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Institutional and Organizational Restructuring of the Civil Service in Developing Countries

by

Professor Oscar Monteiro*

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* The opinions expressed in this paper are those of the author and do not necessarily reflect those of the United Nations, the Government of Italy or the Government of the Kingdom of Morocco.
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The paper is made up of an introduction and four parts. As an introduction, we thought it useful to briefly describe our understanding of the basic concepts that underpin this paper, i.e. civil service reform and development, as well as a recall on how the notion of the developmental state emerged, namely the origin of the new developing countries, most of them former colonies, and the rapid expansion of services that accompanied independence, and how it culminated in a crisis of service delivery and State legitimacy. In a first part we present the lessons learnt and assess the reasons why certain reforms turned into best practices while others got stuck or had consequences opposite to the objectives. In a second part we contextualize the complexity of increasing challenges and pressures public service in developing countries, namely the poorest ones, are faced with. A third part describes the rise of NPM as a paradigm, the hope for improvement it generated and its main differences in relation to the traditional models of administration. Also the requirements New Public Management puts on the State and the positive and negative side of its implementation are assessed. In part four, we start by refreshing some notions about the core functions of the State and address the issue of optimising institutions, focussing on the widening of the realm of the public sphere to encompass other actors such as associations, communities, and sometimes the private sector in providing public goods. Finally, in a conclusion we present some elements on institutional and organizational restructuring of the civil service in developing countries that we consider critical for the discussion in this workshop, which we highlight as points that could be raised during the debate.

Introduction: Conceptual framework

Two concepts are central to our theme: civil service and development. When we discuss the civil service in developing countries it is always based on the assumption that the civil service does have a casting voice in the development debate. The entry point is the civil service; the outcome is to be development. The civil service and its institutional and organizational restructuring are not ends by themselves, but rather means to improve the quality and quantity of development outcomes, both physical and spiritual. Therefore, we have to consider the civil service in the broader framework of the state.

We define the state as a set of organized institutions (of which the civil service is one) with a certain level of cohesion operating in a given spatial territory. The state has the socially accepted (i.e. legitimised) function to define and enforce collectively binding decisions and can claim sovereignty over all other institutions and must be recognized as such by other states.

This complex governmental form has evolved slowly throughout history and was preceded by and competed with other systems of government for centuries. The universal spread of the state as government system is fairly recent as is demonstrated for example by the increase of UN member states from 51 in 1945 to 191 in 2002.

The state has manifested itself in many different appearances and with greatly varying strengths and weaknesses. As we will see further on, globalisation has induced a strong tendency towards standardization as communication technology permits faster and wider exchange of information. We can also refer to the increasing number of international meetings where government issues and techniques are discussed and to the gradual spread of universal values and principles about the ‘res publica’ (e.g. human rights, free-market, etc.).
We will use the terms state, government, civil service, public sector and public administration colloquially and interchangeably although we are aware of the conceptual differences and nuances.

The conceptual pluralism can be extended to the debate on reform, as there will be references to civil service reform, public administration reform and public sector reform. Narrowly defined civil service reform is limited to human resources, while public administration reform would also imply structural reform and process re-engineering. In both cases it is inward looking. In public sector reform the civil service is considered not only inward looking, but also, or even mainly, in its relations with other institutions (civil society, private sector, etc) or other dimensions of the organization of society (judiciary, executive, legislative, etc). Also here, we opt for the broad interpretation. If we part from the assumption that the civil service in developing countries primarily has a development function then we cannot consider it isolated from other political, social and economic institutions.

Throughout the paper there will be references to the different models or organizational paradigms that have influenced public administration over the last century. The first, traditional bureaucracy model refers to public administration organized as theoretically outlined by Weber. This model was the conceptual framework for the development of administrations in what is generally referred to as the Western world. The second, developmental State is typical for countries that gained independence as from the 1960’s. The third, New Public Management model emerged in the 1970’s and was mainly applied in the “developed” Anglo-Saxon administrations, but some elements of it have spread more widely. The fourth paradigm mentioned is that of Good Governance as it developed from the early 1990’s, mainly referring to the developing world. Characteristics of the four models will be presented in the paper, but with particular emphasis to the traditional bureaucracy and the New Public Management.

The development phenomenon is as recent as the spread of the state system. It took shape through the new dynamics in international relations post-World War II and in particular through the decolonisation. The basic idea behind development is the belief and conviction that all states can be enabled to create the welfare conditions that exist in what now became the developed world. International mechanisms were developed to assist developing countries in creating those conditions. The discussion about “how” this transformation could be brought about in the rather short term resulted in several paradigm shifts and in some cases even in the denial of the development concept itself. We do not want to enter this debate, but realise that, whether effective or not, the state has been and continues to be the main channel for efforts to grant an increasing number of people rights and freedoms and the means to use them.

We consider that public administration can make a difference in this process (both in a coercive or emancipative way), so it is more than worth looking into the possibilities of how the administration can be optimised.

Before explaining the context in which the defined concepts operate, we would like to refer to a few landmark publications of the United Nations in which changing views and approaches over the last 50 years are reflected: Standards and Techniques of Public Administration (1951), Handbook of Public Administration: Current Concepts and practices with Special References to Developing Countries (1961), Development Administration: Current Approaches and Trends (1975), and Rethinking Public Administration: an Overview (1999). A special reference also needs to be made to the World Bank’s World Development Report 1997: The State in Changing World.
• The emergence of the developmental state

At the eve of independence most countries were facing daunting tasks of building a country and an economy geared to the needs of the common man. A new feeling of citizenship had emerged as well as a sense of identification with the State, which in turn put a strong pressure on public administration to deliver. This magic word was most often interpreted as meaning that the State had to deliver rather than that “we” have to deliver together. The magnitude of the needs was underestimated: most people thought that the capacity of the State was limitless in providing services. This was not the case even for the basic needs. In the cases participation was attempted it was more in the consultative process and not in an empowering way, i.e. letting the communities decide for themselves. A crucial element was missing: financial reform that would allow a closer assessment of needs and local decision making on priorities. On the contrary, in some cases, given the departure of qualified personnel, many functions, both administrative and financial, were centralized.

As a result the State had to do more with less financial resources and far less qualified personnel. The full potential of the independence movement, as far as the willingness of citizens to contribute and participate, was exploited to a certain degree, but not many countries managed to sustain citizen participation for a long period or to rely enough on local communities. The structure left was extended to cater for larger areas and larger groups of people.

On the one hand, the effect was that the gap between the modern State and the communities only became wider. On the other hand, it became difficult to adapt what had been inherited from the colonial period to the larger scope of the State. As a rule, colonial administration was in a certain way minimalist as far as it was mainly concerned with the interests of domination and exploitation, and only concerned with welfare of the people to the extent that was instrumental to the aims of the administration. The upsurge of needs and demands in the aftermath of colonial rule in the independent states placed a heavy burden on the state machinery that was not prepared to cope with it.

