGEST DROPPING IT, EVEN IN THE ABBREVIATED FORM BELOW. THE DETAILS PROVIDED EARLIER ARE TOO ABSTRACT TO PROVIDE REAL GUIDANCE. MORE IMPORTANT, GIVEN THE 1994 DATE OF THE SOURCE, HAS THE REFORM BEEN IMPLEMENTED? IF SO, HAS IT ENDURED?]

Box 4. Bolivia's Integrated Civil Service System

Bolivia’s CSR set out to integrate the administration of its organizational structures with its salary structure and its human resources management system. It had three major objectives:

- downsizing the public sector in accordance with the changed role of the state;
- modernizing public sector operations by introducing new technologies and enhancing transparency and accountability;
- restructuring the public service employment system by establishing professional standards and a clear structure to govern hiring, promotion, salary determination, the delineation of job responsibilities, and performance evaluation.

Source: World Bank, 1994

Many countries, however, continue to experience poor economic performance as the result of poor management of economic policies, the malfunctioning of their political systems, and a lack of dialogue between technical experts and politicians. In Central and East European countries, the fall of communism left many countries without centralized Party direction of sectoral ministries from the highest to the lowest levels of the civil service, as well as frequent changes in senior management with little or no separation...
between political and career appointments. In addition, many had no common management of staff and no mobility between ministries. Their needs and responses are illustrated by Top Management Service (TMS) plans, outlined in Box 5 below.

In a number of other countries, ranging from Germany through Malaysia to India, TMS has been instituted for improving coordination in public policy processes and raising professionalism, as well as reforming administration as a whole. It should always be remembered, though, that TMS loses much of its value without attention to lower levels of the civil service. Inadequate links between these line personnel and senior management can only lead to serious discontinuities and poor implementation of public policies.

Box 5. Top Management Service in Central and East European Countries

Many Central and East European countries have not yet adopted civil service laws that limit the politicization of administrative work. Such laws must address policies for recruitment, selection, career management, and the transfer of senior officials. In these countries, key CSR aims are limiting the interference of party politics; redirecting professionals and civil servants of equal capabilities in all ministries; and transferring the powers necessary for personnel management from sectoral ministries to the centre of government.

In this context, as an interim measure, TMS can contribute to enhancing several core management functions of the central government, notably interministerial communication and coordination; a common set of standards and procedures for different government departments; and leadership in the central government civil service. Political leaders are also realizing that a TMS can offer neutral and politically sensitive advice to ministers; provide stability at the highest level; and achieve the type and degree of centralization needed to ensure useful decentralization. Some of the common components of TMS introduced by several Central and East European governments are a minimum legal framework with acts of parliament or secondary legislation outlining major governance principles and rules and linking these to the general legal framework for the civil service; a system for admission and career management that indicates the size of the TMS; criteria for admission; principles for transfer and separation, other career principles, including accountability and transparency in filling vacancies; specific training for members of TMS; job analyses and descriptions; and remuneration systems with salary and tenure conditions.

Source: SIGMA, 1995

A dilemma faced by many developing countries is the regulation of senior civil servants who are political appointments vis-à-vis the permanent civil service. In countries
that followed the British model, political appointees were kept to a minimum. However, in others, especially in Latin America, there are large numbers of these unregulated government employees. They are not recruited according to specific pre-required qualifications and do not have job security. Although there is a presumption of compliance, their performance is not subject to systematic regulation and evaluation. Nonetheless, a number of countries are introducing reforms for this group in the context of general CSR.

**Size of the Civil Service**

Although there is no universally accepted guide for determining the appropriate size of a country's civil service, many developing countries project images of bloated, underpaid and inefficient public sector bodies. Some are said to consume more than half the national revenues, leaving very little for development and service activities. Concern with such problems led the World Bank to include CSR in its adjustment requirements. These focus on containing costs through reduction and capacity-building operations. They highlight four problems:

- excessive public sector wage bills;
- excessive numbers of civil servants;
- erosion of public service salaries; and
- wage compression.

The Bank supports the following measures for addressing these problems:

- removing ghost workers and non-existent names from the government payroll;
- eliminating approved posts that remain unfilled;
- retrenchment of temporary or seasonal workers;
- enforcing the age of retirement and offering incentives for the voluntary retirement of surplus workers;
- freezing recruitment;
- freezing or otherwise restraining wages;
- eliminating guaranteed entry into the civil service from the educational system;
- suspending automatic advancement; and
- dismissing unnecessary staff.

The Bank also recommends the following means of rationalizing remuneration:

- monetizing remuneration;
- equalizing pay discrepancies;
- simplifying the allover salary structure;
- decompressing wages; and
- providing salary supplements.

However, a 1995 review of these reform efforts concluded that their impact on aggregate wage bill reduction was negligible (Nunberg and Nellis, 1995;30). Of the 14 countries examined, 10 showed increases in their wage bills over a two-year period. Because employment reduction took place at the lower end of the salary scale, notably in Ghana,
Gambia, Uganda and Venezuela, savings proved insufficient to cover the salary increases necessary to correct previous wage erosion.

Beyond cost containment and the rationalization of remuneration, the World Bank programmes emphasized the following long-term reforms:

- installing civil service personnel and management information systems;
- staff audits;
- improving training systems;
- simplifying the legal framework governing the civil service;
- ensuring the staffing of administrative posts by qualified personnel, partly through incentives, partly through incorporating new challenges into such posts to increase job satisfaction.

Efforts along these lines proved successful. In some cases, civil service censuses were carried out for the first time; other data collection increased; payroll systems were computerized; training needs were systematically analyzed; special incentives for senior positions were offered; and policy studies geared to action programmes were devised.

However, because these reforms were not carried out consistently or systematically, their sustainability was limited. The Nunberg and Nellis review (1995;vi) states: "… greater attention needs to be paid to longer-term management issues if sustained improvements in government administrative capacity is to take place. More emphasis should be placed on devising a coherent overarching strategy for civil service reform and detailing the set of tactics by which these strategic goals will be achieved."

Various donors formed a group to develop a set of guiding principles for CSR in African countries. The Kenyan exercise begun in 1992 reveals the following weaknesses in complying with these guidelines:

- Improving the civil service itself was not given a high priority;
- Although downsizing and improving personnel and payroll records received much attention, it was dominated by quantitative targets, focused on low-paid jobs, and was not preceded by ministerial reviews or an appraisal of appropriate staffing levels in various cadres;
- There was no close link between the Kenyan CSRP and the government's public expenditure plans; fiscal CSR measures yielded little economy;
- The Programme did not include a strategic view of desired core functions of government alongside a plan for reducing the government budget, creating an environment conducive to private sector expansion, and improving governance situations;
- Wage decompressions did not adequately raise the salaries of senior civil servants, adding to other adverse effects on their morale;
- Because of the preoccupation with purely quantitative downsizing, the CSRP did not reward those ministries that met their targets with incentives or qualitative improvements;
- The CSR did not take place in tandem with changes in the role of the state, but lagged far behind;
Deteriorating macroeconomic developments and a worsening governance situation overtook interest in CSR and commitment to it.

By contrast, the downsizing reform in Spain produced a number of lessons for other countries. These are summarized in Box 6 below.

Box 6. Downsizing: the Spanish Experience

- Elicit self-selection by developing attractive severance mechanisms;
- Tailor reduction options to individual needs, allowing staff members sufficient time to plan and transfer their resources and functions;
- Spread the downsizing burden as equally as possible with regard to reducing salaries and benefits and increasing workloads; altogether, the government realized an economy of 20 per cent.

Spain also carried out its downsizing over four years and gave civil servants three options during that period:
- early retirement;
- cash payment for 18 months of salary;
- a guarantee of 80 per cent of salary at separation for free retraining until private service recruitment.

Source: World Bank, 1994;18

Civil Service Recruitment and Promotion Systems

Civil service recruitment and promotion hinge on several factors such as patronage versus merit; the "old boys" network; the relative importance of ethnic, religious, regional and gender preferences. Even where countries adopt a merit-based system, various practices militate in favour of these biases. An explicit political dimension becomes pronounced not only at the highest levels of policy and programme formulation, but also at the lowest levels of regulatory and control activities, notably in departments like law enforcement, tax collection and immigration.

Such political pressures are most pronounced in countries with diverse ethnic, religious, and cultural groups, where national identity and loyalty to the state are not yet developed. These stresses on recruitment and promotion become severe where economic growth has not opened up job opportunities for the employable, either educated or unskilled and the government becomes the employer of last resort. However, where economies expand, public employment tends to shed bias restrictions and even to use private sector practices to bring qualified people into the civil service. In the United States, for instance, the Department of Labour tries to attract economists through the use of a signing bonus.
Most Member States of the United Nations have pledged to follow the norms set out in the Universal Declaration of Human Rights, the International Convention on the Elimination of All Forms of Racial Discrimination, and the International Convention on the Elimination of Discrimination against Women. In 1998, the General Assembly, in its resolution 53/625/Add.2, "urged all governments to take all necessary measures to combat new forms of racism, in particular by constantly adapting the means provided to combat them. Especially in the legislative, administrative, educational and informational fields." The Assembly also suggested that states provide through their own national and judicial systems "appropriate civil, criminal and administrative remedies for reform needed to follow the international norms and guidelines in order to provide adequate measures to prevent such discrimination and protect the fundamental human rights of all citizens to work in the public service" (emphasis added).

Gender and minority issues in the employment of public service personnel in many countries, developed as well as developing, needs critical analysis and urgent corrective action. Canada appears to have overcome gender bias. Whereas in 1967, women made up 27.3 per cent of all public employees, of whom 83 were clustered in "office and administrative support", in 1992, they occupied 50 per cent of civil service posts and only 46.5 per cent of these were in administrative support. By contrast, in Bangladesh in 1992, women made up only 8.2 percent of total public sector employment, and the vast majority of these were low-paid clerical staff (Hyanna, 1997; World Bank, 1996). Countries that have attained gender parity must now rise to the challenge of "focusing on valuing and managing the diversity that women and men bring to the workplace so that full advantage can be taken of the variety of perspectives, skills and abilities of all employees (Hyanna, 1997:61-87).

Great gender disparity also exists in civil service laws and regulations, especially with regard to conflict resolution. Basic provisions should be made for day care, transportation, and separate toilet and recreational facilities. Enhancing the participation of both women and minorities can hinge critically on legislation regarding equal pay for equal work, affirmative action, diversity, maternity leave and sexual harassment.

Systemic recruitment procedures may filter out women simply because they were drafted by men whose experience precluded maternity and child care needs. For instance, a requirement of more than 15 years work experience may discriminate against women in countries where women have begun advancing markedly only during the last decade. Similarly, because of their traditional roles in child-care, many women have not had continuous employment. In current downsizing exercises, as well as in recruitment and promotion, women suffer because men are regarded as household heads and primary or sole breadwinners for their families. Such assumptions overlook the fact that in many parts of the world, a growing number of women head households; in the Caribbean and certain war-torn African countries, for example, female-headed households account for the majority.

Other recruitment and promotion issues involve education and experience. Although open examinations are often used for entry, problems arise when promotions
are based on seniority without regard to past performance, relevant experience, or interest in the higher position or a new equivalent. Generally, scope for promotion diminishes as civil servants move towards high levels. Moreover, high positions are often monopolized by particular groups. Many countries have a de facto senior executive class from which top positions are filled, whether from the civil service itself, the private sector or the military. These kinds of lateral transfers may or may not be a cause for concern, depending on the country context. The most serious challenge is reducing internal stresses and rivalries among various groups by creating a mechanism and processes for fair and objective promotion and recruitment to high-level positions while ensuring that political leaders are served by individuals with the qualifications to advise them on policy matters and to manage large administrative establishments so as to achieve public policy goals.

Another thorny issue is the use of transfers for political or patronage purposes, especially in highly centralized civil service structures that reach from the capital to field offices. Many transfer practices repeat colonial injustices because they take little account of the usefulness of a particular person for a particular function in a particular place. In some countries, transfers are so abused -- and abusive -- that the average length of an incumbent in a senior position is less than a year. Concerns such as commitment and the development of competence and experience fall completely by the wayside. Frequent job rotations also undermine accountability.

Some ambitious civil servants, however, see frequent job rotation as a means of rapid promotion. Others may use it as an alibi for not meeting agreed work objectives, claiming inexperience in a particular post. The problem becomes particularly severe where positions require high degrees of specialization and experience, such as creating climates conducive to economic growth and/or negotiating with donors or investors. In most successful bureaucracies, key staff tend to remain in one position for 3 - 5 years, a period that allows sufficient time for learning and thereby taking significant decisions and correcting past problems.

Another critical issue is the relative position of generalists and specialists. As societies become increasingly complex, they generally require greater specialized expertise. Nonetheless, at high levels these very societies also require greater coordination and the kind of comprehensive understanding usually found among generalists. The solution may lie in providing both specialists and generalists some scope for alternating functions so that each acquires complementary experience. This kind of alternation can produce a pool of well-rounded officials to fill senior management positions and also reduce unhealthy tensions between specialist and generalist career tracks.

A fair, efficient and effective performance appraisal system is also necessary to any viable promotion system. It must assess both the employee’s performance in his or her current job and his or her potential for assuming higher responsibilities. Countries that lack such a system generally rely on formalized evaluations that protect the civil service from its most inefficient and uncooperative employees and also use seniority as
the chief determinant of promotions. They therefore encourage managers to assign all employees ratings within a narrow range without facing negative consequences either for themselves or their particular service. They themselves stand neither to gain nor lose since their own salaries, promotions or other rewards do not depend on how they appraise their own subordinates. Such systems may maintain congeniality, but impede healthy professional competition.

Personnel evaluation systems can be both effective and ineffective, as is evidenced by the examples from Chile and Venezuela summarized in Boxes 7 and 8 below.

Box 7. Ineffective Personnel Evaluation Systems

In Chile, the New Administrative Statute of 19..., drafted by the military, prescribes four overall categories for personnel evaluation: distinction; normal; conditional; and deficient. A single rating of deficient and that of conditional more than once in five years is grounds for dismissal. Moreover, an elaborate system of assigning points for each of five dimensions (loyalty, tact, ability to get other employees to perform effectively, training, and efficiency and dedication) virtually ensured that every employee with regular attendance who did not sabotage the agency's activities would be awarded a rating of normal or distinction, because all employees began with enough points to place them in the normal rank and could fall below it only by incurring "demerits". The system is so elaborate and rigid that virtually no agency uses it.

In Venezuela, the Central Personnel Office has an even greater number of categories and weights for a semi-annual overall ranking on which salary increments, salary supplements and bonuses are determined. While each ministry or department receives a fixed sum for annual bonuses, base salary increments and supplements are based on annual budget growth. Managers therefore have strong incentives to assign their subordinates high performance evaluation scores. Moreover, while they face no penalties for inflating personnel evaluations, they risk upsetting staff relations is they assign low ratings. In the end, both salary adjustments and promotions tend to reflect non-performance criteria, particularly seniority.


Box 7. Improved Personnel Evaluation Systems

The Securities and Exchange Commission (SVS) of Chile, with 162 employees, has an open recruitment system at all levels with no tenure and a turnover rate of 10.5 per cent. Although its salaries are higher than average, they are not fully competitive with the private sector. However, SVS compensates by generous training activities that permit young recruits to gain marketable skills on the job rapidly. Its performance standards are
clear and simple. It evaluates employees informally and bases promotion decisions on an informal process. Its human resource management practices are highly regarded.

