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Why are Public Sector Reforms so slow in Africa?

■ "Africa needs to overhaul its administrative systems to make them competitive and democratic – and the effort must be constructed by the Africans themselves, though in collaboration with external partners". A special issue of Africa Development, published by CODESRIA, investigates experiences and opportunities for New Public Management, NPM, in an African context. NPM is the third wave of public sector reform in Africa, to a large extent externally driven and only modestly successful. Empirical material is drawn from South Africa, Ghana, Uganda, Tanzania, Kenya and Zambia.

What is New Public Management?

There is no consensus on the definition of NPM. One of the contributors to the issue states that NPM has done a lot to shake up sleepy and self-servicing public organisations, often by using ideas from the private sector. It provides many options for trying to achieve cost-effective delivery of public goods, such as separate organisations for policy and implementation, performance contracts, internal markets and sub-contracting. In the 1980s it spread somewhat like a religion, but by now it has lost much of its gloss. In New Zealand, in many respects NPM's fur-

thest frontier, the costs of a too narrow approach to public management have been major and there is considerable backlash.

In the introductory article the guest editor Dele Olowu sums up the content of NPM in seven points:

- "Let managers manage", which means that people with management competence should be managers also in the public sector.
- Explicit standards and measures of performance.
- Emphasis on output controls and entrepreneurial management, which among other things means performance and programme budgeting in contrast to line item budgeting.
- Disaggregation of units. Large monolithic ministries should be broken up into corporatised units.
- Competition in the public service through privatisation, commercialisation and market testing.
- Stress on private sector styles of management practice, including for example lateral entry into the public service, performance evaluation and merit pay.
- Greater stress on discipline and parsimony, facilitated by the application of ICT.

Failing enthusiasm

The initial enthusiasm for NPM in the OECD-countries has faded away, which also has implied that those most enthusiastic in introducing it in the

As part of Swedish development co-operation, Sida supports the strengthening and development of research capacity in the South and the promotion of research of central importance for sustainable development and poverty reduction.

Many of the research results in the South are published in books, conference reports and journals which have limited circulation in the OECD-countries. To a certain extent they are available on the internet. However, in the North this research is normally known only to a small group of researchers, and unknown to a wider audience.

To remedy this deficiency, Sida's Department for Research Co-operation, SAREC, intends to publish briefs based on publications from Sida-supported social science research networks. During a pilot period, the focus will be on research from Africa.

The briefs will be written by both SAREC and external staff in their individual capacities and areas of responsibility. They will go beyond the "executive summary" concept, as they will also contain some reflections on relevance and potential use in Sida's and Sweden's policy discussions and development co-operation practice.

It may be argued that at least some of the briefs have already been published by the African networks, and that therefore a special series of this kind is unnecessary. Our point of view is that both the selection of material and the reflections included make it easier for the reader to position the research in a Swedish policy context.

I hope that the series Perspectives from researchers in the South will be read by colleagues working with global development as well as others with an interest in these issues. I also hope that the series will inspire readers to study the original documents. If the response is positive, we may broaden the scope both geographically and topically. Feedback is welcome!

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South now are more reluctant in their attitudes. One of the "early apostles" of NPM now gives three reasons why NPM has not been the great success it was expected to be in developing and transition countries:

- 1) The absence of democracy. NPM has thrived in climes in which citizens make demands on their officials. This is seldom the case in developing/transition countries.
- 2) The absence of the basics of an old public administration discipline made the introduction of the new elements of informal structures and practices difficult to sell.
- 3) NPM has had marginal impact, even in its heartland.

Evidence suggests that it is exactly those countries that spend more on their civil services to put in place a meritocracy that are able to also advance with the aid of the new reforms.

In spite of this, most OECD countries adopted NPM type reforms and have not only promoted them in their own countries, but in those countries where their aid resources go.

African experience

Besides the introduction, the volume contains five articles. Two provide empirical results from the attempts to reform public service in accordance with NPM in five countries: Ghana, Kenya, Tanzania, Uganda and Zambia. They have all received substantial donor support to implement NPM type reforms. They show both successes and failures but, more importantly, they underscore the notion of three generations of reforms on the continent.

The first generation focuses on structural reforms as part of the SAPs imposed by the World Bank from the beginning of the 1980s. Public service reform then thought to make Government lean and affordable through cost reductions and containment measures. The results of these efforts in the five countries were varied and mixed. In Ghana, Uganda and Tanzania the Government was significantly downsized. Very few

positive effects could be seen in service delivery. Introduction of school fees and other cost sharing measures resulted in declining primary school enrolment rates. One positive effect was the establishment of autonomous state revenue authorities.

On the whole the SAP driven public service reform programmes failed to impact positively on service delivery because:

- First, the programmes' strategies and interventions generally had little or no direct link to improvements in services
- Second, some of the interventions, such as the freeze in recruitment, directly undermined capacity building for service delivery.

The second generation of reforms focused on capacity building for improved service delivery. Lessons from the SAP-based reforms indicated that the weak capacity was the root problem in the poor delivery of services. The next focus for reforms shifted from cost-reduction and cost-containment to capacity building. Key interventions, heavily supported by bilateral donors and the UNDP, included:

- Enhancing staff skills, with more emphasis to on-the-job and short training and to manage external technical assistance differently.
- Improving management systems and structures, including those for human resources, financial and information management.
- Restoring incentives and improving pay.
- Improving the work environment.

The third generation of reforms focussed on service delivery improvement. A number of factors made this necessary, besides the inadequacies of the first and second waves of reforms. Among them were the need to demonstrate early results, public demands for transparency and accountability, the shift to market economies, influence of new public management, the need to support sector wide approaches and an integrated systems approach.