In many cases, after independence, administration engaged in direct production under strong ministerial control (often with monopoly) either to cater for the needs that the weak or even inexistent market could not deal with, as a result of political orientation. Often too it was forced into it in order to keep abandoned production units working. Although this entailed a change in the nature of the function and style of management inherited from the colonial bureaucracy, the structure and methods of the State remained basically the same. It was not the economy changing the management style of the State -- it was the other way round.

The assumption by the State of many of these functions first led to the introduction of State administrative practices – the only ones known to the new elite – in the productive sphere. The weight of the State it carried along was useful at first to get things done and in some cases large and effective projects were promoted, but the method was unable to deal with the specific demands of economic management at productive level. The new kind of States fared much better on the delivery area, and in some countries achievements were made in particular in education and health. Namely in health, at grassroots level wherever State capacity, professional commitment and citizens participation were harmoniously blended, notable and pioneering successes were achieved.

Overall, many new State services were created – the trend today as well as that time is still to create an institution for every identified need – and the number of public servants increased manifold. This was even more so in countries where the economy did not take off as expected and the State was, and remains, the largest single employer.
At a certain point, the new States realized, one by one, that the level of service provision was not sustainable and with the increase in demand, partly due to increases in population growth rates. However, caught in the turning wheels, the new States did not know how to stop. Deficits were on the rise: the first measure was to resort to foreign aid, the second to increase the supply of money. All this led ultimately to a situation of increasing and un-payable debt at international level and an explosive social situation at home.

Civil service reform became in the first place part of the international agenda and was to be realized through projects and conditionalities.

Part 1: Lessons learnt from Civil Service Reform

Probably the most widespread consolidated set of recommendations are the “Guiding Principles on Civil Service Reform” prepared by the Civil Service Working Group of the Special Programme of Assistance for Africa (SPA) in 1992. The document deals with the overall approach to reform; the programme design; implementation, monitoring and evaluation; and donor assistance. This index doubtlessly reflects the absorption of civil service reforms by the international cooperation agenda.

Here we enter the territory of the practitioners. Frontline reform planners and experts, national and international, have often been confronted with disappointing or partial results of reform efforts. A 1999 World Bank survey of 124 reform projects in 32 countries rated 2 out 3 projects as unsatisfactory and even where positive results were identified, no there were often no guarantees for sustainability beyond the project.

Similar previous records had already resulted in a search to improve instruments, approaches and techniques to bring reform about. Various agencies analysed their experience and tried to distil lessons and best practices attempting to improve the success rate of reforms.

Some overviews specifically try to identify successful reforms or so called best practices with the intention to see whether these successes can be replicated in other settings. Other reviews look for common characteristics in successes and failures and aim to formulate guidelines, “prescriptions”, that should minimise failure and increase the success rate.

Over the past years, comprehensive overviews have been carried out by several UN agencies (UNDESA, UNDP, UNRISD), the World Bank, the Commonwealth Secretariat, the OECD, ECDPM and also by independent academics (e.g. Peters, Bekke et.al.). Further down we will give an overview of the diverse conclusions and recommendations that resulted from these reviews.

But first we would like to raise some questions.

Is it clear what we are measuring? The priorities and instruments of reform programmes have changed over time, making it difficult to measure success on the basis of today’s standards. Do we evaluate the intended outputs of a certain project with or without measuring their impact? And what are the criteria? For example: in Mozambique the Government has tried to respond to the pressure to speed up the procedure of obtaining a land title. If we measure the output (the number of title procedures completed and the time they were under way) there has been unequivocal progress. The output of this process re-engineering is even impressive. Yet, the outcome may be less positive: an essential part of the land legislation defines that local communities need to be consulted about land title requests, no doubt something which is a time consuming process. Under the pressure to become more efficient, the administration is now more and more overlooking public consultation. By a measure of efficiency the reform is a success, but by a measure of participation the results are absolutely negative.
The literature reflects growing consensus that it is more important to look at outcomes, i.e. real impact, than at outputs. Moore, Leavy et.al. (1999) have tried to quantify the outcomes of governance through the RICE (Relative Income Conversion Efficiency) index. For a sample of 61 developing countries, over the period 1980-95, they calculated a measure of the efficiency with which national political-economic systems convert a given volume of material resources (GNP per capita) into human development (longevity, education and literacy) for their citizens. Their general conclusion is that aid or mineral dependent countries tend to perform badly, while governments that are dependent on their own citizens for critical resources appear more effective. The resource dependency situation of a country will thus have an impact. In fact, this has implications for the potential outcomes of civil service reform. In other words, it is difficult to define what constitutes a success and if so, what the exact cause of that success may be as the literature increasingly attributes success to context rather than to the intrinsic qualities of reform interventions.

In terms of lessons learnt, we organized the information from the literature in two parts: 1) WHAT reforms seem to be most successful and 2) HOW are reforms best implemented, i.e. process advice. We will attach to this second part some conclusions that are directly linked to the standard modality of implementing reforms: externally financed projects.

Regarding what reforms prove to be most successful or most apt to fail:

- One fairly generalized lesson is that institutional reproduction and replication (so-called “administrative mimesis”) has rarely been successful but in fact often had disastrous consequences as existing institutions disintegrated while governments failed to replace them with new and better structures.

- The more reforms are demand driven, the higher the success rate. If reforms are mainly the brainchild of some overseas development agency with local decision-makers going along solely to avoid denying their country aid money, reforms are likely to fail.

- Clearly defined and realistically planned reforms have a higher success rate. It is important that reform initiatives are based on proper political, financial and capacity analysis. That, rather than some blueprint or example from another country should be the basis for reforms. This implies that one would have to accept and go along with less than ideal reforms. In this sense, the saying that “the perfect is the enemy of the good” is fully applicable. However, this is not obvious as governments are not likely to accept second rank solutions and it is usually in those countries where the need for change is greatest that one has to be most restrained and unambitious.

- Stimulating innovation initiatives by special rewards and competitions, demonstrable and tangible quick wins (usually process re-engineering exercises of administrative services) and visible and audible reform champions or pioneers all helps to take reforms forward.

Regarding how reforms are most successfully implemented:

- Political will and effective leadership are absolutely essential, without these features reform will be a mere formalistic exercise in window-dressing.

- Reforms have been most successful if implemented in a consistent and incremental way, rather than a revolutionary shock therapy, but at the same time real or perceived crisis is usually beneficial for reforms. Reforms triggered by problems and conflicts should be given priority.
• Problems in the administration are often considered as technical issues that can be resolved by a sequence of almost critical interventions while they cannot be isolated from wider political and financial parameters. A technocratic approach is bound to fail.

• Capacity building should not only be technical, but also process oriented.