Similarly, the Central Bank of Venezuela features open recruitment and salaries competitive with the private sector and also enjoys a high reputation for its human resource management. However, it has a complex evaluation process that feeds into its promotion review process. Annual evaluations are a weighted average of monthly performance assessments and quarterly evaluations of potential based on three categories: results (productivity) measured by six factors; duties (compliance), also measured by six factors; and potential, measured by eight factors. All these factors are recorded in a computerized system for an annual average employed in salary review and promotion decisions. Despite the time required of managers both monthly and quarterly, the system appears to work.

Source: World Bank, 1994

**Civil Service Pay and Emoluments**

Pay and emolument are the strongest single factor in attracting competent staff, encouraging them to work efficiently, and giving them incentives to stay in public service. Salary supplements (which account for 84, 80 and 74 per cent of the total salary of civil servants in Argentina, Uruguay and Chile, respectively) tend to reduce the transparency of salary-setting procedures and their outcomes and also promote a lack of accountability. Comparisons between public and private sector compensation is difficult because civil service employment tends to have greater security, benefits and perquisites (as well as job requirements) and, in many cultures, greater prestige. However, across the board, civil servants tend to be paid less than their private sector counterparts. Most public/private gaps range from 50 to 70 per cent. Singapore, where civil servants are paid as much or more than their private sector counterparts, is the exception that confirms the rule. But the public/private remuneration differential is widening in many countries -- among them Kenya, Lesotho and Philippines -- often because of fiscal austerity programmes that have tended to lower real wages rather than employment. This has been supplemented by decreases in non-wage expenditures as well that often deprive public officials of resources to perform their functions; teachers have lacked books and desks, health workers have been deprived of medicines and materials such as bandages and syringes, and police officers of vehicles, to take only a few examples. Yet at the lower end of the civil service salary scale -- for such jobs as computer operators -- pay is often higher in the public than in the private sector. This may be due to competition for retaining tradeable skills, as well as the influence of labour unions in the public sector in a number of countries.

Efforts to regularize salary systems, such as the establishment of Pay and Services Commissions, have had mixed results. A World Bank study reveals that wage bill reduction and salary decompression were achieved in fewer than half the 15 countries
examined globally (Lindauer and Numberg, 1994). In 32 African countries, average nominal wage bills decreased from 7 per cent of GDP in 1986 to 6 per cent in 1996 and in Asia and Latin America the average is about 5 per cent. Yet except for such persistent reformers as Gambia, Ghana, Guinea and Uganda, real wages have tended to decline.

Because there is no ideal size for a country's civil service, there is no ideal model for a civil service pay structure. However, because of the shift from planned to market economies, governments increasingly tend not to act as employers of last resort. Salaries should be restructured comprehensively to enhance transparency and to improve a government's ability to recruit and retain skilled staff. Although detailed technical criteria, such as job descriptions, skill requirements, and responsibilities, can be used for this kind of exercise, it cannot be carried out in an economic vacuum, e.g. without reference to private sector compensation scales or fiscal pressures.

Meaningful restructuring requires the following considerations:

- examining the remuneration of technical, professional and managerial positions in which comparable private sector salaries are higher;
- keeping the civil service wage bill below 40 per cent of the revenue budget so that the non-wage share of public expenditure provides adequate support for the performance of civil service functions;
- developing a realistic ration between the remuneration of low-, middle- and high level civil servants, bearing in mind that there is no optimal compression formula;
- monetizing in-kind non-wage benefits and feeding cash allowances into the base salary;
- replacing automatic grade-based salary increases by policies that at least partially reward performance;
- creating and sustaining systems of non-monetary rewards, such as performance recognition certificates and titles, the creation of challenging jobs, and enhancing community involvement in job performance;
- allowing for discretionary salary supplements only when managers are held accountable for their performance impacts;
- strengthening personnel and financial information systems to ensure timely reports on the patterns and impacts of salary supplements;
- mitigating factors that undermine the ability of the central authority to enforce centrally mandated salary policies.

**Civil Service Training, Capacity-Building and Human Resources Development**

Historically, countries that have gained their independence since World War II have focused on the training of their civil servants, largely because they lacked trained staff, especially in public management. Various donors have provided expert assistance, training facilities inside the country, fellowships for training abroad and extensive project-related training. Much of this has not been sensitive to specific national cultures or needs. Consequently, experience has been mixed. Some countries, such as Malaysia,
have benefited immensely. Others have found most overseas training and imported training curricula and materials largely irrelevant to their needs and have also failed to develop their own training systems and/or to integrate training into their promotion systems. The scope of training and its potential for creative use, as well as the development of the necessary facilities, may serve as an indicator of performance-oriented public management systems.

Training serves a variety of purposes. It can develop specific skills or broad management and executive capacities. It is also used to develop a general public service orientation and "esprit de corps", imparting both a sense of purpose and belonging while inculcating principles of self-discipline that result in common, often informal, understandings of desirable and undesirable behaviour rooted in a set of objectives. In recent years, training has instilled and expanded gender sensitivity in the workplace and in the application of personnel rules to encourage, support and extend the participation of women in the civil service.

Many governments face severe constraints of time and ambience in their use of in-service or on-the-job training. Short-term training -- often a day or half-day -- is used in many industrialized countries for orientation and for introducing new policies, programmes, and procedures. It is generally felt that training activities have been supply-driven rather than geared to the policy and programmatic goals of particular agencies or to the skill and orientation needs of individual employees. For this reason, training is increasingly being oriented to the capacity-building of individuals in which programme managers define training needs and their content for their staff, bearing in mind both the current and future roles of individuals and the development of human resources in a larger context. These kinds of training practices have increased with the growing recognition of the importance of human resource management, especially in the environment of declining resources and increasing demands upon government services. It is also increasingly recognized that integration into the world economy calls for increasing competitiveness to deal with complexities and uncertainties. In addition, the current focus on sustainable growth and development underscores the critical role of the human factor in achieving good governance and equity.

Capacity-building in public administration is now characterized by several key considerations:

- developing strategic human resources policies;
- investing in people through professional and executive development;
- establishing flexible human resource systems and practices to match recruitment, training and professional development so as to meet changing needs in the public service, particularly in view of changing conceptions of the role of the state;
- establishing performance management systems that provide motivation and rewards for improved functioning;
- improving decision-making systems so as to provide full scope for the skills and capacities of civil servants.
Although many developing countries have not yet adopted this kind of capacity-building orientation, the experience of others provides tested strategies from which to choose elements appropriate to their particular needs. The challenge to international organization is the development of packages of systemic elements and practices for countries that wish to explore and the capacity-building approach their training systems.

**Ethics, Integrity, Professionalism and Bureaucratic Corruption**

Pervasive corruption has resulted in the lowering of ethical standards and the decline of professionalism in public services worldwide. A number of global and regional conferences have recently been devoted to this problem, including United Nations workshops in Central Europe in 1995 and in Asia in 1998. The latter revealed a close inverse correlation between corruption and economic development (reflected in GDP per capita) and human development (as reflected in the UNDP Human Development Index). Worldwide, popular indignation against corruption has contributed to the fall of regimes in countries as diverse as Brazil, Congo, Indonesia and Pakistan.

The use of public office for private gain often stems from inadequacies in the public administration in particular social, economic, political and cultural contexts. Low ethical standards are usually attributed to low wages further eroded by rising inflation, explosions of expectations triggered by conspicuous consumption among members of a new elite, the availability of "soft" development funding, international commercial bribery, and illegal commerce such as narcotics, arms and sex trafficking. Corrupt practices usually flourish in the absence of strong accountability and control mechanisms, as well as strong criminal justice systems. They threaten not only the quality of public administration, but the potential of private investment and hence economic growth. Distortions in public expenditure -- the use of money for public works construction and other programmes with huge international hardware components -- significantly reduces public trust in government and weakens the social fabric.

Corruption in many African countries, often called "la politique du ventre" or "belly politics", is often ascribed to "traditional cultural habits" inherent in the patrimonial state that supports tribal, personal and political loyalty to the ruler at the expense of national development, including foreign aid. This profile is by no means unique to Africa -- or to developing countries. It flourishes in many transition countries of Central and Eastern Europe and has become a problem in many Western democracies as well. Often, what has actually taken place is a change in the perception of unethical behaviour and corruption that can be answered by solidifying legal structures and by "aspirational" efforts such as a code of conduct for the civil service, ethics campaigns, training, the introduction of "citizens' charters", and the implementation of transparent control and accountability systems at the community level. All these efforts can and should also the discriminatory practices discussed above.

However, the "aspirational" approach may not suffice in countries in which legal and political frameworks are either inadequate or weakly implemented. It is difficult for
many emerging democracies, for example, to counter the legacies of corrupt and autocratic strongmen, such as Marcos, Mobutu and Suharto, because their public sectors were transformed into systems to impede public service and to provide opportunities for corrupt officials to solve artificial problems so as to enrich the ruling elite and consolidate its power.

Since low civil service wages are often invoked to explain petty corruption in a number of countries, it is worth noting that recent studies suggest that ensuring honesty in bureaucracies is particularly difficult when bribe levels are high and the probability of detection and the imposition of fines is low (Von Rijckeghem and Weder, 1997). This points to emphasis on strong internal and external controls. Nonetheless, government wage policy does affect corruption. If fair wages are paid, officials tend to forgo opportunities for corruption, particularly when strong internal and external controls operate as well. Often it is not a question of paying an official enough to make him incorruptible, but rather a matter of not paying a salary that encourages him or her to be corrupt so as to meet reasonable living costs and other expectations. However, it should also be remembered that public tolerance of corruption may vary from one service to another; societies tend to condone private practice fees taken by public school teachers, but not the privatization of police protection or the diversion of resources in health services and public administration. In addition, in societies with high corruption levels and low civil service wages, high penalties may not be an effective deterrent to corrupt practices because, as Von Rijckeghem and Weder observe, "Many societies would feel uncomfortable about singling out and punishing individuals almost by a lottery process, when many other individuals may have committed the same offenses."

This suggests that wages and control systems should be examined together, along with other measures, to deal with corruption. Some countries are therefore adopting anti-corruption programmes that include the following elements:

- rationalizing salaries in accordance with the need to provide both a living wage and performance motivators;
- strengthening disciplinary measures to prosecute corrupt officials;
- rotating officials without affecting routine services in such services as customs and taxes;
- incorporating ethical considerations into training programmes and school civics curricula;
- developing a code of ethics and enforcing it strictly;
- simplifying bureaucratic procedures, coupled with creating greater public awareness of citizens' rights to government services;
- providing effective channels for public submission of complaints, such as watchdog agencies and period declarations of assets by civil servants.

In Central and Eastern Europe, ongoing efforts to combat corruption accentuate legal and institutional infrastructure and include measures such as the following:

- strengthening anti-corruption laws;
amending civil service laws to strengthen qualification requirements and non-partisanship;
clarifying the role of administrative procedures and administrative institutions in promoting public service ethics;
instituting a combination of incentives and sanctions to encourage professional standards of conduct;
composing and "ethics check list" to guide the development of units and institutions in both national and local administration.

Obviously, wide gaps exist between what is promised and what is done, in part because of the tremendous complexity of the corruption problem and its self-perpetuating nature. Reform efforts must address not only political appointments systems, but the electoral process as well. One practical caveat is ensuring sufficient public support for corrective measures.

People have become increasingly aware of how international trade and commercial interactions facilitate corrupt practices at the national level. To combat such influences, some countries are expanding their national laws to cover practices committed by their own citizens abroad. One such example is the USA Foreign Corrupt Practices Act of 1998. There are also intergovernmental actions to this end. In 1997, the Organization for Economic Cooperation and Development (OECD) adopted its Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, under which member countries must also prosecute corporations headquartered in their jurisdictions for bribing foreign government officials. Similarly, the World Bank and IMF have issued guidelines for tackling corruption in the management of public resources. Finally, the United Nations General Assembly has adopted resolution …/… on Action Against Corruption, which includes an International Code of Conduct for Public Officials. Coupled with worldwide public outrage, if these efforts by international financial institutions prove serious about "winning the battle [against corruption], they can make honesty part of the price of getting the economic help they are in a position to offer" (The Economist, 16 January 1999; p.24).

Box 8. OECD Principles for Managing Public Service Ethics

1. Ethical standards for public service should be clear.
2. Ethical standards should be reflected in the legal framework.
3. Ethical guidance should be available to public servants.
4. Public servants should know their rights and obligations when exposing wrongdoing.
5. Political commitment to ethics.
6. The decision-making process should be transparent and open to scrutiny
7. There should be clear guidelines between the public and private sectors.
8. Managers should demonstrate and promote ethical conduct.
9. Management policies, procedures and practices should promote ethical conduct.
10. Public service conditions and management of human resources should promote ethical conduct.
11. Adequate accountability mechanisms should be in place within the public service.  
12. Appropriate procedures and sanctions should exist to deal with misconduct.  

Source: SIGMA. 1998

Although lowering or compromising ethical standards and values are involved in 
corrupt practices, not all ethical or professional issues are related to corruption. 
Corruption has a criminal dimension. Accepting a payoff is disallowed ethically and is 
also considered a criminal act. Accepting a calendar is not. Habitual curt treatment and 
deliberate delayed action by a civil servant is considered unprofessional and unethical 
and projects a bad image of government, but they are not considered criminal acts.

Box 9. Belgium Promotes Ethics through Greater Transparency

Belgium has used the following legislative and structural initiatives:
- Charter of Users of Public Services with an annual report on results received. 
  Its initiatives are entrusted to the College of Secretaries-General to ensure 
  continuity and freedom from political whims. 
- Appointment of mediators; 
- Law on the formal motivation of administrative acts [?????] 
- Law on the publicity of the administration [?????] 
- Publication of guides to the federal administration on concrete means of 
  bringing the civil service and citizens closer together. 
- Creation of the "Bureau of Readability" which provides advice and training 
  aids for revising and redesigning texts to make them easier to understand.

Source: SIGMA 1998

Governments are taking two general approaches to improving public service 
ethics -- compliance based ethics management and integrity -based ethics management. 
The former focuses on compliance with descriptive/administrative procedures, control 
mechanisms and detailed rules about what public servants should avoid, what they should 
do, and how they should do it. This approach reflects constitutionalism and the rule of 
law and is implemented in some countries through mechanisms of administrative law, 
rules of procedure and the supervision of administration. By contrast, the integrity-based 
approach, based on principles and objectives, relies on strong professional socialization, 
reinforced by incentives and by encouraging good behaviour. Successful ethics 
management generally requires a balanced package that combines elements of the two 
and their adaptation to the cultural, political and administrative traditions of the particular 
country.
The process by which a code is implemented is as important as its content. All the relevant parties should be involved in the critical stages of its formulation and adjudication. In Hungary, the government involved municipalities, trade unions and civil servants in discussing the norms and standards and how the code should be applied.

Increasing openness and transparency in government operations is one of the most effective means of reducing corruption because it changes both the orientation and work methods of civil servants; empowers the public with rights and mechanisms for demanding that they be fulfilled; and involves changing internal communications, as well as training to internalize values that promote transparency.

The Ombudsman system entails legislative investigation of the abuse or misuse of power by civil servants. While variations in the office of Ombudsman exist across countries, its powers usually do not include the authority to issue binding judgements on administrators or effect restitution to an aggrieved citizen. The Ombudsman can receive and investigate complaints from citizens, negotiate with civil servants, report to the legislature, and even introduce legislation. The legislature is then expected to carry the case forward if reason for further action is found. Usually, such action provides redress for the citizen. In addition, several systems, such as that of Poland, allow the ombudsman to introduce suggestions for procedures to prevent future problems of this kind.

