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Special issue on "New Public Sector Management Approaches in Africa"

Guest Editor: Dele Olowu

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Introduction
New Public Management: An African Reform Paradigm?

Dele Olowu*

Introduction

African countries are not new to reforms. Before and after independence they implemented a wide range of reforms: some were structural and mundane—covering such issues as income upgrading and structure for the various service cadres—but a few were truly ambitious and aimed at overhauling the public service for greater effectiveness, responsiveness and performance (AAPAM 1984). In spite of the many achievements of these latter types of initiatives, they could not resolve any of the multiple crises confronting African public services today—of mission, performance and internal management as well as reform direction. It is therefore pertinent to ask whether the new public management reforms that many countries in the region are currently pursuing have impacted positively on any of the above-mentioned elements, as they seem to have done in the Organisation for Economic Cooperation and Development (OECD) and a number of other countries since the 1980s. This is the essence of this special issue of *Africa Development*.

The special issue is important in that it attempts to respond to one of the main problems of the NPM discourse in Africa as well as other developing countries—the thinness of the evidence of how NPM type-reforms actually work in practice in countries outside of the industrialised countries of the Commonwealth and OECD (Manning 2001). The

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papers in the issue analyse a number of case studies and highlights insights from implementation experiences.

If governance is the fundamental rules for regulating the relationships between rulers and the ruled, many countries in the region have embarked on economic and political reforms aimed at liberalising their economies and polities (Olowu and Sako 2002). In particular, there are expectations that such reforms may help to alleviate poverty. With respect to the latter nations of the world since 2000 committed themselves to halving world poverty by the year 2015, but Africa is one of the few regions of the world where these commitments are not likely to be realised (African Development Bank 2002). New public management reforms are expected to support these other wider societal reforms. The question is, have they?

In this opening paper, I am going to highlight the main elements of the NPM paradigm. Next, I shall articulate the major questions that have been raised in the course of implementing it in developing countries generally. Finally, I will provide a short introduction of the main papers contained in this special issue of *Africa Development* as these papers document and reflect on the NPM movement and practice vis-à-vis the African experience.

What is the New Public Management?

A few observers have suggested that the term, New Public Management (NPM) is a misnomer. They argue that having been in the forefront of public management discourse for over three decades it can hardly be regarded as 'new' today (Argyriades 2002). More controversially they have suggested that to the extent that NPM undermines core public sector values, it is not really about public management but an attempt to displace public administration as a distinct social science (sub)discipline and field of practice (Farazmand 2002).

In spite of these criticisms, there is consensus today that NPM has made an important contribution to public administration in practically all countries. Des Gasper sums up the state of the art in his contribution to this volume:

> ...the New Public Management...emerged in the 1980s especially in New Zealand, Australia and Britain and in sister forms in the USA...They spread widely, especially in the 1990s, around many OECD countries and from them to lower-income countries, not least in Africa, partly through promotion by international agencies like the World Bank, Commonwealth Secretariat and management consultancy groups. At one stage NPM's proponents claimed to have intellectually defeated the older public management

> and to be in the process of replacing it...NPM has done a lot to shake-up sleepy and self-serving public organizations, often by using ideas from the private sector. It provides many options for trying to achieve cost-effective delivery of public goods, like separate organizations for policy and implementation, performance contracts, internal markets, sub-contracting, and much more. It has a strong inter-organizational focus, as is needed in public management. But it has been spread somewhat like a religion: it was assumed to be modern, relevant and superior, so there was no need felt to prove that it suits the case concerned; to query this was held to show that you were outdated and reactionary...By now, NPM has lost much of its gloss, as experience mounts. In New Zealand, in many respects NPM's furthest frontier, the costs of a too narrow approach to public management have been major and there is considerable backlash.

The elements emphasised by different scholars and prospective public sector innovators differ but its key principles have been summarised as including the following seven main elements (Hood 1991; Owens 1998):

Hands on professional management

The catchphrase for this element is 'let managers manage'. It recognises that there is a need for professional management at the very top and that those who hold these positions should be given substantive responsibility for management—the achievement of clearly specified goals—rather than being administrators whose function is primarily to administer rules. If possible, such positions should be contractualised with the manager answering to the political manager for specific results. The argument here is that accountability requires a clear assignment of responsibility for action, not diffusion of power. The management role here is pre-eminent regardless of the specialised nature of the departments and ministries (hence, bringing an end to the specialist vs. generalist controversy in favour of professional managers). Their jobs are not career positions but contractualised though they also have wide powers to hire and fire those who are responsible to them. This also implies fundamental changes in the organisation of human resource management in the public services—as government–minister, minister–staff relationships are governed by direct contracts rather than indirect accountability via representatives.