• Both directive (centrally guided and decided) and participative approaches can be effective, depending upon the situation. Participation can however also serve as a tool to slow down or undermine reforms.

• Potential and real opposition and resistance should be anticipated and properly taken into account at any time. Resistance not only emerges when vested interests (political, bureaucratic or private) are at stake, but is also due to bad previous experiences with reform.

• Negative unintended consequences and poor results of earlier reforms hamper new reform initiatives.

• Traditionally, the reward for reform initiatives taken by civil servants themselves are very uncertain, while failure may have a disastrous impact on someone’s career.

• Focus on principles and values (public interest, responsibility, efficiency, etc,) rather than specific results.

• It is crucial to have a consensual, comprehensive vision or purpose for the reforms, but in terms of implementation an organic approach can be more suitable. As the differences are so large between countries, but also within countries, experience learns that one has to combine a unity of principles (see higher) with a diversity of implementation methods. In other words the operational aspects need to be based on raw empiricism and practical knowledge, rather than a set of guidelines. Interventions need to take into account local routines, tacit beliefs and informally organized interactions.

• Be aware that civil service reform is a political process. So politics need to be taken seriously and not as a disinfected notion of management, governance or administration.

What we are trying to say here is that there are no obvious, easy lessons that can be learnt, a statement that is probably confirmed by the multitude of attempts to identify a breakthrough common denominator that can facilitate reform efforts. But if we have to summarise the key lessons learnt as reflected in the literature of the last few years we suggest that they are: 1) Politics is at the heart of reform and 2) Dogmatism is never helpful, rather the focus should be on diversity and eclecticism in the search for solutions. China for example, is moving towards both NPM (more professionalism and efficiency) and Traditional Bureaucracy (rule-based instead of politics-denominated system).

Going through the lessons learnt the most striking point though is not the vastness and diversity of recommendations, but rather the fact that all those lessons continue to be ignored time and again. Reform strategies and projects may refer to good and failed practices, but only rarely do they seem to be taken into account during the formulation of implementation plans and the proper execution.
Part 2: Context: increasing challenges and pressures in developing countries

Defining policy and management has always been a difficult challenge. Doing so in a developing country has become increasingly difficult as developing countries sit in a web of tensions of many, and most often conflicting, if not contradictory, demands and capacity to deliver.

The first tension stems from a growing demand for services and a proportionally weaker capacity of States to deliver. The pressure is partly the result of past achievements – generalization of education and information, enforcement of rights – even when imperfectly achieved in comparison with other countries standards. The ongoing process of democratisation and its drive for more equalitarian societies is putting extra pressure on the administration.

The tension is exacerbated by the pace of growth of these demands, which is unrivalled by anything that happened in the previous centuries and even during the first half of the XX Century. While developed countries have had time to put their institutions in place over a period of centuries, developing countries have been going through periods of disruption, curtailment of institutional development or its subjugation due to colonial domination. Models of organization have been basically foreign and very often a degeneration of the system prevailing in the colonial country has been superimposed or suffocated local institutions.

The second tension, between the basic (modern) model of the State and the societal forms of organization, to which no satisfactory link has yet been found stems from this situation. The modern state, based on formal rules, has not been able to merge completely with the traditional forms of societal organisation that are often based on informal rules and relations. One can even say that in many aspects more traditional forms of organizations have prevailed and still dominate formal state structures. It is sufficient to refer to previously existing systems of patronage that have successfully captured the state and resulted in deeply engrained patrimonialism.

The third tension results from the increasing pressure for a growing regulatory role and a diminishing capacity of the State. An expanding private or non-state economy puts tremendous pressure on the State to negotiate and regulate ever more complex issues when it has less and less capacity to do it in terms of qualified personnel, equipment and access to knowledge. The painstakingly managerial capacity developed when the State was managing large economic and social sectors was absorbed by the private sector. This has lead to situations where negotiators on the private side of the table know more about State issues than their counterparts.

The fourth tension lies in the much more complex nature of regulatory role than direct management. The trend for a more regulatory and less interventionist role is fraught with surprises: it was easier to manage enterprises and services directly than it is to formulate policies, define regulatory frameworks, exercise control through indirect mechanisms such as taxation, interest rates, independent regulators, legal regulatory frameworks, monitoring and evaluation and inspection. This kind of activities requires a number of capacities of a different nature – including more provisional capacity. Even in developed countries that undertook these reforms and did so in a more predictable environment, implementation of regulatory frameworks brings everyday surprises and gaps in the regulations.

The fifth tension arises from a trend to standardize the organization of public administration and need to look more into the basics of the State. There is widespread recognition of the fact that the State emerging from a model, which is in many cases alien, must find its own personality and legitimacy in the societal forms of organization that get ever more differentiated as they reach their grassroots. The trend to use international models, at times under international pressure exacerbates the tension between modernity and tradition.
Directly linked to this, is the fact that many intended improvements can not be implemented in a structured way as policies tend to get split up in individual projects. James Ferguson proved for Lesotho how these projects tend to reinforce the coercive side of state bureaucracy while at the same time projects de-politicise issues. Problems are turned into technical matters while they are often political by nature.

The sixth tension is linked to the increase in resistance in people and organisations rooted in established traditions as pressure for change increases -- the greatest single decision-maker in any country is the past. One result is that formal systems actually operate on the basis of unwritten rules as referred to under the paradox between modernity and tradition.

The seventh tension is that between centralization and decentralization and devolution. Many developing countries used to be former colonies. The structure of colonial power was highly centralized. This centralization reflected in some cases a tradition and always a necessity: Tradition when the colonial model was itself centralized in the mother country reflecting historical needs to build national consensus and practices and with a lasting influence of the Jacobin model; necessity, since the very character of the system of domination imposed from outside, in order to meet external needs, determined this centralization. But having inherited a centralized system of administration whose roots stem from the colonial past, developing countries face the double pressure both to globalise and to decentralize: this results often in a homogeneous model for decentralization usually copied from developed countries, progressive as it may be, in theory. Guy Braibant (2002) refers to this double phenomenon as “glocal government”.

The eighth tension stems from the need to achieve fiscal balance and the growing need to provide services of better quality to a large number of citizens which results in a tension between financial reforms (requiring expenditure control) and institutional reforms (requiring investment in staff and equipment). This credo of sound economic policy, at least for recipient countries, means having to do more with less.

A ninth tension stems from the need to develop an efficient system of tax collection (the modern State started with army and taxation) and the growing “informalisation” of the economy, where more and more people tend to abandon the formal economy in order to avoid regulations they find cumbersome and taxes whose payment they don’t see as part of their citizenship. While big traders sell their wares through informal vendors and avoid taxes, new and more efficient tax systems will affect mainly the formal economic sector, which may become thinner and thinner.