Although commonly associated with the Scandinavian countries, the Ombudsman system has been adopted in many other countries, including Germany, Ghana, India, Israel, Japan, New Zealand, Poland, Russia and the United Kingdom. Its workings show mixed results, depending on its power, autonomy, and ability to initiate legislation, the stature of the individual appointed to head the office, the degree of financial support for it, and availability of information about the system to those who need it most.

One assessment notes: "Success may depend on the desired results, whether compensation for individuals or punishment for administrators. The former may be easy to obtain, because the sums of money sought are frequently minute or privileges minor. Actions against individual administrators may be more difficult to obtain, may have destructive effects on morale in the civil service, and may accentuate problems of rigidity within public bureaucracy. Consequently, experience with the ombudsman office suggests that this institution may be useful in addressing personal grievances, but it is less successful in effecting significant procedural or policy changes" (Peters, 1995; 307-308). Nonetheless, it would seem appropriate for many developing countries to introduce and experiment with an ombudsman system designed to redress citizen grievances.

**Civil Service Autonomy within the Legal Framework**

The need for civil service autonomy derives from the oldest proverb of separating politics from administration in the conduct of public business. The concept of separating the politicians who decide policies from the civil servants who implement those policies provides a practical basis for organizing governmental activities efficiently, particularly
in pluralist democracies. Although civil servants are expected to work at the direction of political leaders and under their guidance, they need to operate within an autonomous framework grounded in legal systems, sometimes with constitutional guarantees regarding civil service recruitment, promotion and retirement. This autonomy also provides guiding principles and procedures for carrying out their work and leaves their management to the civil service hierarchy to protect them from political interference. Normally, any action in the recruitment, promotion, termination or interference with civil service security must pass a test of due process guarded by rule of law and permitting due recourse.

Autonomy is necessary for civil servants to follow established processes in developing policy recommendations through interactions with relevant groups and institutions. It allows them to argue their recommendations freely in the context of larger public interests and considerations of practical implementation. Autonomy enables the civil service to use their knowledge and experience to plan for implementation and make and carry out decisions without fear or favour. Autonomy also helps civil servants provide continuity in government business in times of political change and thus provide a perspective on the conduct of public affairs that spans the mandate of different governments. However, such autonomy requires deep and widespread social understanding and support, mutual trust between politicians and the civil service, and respect and protection of the role and functions of the civil service.

In Western democracies, such civil service autonomy thrives with variations among the Anglo-Saxon, Continental and Scandinavian systems. In many developing countries, this autonomy exists only on paper, guaranteed by laws and sometimes by the Constitution, but in practice is threatened by the actions of individuals who tamper with civil service laws and interfere in day-to-day civil service operations, especially in decisions regarding appointment, promotion, transfer and, sometimes, dismissal. However, some changes, notably those involving quotas and affirmative action in recruitment and promotion, seek to bring about an overall increase in general competence and the use of talent through political mobilization and national unity. These programmes eventually reinforce merit principles.

In a number of countries under one-party government, the civil service is brought under partisan control to ensure that leaders have loyalists to carry out their decisions. This type of politicization works well as long as power remains with one party. But where pluralist democracy emerges, political tensions and conflicts become manifest in competition for the control of civil service posts, especially in formerly Communist and mixed economy countries. In such situations, one also finds the civil service blamed, even vilified -- sometimes justifiably -- along with attempts to bring it under greater control by democratically elected officials.

In Central and Eastern Europe, attempts are being made to replace the old politicized civil service, in which careers were based on political preferences rather than merit, with a politically neutral, merit-based civil service. This is being done in all 11 countries that have applied for EU membership. Civil service legislation is in place in
most of these countries to define the civil service and the qualifications, duties and rights of civil servants, as well as their working conditions; provisions protecting civil servants from political and other interference; measures to raise the quality and performance of staff; and requirements for meeting performance standards. All this legislation seeks to raise the professional quality of staff, to give governments the power to adapt the civil service to changing needs; to provide public administration with legitimacy in the eyes of citizens; and to render civil service careers attractive to qualified, committed individuals (SIGMA, 1996).

The major issue is a critical examination in each country of the roles of politicians and civil servants in achieving a country's overall goals; which functions each can best perform, given their differing experience and expertise; and what kinds of arrangements they should make to increase respect and reduce conflict in their interactions so that each group can work effectively and efficiently with the other in a context of good governance. The situation of each country is unique.

**CIVIL SERVICE REFORM IN ARGENTINA: A CASE STUDY**

The Argentine public sector exhibited all the classic symptoms of bloated bureaucracy coupled with chronic deficit by 1989. In addition, certain economic policies and legislation a public sector environment in which corruption flourished, even to the point of looting. Increasing financial shortfalls beset the expansion of public enterprises that had begun during the 1950s; public services had become more and more inefficient as personnel rolls grew. During the 1960s and 1970s, the state had become the major agent for alleviating deepening social crisis; public employment seemed the only means of putting people back to work. By 1980, the national public payroll encompassed 780,000 people and swelled to 900,000 by 1989. Similar developments had taken place at the provincial and municipal levels, whose workforce increased from 750,000 in 1983 to more than 1,000,000 in 1989. As fiscal crisis deepened, salaries dropped from 5.8 per cent in 1973 to 3.1 per cent in 1989. The public service salary structure was compressed dramatically -- from a ratio of 10:1 during the 1960s to 4:1 by the end of the 1980s.

To reduce personnel levels in the late 180s, two measures were implemented: voluntary retirement and a vacancy freeze. Nearly 10,000 public service employees retired and the vacancy freeze halted further growth of public employment. But the financial crisis remained. When President Menem came to power in 1989, economic reform and a drastic restructuring of the public sector were unavoidable. The 1989 Laws for Administrative Reform and Economic Emergency included:

- Privatization of all state enterprise;
- Decentralization of health and education services to the provinces;
- Rationalization of personnel and pay structures in the central administration;
- Elimination of superfluous state organizations;
- Overall strengthening of management to facilitate the development of a smaller, ethical and more efficient public sector.
To support these objectives, the Menem government implemented a macroeconomic strategy aimed at eradicating the prevailing hyperinflation and reforming the civil service as it was downsized. The Secretariat of the Civil Service guided this latter process.

Transfers of public enterprise

Downsizing proceeded by transferring enterprises to the private sector; the 330,000 public sector employees were to enter concessionary enterprises in the private sector over a three-year period. In such ventures as the steel mills, this transfer involved little trauma. Indeed, some workers had better conditions than those they had previously experienced. However, in the public enterprises that were ill-suited to privatization, dismissals as well as voluntary retirement proved necessary. Compensation was legally set at one month's salary for every year of service, along with additional incentives ranging from 20 - 50 per cent to elicit voluntary separations. Between 1989 and 1992, approximately 250,000 workers left the public sector, some 100,000 being transferred to private enterprise. State resources, as well as international assistance programmes, financed the privatization process.

Decentralization of health and education services

Some 170,000 health and education workers were transferred from the national to provincial payrolls as scheduled. However, a lack of precise statistics on occupied and vacant posts created problems in this aspect of the allover reform.

Cutbacks in the central administration and its redesign

The rationalization of personnel and pay structures essential to cutbacks in the central administration included a vacancy freeze; a new system for identifying redundancies; the elimination of entire organizations; the reduction of political posts; limits on temporary positions and service appointments; early retirement; voluntary retirement; redesign of administrative structures; new salary scales and administrative career paths.

Elimination of organizations

The organizations identified for immediate dissolution were those that duplicated the functions of others or that controlled economic activities better suited to market operations and thereby deterred market liberalization. Over 100 agencies were eliminated at both the central and provincial levels, among them those that regulated sugar and mate (the national tea), the National Grains Committee and the National Meat Committee. Some 1,800 workers were involved. Those who were not relocated within 6 - 9 months were terminated with indemnities guaranteed by law. In such cases, they were forbidden to re-enter public service for five years.
Cutbacks on political posts

In his attempt to set an example, President Menem initially cut the number of public sector Secretaries and Under-Secretaries from 144 to 64, but soon had to restore the original number and add an additional four, so that there were eventually 49 Secretaries and 99 Under-secretaries. However, further increases in executive posts were banned by law so that the creation of any new secretariat, under-secretariat or comparable public office now requires the elimination of an equivalent post. Similarly, slots for temporary advisors were limited to four for each ministry or state Secretary and three for each Under-Secretary. Currently, some 550 officials -- 0.2 per cent of the total public sector workforce -- hold political posts in the central government.

Temporary personnel

Prior to the reform, most temporary personnel had enjoyed contract extensions of more than a year, some more than five years -- most of these allegedly supporters of the prior regime who simultaneously held other jobs. When this type of employment was eliminated by decree in 1992, 20,430 posts were abolished. The social impact was insignificant; only 92 registered for the training courses that would have led to their incorporation in the tax collection services.

Early and voluntary retirements

Early retirement was applied to all civil servants with a remaining two years or less of active service, culminating in a reduction of some 17,000 employees. Voluntary retirements totalling almost 23,000 also took place. Professionals with university degrees, however, were not allowed to participate in the programme.

Redesign of administrative structures

All central government offices had to comply with the following criteria and targets:

- consolidation of all administrative functions in a single national office;
- a maximum of three "lower level" structures, i.e. national offices per secretariat;
- elimination of all international cooperation units and their consolidation into the chancellery of their sectoral ministry;
- consolidation of all units with job overlaps;

The upshot was a 34 per cent reduction of posts in the central administration and 40 per cent in the decentralized offices, as well as a ratio of 1:3 of support to professional staff.
An Executive Committee for Administrative Reform (CECRA) was established in the Civil Service Secretariat to guarantee compliance with these rules and to supervise their implementation. CECRA comprised officials of the Public Works and Services Ministry, as well as that of the Economy and the Legal and General Secretariat of the Presidency. The net result was almost a 40 per cent reduction in the public service, apart from the public enterprises.

Human resource policy

The National System for the Administrative Profession (SINAPA) was designed by the Secretariat of the Civil Service with the following objectives:

- Establishing a salary scale in keeping with the degree of complexity of the positions;
- Creating explicit selection mechanisms for civil service entry;
- Awarding promotion on the basis of training and performance evaluation;
- Making job security a condition of performance evaluation;
- Offering special remuneration for executive duties performed
- Conferring rewards for outstanding service;
- Decompressing salaries to a range of 10:1.

SINAPA contributed significantly to the development of a system of personnel data collection for budget preparation and other purposes. Agencies could join upon demonstrating compliance with the personnel reduction stipulations of the reform decrees.

In attempting to break with the protectionist and monopolistic character of Argentinian civil service, SINAPA introduced a variety of competitive and performance-oriented features. Recruitment and screening procedures include a selection committee for each ministry composed of a human resource specialist, a technical expert for the specific area, a national director and an observer from the relevant labour union. This group specifies job skill requirements, selection criteria and their weights, and appoints the professional and technical personnel necessary for recruitment. For lower- to middle-level staff, the candidate pool is limited to the agency itself, but for entry and executive levels to all internal and external applicants. Although this recruitment regime contains safeguards against earlier political appointments, it is restrictive -- as in Chile and Venezuela -- and risks reducing public sector capacity to attract qualified personnel except at the highest executive levels.

Similarly, SINAPA promotion procedures ensure protection from patronage at the expense of competition. Promotions are granted strictly on the basis of performance evaluations -- 2-4 consecutive "outstanding" or 3-6 "good" ratings -- plus specific types and lengths of training. In this system, seniority tends to prevail over performance. SINAPA also requires annual evaluations by a committee of members other than the employee's immediate supervisor; it must include an observer from the Civil Service Union. As in Chile and Venezuela, a rating of "good" or better is required to retain one's position, a procedure that induces managers to assign all their subordinates the same
rating rather than to grade them by actual performance. As in other Latin American countries, detailed job security regulations make dismissal for non-performance all but impossible.

Given the tremendous public service reductions over a three-year period, Argentina has felt it necessary to foster a sense of consolidation and security rather than competition. In this connection, it should be noted that many public sector activities require cooperation rather than competition, especially in service delivery. Indeed, too many competitive pressures may lead to poor delivery of public services.

Reform of provincial administration

Argentina’s federal system, established in 1853, underwent significant centralization in subsequent economic crises and military takeovers. Corrective attempts undertaken during the 1980s, especially in regard to education and drinking water facilities, but neither resources nor technical personnel were actually transferred to the provinces. Given this experience, current decentralization involves the administrative reorganization of the 37 provinces. The Secretariat of the Civil Service oversees this reform at the provincial level in the following areas:
- Privatization of public enterprises;
- Deregulation of professional and economic activities;
- Improving tax revenue collection;
- Modernizing budgetary administration;
- Strengthening public management;
- Rationalization of provincial banks.

Technical assistance for the provincial reform programme is provided by the Argentine government and the World Bank. Because the growth in the economy is not expected to absorb the anticipated 200,000 employees to be dismissed during the privatization effort at the provincial level, the government has issued a five-year Bond for the Creation of Private Employment, financed by the $500 million gains of privatization, to help the provinces establish voluntary retirement programmes. Former employees who receive the bond can give it to a prospective private employer to obtain a Bank of Argentina loan to expand the capital of the enterprise.

Lessons from the Argentine experience

- Argentina’s experience demonstrates that profound changes can take place in the public sector, given the necessary political will, capacity and willingness to apply prior experience;
- Rationalization of the public sector is a complex, risky process requiring the transformation of an overburdened economy with a low capacity for the absorption of labour;
- Dismissals and retrenchments have high economic and social costs that require offsetting by complementary measures;
- An economic growth programme must accompany that state's effort to rationalize public employment; and
- A modest but more efficient state can be achieved only through an integrated strategy for strengthening human resources in the public sector, including the modernization of management techniques, improving methods of entry selection, and providing economic incentives.
CHAPTER FOUR --
PERFORMANCE-ORIENTED ISSUES

The current movement of "reinventing government" or "new public administration" is usually associated with the reforms of the UK Prime Minister Margaret Thatcher to improve public service performance through privatization, downsizing, the reorganizing of civil service structures to hold them accountable. The goal is making civil servants more "customer-oriented" while giving them the operational freedom and financial and programme authority usually associated with the private sector. The model British system provides for the establishment of executive agencies that are expected to meet annual performance targets. Their heads are not career civil servants but managers from either the private or the public sector who are hired for as limited period and paid in accordance with their performance. Similar performance-based agencies were established in New Zealand and Canada and, on a much smaller scale, in the United States under the plan of Vice President Al Gore. Different versions of performance-based organizations are being established or incorporated into traditional governments in various parts of the world.

An objective review of these results-oriented reforms would probably show that their benefits were exaggerated and that the constraints involved in deregulating service delivery organizations were underestimated. Although many performance-based organizations showed some savings in budgets and personnel, even the highly regarded Next Step agencies of the UK have shown consistent, albeit moderate annual increases in total operational costs, even after adjustment for inflation (Roberts, 1997:468). This and similar studies also note imprecisions in estimating savings in budgets and personnel, including an absence of bench-mark data and the incorporation of personnel savings from privatization efforts to show civil service reductions. With regard to performance, experts have found it difficult to measure improvement because of lack of pre-reform data; consistent data for post-reform years; and uncertainty about the effects of other reform initiatives, such as the UK Citizen's Charter Initiative and Competing for Quality Initiative after the establishment of the Next Step agencies.