Some of the main elements of the "third generation" reforms are:

- They took a differentiated approach to pay with selective pay strategies for strategic groups or sectors.
- There was an effort to refocus government to its core functions: law and order, infrastructure and social services provision, regulation of the private sector and economic management.
- In other services for which the public sector had responsibilities, attempts were made to separate provision from the production function. This led to support for local government and the creation of autonomous agencies.
- Greater emphasis was placed on performance and the overhauling of personnel management practices to focus more on individual performance.
- Efforts are now being made to modernise budgeting, financial management systems and information technology.

Apparently, all these activities are consistent with the NPM philosophy. However, they have largely been driven by external players to set prescriptions of good governance that are not consistent with local policies and economic realities. Most importantly, they are largely financed with donor funds with no real plan for sustainability or the localisation of the many key structural institutional transfers.

In one of the articles the empirical evidence from the five countries studied is summarised in ten points:

- Public service reform is more crucial to developing countries, due to the severe resource constraints, the globalisation and information technology development and the risk of loss of the critically skilled staff.
- Significant public service gains, but limited impact so far, especially with regard to improving service delivery.
- Major problems and constraints persist, among them that the support for the reform programmes remain narrow and difficult to sustain at all level, that weak capacity and resource constraints often hinder implementation of plans and programmes for improvement

- and expansion of services and that there are no effective incentives for performance.
- Dangers of reversal and inertia, especially with cost-containment measures.
- Early progress by way of demonstrable impact on service delivery improvements is crucial to achieve and sustain broad support.
- New impetus to focus on service delivery improvements.
- Need to strengthen the links between public service reforms and sector-wide programmes (SWAPs).
- Institutional pluralism is imperative for sustainable service delivery improvements. The capacities of the public services will remain relatively low well beyond the foreseeable future.
- Strategies should be comprehensive and integrated. Piecemeal and fragmented public service reforms have shown to be rarely effective and their outcomes are generally not sustained. Some examples are downsizing without capacity building, capacity building without pay reform and capacity building without service delivery focus.
- Donor assistance could be more effectively channelled. Donor funds have been the predominant source of financing for every facet of public sector reforms in all five countries. African countries should urge their development partners to progressively move from project-oriented to sector-wide approach

when supporting public sector reform programmes, to enhance utilisation of local and regional consultants and other experts as technical assistance, to facilitated sustained sharing of experience and knowledge between designers and implementers of public service reforms.

The article on the experience of Ghanaian cities in implementing NPM-type reforms argues that the important lesson is that governments require different types of capacities in comparison to what they used to have. This includes the capacity to regulate, make, monitor and facilitate contract-based production of services they once produced directly. There is thus a quantitative and a qualitative increase in transaction costs for reforming governments. Ironically, the reduction of costs was the most important consideration for transferring the production to other producers. The issue is at the heart of the controversies over NPM, even in the western countries.

Is Africa different?

The second category of articles attempts to interpret the context of African NPM. In one of them it is argued that Africa is less prepared for globalisation than any other region in the world. This is the reason why Africa is getting less from globalisation than other regions, and thereby there must be a change if things are to be turned around. NPM is only one of such responses, but there are much more important responses that must take place

at the policy level before it is time to address the managerial level. A response to globalisation will only be successful if it is based on nationally shared core values that define the strategic directions for the future.

Another article investigates public service delivery from the perspective of small and medium scale enterprises in Africa. Its conclusions are that the policy and regulatory environment with few exceptions, leaves much to be desired, although there is an increasing acknowledgement of the problems and attempts to ameliorate the situation.

In the introduction it is argued that perhaps the most important contribution to the volume is that African management systems must not only respond to democratisation but also to globalisation. These two challenges require reforms that take us beyond NPM to a restructuring of institutions and systems of public policy as well as those of management.

One of the reasons stated for the lack of progress is that too much attention is paid to undertaking specific reform and capacity building interventions, but not enough attention is paid to the development and articulation of national core values and their relationship to the underlying values that drive globalisation.

Clearly, Africa needs to overhaul its administrative systems to make them competitive and democratic. Such an effort must however be constructed by African themselves, though of course in active collaboration with external partners.

Comments

This is another example of an analysis that arrives at the conclusion that Africa is unique and therefore requires special solutions to its problems. Thereby it opens up for the ongoing controversial discussion of whether a special development agenda is needed for Africa, because circumstances are different on this continent, or whether measures that function on other continents also are viable in Africa.

This does not imply that the importance of ownership is reduced. On the contrary, the articles contain further evidence of its importance for the sustainability of, in this case, public sector reforms.

The division of the public sector reforms into three consecutive periods facil-

itates the understanding of why previous reforms, as well as the more recent third generation of reforms, have had a weak impact. Experience gained in one period is used to develop the next wave of reforms. It is also evident from the cases presented that the impact of the first wave of SAP-based public sector reforms made it necessary for the second wave to focus on reconstructing the resulting eroded public sector capacity.

Evidence shows the correlation between success for NPM and the combined issues of the level of the economic development on the one hand, and the degree to which the old public sector has worked with a certain discipline and focus on the

public interest on the other. It is therefore important to take these perspectives into consideration when assessing the sustainability and the pace of new reforms. There is an obvious risk that the aid agencies and the partner institutions underestimate the time period needed to align and implement the reforms.

The weak success of the NPM in the global North also suggests that aid agencies should be careful when they put pressure on partner governments to introduce the reforms that are high on the agenda in the North. This is particularly important when the reforms have a weak track record in those countries.

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The Council for the Development of Social Science Research in Africa, CODESRIA, was established in 1973 as an independent Pan-African research organisation with a primary focus on social research. It has been supported by Sida/SAREC since 1977. The CODESRIA website is: www.codesria.org