The tenth tension is that between long-term requirements of reform -- it requires a long-term perspective and may not always be popular -- and short-term political pressure due to the relatively small short cycle of political life – four to five years, in particular in countries where an alternation of power is a real possibility. I.e. the democratic cycle of elections does not always enable long-term reforms.

An eleventh tension comes from the difficulty for States in crisis to cope not only with traditional functions, but to confront relatively new trends: new types of crime which are transnational and for which there is not yet an efficient system of transnational governance; the huge profits generated by certain types of organized crime, and correlative capacity to infiltrate, corrupt or even capture the State. Developing countries face the challenge of having to reconcile security of honest citizens with respect for the rights of suspects and criminals, requiring skills and resources new countries seldom have.

The twelfth tension lies in the loss of the traditional monopoly of State functions. Whether it led or not to better service delivery, it has weakened the state either per se or in its relations with other entities. The
State had a certain aura attached to it and generalized criticism of its bad performance has led to a decline in morale which has resulted in further bureaucratisation at the expense of efficiency, decline in labour ethics and motivation, and has provided a “justification” – at least for the perpetrators and often their social entourage -- for entrenched patrimonialism and patronage.

Developing countries have also came under increased pressure to introduce and apply new technologies (mainly within ICT, rather than in production). This pressure does not only come from the outside as the local elites often demand top of the line solutions without properly verifying whether the conditions for use and maintenance exist. It is often a question of principle that is decisive: accepting less advanced solutions can be interpreted as sustaining underdevelopment by maintaining a technology gap. On the other hand, donors have often opted for the simple import of technology inconsiderate of the context in which it had to be applied. Unstable energy supply, humidity and other external factors have frequently resulted in under use and short lifespan of equipment. Besides the wastage, these failed changes have a demotivating effect. To all this we must add the general loss of national sovereignty as a result of globalisation, without the accompanying emergence of significant supragovernmental bodies at world level.

All these tensions and challenges are fundamentally reflected in a highly incoherent, fragmented development, devoid of synergies and distrusted by the people.

Part 3: New Public Management as a possible solution

1. Characteristics

Criticism of the Bureaucratic Model has centred on the fact that it concerned itself more with proper procedures than with objectives, put respect for rules above efficiency, and that addressing citizens’ interests was an effect of the work of administration and not the driving force and raison d’être of public administration. Tenured employment, which by then had become the rule within the State, was seen as encouraging inertia and stifling innovation as well resistance to change.

During the early 1990s New Public Management emerged, bringing in market-inspired solutions that could solve the problems of bad management of the State. As the Gore report on Reinventing Government put it, “good people were trapped in bad systems”. Efficiency was the new credo, deregulation a recommended tool.

The main features of NPM are deregulation of line management, conversion of civil service departments into freestanding agencies or enterprises, performance-based accountability through contracts, and competitive mechanisms such as outsourcing (Aucoin 1990; Hood 1991). Various authors also include privatisation and downsizing as part of the package (Ingraham 1996; Minogue 1998).

While there is no exact definition, the main characteristics of NPM can be described as (Jemiai, 2000): result (output) oriented (performance management), customer driven (decentralization, accountability) and efficiency focussed (competition, outsourcing, cost-benefit). Greater efficiency and responsiveness was imposed by the introduction of market principles under increased fiscal pressure since the early 70’s.

Several models developed to make public administration more business-like (Ocampo, 2000), i.e. more efficient: reinventing government (mainly in USA), process re-engineering (applied in advanced economies because of the high use of IT, inward looking and performance oriented character, i.e. looking at speed, cost, quality and service) and NPM (mainly UK, Canada, Australia and New Zealand; to a lesser extent also in other OECD countries and some, mainly Commonwealth, developing countries). Common
for these models was that a large margin of freedom was given to managers with regard to HR and remunerations were linked to performance.

2. **NPM and public values**

For specialists like François Xavier Merrien (1996), the main aim of NPM is to instil within public service management techniques adopted from the private sector, but he also notes that this does not offer a recipe for success: all depends on the circumstances and the context. The same success stories of NPM are told over and over again, but one hears less about the failures. In comparison, the balance of failure and success in classical administration is far better. According to Merrien, the private sector pays particular importance to financial outputs, while public service is mainly concerned with procedure: rule of law, impartiality, and continuity of public service. And at the heart of public service there is a specific ethos: serving the common good.

On the other hand, NPM postulates some requirements to be successful:

1. NPM is based on contracts that require a developed judicial system that can offer guarantees and manage conflicts in an objective and independent manner.

2. It is based on responsibility, while in most developing countries labour ethos is weak and the negotiation and management of complex contracts requires skills that are not readily available within the government.

3. The blurred and complex relationship between politicians, senior civil servants and executive agents in developing countries is highly problematic. NPM requires a clear delineation between policy formulation (politicians) and implementation (managers of public and executive agencies; other staff are service deliverers). The latter is convenient for donors as it apparently keeps them away from politics. In a presidential system it is even more complicated to separate bureaucrats and politicians. The relationship is mixed and interactive, fluid and integrative, not dichotomous or hierarchical.

Limits to where NPM can be implemented must be stressed since NPM principles cannot be applied across the board. For instance, revenue collection cannot be competitive while regulation cannot be entirely customer driven; on the other hand it is difficult to measure impact of reforms (controllable results are not necessarily meaningful results). The NPM model creates some problems for governance insofar as it develops the perception that managers of public services are driven by personal motivations rather than by a sense of duty to the common good (Terry, 1995).

Kelly (1995) stresses that NPM is good as far as provision of services is concerned but have doubts about the broader goals. In a way, it could be said that NPM marks the emergence of the individual as the counterpart of the administration. The jargon reflects the change – customers, clients, users, of a service rather than citizens in the full use of their rights and obligations (Cook, 1996).

One of the vexing questions is that NPM did overestimate at the time of its inception was the role of the market. It was assumed that all deficiencies in service provision could be solved through giving a larger role to the market. It was thought that experiences from developed countries could be easily replicated with success in developing countries. It was too easily assumed that market forces did not emerge in developing countries because State monopolies were stifling the flowering of an indigenous or foreign entrepreneurial class. Current status varies: in some cases there was a sudden increase in service delivery, in others the market proved unable to go too far for lack of human resources, capital and skills to increase service delivery or to develop itself. In all cases the question remains: who benefited from the successes?
3. What is the reality of NPM reforms?

Some positive elements can be identified such as the development of an agency model as seen in the case of tax and customs administration and health sectors. This started in Africa and is being extended elsewhere. The model of National Health Service existed in other countries but without real financial autonomy. The new models of corporatisation in tax and customs and in health provide the opportunity to solve problems that plagued old bureaucratic administration such as low salaries and staff retention, while introducing rewards for measured performance. While the former can also be seen just as an expedient to circumvent general statutory relations and pay scales, the latter represent an innovation in line with NPM philosophy. Some suggest that these models could become a spreading blot of good performance gradually extended to larger areas of government.