According to Roberts, the UK reforms "allowed agencies to achieve significant improvements in performance, but it has not produced deep cuts in operating budgets or personnel requirements"(p.467). Nor was it possible, either in the UK or the USA to eliminate restrictive rules so as to give managers a free hand to run these agencies; department headquarters, central finance and personnel agencies, and legislatures were reluctant to waive their control of a number of safeguards designed to preserve equity and harmony in the civil service -- monetary rewards and performance bonuses being two examples of performance incentives that encountered obstacles. Other studies noted the limited replicability of these reforms in other countries because of constitutional constraints, political cultures, and the relative power of other actors such as labour unions (Peters and Savoie, 1995).

Nonetheless, it should be noted that this worldwide movement focuses on making public service more efficient. Unlike past CSR efforts, it does not focus on input aspects
such as structural change or personnel management, in the hope that such steps will lead to better public sector performance. Instead, it deals directly with performance and outputs and even looks beyond these factors to outcomes and results. It concentrates on doing more with less.

Organizational performance depends on effectiveness (performing the right task well) and efficiency (doing so at the lowest possible cost), which presumably lead to achieving results and improving performance on a continuous basis. Experience shows that monitoring organizational performance requires evaluation and measurement (rather than subjective appraisal) -- both quantitative and qualitative, using performance indicators and occasionally borrowing these from the private sector to provide feedback to administrators. Experience also shows that strong public sector performance requires the "right" people, with the "right" degree of authority and responsibility, and the "right" people in terms of each organization's function and capacity, as well as providing adequate types and levels of resources, and regular accountability with consequences for high and low performance, as well as non-compliance. The key issues are the clarification of objectives, results orientation, linking results to costs, the time dimension, and the instillation of values that promote performance.

Effective performance at the organizational level calls for central decision-making, budgeting and personnel systems and processes and performance orientation, all embodied in the Thatcher Financial Management Initiative. The second precondition is effective coordination mechanisms to address sector linkages at both the level of policy-making and the point of service delivery. Particularly in the industrialized democracies, a new civil service policy focuses on performance and citizen orientation within a context of decentralizing decision-making to local level officials to enforce accountability and counter ambiguity. This process links salary raises and promotions to performance measured in an objective manner. In some cases, among them the US Government Performance and Results Act of 1993, this policy has been incorporated into the legal framework. Although new procedures, criteria and restructuring are inherent in the new policy, it focuses less on process than on product -- output and outcome.

This means dramatically rearranging administrative and civil service structure into product- and service centred units and giving them maximum authority, flexibility and responsibility to carry out their jobs, as in the private sector. New management tools borrowed and adapted from the private sector -- such as total quality management, mission statements, corporate and business plans, and performance measuring devices like performance indicators -- are increasingly used in the public sector. In essence, each civil servant is asked to become more of an entrepreneur than a Weberian bureaucrat, more "customer-friendly" than an office clerk working "on files", more of an individual with a warm face than an anonymous functionary with no name or identity (Osbourne and Gaebler, 1993).
However, measuring performance and motivating it depends on considerations other than such factors such as monetary incentives, pay and bonuses. An OECD survey of managers in 11 sector organizations in five countries -- Austria, Denmark, Ireland, UK and USA -- shows that a substantial majority do not value performance pay as much as other work characteristics, such as challenging job opportunities, a sense of accomplishment, recognition of an individual's achievements and respect and fair treatment from colleagues. Although a majority believed that a clear link existed between performance and their PRP awards, only one in three felt that such awards had been distributed fairly and equitably within their agency. To motivate individuals effectively in the public sector, performance-related pay schemes must be based on specific and verifiable measures of individual performance. Otherwise, they should be designed for the team or organizational levels, combined if necessary with non-monetary rewards schemes for individuals (OECD/PUMA, 1997).

Truly comprehensive performance-oriented administrative and civil service reforms have been adopted in a few western democracies; some components are being tried in other countries. But in the vast majority, rhetoric for this type of reform far exceeds real implementation effort -- in part the thorough overhauls that are needed are not currently feasible, in part because of the traditional mindset of key elite groups. Unfortunately, too, advocacy of fundamental civil service reform is outweighed by the preponderance of public bureaucracy in the national power structure, as well as higher priority in other areas, among these poverty alleviation, law and order, pervasive corruption and political control among domestic factors, to say nothing of such global challenges as financial crisis. As crisis situations persist, political officials rely all the more upon the loyalty of civil servants, as well as their expertise and resourcefulness, in order to stay in power.

In the conflict - ridden countries and those recovering from conflict -- currently 35 - 40, according the United Nations categorization -- conditions for performance-oriented reform simply may not exist; these countries are still involved in building an administrative and civil service system from the ground up. Given a determined political leadership, such as that of Uganda, some reform elements can be introduced. Although a government may realize the significance of thorough-going CSR in its development process, its real challenge is identifying those elements that have adequate support and that can therefore be implemented effectively.

Civil Service Performance in Core Government Functions

Approaches used to make government more efficient by holding managers more accountable for results also give them greater flexibility in allocating funds and personnel to achieve the desired outcomes. Ideally, sufficient analytical, informational, reporting and evaluation technology is also provided, along with support for measuring performance in terms of quality, quantity, efficiency and cost. While these approaches, strategies and support systems are common to all government functions, their application and relevance varies in two broad areas of government functions: core areas of policy
development and coordination, financial management, tax collection and personnel management on the one hand, and service delivery on the other.

Policy development and coordination are complex, multifaceted issues that require a mix of perspectives in various time dimensions so as to analyze the immediate impact on direct beneficiaries, as well as long-term consequences. The implications of various options must be examined from political (sometimes partisan), economic and financial points of view. Weaknesses in key central functions of government are particularly damaging, since they can affect all government activities and the economy as a whole. The capacity to make and implement policy is often low, along with morale and motivation; revenue is uncollected and available resources are not optimally used. To improve capacity for core functions, technical, academic, and operational are needed. So is a certain depth of experience and understanding, and above all a capacity to evaluate policy options in terms of both political and implementation feasibility.

Given these challenges, progress derives from linking the assessment of civil servants’ performance to results. But this process has been limited because neither objectives nor goals could be clarified precisely, and the measurement tools and data have not been perfected. Although performance assessment of performance was limited, however, considerable experience was distilled in improving civil service capacity for policy-making.

These achievements include:
- Releasing units/individuals from routine pressures to work on strategic thinking;
- Developing highly qualified expertise in the higher civil service, with links to autonomous research and policy institutions that can provide relevant information;
- Working with research and policy institutions in the policy process at the relevant stages to enhance decision-making;
- Establishing reliable and readily available statistical information;
- Expanding and deepening policy processes to include real participation of relevant groups in a spirit of genuine trust and cooperation to facilitate both acceptance and effective execution;
- Seeking to link process and policy in overlapping issues into relevant focus.

Considerable improvements have been made in financial management, tax administration and personnel management in many countries, particularly Anglo-Saxon democracies. Helpful approaches include:
- Introduction of performance budgets using discrete services, performance targets, and cost accounting methods;
- Use of budgetary ceilings;
- Empowering programme managers with financially within budgetary limits, so that they can be held accountable for achieving targets;
- Dividing budget and finance responsibilities by giving the finance ministry and the Treasury only macro controls in resource mobilization and public
expenditure, and giving the line ministries and agencies greater flexibility in managing their allocations;
• Restructuring personnel management in a similar fashion, sometimes even doing away with any central personnel agency (as in the United Kingdom).

*Civil Service Performance on Service Delivery Functions*

The area of service delivery seems to have yielded the greatest significant achievements in instilling performance and results orientation, in large measure because private sector approaches for analysis and measurement have been most easily transferable to this realm of civil service functions. Health, education, refuse disposal, custodial services, banking, insurance, transport public works, utilities are the areas in which large-scale privatization has taken place and in which government agencies can be competitively compared with private providers. There is now considerable experience and information available on how to rearrange most government services, how to introduce performance and results-based management methodology, and how to use appropriate measurement techniques and processes of varying sophistication to evaluate the performance of individuals and groups. On both the supply and demand sides of these services there has been a remarkable development of institutions and processes. This has manifested itself in the form of various consumer and interest groups and their involvement in the determination of the quality, reliability and impact of these services and their delivery.

Diffusion of information on the performance and results-based civil service reform has spread and continues to dominate the debate through seminars, workshops, donor advice and support, books and journals, landmark government programs, such as Vice-President Gore’s “Reinventing Government”. Easy access to information on best practices is available on the Internet and from various networks working globally on good governance. The extensive use of selected aspects of performance-based civil service approaches by governments at such levels of development as Chile, Malaysia and Uganda illustrates the breadth of this dissemination. Given globalization and national pressures for achieving development with equity, it is likely that leadership from a growing number of countries will be influenced to adopt performance-oriented administrative and civil service reforms -- perhaps for sheer survival. As a means of improving public sector efficiency and effectiveness, this approach may be their best option. The challenge for the world community is to make available successful experiences in an easily usable form, and to disseminate the “best practices” on a sustained basis, as widely as possible.

*Civil Service Management, Political Supervision, and Public Accountability*

In the absence of better alternatives and proactive models geared to improving performance in the private sector in many developing countries, traditional management has not changed significantly over the years. By contrast, in many industrialized
democracies in which the private sector exerts significant influence, corporate personnel/human resource management techniques have been used to attract, retain and use human resources to enhance the efficiency and effectiveness of the public sector. Governments have adopted the best private sector practices in key areas of recruitment, rewards and promotion systems, recognizing initiatives and encouraging participation. They have also adopted open and participatory performance appraisal systems.

A number of industrialized countries have introduced strategic personnel management practices that link critical tasks to well-trained personnel. Personnel management activities have been shared between central personnel agencies and line agencies, giving line managers greater flexibility in hiring and training staff for current and future responsibilities. The central agencies continue to assist in standard-setting and maintenance; to counter unfairness and inequity, carry out tests and interviews in their specialized areas; and finally, to develop a specialized body of personnel and human resources professionals for managing the civil service. By contrast, governments that must remodel public service management systems to meet the challenges of independent statehood and of economic development must select carefully among the innovations of their industrialized counterparts. They must identify those areas of management that can best generate significant improvements for the performance of the entire civil service -- and those areas critical to sustaining these improvements.

The political supervision appropriate to ensuring adequate public accountability is crucial. Because the civil service is the main instrument of government in carrying out its functions, it should be fully subject to the governance processes of the country. Appropriate political supervision derives from identifying points of contact for political and administrative processes; areas and aspects in which political officials should make controlling decisions; and means of protecting civil servants from influence or interference by various power groups. These issues are particularly important in countries that do not have established legal frameworks and well-known traditional practices for governing the interactions between political figures and civil servants. They are also critical in countries undergoing democratic transitions in which civil servants are being asked to demonstrate sensitivity to the political and economic aspirations of citizens, to be more people-and community-oriented in their service delivery, as well as in policy-formulating activities -- in short to consider fully the implications of "civility" and "service" rather than continuing to regard themselves as bureaucrats.

Information is widely available on established practices for involving civil servants with groups and communities in formulating and implementing policy and programme ion and implementation without compromising their neutrality and objective orientation. Comparable information exists for ensuring that individual civil servants be made accountable for actions hurting citizens, and that bureaucratic actions in the larger context of government accountability in pluralist democracies can be followed up. These models of rules, practices and precedents provide ample material for countries that wish to retool their systems for increasing civil service responsiveness to both political leaders and to citizens at large. The critical issue is protecting civil servants from partisanship, while motivating them to be more proactive, citizen-friendly and performance-focused.
CIVIL SERVICE REFORM IN UGANDA: A CASE STUDY

Uganda, whose 22 million citizens are largely involved in agriculture and have a per capita income of US$ 220, was once one of Africa’s richest countries. Its current poverty has resulted from civil war, political instability, and economic mismanagement. In 1986, after more than two decades of political upheaval and civil strife, the National Resistance Movement (NRM) assumed power, proclaiming itself a government of national unity. It formed a Public Service Review and Reorganization Commission (PSRRC) to diagnose problems within the demoralized and decimated civil service, along with other commissions aimed at constitutional reform, macroeconomic policy reform and institutional reform, including decentralization. The PSRRC identified several key problems, including inadequate pay and benefits, poor management, dysfunctional civil service organization, and inadequate personnel management and training. Taking a holistic approach, the Commission polled thousands of people, including a large number of civil servants, and submitted its report in 1990, outlining a vision for the future, defining a new role for the government, and making 225 specific recommendations regarding what to change and how.

Until the early 1990s, the Ugandan Civil Service was highly centralized and politicized under a succession of autocratic, corrupt regimes. The collapse of remuneration systems resulted in frequent moonlighting, corruption, and non-performance. The PSRRC articulated a new vision of the civil service: a smaller, better paid, more efficient and effective body, guided by fair, simple and consistent rules and procedures to foster discipline and accountability, while promoting personal initiative in the achievement of assigned duties and objectives. The Civil Service Reform Program (CSRP) was introduced by the Government in 1990, with support from several international donors, including the World Bank, UNDP and three bilateral donors (the United Kingdom, the Netherlands and Sweden).

Box 10. Uganda's Vision for a New Civil Service

1. By the year ??, the Ugandan Civil Service will be smaller, better-paid, more efficient and more effective.

2. It will also be
   ■ result-oriented;
   ■ transparent;
   ■ It will demonstrate fair and consistent implementation of simple rules and procedures that foster discipline while leaving room for individual initiative;
   ■ It will have shared values, supported by regulations that ensure savings and eliminate waste through competitive approaches to contracting for goods and services.
3. The civil service will operate within the following framework:
   - a systemic budgeting process based on identified priorities and programmes;
   - a mandate to undertake only what the civil service can perform;
   - reliable information and databases to support decision-making;
   - a new system of resource allocation to local government, based on identified priorities and unit cost of the services or their value added;
   - a reduced level of corruption, backed by effective surveillance and law enforcement processes.

4. Ugandan civil servants will
   - be paid a minimum living wage;
   - be respected by the public;
   - have clear organizational goals and objectives and demonstrate commitment to these in their work;
   - be fully accountable and responsible for their job outputs.

5. Non-core services will either be transferred to the private sector or abandoned altogether. Regulation and control will protect the public interest and also support the expansion of the private sector.

Source: Government of Uganda, 1993
As noted earlier, the 729-page PSRRC report contained 255 recommendations.

Box 16. Ugandan Vision of the New Civil Service

1. By the year 2000, the Ugandan Civil Service will be smaller, and it will have better paid and more efficient and effective staff.
2. The civil service will have the following characteristics:
   - Result–oriented;
   - Transparent;
   - Fair and consistent implementation of simple rules and procedures that foster discipline while leaving room for personal initiative;
   - Shared values, supported by regulations that ensure savings and elimination of waste through competitive approaches to purchasing and tendering.
3. The civil service will work in the context of the following:
   - A new system of resource allocation to local government, based on identified priorities and the unit cost or value added of the services;
   - A rational budgeting system based on identified priorities and programs;
   - A mandate to undertake only those functions that it can effectively perform;
   - A reduced level of corruption, backed by effective police and prosecution services;
   - Reliable information and data bases to support decision-making.
4. Ugandan civil servants will:
   - be paid a minimum living wage;
   - be respected by the public;
   - have clear organizational goals and objectives, and demonstrate commitment to such goals in their work; and
   - be fully accountable and responsible for the output of their jobs and committed to achieving clearly identified individual objectives.
5. Noncore services should either be turned over to the private sector or abandoned altogether. Regulation and control should protect the public interest, and support expansion of the private sector.