There are also positive results where service delivery becomes more focused on citizens – such as stating goals, setting up consultative or management committees with users and communities at large from health services to school management to policing. Even so, this should not result in repeating the mistake of developing a cult for participation as a panacea. Rather, it is necessary to take participation as a process where the various participants have to be increasingly knowledgeable on the issues discussed and not mere articulators of demands. Participation either through NGOs or CBOs can become a part of a model of the State, and training of citizens to deal with State matters from a citizens’ point of view should be seen as part of this process.

Customer focus has shown the potential to adjust constantly to the differentiation and personalisation in needs that traditionally large public services were unable to provide. Experiences with the learning organization model where the front line workers are prepared to listen and observe the reaction to service performance and the degree of satisfaction of the citizen offer a more permanent monitoring mechanism than traditional reporting and complaints systems. This type of practice can be replicated to all areas of activity where the State will continue to play a role.

We referred earlier that the novelty of NPM led to a unilateral focus on new practices of which retrenchment and privatisation monopolised most attentions and passions. However not enough was done to improve the traditional systems that are not prone to osmosis from private practice because they perform unique functions, which represent the core of State sovereignty: how do institutions work, are they efficient in relation to the inputs, what decision-support mechanisms have been developed, what kind of administrative support do they need, how should security forces be managed. Most of all, career paths have not deserved the level of attention and modernisation despite of the fact that they concern those in leadership positions. Cynics would say that it so happens because pay and careers are not that important as revenues are generated from other sources. Some authors uphold the view that in countries with a traditional Weberian model there is more rhetoric than reality in the implementation of NPM. (Charles Polidano, 1999).

Moreover, labelling – NPM or else – can be misleading. The use of labels attributes a degree of uniformity to reforms that in reality does not exist. At the same time, there is no evidence that NPM style of reforms succeeded more than failed. And implementation of NPM is usually partial, even in its heartland.

In general, the application of NPM in developing countries was focused on a few elements: decentralization, performance contracting (very limited), outsourcing, the introduction of user fees and downsizing. But as mentioned before, these reforms suffered from resistance and lack of capacity to effectively manage contracts. Additionally, these complex reforms were often implemented in a difficult governance and institutional environment (Larbi, 1999). Other elements of NPM, such as managerial
autonomy, were often unsuitable for implementation as it further eroded accountability in an increasingly corrupt environment.

In fact, practice shows that a contingent, rather than a dogmatic approach to NPM reforms proved to be more widely applied as such an approach reduced risks and increases chances for successful reforms.

However, as we will see further below, the determining factors for reforms to succeed do not seem to be the chosen model or paradigm. Rather, experience shows that it is much more crucial whether organizations are dynamically reformist or just passive and moribund. We would like to emphasize that the attitudes vis-à-vis reforms occur at all levels of government. It is definitely not so that local governments are reformist and central level resistant. A dynamic environment, i.e. willingness and conviction, and the right political backing seem to have been of more importance than the fact whether a certain reform was NPM or traditionally inspired. This leads Polidano (1999) to conclude that successes and failures depend on localised contingency factors: reformers watchwords must be open-mindedness and eclecticism!

4. And what about the policy environment?

While all these reform initiatives and experiments were taking place, a specific set of relatively new problems emerged in the developing countries:

- Areas of service delivery were not taken over by the market;

- The dire need to rehabilitate infrastructure required to make privatisation attractive, something that could only be done with foreign assistance;

- Increasing imbalances in wages between the public and private sector, leading to a brain drain from the public sector;

- Falling morale within the civil service;

- Unprecedented crisis of ethical values, with one aspect of market values – profit – pervading public sector through (ab)use of State power; and finally

- A crisis in privatised sectors providing public goods inter alia because of a lack of infrastructure investment.

In some cases, the demise of the role of the State reached such proportions that at first parallel structures were put in place and in extreme cases essential parts of the public service were captured by private interest groups or mafias, both through peaceful or violent means.

At this point in time, critics of the tenets of neoliberalism were joined by a larger body of practitioners and citizens doubtful of the capacity of the market (or unable to see its “invisible” hand) to fill in the gaps of public service incapacity. At a certain point what was at stake was no more the preference for one or other political party or philosophy or ideology. The issue at stake was the trust in the State itself. Somewhere along the line, things had gone wrong, carrying the risk of losing all aspects of NPM including those who had achieved success.
Part 4: The State: Role, functions, systems, structures and institutions

1. New roles and functions: evolution in the thinking about the State

We already explained the increase in width and extension of the role of the State; its management of the economy resulting from the context of independence and the subsequent criticism of the role of the State with regard to the way it was handling the economy. Everything done by the State was deemed to be bad. Although it may have been true in some instances, the context – rise of the market, managerialism as a cure for all ills in the Thatcher-Reagan period—gave neither time nor possibility to search for alternatives on how the traditional State could be upgraded or improved.

The mid 1990’s witnessed a renewed appreciation of the role of the state (e.g. by the WB) and calls for a modernised “developmental State” came from all sides (Leftwich, 2000), even from prominent economists (Sen, 2000; Soto, 2000; Stiglitz, 2002). Not less State but a better State is the new orientation. This was prompted by the void into which developing countries were falling. The State was doing less while areas previously covered by public administration were now abandoned. The discussion about the changing roles of the state has resulted in various classifications of which we present a few below.

**CORE STATE FUNCTIONS AS VIEWED BY MULTILATERAL AGENCIES**

| 1. SPA/CSR: | revenue generation, financial management, personnel management, policy formulation, provide justice. Sector policies are non-core. |
| 2. WDR 97: | Minimal functions: defence, law and order, property rights, macro-economic management, public health, anti-poverty programs, disaster relief. Non-core: basic education, environmental protection, private sector regulation, insurance, consumer protection, social security, market fostering and asset redistribution. |
| 3. UNECA: | Core: enabling environment for economic growth, physical, institutional and financial infrastructure, development of human resources (education and health), efficient management of public enterprises, support economic and political reforms, promotion of regional integration and mobilization of productive and financial resources |
| 4. UNICEF/UNDP: | Core is: health care, education, water and sanitation, agricultural extension, law and order, tax collection, basic infrastructure maintenance. |

Generically, within the realm of the State we can define some basic missions (Bangura, 2000): nation building, defence, maintain law and order, create conditions for wealth accumulation; and some core functions (taxation & monetary issues, security, environment, education, health, investment & trade and infrastructure). Some of these functions are traditionally the exclusive domain of the state, although these lines are now blurred in several developing countries where defence (companies delivering mercenaries), security (surge of private security businesses), taxation (outsourcing of taxation and customs) and policy formulation (consultants) are at least partly implemented by private agencies. Normal service provision functions (in particular, health and education) are usually non-exclusive.

Besides these more traditional core functions, the State can have necessary and unique roles in the promotion of technology (education, incentives...), stimulation and innovation of the production process (ICT infrastructure, relax red tape…), marketing (international promotion of investment and exports), the creation of financial incentives (facilitate credit, tax exemptions or reductions) and the management of
policies (budget allocations, regulations such as property rights…). Nowadays the State is also put in charge of formulating a vision of the future based on participation and partnerships.

The function of the State as the main employer, undesirable as it may be insofar as it represents a distortion in labour market in terms of supply and demand, should not be ignored for the sake of standardized retrenchment policies. Retrenchments on the other hand should be practised avoiding the pitfall of losing the most capable staff or forcing the public service to re-recruit the same personnel at higher costs.

2. **The State and the market twenty years later: a diverse and ever-changing balance.**

A key challenge nowadays is to find the right balance between state and market; this balance will be different for every country, with options more and more based on context instead of ideology. State and market cannot be seen anymore as separate entities, as they overlap and exert mutual influences (contrary to what was dictated by neoliberalism). At the same time one has to keep a realistic view of what the State can achieve and avoid being carried away by unrealistic expectations both from donors and citizens.

Clearly, there is no longer a case to be made for outright statism. Instead of the ideological reasons that founded abhorrence of public intervention during the neoliberal area, there is a case for avoiding excessive intervention by the State in developing countries. Given its limited capacities, the State should only act where it can perform reasonably well. Instead, it should try to look for other partners who have emerged because of its collapse in certain areas: associations, civic movements, who are de facto authorities, but lack among other things minimal physical and financial resources.

One way of examining the respective roles of each is through an analysis of public goods (World Bank, 1997). Traditionally these are divided in four categories according to two criteria: rivalry and excludability. Rivalry refers to whether the consumption of a good by one citizen (or group) limits the possibility of another citizen (or group) to consume that good. Excludability is about the fact whether a citizen (or group) can be excluded from the good if they do not comply with certain conditions (e.g. if one does not pay). The four categories that appear are thus:

- Public goods (non-rival and non-excludable);
- Private goods (rival and excludable);
- Common property goods (rival and non-excludable) and;
- Club goods (non-rival and excludable).

This division can vary from country to country, so in each case one could assess a. the kind of public goods which the market cannot provide, b. identify non-competitive markets and c. the existence of externalities. Whenever information is imperfect and markets incomplete, government intervention is to be considered legitimate.

Developing countries often lack regulatory and monitoring capacity to direct markets (Pillay, 2002); markets tend to under- or not provide certain public goods (e.g. environmental conservation) or are imperfect (partly formal and partly informal). State intervention in the economic sphere can therefore be legitimate in order to promote development of a shared vision to transform the economy; guarantee skills development, provide financial incentives, define tariff policies and marketing and stimulate investment in infrastructure where returns are not promising for entrepreneurs because of their non-exclusive or long term nature and even production when markets are uninterested. With globalisation, the rule that market forces will automatically emerge to fill voids is no longer true and many countries embarked in privatisations that transformed factories into sheds or churches for proliferating evangelist cults for the
desperate. The State has to provide social protection (housing, education, health, etc. and enhance access to assets and skills (land, social capital, etc.).

As for the provision of services, there could also be a division based on what reality shows already: middle class can be served by private or private-public partnerships, while poor will be served by supported civic/state partnerships or in some cases by the public service alone. The challenge here is to provide quality and capillarity so that society, and in particular the poor, will feel that they have equal opportunities to access higher levels of education and social achievement, given the effort and talent required.

One final word of caution about the need for change on the way the regulatory function is performed: rules and restraints are ways of enhancing state capability but can be counterproductive as is known by Goodhart’s Law: specific rules foster ‘rational’ behaviour on the part of the public to evade those rules. Nowadays, more than ever, when issuing regulations, governments should be attentive to win sufficient support to implement the legislation and to the capacity required to do so. Very often, a lot of time is spent discussing drafting minor issues, while scant attention is paid to the mechanisms and capacity to implement decisions. One additional danger facing the traditional administrative model is overburdening users with laws, which cannot be understood or implemented.

3. On systems, structures and institutions: NPM and traditional bureaucracy: mutually exclusive or complementary roles?

For the exclusive functions, Traditional Bureaucracy seems to have a comparative advantage over managerialism, as they require neutral, loyal, highly trained, competent and honest staff that benefit from fixed career and tenure provisions. The army, police, tax collection agency and the agencies that finance, foment and control social services and social security cover exclusive activities: these should be fully owned by the state and ideally management should be decentralised. Non-exclusive activities might be carried out by the administration, but also by non-governmental or private sectors. Here management should be autonomous. Ownership is public non-state (e.g., universities in the US), and agencies are not profit oriented. In some cases social organizations can be subsidized by the state. Service and goods production can be done by state-owned enterprises, but private ownership is preferable where market principles can be applied.

• How to improve efficiency in classical administration?

Deviations from the classic model occurred in cases where the one-party state bureaucracy was based on other solidarities (loyalty, allegiance, ethnic affinities) rather than neutrality and when ancient or recent systems of patronage turned career positions into political functions, perpetuating one-sided party approaches. Botswana and Mauritius are somehow exceptions and accidentally also the countries that perform best economically, but one may ask to what extent and which components of these experiences can be replicated in the rest of Africa (Hwedi, 2001). Common problems during this period were endemic overstaffing, misaligned structures, low capacity and poor accountability and credibility with ensuing lack of legitimacy.

In order to regain efficiency the current public service must address its main challenges:

• Debureaucratization (re-engineering);
• Democratisation (decentralization, accountability and participation);
• HRD (career and remuneration systems, training, meritocracy);
• Regulatory capacity.
Part of the task can be undertaken resorting to traditional tools (Kaul, 1996): restructuring (streamlining, managerialism, performance improvement, outsourcing, decentralization); reform of planning and budget mechanisms; capacity building (training and institutional development) and improving accountability (participation, dialogue, communication, information). This should be done in a coordinated way because often these instruments are developed unevenly based on external and internal pressures.

Redefining the boundaries of civil service

Despite the fact that traditional tools are still applicable, more creativity is needed, as we would like to illustrate for improvement in civil service organisation, leadership, career systems and training. Most recently, Adamolekum (2002) launched some interesting and feasible proposals, including:

- A clear separation of political from career administrative and technical appointments (political appointees should be clear, limited in number and having minimum requirements);
- The introduction or increased use of contract appointments at managerial and technical professional levels (transitional arrangement);
- De-linking local governments and parastatals from the civil service;
- Establish a small (200-500) but strong elite corps of senior executives; and
- Remove non-career officials (support staff) from the civil service.