These were structured under the following 25 headings:

- The role of government in managing development;
- Current state of the public service;
- A public service for the future;
- Organization of government;
- Structure of the public service;
- Size of the public service;
- Manpower planning: policy and practice;
- Training in the public service;
- Personnel management;
- Financial management in the public service;
- Information and records management;
- Communication and work procedure in the public service;
- Rules and regulations;
- Corruption in the public service;
Salaries and wages;
Benefits;
Retirement and pension scheme;
Judicial service;
Police service;
Prisons service;
Teaching service;
Institutions of higher learning;
The private sector in national development;
Enhancement of employment in the private sector; and
Programmes, projects and funding prospects.

The Commission’s recommendations reflect a number of the outcomes of the deliberations of the Constitutional Commission. Although the plan had the full support of the Cabinet and Parliament and although five ministries were reviewed and 6,000 non-performing government workers were dismissed in 1992, little progress was made, in part for the following reasons: While there were some specific recommendations, such as the number of ministries (20 to 21), others are general and require further elaboration. Additionally, the recommendations are dispersed over too many areas without indicating key ideas or themes that would inform and bind them into some coherent plan of work. The plan also lacked specificity, particularly regarding who was to initiate which actions and when. This underlines the critical importance of an implementation-planning phase that links broad recommendations to the practical execution of specific programmatic and administrative decisions.

These issues of slow implementation were addressed in late 1992, with the assistance of an advisory service to focus and simplify the report’s broad recommendations. It was agreed that two overriding objectives would inform the civil service reform process: the payment of a minimum living wage, and the introduction of results-oriented management, leading to improved public service delivery. Although the reform leaders knew that these two areas did not cover all the challenges associated with civil service reform, they believed this dual focus gave them critical entry points for accelerating the reform process and achieving whatever gains could be expected, given the circumstances in Uganda at the time.

The minimum living wage, conceived on the basis of a food basket/cost of living survey, sets the minimum acceptable salary for the most junior grade of civil servant. The living wage concept, incorporating base salary and all allowances, including housing, transport and health and reflecting full monetization and non-cash benefits, is a cornerstone for creating a motivated, result-oriented civil service. The result-oriented management (ROM) is intended to provide practical guidelines for defining objectives with measurable performance standards and suggesting how and when the reform components will be implemented by ministry, district and individual civil servants. A baseline service indicator is to be developed through a service delivery survey, with the help of WB/EDI, thus allowing policymakers to assess reform inputs and outcomes in terms of the highest net marginal benefits to the public. A detailed action programme for
the introduction of ROM was incorporated into the revised version of the CSRP in a 50-page document entitled *Management of Change: Context, Vision, Objectives, Strategy and Plan*. The CSRP was approved by the Presidential Cabinet and endorsed in a seminar of all ministers and permanent secretaries; 3,000 copies were disseminated among civil service and other key stakeholders in 1993.

The revised action plan, reflecting the twin objectives of paying the minimum living wage and implementing ROM, contains six major components:

1. Rationalization of ministries and districts;
2. Strengthening the capability of the Ministry of Public Service (MPS) to manage and champion the reform;
3. Monetization of benefits;
4. Job grading;
5. Code of conduct and discipline;
6. Information program and communication strategy for reform.

The number of ministries was reduced from 38 to 21, as recommended by the Commission in 1992. The rationalization of ministries and districts aimed at producing smaller and more accountable organizations performing only core functions. This permitted the release of funds for improving remuneration and offering opportunities for privatization of non-core activities, eliminating duplications and enhancing coordination among ministries. The ministerial reviews followed a process involving a team of three to five persons from MPS, local management consultants and expatriate advisors who interviewed key ministerial staff, conducted surveys, and reported their findings to the MPS. Similar reviews were performed at the district level to reconsider the role of government, set objectives and priorities, agree on performance indicators, remove redundant staff, and focus specifically on capacity-building plans. The focus here was to decentralize functions from central ministries to local governments according to the Decentralization Act of 1993, and to devise to transfer operational responsibility for delivery of services and necessary staff, funds and assets previously controlled by the central government. Overall, within the ministries and districts, a 50 per cent reduction in staff was recommended for the revised establishment. Arrangements were also made for demobilization of over 30,000 soldiers who participated in the liberation struggle.

To implement new staffing levels for the restructured ministries, the President appointed the Implementation and Monitoring Board (TIMB), comprising senior citizens who conducted interviews to identify staff to remain in approved positions, staff in redundant positions, and staff declared redundant and no longer required by the government for employment. TIMB interviews assessed each employee’s performance with an A, B, or C rating: “A” for exemplary performance, “B” for acceptable performance, and “C” for unacceptable performance. A significant downsizing of central government civil service was carried out in five distinct areas: removal of “overdue levels” (approximately 6,339 officials and 7,421 teachers), removal of ghost workers (about 42,000), abolition of group employee scheme (temporary short-term employees, about 30,000), redundancies arising from ministerial reviews, and a voluntary retirement scheme in which about 4,500 participated. TIMB assessments also led to removal of 11
of the 32 permanent secretaries in the central government. At the end of the rationalization process, it was determined that the wage bill could be raised from 21 (1994/95) to 31 per cent (1996/97) of current expenditures over a three-year-period to achieve payment of the minimum living wage to the reduced establishment.

The second component of CSRP, strengthening MPS capability to manage and champion the reform process, was achieved by modernizing the technical facilities (computer and other office equipment) and training of senior staff in records management and system control (i.e., computerized position-coding system, personnel management information system and other control systems). By providing comprehensive training and technical support to its own staff at all levels, MPS emphasized the importance of improved management of human resources, served as a model for capacity-building, and strengthened management and supervision for other government ministries and agencies. The Ugandan Management Institute (formerly the Institute of Public Administration), played a significant role by designing and implementing a comprehensive training program in support of CSR for all levels of civil servants. The government also established a Payroll Monitoring Unit in the MPS to monitor and verify entry and exit from the payroll; this proved particularly effective in the teaching service, where the payroll was reduced by nearly 25,000 staff over a three-year period.

The third and fourth components of CSR, monetization of benefits and job grading, called for an accounting of all non-cash benefits, coupled with a revision of the overall salary structure, using job evaluations and specifications. Some items of non-cash benefits, namely housing, vehicle and other benefits for senior officials, were monetized at US$ 1,500 to US$ 2,000 per month, and the MPS initiated the sale of 2,259 houses and 4,741 vehicles owned by government to generate revenues for meeting the wage bill. A transparent salary system and a new position-coding system were introduced. However, ministers, and other senior civil servants continue to enjoy non-cash benefits for transport, fuel, electricity, housing, as is the case in many other countries, both industrialized and developing.

The fifth component of the reform strategy, the Code of Conduct and Discipline, was elaborated in a series of workshops held across the country for senior government managers, focusing on their role as leaders in the civil service reform and on results-based management. Along with the Code of Conduct and Standing Orders, the Leadership Code of Conduct for political and administrative leaders outlines specific prohibited conduct and requires that disclosure of interests and assets be made to the Office of the Inspector-General of the Government (IGG). A four-point action plan to combat corruption was developed at a highest level workshop organized by the IGG, facilitated by the WB/EDI and Transparency International, and attended by parliamentarians and senior civil servants. These workshops strengthen the fight against corruption and emphasize performance standards. A more effective baseline indicator developed from the service delivery survey allows for measuring reform progress and establishing realistic standards and targets within the ministries and districts, thus facilitating the process of instituting ROM in the civil service.
Box 11. Four-point Action Plan to Combat Corruption in Uganda

- Raise public awareness of the effects of corruption;
- Prosecute offenders through improved enforcement of present anti-corruption laws;
- Initiate institution-building in the office of the Inspector-General of Government;
- Prevent corruption with increased transparency and accountability [???? within the civil service ????]

Box 17. Four-point Action Plan to Combat Corruption in Uganda

- Raise public awareness of the effects of corruption;
- Prosecute offenders through improved enforcement of existing anti-corruption laws;
- Initiate institution-building in IGG and other branches of government to restore society’s moral fabric; and
- Prevent corruption with increased transparency and accountability.

Finally, the sixth component of CSRP, the Information Programme and Communication Strategy for Reform, was achieved through distribution of publications, meeting reports and quarterly reports describing progress against the action plan to the public, civil servants and the donor community. The role of the media in the process of information dissemination was recognized, and journalists were invited to attend two courses to improve their skills and effectiveness in serving the public interest regarding CSR. Other elements of the information programme included assisting the MPS in making professional presentations in various forums, and identifying and monitoring communication problems among stakeholders, donor coordination, and other media activities to heighten public awareness of the reform programme.

The CSRP was renamed in 1997 the Public Service Reform Programme (PSRP) to reflect the increasing importance of managerial practices and the private sector in government work. It comprised six components: (1) management of reform; (2) enhancing efficiency and effectiveness; (3) management information and control system; (4) developing human resources; (5) time management and organizational discipline; and (6) good governance and private sector development.

PSRP was accompanied by the decentralization process led by the Decentralization Secretariat in the Ministry of Local Government (MLG) and an interministerial committee responsible for monitoring the decentralization programme with other reform efforts. Working within the legal framework provided by the Decentralization Act of 1993 and Local Government Act of 1997, real powers are being transferred from the overburdened and under-financed central government officials in locations remote from the capital to officials at the district and subdistrict levels, thereby bringing political and administrative control over services to the point where they are actually delivered, and in the process, promoting people’s participation and ownership and enhancing administrative accountability and effectiveness. Systematic efforts are being made to
facilitate a continuous process of devolving powers and responsibilities from the central government to the district and lower local bodies, and enabling them with resources, capacity and political support to discharge their responsibilities.

Popular versions of the Local Government Act and A Councilor’s Handbook were printed and widely distributed. Financial flows from the center to local bodies increased to some 30 per cent of total revenues, with detailed guidelines and training being provided for local bodies in various aspects of financial management, including the budgeting process, budget implementation and monitoring, and cash flow management. Local government personnel were separated and put under local bodies, with a district service commission to take care of selection, promotion and other personnel matters. Various training and staff development activities are continuing including orientation workshops for new councilors, Urban Tender Boards, accounts officers, and administrative officers. Along with training, institutional and organizational development activities are also carried out, including model account computerization, records management, guidelines on separate personnel system, committee structure in the district council, decentralized planning, district resource endowment profile and similar other areas. Similar training, guideline, and hands-on work are being carried out in decentralized planning, development of district plans, and preparation of annual budget of local bodies, in tandem with the national budget, assisted by advice and support of the Local Government Finance Commission, created under the Constitution to advise on the needs of finance for local bodies to carry out their decentralized responsibilities.

Box 18. Jinja Central Market

As a part of political and economic liberalization under President Museveni, Jinja Central Market was privatized, and contracted it to a private firm by Jinja municipality, under the authority vested by the Decentralization Act. Under the contract, GOKAS, the private firm, manages the system of revenue collection on behalf of the Jinja Municipal Council, without committing its own capital or incurring the full financial costs. The system of overall market management emphasizes co-management, involving four key stakeholders: the Jinja municipality, Jinja central division (lower municipal tier in which the market is located), GOKAS, and the vendors (through their councils). Significant improvements in revenue collection took place in the first two years since privatization in 1994-1995 (27% and 4% increase in 1995-1996 and 1996-1997, respectively). Better sanitary and security conditions and improvements in water supply and other areas of management have been realized through a process of partnership supported by a system of negotiation and participatory management among key stakeholders, especially with the close involvement of vendor councils (with 8,000 members). Results of vendor surveys attest to these improvements, their satisfaction with the management, and their willingness to pay the negotiated fees and charges on time (an average of almost 70 to 80 percent provided positive responses on improvements). In this case, privatization of market management, a significant source of economic and service provision, led to critical improvements, indicating that privatization can significantly improve service delivery, and contribute to poverty alleviation and sustainable human development.

Box 12. Public-Private-Civil Society Cooperation: Jinja Central Market

In accordance with the decentralization and economic liberalization undertaken by the National Resistance Movement government, the Jinja Municipality privatized the operation of its central marketplace. A private firm now manages the market's revenue collection in cooperation with the Municipal Council, the authority of the ward in which the market is located, and the council representing the 8000 vendors who use the market. Two years after the privatization in 1994, revenues had increased by 31 per cent. Security has also improved, along with sanitation, particularly water supply.

Source: Makerere University Institute of Social Research

Significant achievements have taken place in decentralization. Because old structures had fallen into disrepute during the resistance movement, the involvement of grass roots and local groups and the commitment of the movement leadership to the decentralization goals facilitated the attempts of the national leadership to initiate a decentralization effort that used all avenues -- devolution, delegation and privatization. Increased local participation through organized representation in the activities of local bodies has significantly improved service delivery, sometimes in association with the private sector. One example is provided by the improved management of the local market by a private contractor, with participation and oversight by the Vendors Association and the respective local bodies (see box 12). However, there remain problems such as corruption, abuse of powers by the local body executives, tribalism in the selection of local employees, predominance of finance committees in the local council’s work, non-establishment of local public accounts committees and similar issues (Nsibambi, 1998; Villadsen and Lubmager, 1996).

Lessons learned in the decentralization process

- Political leadership at the central and local levels must be committed to reform;
- Coordination of ministries, such as finance, and public service, and local government under the President’s office, is essential;
- Building capacity at the district level through training of trainers to include district staff in improved service delivery initiative is imperative;
- Outsourcing expertise with preference to local consultants will facilitate problem-solving and increase local capacity;
- Geographical phasing of the reform programme is a workable strategy;
- Civil society must grow to play a more important role in Uganda’s development and reform; and
- Networking and sharing of experiences by local governments, i.e., home-grown institution building is a key requirement.
Several variables that were critical to the success of Uganda’s CSR include: internalization of problems to be resolved by the reform, broad agreement on a vision of where to go and what to do; strong and sustained political support for the reform by a critical mass of top leadership; and coordination of ongoing reforms and efforts to bring out synergy and optimal sequencing. Experience shows that ten major factors are likely to be critical in achieving sustainable and comprehensive reform in a developing country, as shown in Box 13 below.

Box 19. Ten Factors Critical to Comprehensive Reform in a Developing Country

- Degree to which reforms are home-grown;
- Degree to which the government is willing to take an active part in an innovative and adaptive process;
- Strength and sustainability of support from top policymakers;
- Extent of consensus about the vision of reform and its implementation;
- Amount of synergy between different reforms;
- Minimum living wage;
- Service delivery orientation;
- Ability to enhance ethics, accountability and transparency;
- Extent of coordination of donor support; and
- Clarity regarding the desired role of the state.

Several critical activities for building on the reform and sustaining its achievements include the urgency of restructuring pay scales and adequate incentives, capacity-building at critical levels and sectors, increased focus on results-oriented management (ROM) and service delivery to the public; and combating corruption through enhanced ethics, accountability, and transparency. Well aware of these issues, the government is taking what action it can under severe financial and other constraints. Because civil service pay is still very low, civil servants are not expected to work productively full time and solely for the service. There is also a need to streamline the 64 different grades and 76 different types of allowances so as to relate wage to job-grading and provide some savings for the wage bill. Pay reform should remain the highest priority; the consequences of falling behind in this respect may be fatal to the whole programme.