The idea of redefining the boundaries of the civil service had already been developed by other authors, namely Bresser Pereira (1996), and was the object of a debate at the recently held meeting of the UN ECOSOC Committee of Experts on Public Administration (July 2002). In order to reform traditional civil service we have to redraw the boundaries of the civil service properly. Currently the rule is the Statute and although contracts are increasingly accepted they tend to be the exception and not the rule. One of the reasons why this tradition still prevails is that both the State and the employees tend to think that by providing statutory guarantees for those on the State payroll, it will be possible to secure the employees and stabilise them in their jobs. However this has not been the case. Currently, in Mozambique as well in South Africa, it is frequent that new entrants (graduates from University) work for the State until they get some experience and establish professional networks and then leave for better jobs. Only the very few committed ones remain. It is a unilateral situation: the Statute binds the State but it is unenforceable towards those who leave the State.

In our view, it is necessary to link the concept of civil service to the core functions of the State or alternatively create a special cadre for those who take the main decisions. In this issue we deal with two concepts: institutions and persons. In institutions performing core public services, there are staff performing core functions and staff who not performing core functions. Usually we tend to consider Parliament, the Cabinet, the Army, and the Police as typical core institutions. But in these institutions not everyone performs a core public function. In a recently created Police Academy in Mozambique, an institution whose objectives rest at the heart of public service, preparing officers to perform such public duties and deliver such public goods as security, human rights, crime prevention, and civic education against domestic violence, the establishment committee identified only a few people who actually performed core public activities: basically leadership functions who fell within the civil service or police statutes. Lecturers have to perform according to approved curricula but they are neither civil servants, nor necessarily police officers and therefore work under individual contracts. Library management, reprography, logistics, including boarding, lodging and transportation was contracted out. The case shows that it is possible to undertake new activities without increasing the size of traditional civil service.
The issue was addressed in South Africa from another angle, but with the same objective, through the creation of a cadre of senior civil servants who will enjoy special status, which include among others adequate remuneration and stronger rights in exchange for improved performance and impeccable ethics.

Remuneration is part of the package but social recognition also plays an important role. In a survey of six thousand teachers carried out in Mozambique in 2002 showed that the major demand was for recognition for the service rendered to the public. Other important features are change of institutional culture and opportunities for advancement, efficiency and modernisation – no one wants to be linked to an obsolete or non-performing organisation – but to be part of a greater national or local endeavour. When the Governor of the Gaza Province in Mozambique, after consultations with the population, embarked on a program to provide cattle for farming under a simple credit scheme, the team involved with implementation had no more than five civil servants. When owners took possession of the cattle, the impact of the project given its symbolism was such that every civil servant in any Department was proud to be a member of the civil service.

- **Using training as a tool for institutional rather than staff capacity building**

Training on public issues cannot be reserved exclusively to civil servants. New methods of training on policy choices and management of public affairs have to be devised both jointly and separately by State and civil society. As State matters are no more a preserve of civil servants; the training component should concern all partners and users of the public service. Training has been frequently recommended as a cure for all ills. As things do not improve, training is being decried and donors are wary of it. A closer look shows that it is not training that is at stake; it is the wastage that accompanies it. Training is traditionally organised by grouping a number of people who exercise the same function, usually in different institutions, at different territorial levels or in different areas. After the training, the trainees remain isolated in their respective institutions and the possible impact of the training dissipates. The training may have improved the individual, but it has not influenced institutional performance at all. At best, it added to the frustration of the individual who often decides to leave.

To make real improvements within the public sector, the paradigm has to change from training individuals to training whole institutions – complete, well-defined units or if possible full institutions – using tailor-made curricula that are based on specific needs assessments. The training would thus involve managers, support staff, frontline service providers etc. and aim at creating or changing an organizational culture and a sense of mission. This approach to training may turn out to be the effective way to reform organisations.

- **Institutional diversity**

Another practical challenge is the conflicting need between a standardised system of organisation for the government departments and the diverse nature of organisations. For instance, Ministries or Departments who are more of a coordinating nature do not necessarily have the same organisational structure as ministries who are more vertical in their activity.

Following the decision by heads of State at a world summit to concentrate attentions and to link higher education to science and technology in order to develop synergies who could justify the high investment in higher education, Ministries or Departments for Higher Education, Science and Technology have been created. The conditions in Mozambique are not different from other countries: the Ministry is coordinating a peculiar brand of institutions both of higher learning and research that enjoy academic and intellectual autonomy as well as interest groups that include academia, employers and students. Such a Ministry has to work through councils and coordinating committees rather than through Directorates. Its main functions are to coordinate, to encourage and promote, to fund and to study issues.
The approach to make the organisation as lean and as performing as possible was as follows: coordination was entrusted to just an Executive Officer, promotion and funding was to be done through a fund geared to become on time an autonomous self sustained institution, policy proposals were drafted through ad hoc groups and task forces including experts working both in academia as well as in other institutions. Legal advice is provided by an external law firm working also with a selected group of specialists appointed by the Ministry, together with one permanent legal advisor within the Ministry. The new structure comprises far less permanent civil servants than usual and was initially greeted with some disbelief. How could you work without “first setting up the Department” in other words without following the traditional way, with National Directors, Heads of Departments, Heads of Sectors and so on. The fact that there were no Heads of Directorates was a blasphemy – but the Minister was adamant that there should be none. Once the initial shock subsided there was a common endeavour within the Civil Service Council to stand by this model of organisation and make a pilot case out of it. The litmus test will be the capacity to manage effective coordination and to produce results. In fact, results start to show a high level of commitment, intellectual joy and pride in achievements. Strategic documents were approved through a highly participatory consulting process and a new law for Higher Education has been approved.

The myth that everything had to be carried out through the traditional big, complex and square shaped organisations was dispelled. Horizontal type of organisations is possible within the civil service. There are variants that blend traditional functions with efficient practices. However, things shouldn’t be stretched to the point where contractors do everything. A civil service structure, albeit minimal, has to be put in place in order to capitalise on experiences gained and provide institutional continuity, both in terms of substance and routine.

• Finding a new legitimacy

In a certain way, the collapse of the legitimacy of the current constitutional and administrative setups can be traced to this lack of search for a new legitimacy and for new institutions. This can be addressed in two ways: one is by associating the modern State with emerging actors, the second goes further into the heart of the legitimacy of institutions staying with the State itself.

Slowly but surely, new actors have emerged on a scene that was previously dominated exclusively by the State. Some of them started competing with the State to provide better services, some have demanded to participate in decision-making processes, and some have even substituted the State while others plainly opposed it. Depending on the dynamic and their respective levels of organization, different from country to country, the following groups can be discerned: businessmen (and women), labourers, churches, regional associations (all or not with an ethnic background), rural communities, political parties, media and a plethora of non-governmental development organizations. Often ignored or plainly forgotten are the excluded, those without voice. History has demonstrated that exactly this group can have a catalysing effect on social and/or political conflicts. All of these groups have their own characteristics, compositions and forms of organization, so that we can really speak of a plurality of civil societies. This trend of diversifying actor’s forces the State to be inclusive, as this will eventually determine the stability of the system.