Uganda's capacity-building activities have five key components: central government capacity-building; local government capacity-building; legal sector reform; an accountancy profession component; and an implementation skills training funds component. To introduce ROM, a service delivery survey has been implemented to establish base-line data and identify indicators of results. Despite efforts to combat corruption, the general campaign is hampered by costs of political campaigning, in which rising expenses foster corrupt practices; a very low level of civil service pay and lax enforcement of auditing systems; manifest failure to implement standing orders; inability to monitor assets and liabilities of key decision-makers in the public sector; scope for manipulation of certain types of aid flows; an under-resourced judicial system that has
not fully recovered from the years of civil war; and constantly changing criteria for private investment.

The PSRP in Uganda was carried out in the context of the broader post-conflict economic and political reconstruction programmes. Achievements in economic reform have been significant. The economy has been liberalized, and the Ugandan currency is now fully convertible, with flights of capital under control. The privatization programme is almost complete. Public expenditure has been curbed, and the inflation has been tamed to achieve macroeconomic stability. Constitutionally, considerable progress has been made towards the goal of democratic governance. The new Constitution was promulgated in 1995, and a new government elected on the basis of "no-party" politics in 1996 that permitted candidates outside the NRM to stand for office as individuals. The election of President Museveni has not only guaranteed political stability and continuity, but has also ensured that the economic, democratization and civil service reform programmes will remain on course for the next five years.

The achievements of the PSRP have been impressive. The size of the civil service has fallen dramatically from 320,000 in January 1990 to 128,628 in March 1996, a decrease of 60 per cent in six years. Reviews of ministries, districts, and urban administrations have been completed, leading to a reduced number of ministries, a new civil service structure and performance-based and results-oriented civil service systems. In operational terms, the impact of the civil service reform programme, including decentralization, is beginning to be felt at all levels of the public sector. The reformers did not encounter any serious constraints and challenges. However, there is agreement that the PSRP so far has focused primarily on structural transformation. The challenge ahead involves reengineering systems, procedures and practices, especially developing human and physical resources; strengthening control systems; and increasing operating efficiency and effectiveness.

The creation of an efficient, effective and results-oriented civil service machine is directly proportional to the degree of public morality and ethics, integrity, transparency, and accountability. Given Uganda's conflict-ridden history over more than 20 years, it is not surprising that corruption persists in petty forms, along with overstaffing in the civil service and lax work norms. Consequently, a major future thrust of PSRP must be "cleansing" the civil service by focusing on building a system of dynamic integrity that rewards morality, diligence and efficiency while taking the following minimum actions:

- Strengthening the investigative capacity of the Inspector General and relevant police services;
- Accelerating the process of prosecution and improving procedures in the administration of justice in cases related to corruption and misappropriation and embezzlement of public funds and property;
- Introducing internal disciplinary procedures to deal with cases of misconduct and malfeasance to reduce delays and costs of court proceedings;
- Enacting a freedom of information act to allow researchers and the media access to public documents; and
• Setting up special committees with power to investigate the work of departments and subpoena all relevant documents.

Lessons from the Ugandan experience

The speed of fighting corruption will depend on the government’s capacity to mobilize financial resources necessary to sustain the reform process, as well its political will to overcome the vestiges of resistance and procrastination that still exist at various levels of the civil service. The future of PSRP also depends on the successful continuation of economic and political reforms with which it is closely intertwined. Despite the constitutional progress made during the last ten years, the post-conflict political order in Uganda is still characterized by uncertainty and unpredictability. As one authority has concluded, “the chances of democratic governance are still compromised not only by institutional infancy and fragility, but, also, and more importantly, by the absence of the democratic values of compromise, moderation, tolerance, mutual respect and habitual compliance with the rule of law” (Langseth and Mugaju, 1996: 160).

However, a few lessons can be highlighted. The need to mobilize and ensure strong commitment from civil servants to the reform process has been recognized and incorporated in the system. The Secretary for Administrative Reform is the deputy head of the civil service. The Ugandan experience shows that while reform efforts require sustained support and commitment from the top leadership, they also require more specific articulation of reform goals and a manageable package of internally consistent reform targets. While the totality of reform focus and goals need to be expressed in broader terms to create awareness and generate broad-based political support from various groups, as was done in the Commission’s report in 1989, serious reform started only after 1992, when the report’s recommendations were combined and integrated in a more manageable group of reforms and targets, through a process of analysis and interaction among the critical group of actors in the reform process. As in the case of Argentina and Poland, the Ugandan experience shows the importance of relating administrative and civil service reform to economic reform and decentralization programs. The significance of disseminating reform programs and their accompanying laws and regulations in popular language is demonstrated, along with extensive training with easy-to-follow guidelines and handbooks for various new groups and processes. Finally, the need for bold steps in any genuine decentralization process so as to transfer both personnel powers and financial resources to the local levels is recognized in the case of Uganda.
CHAPTER FIVE --

PROCESS-ORIENTED ISSUES

Process-oriented issues of designing, implementing and securing commitment and support from relevant groups and key leadership are equally, if not more important than the substantive focus and components of civil service reform (Coobers and Verhejin, 1997). Organizations have often abandoning any real efforts for reform because of inadequate attention to these factors and to timing, even though the reform program has nominally continued.

**Designing Civil Service Reforms**

Designing a civil service reform program is easiest when it stems from a change of government, perhaps as part of an electoral campaign, or as a key element of a recovery or rehabilitation programme after periods of disruption or destabilization. It is seldom possible to find issues in a stable status quo to develop and secure support for CSR from ruling leaders. Important considerations in designing a civil service reform program are adequate diagnosis of the problems and preparation of reform goals, objectives, and components through an open and objective analysis and following a participatory approach involving relevant stakeholders. In examining problems, it is essential to note relevant issues (e.g., accountability, transparency, rule of law) that are conducive to CSR and others (e.g., high degree of patrimony and endemic corruption) that impede CSR.

It is important to select the focus and components of civil service reform and to sequence them carefully with an eye to potential support and opposition to reform in the critical environment of leaders and groups affected and benefited. It is also useful to adopt a flexible approach so that program components can be adapted and changed in response to evolving circumstances. Designing CSR needs to be an indigenous process. Achieving the qualitative goals of building and sustaining support and commitment from leaders, target groups and citizens should receive as much emphasis, if not more than the quantitative goals of achieving measurable results through rationalizing projects, transferring resources, and maximizing inputs.

Historical factors are critical; they tend to impede success if their relevance and impact are not properly considered. In many African and Asian countries, a deep-rooted legacy of colonialism that promoted discretionary hiring practices and nepotism persisted after independence. Too much attention to the state as a tool for reform and to technical solutions without regard for popular practices also hampered progress on CSR. This was also true in Central and Eastern Europe. In such cases, reforms need to include the strengthening of civil society through closer integration between the state and other sociopolitical forces that recognize the region’s cultural and historical realities. Dia (1993) recommends, a governance approach to CSR in these countries, in three stages—an upstream phase, to assess the country’s institutional environment to determine its
patrimonial profile (high, medium, low); a prescriptive phase, to determine the nature of the reform package and lending instruments (comprehensive, enclave, hybrid); and an implementation phase. The complexities of the patrimonial administrative environment addressed by the governance approach are lack of accountability; lack of the rule of law; a patrimonial salary regime; a crippling regulatory burden on the private sector; distorted resource allocation; and bureaucratic budget management. A governance approach parallel to other approaches should be considered in designing CSR in many countries.

Where CSR programmes involve significant donor involvement and support, it is vital that donors avoid taking the lead in diagnosing problems and devising reform strategies. Many reform programmes in developing countries have been aid-driven rather than home-grown and tied to short-term goals and targets, but they have not proposed specific strategies for managing the catalysts and disseminators of comparative experience. Dialogue with donors becomes effective and productive once realization of the need for reform has grown internally. If the sequence is reversed, the result is usually limited and often disappointing.

Donors and multilateral agencies need to be patient enough to permit this internal process to crystallize, as was the case in Viet Nam. External agencies can facilitate consensus and commitment-building through workshops and iterative processes, and work with executives, legislatures, and other empowered groups in society.

Developing Support and Systems for Effective Implementation

Implementation mechanisms and processes and support from various relevant groups are the key to translating the goals and objectives of the program into reality. Reform goals and objectives are usually posited in broad terms and guidelines at the stage of formulation (e.g., 10 percent downsizing) to secure broad support. However, at the stage of implementation, groups and individuals that supported the goals show great reluctance, even strong opposition, to applying them in their own areas of operation. Securing support for implementation entails a more participatory process that focuses on the programme's implications in terms of the sacrifices that individuals and groups will have to make. This process requires an understanding of human needs and sensitivities and a projection of the larger implications of positive reform outcomes for the community and the country. Planning for effective reform also requires proper sequencing and time frame for different phases and components of the reform programme. In addition, it entails selecting and placing enthusiastic officials in key administrative and managerial positions for implementation. In this context, donor support and technical cooperation programs need to be integrated in the reform framework in order to build up national capacity, particularly in technical and managerial terms, to manage the civil service reform process.

Yet another critical element is making CSR a priority issue in the public debate through effective communication to people and target groups, as was done in countries like Malaysia, New Zealand and the UK. In most countries, CSR is viewed as something
of an internal matter relating only to the civil service. Consequently, there is a minimal understanding and acceptance because citizens are given no means of understanding the role and significance of CSR in their everyday lives, and what changes its achievements will bring in the relationship between citizens and the government. To many ordinary citizens in developing countries, administration is untouchable, incomprehensible and anonymous thing. Reaching the general public can easily be accomplished through the media, taking into account any regional variations and target groups; through well-designed information packages in appropriate languages; and through the use of telephone "hot lines", and post offices for critical information and similar modalities.

Ensuring High-level Monitoring and Coordination of Civil Service Reform

Depending on a country’s political and administrative structure, the success of CSR derives from the level of political commitment behind it. With a prime minister or, as in the case of the USA, the vice-president initiating and supporting the process, CSR commands sufficient respect and clout in the system to ensure effective monitoring and coordination. This usually entails timely and accurate reporting on the implementation of guidelines and directives for change, identification of noncompliance, overlapping and problems of timing and synchronization, and taking necessary corrective measures. It also involves a careful watch on the implications and results that the reform measures are generating, looking particularly for negative or unanticipated adverse consequences for which immediate actions may be needed to sustain reform benefits. In Ghana, for example, ghost workers were replaced by real workers using fake names.

In many developing countries, reform programmes start with fanfare and the rhetoric of political support only to fade out in the process of implementation, sometimes due to lack of an effective monitoring and coordination mechanism and process. However, it is now possible to draw useful lessons in designing appropriate structures and links, as well as processes to follow monitoring and coordination functions. In some cases, association with an external research or policy institution may be useful in contributing to a basis for sound monitoring.

Maintaining Sustained Leadership and Commitment

While high-level political commitment and support is a prerequisite for successful CSR, it is not sufficient by itself. Ownership of reform must be broad-based. This requires support from the administrative elite and from the rank and file of civil service. Strong advocacy is needed at the ministerial and high managerial levels. However, there is a critical need to differentiate sustained commitment and support from lip service or even genuine interest. Committed leaders such as Prime Minister Thatcher in the UK and President Museveni in Uganda sustained interest in CSR by personally reviewing CSR progress, referring to CSR work and goals in speeches, chairing meetings on reviewing CSR, removing bottlenecks in the implementation of CSR and other explicit support.
But commitment also requires building a system of accountability -- not merely external accountability to donors, but, more importantly, an effective internal accountability system. Without this, commitment will not be sustained.

Sustaining commitment is a continuous process that requires careful timing. It is also necessary to realize that the quality and quantum of support from various leaders and groups will vary over time; the strategy should avoid alienation and try to neutralize the opposition as much as possible. As in the case of other process-oriented issues, considerable experience is available, notably from the cases of Ghana, Jamaica, Malta, Malaysia, New Zealand, Singapore, Uganda, and Zimbabwe.

ADMINISTRATIVE REFORM IN POLAND: A CASE STUDY

The governments of Central and Eastern European Countries (CEEC) are confronting the need to reform their administrations to adapt the management of policymaking to deal with the phenomenon of globalization, which entails such crucial international challenges as population growth, migration and environmental protection, or protection required to combat such current social scourges as crime, drug addiction and HIV/AIDS. The constraints imposed by this situation arise in a particularly acute form for the CEECs. Just when these countries regained their sovereignty, they had to accept other limitations on its exercise. They not only seek admission to the European Union, but face a broader process of internationalization that requires building relations with the World Trade Organization, managing strategic issues and relations with NATO, as well as links with other developed countries, and broadening their trade base to developing countries as well. These issues are not only new, but urgent issues; the transition period cannot be extended too long without jeopardizing national welfare. They require enormous changes in public management, its mechanisms, decision-making procedures and human resource capacities.

The process of internationalization has provided an important opportunity for these countries to streamline their administrative and managerial structures. It has required considerable rethinking to develop new and often innovative coordination mechanisms and processes involving new positioning of the ministry of foreign affairs, setting up of new coordination bodies in relevant line ministries and other central agencies, and radically changing the role of the state.

The responsibility for dealing with Poland’s integration with the European Union was placed under a Secretariat comprising several ministries headed by the Prime Minister and assisted by the Secretary of State. Although it looked like a strong arrangement, in practice the Prime Minister did not have enough time to attend meetings, leaving the to the Secretary as the presiding officer. Since the Secretary was often below the level of minister, those ministers that were members of the group did not attend the meetings personally, asking their deputies to attend them. The net result was that an apparently good arrangement become impractical because of lack of attention from
above. One alternative would have been placing the responsibility for European integration under a senior minister or the foreign minister in a separate department or unit in the foreign ministry.

The European Commission (EC) reviews applications from countries seeking accession to the European Union, gives its opinion on the readiness of applicants to apply the *acquis communautaire* (European Union law and policy), and makes specific suggestions for improvement. Since 1993, the European Council has been setting criteria for accession including “stability of institutions guaranteeing democracy, the rule of law…(and) the existence of a functioning market economy, as well as their ability to cope with competitive pressures and market forces within the Union,” and the ability to take on the obligations of membership. In dealing with the preparation of the Central and Eastern Europe to enter the internal market of the Union, the White Paper stipulated “adapting the administrative machinery and their societies to the conditions necessary to make the legislation work”. The Commission devotes a full chapter to each applicant's administrative capacity to apply European laws in different policy areas *within its own national frontiers*: telecommunications; indirect taxation; veterinary and plant health controls; transport; labor inspection; environment; consumer protection; border controls; international police/judicial cooperation; customs; and financial audits. The European Commission places great emphasis on this point, and for the first time the administrative capacity of applicant countries to enforce European law in the medium term has become a decisive factor in its rulings.

As in other CEECs, Poland’s initial emphasis was on creating new legislation by changing the existing law to bring it into line with other members of the EU. To do so, it also had to completely rearrange all the processes and procedures that Poland had used earlier in dealing with each sector. For example, both Poland and other EU countries provide a subsidy to their public enterprises. EU countries give this subsidy up to 70 percent of capital outlay in cash requiring actual transfer through administrative and financial arrangements. But Poland provides the same subsidy up to 70 percent by allowing the enterprises to deduct from their tax liability, thereby requiring no cash transfer and detailed financial arrangements.

Poland’s State Economic Administration Reform (SEA), approved by Parliament in 1996, was implemented through a package of 12 laws aimed at redistributing assignments within the central administration to enhance economic policy-making; improve the government’s ability to formulate medium and long-range economic strategies; limit the ministries’ involvement in state-owned enterprises; decrease the size of the state sector; further strengthen management of Poland’s integration with the European Union; and improve efficiency and coordination and decision-making mechanisms. Several institutions were abolished and others put in their place to create greater integration. These included new institutions as well, among them the National Office of Geodesy; Government Center for Strategic Studies; Committee for European Integration; and the chancellery of the Prime Minister.
All these changes have been instrumental in enhancing the power of the Prime Minister, giving him/her power to influence ministerial portfolios, arbitrate conflicts concerning the competencies of the ministries -- in short, establishing the Prime Minister as undisputed head of government, rather than just the first among equals. Redefining roles and improving the functioning of the Council Of Ministers represents an important element, encompassing improvement in the organization, meeting procedures and decision-making process.

The 1996 reforms focused exclusively on administrative arrangements at the central level. This was followed up in 1999 to provide local self-governing institutions. New responsibilities were given to these institutions, such as secondary-school education, along with additional financial resources, including a share of corporate and personal taxes collected by the central government, and the right of local governments to tax land and housing.

These reforms also led to significant devolution of power from the central government to the provincial governors, who now oversee specialized administrations including school supervision bodies. They have also become the primary authorities for more than 1,300 state-owned enterprises earlier managed by ministries in Warsaw (SIGMA offered support to these reform efforts, including creation of a nine-member standing panel of experts to confer regularly with officials responsible for the reform).

Parallel to SEA reform and constitutional amendments, a new Civil Service Act, passed on 5 July 1996, ensured that non-political jobs in public administration go to career public servants and that they retain their jobs regardless of changes in the government of the day. According to this law, civil servants (with the exception of certain groups, such as law enforcement personnel and teachers) are divided into four groups, depending on their functions and qualifications: “A”, for persons capable of holding high-level managerial positions; “B”, for persons capable of holding low-level managerial positions or positions of a conceptual character; “C”, for persons performing auxiliary work for civil servants of other categories, and a final category, “S”, for positions requiring specialist qualifications in a particular vocation.

The Civil Service Qualifying Commission decides whether a candidate fulfills the requirement justifying his or her classification in a particular category. The Prime Minister appoints the Commission, which is composed of public servants, lawyers, economists, and specialists in organization, management and political science. The Commission is subdivided into seven groups of five members, who conduct the examinations, while the full Commission makes the final decision on admittance.

While detailed descriptions of each category are not warranted in a study of this scope, those of category "A" may be useful as a guide to Poland's requirements for its highest civil service management. Candidates for category “A” must demonstrate among other things, their ability to manage complex teams and take decisions. Their creativity and capacity to manage financial and material resources and data are also criteria. The formal requirements are a higher education, command of at least one foreign language,
and a minimum of seven years ‘work experience, including four years’ experience in a managerial or independent position. Previous work experience in the civil service is not required, so the system allows open access to category “A” posts for candidates from other sectors of the economy. Category “A” posts, some 1300 in number, represent one per cent of the total civil service and comprise: head of the civil service and deputies; secretary of the Council of Ministers; directors-general (administrative heads) in ministries, central offices and regional level offices; and directors of departments (bureaus) in ministries and central offices and their deputies.

With two major exceptions -- personnel policy and political neutrality -- civil servants belonging to the top management service are subject to the same regulations and conditions of service as those that apply to all civil servants. While civil service personnel policy is vested in the directors-general of individual offices, decisions concerning the staffing of the head of the civil service, his or her deputies, the secretary of the Council of Ministers, and the directors-general of ministries and central offices are taken by the Prime Minister. Decisions concerning the directors-general posts in the regional offices are taken by the minister for public administration. Appointments to these posts are made by a motion from the head of the civil service. The salaries of civil servants appointed to these positions are determined respectively by the Prime Minister and the minister for public administration. As to political neutrality, category “A” civil servants are subject to even more stringent regulation than those of “B”, “C”, and “S”. They are not allowed to create trade unions or participate in the activities of trade unions or political parties.

The civil service law has flexible provisions that enable the setting up of a special training programme for a top-level civil service, now being developed. Initially, Category "A" appointees have contracts of only two years. Those who wish to become career civil servants will have to undergo qualifying procedures conducted before the Civil Service Qualifying Commission.

The effect of internationalization, particularly that of European integration, on the law, structure and working of the civil service in EU Member States and associate countries has become an important focus of debate in Europe. In the earlier phases of integration, individual sectors, such as commercial law and competition, were being openly debated and closely aligned. The civil service, however, remained a national preserve. That situation is fast changing. The inflexibility of the public service law, financial problems, the unattractiveness of the public service, and the growing criticism of officialdom are all generating wide concern.

One means of overseeing the workings of the civil service works was the introduction of an ombudsman system in Poland, modeled after the Scandinavian pattern, to investigate and report on claims of maladministration. The Polish ombudsman, introduced in 1987 by an Act of Parliament, is elected by Parliament, with a 60 per cent majority vote, for a fixed term of four years. The office has budgetary autonomy and focuses on abuses in both public administration and the judiciary. The Ombudsman can investigate individual cases or address wide-ranging issues, such as commonly repeated
errors, or misunderstandings of the principles of law and the mechanisms of its implementation. He or she can bring a suit to the administrative court, or request the national Audit Chamber to supervise the government. He or she is also entitled to demand the annulment of a government action questioned under the rules and procedures set forth in relevant statutes. In addition, the Ombudsman has the power to present opinions and conclusions on civil rights and liberties to the relevant agencies, organizations and institutions, or to approach the Constitutional Tribunal for interpretation of statutes -- usually to rule an act of Parliament unconstitutional.

The Office of Ombudsman has 11 departments, with 191 persons. One department specifically answers letters concerning non-ombudsman cases, while another performs administrative functions. The other nine departments manage cases in specific areas: social insurance; labour; the judiciary; housing and municipal services; taxes; consumers’ rights; detained persons; real estate; constitutional rights and freedoms; health care; education; the military; the law enforcement agencies; fire departments; local government, and the environment.

Reviewing the preparation of Poland along with other candidate countries in 1997 in respect of its administrative capacity to implement European laws, the European Commission found significant weaknesses in the Polish public administration, as exemplified by “widespread tax evasion, and in inadequate enforcement mechanisms, in areas such as health, safety and environment.” The review also noted that “the civil service is … understaffed at the policy level, but overstaffed at the level of routine administration. There is a great problem in recruiting and retaining high-quality young staff with language skills for the key work on the integration with the EU and other bodies.” The EC estimated that Poland would need five years to meet European standards in administrative capacity so as to qualify for admittance to the EU (SIGMA. 1997: 4. 10-11).

The Polish Government is aware of these weaknesses, but realizes that the process of building institutions is very difficult because employees need time to acquire experience. Although significant improvements have been demonstrated in areas such as customs, others need further development, particularly where legislation compatible with European Union law is not fully in place. Transforming the old system into a new and different system of administration requires the transformation of nearly everything -- the laws, the institutions, the ways in which institutions operate, and the relationships among the administration and its institutions and the people within them. Moreover, adjustment to these new circumstances must take place in an environment of daily changes.

To meet these challenges, a country has to master not only inserting a wholly new legal system, but the proper sequence of changes into the law to avoid inconsistencies between its various parts. Then it is necessary to build institutions that can cooperate with one another and that are able to fully utilize recent changes. In Poland, as elsewhere in the CEEC, a law may be adopted by Parliament without any effect because no institution exists to put the legislation into practice. Even the creation of the institution is not enough, because one must have a procedure that is well known. Tax evasion took place in
Poland in part because new tax legislation was not followed by the creation of tax offices or education for taxpayers, most of whom were not fully aware of new procedures for collecting taxes. Another challenge -- particularly in environmental matters -- was achieving the horizontal ministerial cooperation required for implementing EU laws; the old system called for reporting to a central organ rather than inter-ministerial exchange that was not dictated from above. This enormous range of change required above all a systemic transformation of perspective.

As the new Civil Service Law is implemented, gaps become manifest in certain areas: inadequate formal guarantees of nonpartisanship, especially in the higher civil service posts including directors-general and department heads; low requirements for knowledge of foreign languages; the condition that one must have served several years in the administration to be considered for a managerial post, which favours persons who advanced under communist rule. Special administration at the local level poses serious challenges to unifying the management of employees and introducing common standards for different groups of personnel across the public sector. Civil service qualifying exams must be revised to put greater emphasis on candidates’ problem-solving skills. All these and other gaps and weaknesses are being addressed by the present government, and necessary modifications in the law are being forwarded to Parliament.

A number of legal measures have been introduced to maintain high ethical standards and reduce corruption in Polish public administration, among these the following: a ban on employment of married couples and persons tied by bonds of kinship where they are linked by reporting lines; restrictions on business activities by state employees, including ownership of stocks in firms, and serving on company boards; declarations by civil servants and parliamentarians of their assets and those of their closest family members; and public tenders for public sector purchases, barring offers from relatives of state employees. In personnel practices, an open system of recruitment of administration staff is followed with press announcements, competitions and qualifying interviews before a commission. Results and missions stemming from inspections of public administration entities are made public. There is continuous analysis of the results of various inspections carried out in state bodies, as well as information obtained from the general public, to determine which state bodies exhibit symptoms indicative of illegal activities. There is also a training programme for new civil servants which includes lectures on these ethical and pragmatic aspects of service.

Unfortunately, the inflow of well-qualified staff is limited by enormous competition from the private sector, which offers much better conditions for young educated people. However, because public service offers job security, one immediate interim solution is training and upgrading of skills of people already on the job. Such large-scale training of public officials is also necessary to Poland's integration of its administrative structures with those of other EU members.
Lessons from the Polish Experience

Like Hungary and Czechoslovakia, Poland has long had complex administrative and financial institutions. Its challenge revising and adapting these institutions, as well as creating a few new ones to serve the needs of a capitalist economy within the framework of a capitalist democracy.

In reforming administration and the civil service, Poland faces not only the legislative and institutional challenges discussed above, but the daunting reorientation of its administrative culture from the communist patronage system to a merit-based neutral civil service system. The reform experience shows that while the task of such comprehensive change is difficult, it can be done slowly if sufficient awareness and commitment about the desired actions and results are widely shared, priorities are established, and appropriate action is taken. The Polish experience also shows the significance of watchful eyes, assessment and guidance from a regional organization — the European Commission—which sets the model and standards in reform areas, and the usefulness of relevant and timely technical assistance that can be provided by such technical bodies.
CHAPTER SIX --
AN AGENDA FOR ACTION: BUILDING PARTNERSHIPS
FOR EFFECTIVE CIVIL SERVICE REFORM

This final chapter offers a number of suggestions, albeit somewhat tentative, for launching and sustaining civil service reform, as well as approaches and guidelines for partnership in this kind of endeavour. The role that external agencies like the UNDP can play in the civil service reform process, particularly in developing countries, will also be explored.

One of the most important lessons that emerges from the preceding pages is that significant administrative and civil service reforms are not primarily technical, but essentially political and governmental in nature. The success of reform initiatives depends on the willingness of political rulers to take the necessary risks to commit themselves. There must be compelling reasons for the power elite, especially political rulers, to undertake and commit to the continuation of reforms. These may include altruism regarding social and economic change, power drives to raise the economic and political status of their country in their region and the world, or simply their need to survive and perpetuate their power.

Emerging democracies do not necessarily guarantee rapid comprehensive civil service reform. Democratic polities are based on a precarious balance between relevant autonomous institutional spheres with different mandates, methods and means. A commitment to democracy is sometimes a barrier to rapid learning and change. Yet country experiences show that popular understanding and support for reform has provided sufficient motivation and support to reform leaders.

As we seek to draw lessons from reform experience, it may be interesting to explore why reform is not undertaken even when there are compelling reasons for doing so. For example, there was a bipartisan consensus in the US Congress in 1995-1996 for reshaping the federal bureaucracy. Five fundamental principles for reform (Kettl and others, 1996:2) were agreed:

- It builds much needed capacity that is often lacking to solve government’s tough new problems;
- It rewards creative, high-performing civil servants with better pay;
- It provides civil servants with more flexibility in contrast to the system’s dysfunctional rigidity;
- It holds civil service accountable for that flexibility with strict measurements of their performance; and
- It develops and encourages strong leadership by career officials to promote the public interest.

Yet nothing much has happened in reforming the US civil service since 1996.
The civil service system in many developing countries is much worse than that in the USA -- rather like a bridge on a river that appears to be solid on the surface, but that has actually been eaten away by years of corrosion until it can no longer support the load it has to bear. The bridge collapses, plunging motorists to their deaths, and crippling the area’s transportation system. Yet the repair job is not undertaken for several reasons. First, government management in general and the civil service in particular is not an "exciting" issue politically; although CSR may be on everyone’s checklist, it does not have high priority on anyone’s agenda. Second, though everyone agrees on the need for change, the consequences of not reforming the civil service never seem momentous enough to force it into the political mainstream; it can always be deferred. Third and more importantly, reforms are not easy for career civil servants. Political powerbrokers and influential legislators have a strong vested stake in maintaining the status quo. Its dysfunctions are far more comfortable than the uncertainties that real reform will bring. Moreover, many influential civil servants have strong interests in protecting their own special authority and connections, and change may threaten their position and control.

Frustrations with reforming the traditional bureaucracy have led many countries to experiment with alternative models such as market government, participatory government, flexible government, and deregulated government. These alternatives have limited usefulness; each of them works well only in some areas, for some issues -- but not for all aspects of government’s activities. Reforming the traditional bureaucracy still remains the best method for running government business to preserve and promote the public interest (Ott and Goodman, 1998: 58,540-545).

**Features of a Competent Civil Service**

The United Nations General Assembly, in its resolution 50/225 in May 1996, on public administration and development, noted, “the rapid pace and interdependence of global, political, social and economic developments and their implications for all countries, particularly the developing countries” and emphasized that there is “a critical need for improved efficiency and effective public institutions, administrative procedures and sound financial management to harness these challenges in support of sustainable development in all countries”. The Assembly also recognized that “effectiveness of government requires an efficient and effective public administration in all countries that is responsive to the needs of the people, promotes social justice, ensures universal access to quality services and productive assets, and creates an enabling environment for sustainable people-centered development.” The Assembly reaffirmed “that democracy and transparent and accountable governance and administration in all sectors of society are indispensable foundations for the realization of social and people-centered development”; and it recognized the need that “governments in all countries should make their procedures transparent in order to avoid and combat all acts of corruption.” The General Assembly further recognized the need for public administration systems to be “sound, efficient and well equipped with the appropriate capacities and capabilities...through public sector administrative and management reform, with emphasis on enhanced efficiency and productivity, accountability and responsiveness of
Key features of an effective civil service system include:

- **A Merit–based, neutral civil service.** Objective criteria in selection and promotion of civil servants should allow them to function without fear or favor, in keeping with the public interest within the framework of laws and regulations.