The time is also gone that governing is a unilateral exercise: to govern is also to be governed, i.e. it is crucial that ownership is built into government programmes. People should actively participate in the planning and implementation of government programmes. In this sense poverty alleviation programmes should have a strong component of civic education and advocacy and must support community networks and associations. Legal obstacles to this movement should be removed.
The valorisation of local problem solving capacities and the appreciation of collective efforts to confront problems is a largely unexplored area. This existing social capital is traditionally not highly regarded, as it does not fit into the generally accepted idea of progress. Yet, the reality is that local communities deal with conflicts and organize their lives in the absence of state institutions in different parts of the world. Thus there is a capacity present that does not need to be created, but that needs to be acknowledged and recognized.

- **Re-founding the State**

This brings us to the heart of the main issue: the nature of the modern State in Africa. Up to now all major reforms have concerned only the modern part of the State, while criticising its centralised nature. The State as we usually see it has that modern structure – Head of State, Parliament, Cabinet, civil service which has proved invaluable in maintaining stability, preserving respect for borders, preventing disintegration. However as it is proving less and less apt at providing these goods (in some cases States have even collapsed), it is about time to wonder whether we have not made a mistake in centring too much of our efforts in what was a necessary but incomplete part of the State. In other words whether we have looked and polished the tip of the iceberg and forgotten the large masses underneath.

In most of Sub-Saharan Africa, the modern formal State still follows an external model. Even with a complete change in staffing – through a de facto normal Africanisation or through affirmative action policies – it is still seen as something that comes from above, not as the culmination of a process of political integration of still larger communities. For some time Zimbabwe, with its formal functioning institutions seemed to prove that the modern State and modern economy would gradually incorporate the excluded social groups and communities. The same can be said of South Africa. However we now know that there exist other realities. An analysis of the latest elections in Mozambique showed that in areas where opposition got most of the vote, still in the small towns where modern economy was at work (mills, factories, and modern plantations) the majority of the votes went to the party in power. This means that the efforts of the party in power were probably rewarded, only that its focus of action was too narrow and left aside large social groups, namely peasants or the common man in the countryside in a subsistence economy. This has implications larger than party politics. Is that what we view as the State the same as many of our fellow citizens see as the State? Or are we dealing with what Mahmood Mamdani refers to as a division between ‘citizens’ and ‘subjects’?

These are historical facts and we cannot go back on them. But we cannot ignore them either. The way ahead is to link the State with the communities it was supposed to have evolved from. It is a problem of legitimacy and stability, but it goes beyond that. No civil service will ever be able to cope with the constantly growing demands of the society. We have to look elsewhere: either outside, which means more external aid -- or deep inside our countries, looking und unlocking unutilised potential.

In a way this calls for a reconstruction of the societal basis of the State. It challenges our notion of civil service and reform, seeing it as a whole which comprises the traditional formal structure, the communities integrated with statutory rights over land natural resources, mining, right to levy taxes and obligations to perform their duties, modern type municipalities more concerned with urban issues, deconcentrated governments, forums for consultation and decision and increasing cooperation with institutions of the civil society.

The moment is favourable because the crisis of the State favours the emergence or appearance of these structures and demonstrates its capacity to take over some of the functions formal public service was not providing anymore. We therefore have before us a unique opportunity to do something new. Improvements, changes in the modern structure of civil service remain important and must be sustained, but they are not at the centre or in any case not the whole reform agenda anymore.
Of course as communities are not homogeneous and as their capacities differ, the organisational model has to be flexible so as to accommodate the different organisational situations. This entails both a level of complexity and runs against the traditional trend of uniformity so prized by bureaucratic organizations.

The focus of reform of the public service will consequently be affected.

**Conclusion**

Developing countries have to find their own solutions and not stick to outmoded models of the so-called developed countries or be lured by fashionable new trends for the sake of conservatism or all-out innovation. Intellectual independence in conducting the reform process is to be regained. Developing countries have enough brainpower to find their own solutions. Of course, as we have seen one way of keeping independence is the make-believe process we see in place in many countries, where rhetoric replaces action.

Own thinking means more exchanges between developing countries, globally or on a regional basis. Own thinking means to be humble to learn from all experiences and taking whatever is useful, recruiting the external advisors only when necessary and implementing new experiences at the right moment and at the right pace. At the end of the day, the responsibility rests on the shoulders of the political or administrative cadres of the country long after the foreign advisers are gone.

Our conclusion on the debate on the influence and merits of NPM vs. traditional administration falls within this framework. Whenever countries were capable of adapting lessons from both sides, were capable of finding the best solution, things improved. When things were done because it was trendy, the past returned. In Guinea and many other countries, retrenched personnel came back through the back door. *Chassez le naturel, il revient au gallop*, goes a French saying.

Summing up other conclusions:

- Analysis of public goods according to criteria of rivalry and excludability will help us determine the nature of public goods.
- State intervention in the economic sphere can be legitimate in order to promote development within a shared vision to transform the economy.
- Overburdening users with laws may widen the gap within the society.
- Traditional Bureaucracy seems to have a comparative advantage over managerialism as far as exclusive functions of the State are concerned.
- Upgrading civil service requires redrawing the boundaries of the civil service.
- Remuneration is important to retain competent civil servants but equally important is the ecology of the civil service: social recognition, change of institutional culture and opportunities for advancement, efficiency and modernisation and participation in a greater endeavour.
- Training in the civil service must include other partners than civil servants.
• Training should address whole organisations instead of isolated individuals. Training becomes then one instrument of reform.

• Systems must allow for institutional diversity.

• Interaction with new actors will provide better – more consensual – solutions and enhance institutional legitimacy and stability.

• Reform must not concern only the modern component of the State. Rethinking a division of roles between modern State and communities, finding the right meeting point between State and communities are the new focal pints of reform.

• Communities should link with the State while developing their own rights and responsibilities and unleashing potential.

Drawing on the points mentioned in this paper, we would now like to propose a few key issues that can guide the discussion in this workshop.

• How to restructure state institutions and organizations in such a way that they can complement, and be complemented by, existing social capital? What are the dimensions of such restructuring (vision, leadership, political will, decentralization)? What are the main tasks ahead? How the lessons drawn from the past can be transformed into something useful?

• Did civil service reform focus on what was most important? Does our vision of the State need to be widened?

• What administrative mechanisms can be used to restore ethics and the sense of dignity to the civil service?

• How can we give the need for more diversity, for a contingency approach rather than a model-based approach, the necessary tools and resources to develop? What are the implications of fishing with hooks, rather than nets?

• How to reconcile diversity and history with the uniform models favoured by international governance?

• How can we change the nature of organisations and how can training be used as an instrument for reform?

• How can citizens participate in the civil service reform?
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