- **Well-structured, "right"-sized and well-paid civil service.** A minimal number of levels and categories of civil servants fosters movements and career opportunities without creating internal tensions and stresses and promotes an ethos of unity and oneness among civil servants. Both excess numbers and understaffing can adversely affect the overall performance of a group or organization. In the case of bloated size, the service may not be able to pay adequate salaries to all the civil servants who are critical to establishing and sustaining an efficient and relatively corruption-free civil service. Compression ratios within the levels of civil service salaries need to be balanced with adequacy of support services, such as transport, housing, health and education and equitable job challenges, openings for advancement and training facilities that are available and fairly administered in the system. It should be remembered that individuals who join the public service may not be motivated by monetary incentives alone. The civil service system must therefore seek to preserve and support those values and aspirations.

- **Accountable, professional and relatively corruption-free civil service.** Transparent accountability systems for the proper functioning of the civil servants should be clearly established within the legal and administrative framework and be overseen in strict conformity to laws and regulations. Such accountability systems and practices are supported by establishing a professional code of behavior and ethics in guiding civil servants’ actions and service behavior with citizens, clientele and other groups. A corruption-laden civil service is not able to maintain its competence, efficiency and responsiveness over time, although limited corruption in the very short term -- for example, grease payments to clear customs for useful materials or get approval of productive projects -- may contribute somewhat to certain socioeconomic goals. However, persistent and pervasive civil service corruption has eaten away the benefits of reform in many cases, and has undermined the sustainability of democratic and development gains.

- **Relatively autonomous, responsive and representative civil service.** To be efficient and effective, a civil service system needs to have internal autonomy of operations, especially with respect to personnel recruitment and advancement within the legal and administrative framework, guaranteed by a national constitution. Such autonomy needs to be buttressed by the values of neutrality and service so that the system can protect itself from undue interference from the political process and political rulers. However, the need for autonomy has to be balanced with the requirement for responsiveness to the needs and wishes of people, as expressed through various elective and
participatory mechanisms and processes. Similarly, the issue of representativeness as it relates to the ethnic, linguistic, cultural and gender background of civil servants is very important, especially in countries with diverse ethnic and national groups and limited female participation in the public service.

- **Well-trained, performance-oriented and relatively open civil service.** Purposeful training for updating and acquiring skills, and proper orientation for changing needs in the administration and for purposes of promotion and for carrying out public services is very useful. Similarly, the recent focus on performance and related incentive systems deserves careful consideration. Although sophisticated and highly publicized methods are used in performance-focused programs in many developed systems, it is not certain that these individual-focused monetary incentive systems have worked, or if services have really improved. What has been accepted is that funds and personnel (the inputs) have either been reduced or held constant while services have been provided at previous or higher levels. However, it has also been observed that individual-centered monetary rewards and the competition that results tend to erode the group values of public service, while group or agency-based incentives reinforce the spirit of public service. Non-monetary recognition seems more appropriate for individual centered incentives in the public service.

Recent "reinventing" and restructuring movements, which have taken place large in developed countries, focus on creating competitive pressures in the civil service, including opening the system up to private sector ideas and approaches, including those for hiring personnel at almost all levels. While a full-scale embracing of this openness seems inappropriate to public administration in many developing countries, a selective approach of openness, especially with respect to methods and practices and certain categories of jobs at certain levels, may be useful for injecting freshness and dynamism in the public service system.

**Preconditions for Developing the Civil Service**

None of the above features of a competent civil service, arranged in order of importance for developing countries, can be posited in absolute terms. Nor can any absolute standard for each of these features or sub-features be developed and measured. Each country develops its own criteria, standards and measuring system, keeping in view its societal and institutional values, in developing and sustaining these features. However, certain preconditions have to be met. Bearing in mind prevailing conditions and prospects for serious civil service reforms in many developing countries, only five are listed below:

- **Establishment of a national political system.** Countries in civil war or with severe conflicts among its various competing ethnic or territorial groups will have little chance of achieving or sustaining even the most basic conditions for
establishing a competent civil service. Congo, Angola, and Sierra Leone are examples of countries where the civil service is not a high priority.

- **Establishment of a stable and working constitutional system.** Some countries that are recovering from political breakdown -- such as Cambodia and Rwanda -- or that have been under oppressive military rule for long periods of time have yet to create a working constitutional system. The institutions and practices of a constitutional political system need to be built up, including governance structure, electoral systems, transfer of power through peaceful process, moorings for the rule of law so that reforming the civil service system can be seriously considered.

- **A working economic system.** Even when the above two conditions are met, it is difficult to initiate serious civil service reform in an economic system that is beset by severe problems such as hyperinflation, large budgetary deficits, large-scale flights of capital, mismanagement at operational levels, and corruption. Even countries that have experienced sudden affluence from natural resources, such as Nigeria and Venezuela, have seen that continuous mismanagement of the economy created an excuse for postponing serious civil service reform. In some other cases, such as Argentina, Bolivia and Chile, where both the economy and civil service were in bad shape, economic reform was initiated earlier or in tandem with civil service and administrative reform.

- **Understanding and unity on the part of the elite for orderly change.** The elite leadership will continue to be critical in articulating a vision for the future, establishing priority goals and policies and mobilizing resources and popular support for these modernizing and developmental goals. It becomes easier to bring about reform, including positive changes in the civil service, when understanding and unity on broader goals prevail among the elite, as in Botswana, Malaysia, and China.

- **An informed and enlightened electorate about administration and civil service.** In many countries, the electorate is still mystified about administration and its processes and fairly ignorant about the civil service system and the way it operates. Even the elite, especially the political leaders and their immediate entourage, have a limited view of the overall policy and management processes -- which senior civil servants sometimes shroud in as much complexity and mystery as possible. With the introduction of democracy based on universal adult suffrage in most developing countries, the political leadership has a duty to communicate to the electorate the need for administrative and civil service reforms or the outline of such reforms, even in their electoral platforms.

Governance and civil service reforms in most developed countries -- for example, Australia, Canada, New Zealand, the United Kingdom and the United States -- have been brought about on the basis of an electoral mandate received through campaign debates on issues of governmental management and civil servant roles and performance. Similar debates are needed in many
developing countries in order to develop a deeper understanding of the roles of government and civil servants in the everyday life of individual citizens.

**Guidelines, Programme Components, and Process Lessons**

Given the diversity of political, economic and administrative environments and varied prospects and preparedness for serious civil service reform across countries, it is impossible as well as impractical to suggest any specific agenda or programme of reform. Instead we would like to suggest a few guidelines, some programme components, and some lessons learnt for the reform process, as well as some comments on the role and contributions that could be made by external agencies, including UNDP.

- Governance, administrative and civil service reform processes are essentially an internally regulated endeavor. Lasting reform in these areas needs to be felt, articulated, and championed by the local elite and power groups, and the specific reform programme must be debated, developed and steered for implementation by the national local system. In all these phases and processes, the national actors and institutions have to be in the driver’s seat, while ensuring the full interest of political rulers in the articulation and formulation process, their full commitment in the initiation process, and the force of their political will in the process of implementation. All successful comprehensive reforms have shown these features.

- The role of external agencies is limited, but can be critical. In comprehensive reforms with full domestic political interest, commitment and will behind them, donors can provide direct technical support to the central agency steering the programme and to the executive agencies undertaking various components in designing and implementing the programme. Donors can also share the experiences of other relevant countries to alert reform leaders to the hurdles and challenges they may face, thereby making the reform strategy and programme components more realistic. Donors can also provide technical and financial support to critical institutions and processes in the governance environment -- for example, research, training and evaluation agencies, professional associations for reform-related research, workshops and journals, community and interest groups involved in the reform process, and media support publicizing reform activities.

- In countries beset by civil war and the absence of an established central authority, there is virtually no scope for reform or even building institutions and personnel for civil service reform. There is some need to offer support and protection to individuals and groups from a troubled country living in other countries, so that their skill and expertise can be preserved; for younger individuals some expertise and skills can be developed. In the case of South Africa and other countries, donors supported exiled nationals in the expectation that when political stability returned, these individuals would return.

- In countries emerging from conflict and at various stages of rehabilitation, there is scope for significant civil service reform, as was the case in Uganda, with strong
leadership. In other cases, where there is an absence of decisive leadership and very limited administrative and civil service capacity, such as Cambodia, there is scope for building institutions and capacities rather than undertaking thorough reform. External agencies should design their strategies and support in view of the needs of the governance environment.

• In most other developing countries where bureaucracy plays a key role in the overall political system, as in many South and East Asian countries, the chances of a comprehensive and dramatic civil service reform are limited. The popular perception of bureaucracy in these and similar countries is that of a self-serving community working for the interests of those in power while enriching and strengthening its own, but never for the interests of the people. Here governmental reform may comprise a series of significant renovations that would differ substantially from one nation to the next, but rarely as dramatically as in Argentina and Uganda. However, there is no guarantee as to if and when such a reform process will be initiated.

In these cases, donors’ involvement has to be indirect and diversified. Strategies may be geared not so much to bureaucratic groups as to external governance groups in order to generate sufficient pressures for reform. Donors need to realize that championing the cause of reform by the local elite and groups is critical. Donors can give support to local groups and institutions and media to analyze the design and delivery of government services and publicize their results, relating them to the daily life of citizens and clientele groups, to support specialized training and research efforts in visible areas like health, education and infrastructure to bring home the need for improvements and similar activities.

Donors may actively support activities that enhance the capacity of individual legislators and the legislature as an institution in understanding governance and policy processes and the working of administrative organizations. Similar support may also be given to judicial reform towards simplification and enhancement of judicial capacities in dealing with cases speedily. In terms of providing support to the administration and the civil service, priority should be given to supporting institutions and capacity building in areas that concern improvement of organizational goals and missions, performance review of government organizations, reporting, accountability, and other structures providing control on governmental activities.

**Elements of Partnership Strategy**

In the context of the above guidelines and programme approaches, the following suggestions can be made regarding the strategy and practices in the design and implementation of reform.
• Treat reform efforts as a learning process and seek to develop a comprehensive civil service reform in tandem with other reforms (economy, constitution, decentralization and so on), with appropriate forward and backward links;
• Focus reform efforts on achievable and affordable results, such as "right"-sizing the civil service, reducing corrupt practices, improving accountability systems and processes, introducing performance-oriented management principles and techniques, and using realistic targets, while integrating capacity-building components in all dimensions of the reform programme from the outset;
• Unless dictated by severe budgetary considerations, avoid placing the main focus on downsizing the civil service. Instead, focus reform on more system-wide, group-oriented changes in institutions, processes and procedures, using training, improved management systems, accountability and non-monetary rewards as vehicles;
• Keep the programme as simple as possible, while ensuring that the reform planning and coordination agency provides clear guidance on priorities and targets to be observed by line agencies in implementing specific reform goals and components;
• Treat reform as a change process and assume there will be resistance to change. Accordingly, identify sources and points of resistance, and develop appropriate strategies (strengthening supporters and convincing doubters and opponents) to overcome hostility to change from the beginning;
• Combine a mix of a directive approach from the central reform steering and coordinating agency with a participatory approach in the line agencies, where closer cooperation from all relevant units and key personnel will be needed to plan and implement reform contents;
• Develop strong advocacy for the reform programme from the top executive and other political and bureaucratic leaders, while seeking to ensure strict accountability and control over the use of funds and resources vis-à-vis reform goals, preferably through a high-level independent review body (for example, Office of Auditor General);
• When necessary, use donor support in as many phases as required, with increased involvement of local experts and institutions. When several donors are involved, take direct responsibility for coordinating and managing donor support through regular meetings to review progress, resolve outstanding issues, and map out future strategies;
• Finally, promote participatory democratic values and practices, accountability and transparency by involving the civil society in making inputs to the reform programmes and assessing the performance of the civil service through periodic service-delivery surveys.

**Partnership of Politicians and Civil Servants**

Developing countries that have achieved some measure of success in CSR exhibit a greater degree of understanding and cooperation between civil servants and political
leaders. However, in many developing countries mutual disrespect and distrust characterize the interaction. Politicians often publicly blame the bureaucracy for government failures, while bureaucrats accuse politicians not so publicly for misrule and partisanship, abusing political power and practicing indiscriminate corruption. An adversarial situation is not conducive to meaningful CSR. A genuine understanding of each other’s role and mutual support for performing that role through mutual cooperation and public defense is essential for improved governance, including performance-oriented CSR. Policies and measures promoting respect and confidence among politicians and bureaucrats need to be actively pursued in countries seeking to adopt serious institutional reform in the public sector. Donors and international organizations may develop appropriate lessons and guidelines drawn from relevant experiences from other countries for use in these countries. The increasing attention and gradual institutionalization of the public interest concept and its ramifications in the policymaking and implementation process may provide a positive framework for clarifying the role of politicians and bureaucrats and motivate them to work together for a larger goal. Both groups need to be focused on being real partners in making the public sector more efficient and effective in defining and achieving national goals.

**Private and Public Sector Cooperation**

Recent civil service reforms have largely been motivated by the desire of reformers to instill and emulate in the public sector the perceived superior values, efficiency, flexibility and entrepreneurial dynamism of the private sector. In many of these countries the private sector was more advanced in managerial innovations, and many corporate leaders were actively involved in public sector reforms, using the well-known approaches and methodology of private sector management. While such an advanced private sector has not emerged in many developing countries that urgently need public sector reform, private sector activities are expanding rapidly in these countries, often induced by a growing involvement of foreign capital and transnational management. An alternative model of large-scale management is slowly emerging, and its interaction with the public sector is expanding, thereby resulting in a public bureaucracy more open to criticism and challenges on the home front, possibly attracting serious attention from local critics, and prodding bureaucracy to reform itself. A growing public and private sector interaction to promote transfer of organizational technology and guidance will be useful for CSR, if bureaucrats are allowed to increase their cooperation in greater harmony.

**Partnerships with Civil Society and Academic Institutions**

There is no substantive, concrete discussion in this section, despite a wealth of literature on the subject.

**Partnership between the International Community and Host Country**
What is said in this section that has not been said in earlier chapters and earlier in this one, especially in "Elements of Partnership Strategy" and "Partnership of Politicians and Civil Servants"?

Donor-driven efforts in governance and civil service reform in developing countries, especially in Africa, are legion. Even better known are donor attempts in many countries to initiate public sector reform through persuasion and condition. The experiences of these endeavors are mixed, more so due to the negative aspects of visible and expanding donor participation. The issues are complex: donors and lenders would like to see their grants and loans benefit the recipient country, and not be wasted through mismanagement, misappropriation and misdirection. Initially they tried to operate only in the sector to which they have directly contributed, only to realize that the pervasive and preponderant influence of the total public sector will offset whatever gains they may achieve in their limited area. Many donors and lenders actively argue, advocate, support and promote public sector reform in various countries.

The problem is that such visibility and involvement identifies reform with the donors, undercutting national ownership in a serious way. The issue is how donor involvement and support can be assured without visibility so as to increase local ownership of reform activity. The problem in many cases is that donors define the need, issue, focus, scope and content of a reform package, and the ownership is identified right there and then. It may be desirable that governments be left to themselves to use their own commissions/committees to thrash out reform issues and outlines without initiation from the beginning. Various approaches are now being debated, based on recent experience, and these will provide guidelines on the nature and extent of donor involvement in different governing environments. The critical point is to encourage greater local ownership of reform initiative, if possible right from the start, even if the initiative is limited, for complete success in a limited program will contribute more than limited success in an ambitious program towards creating and sustaining a pro-reform environment in the public sector. In this context, the partnership between the international community and the host country for the purpose of public sector reform requires more careful consideration, going beyond the immediate short-term needs and perspective of donors, and focusing on gradually building a viable and sustainable public service with a body of capable and performance-oriented civil servants.
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