Explicit standards and measures of performance

An important tool to implement the above-mentioned management regime is the need to have clearly defined goals, targets and indicators of success, preferably expressed in quantitative terms, justified on the basis of greater accountability in the use of resources. This focus on outputs and outcomes—for individuals, units and whole ministries—is in sharp contrast to the tendency to focus on inputs in traditional public administration arrangements

Emphasis on output controls and entrepreneurial management
Controls exercised by mechanisms such as performance and programme budgeting in contrast to line item budgeting and long term planning and strategic management of the organisation. Strategic management focuses on the changing goals that the organisation must achieve in a rapidly changing environment—hence use of SWOTs. Focus on results rather than process means that the eye of managers is on the bottom line—ability to deliver on expectations or better still surpass them.

Disaggregation of units
Previously large monolithic ministries are broken up into corporatised units around products with separate performance contracts with the aim of separating policy from operational units. Over 70 per cent of the British civil service is presently organised in executive agencies.

Competition in the public service
The application of market principles in the public sector—through privatisation, commercialisation and market testing (tendering vs. bureaucratic provision). By separating provision (legal authority) from production (technical transformation of inputs into outputs), rivalry between diverse producers can be used to lower costs and improve standards.

Stress on private sector styles of management practice
The idea is to move away from military-style public service ethics to flexibility in hiring and rewards—e.g. lateral entry into the public service, performance evaluation and merit pay.

Greater stress on discipline and parsimony
Cutting direct costs, raising labour discipline, resisting union demands, limiting compliance costs to business and, most importantly, the application of Information and Communication Technology. These are all in the drive to do more with less.

In actual fact, most close observers note that there is not one model of NPM but several. Ferlie et al. (1996), based mainly on the application of these principles in the United Kingdom, for instance, argue that there are four models—the 'efficiency drive' model, whose objective is to make the public sector more business like; the 'downsizing and decentralization' model, whose focus is on disaggregation, organizational flexibility and downsizing; the 'management of change model', which aims at integrating bottom-up and top-down approaches to change; and the 'public service orientation to change' model, with greater focus on service quality. Guy Peters (1996) recasts these as schools of thought or orientations in terms of the diagnosis they offer to key problems confronting public administration at the end of the twentieth century—structure, management, policy process and key players and how to advance the public interest. The resultant schema is summarised in Table 1.

The main achievements claimed for NPM have been in the OECD countries—and PUMA, the public sector management section of the OECD organisation, has become an important division. It issues monthly news bulletins on the latest innovations and best cases in NPM style reform. Public sector management improvement features prominently in the EU conditions for new states wanting to join the Union.

John Halligan summarised the achievements of NPM in these countries by noting that, 'public sector reforms in the OECD during the last 20 years have been notable for the magnitude, breadth and significance of the changes'(2001: 3). However, he also notes that there are wide variations between countries. Halligan shows downsizing as the most important universal attribute of public sector reform using the NPM strategies in OECD countries. A close scrutiny of the figures he gives shows that most countries have reduced their general government outlays as a percentage of their gross domestic product (GDP). It also shows that only a few (3) countries among the list of 12 countries could be regarded as 'aggressive downsizers' (Ireland (-17.9 per cent), Netherlands (-9.8 per cent) and New Zealand (-8.4 per cent). Most others had only marginal cuts and some seven countries (Japan, Switzerland, Finland, France, Norway, Portugal and Spain) actually increased the general government outlays as a percentage of their gross domestic product). He also notes that some of the countries still have large public sectors even after these cuts (the range remained from 31 per cent (USA) to 53.3 per cent (France)). While most countries in the bid to improve performance have used managerialisation, contracting and outsourcing, the extensive application of market principles in the core public service has been limited to a small number of countries, notably the United Kingdom (Halligan 2001: 6).

Privatisation and corporatisation (as a means of avoiding privatisation) have been used extensively in a number of countries. Similarly, performance management and managerial decentralisation (countries that favour intra-public service (e.g. New Zealand) do not use intergovernmental solutions, as in the Nordic countries) are widely used. In contrast, only about a half of OECD has adopted accrual accounting and only two have accrual budgeting in the whole of government (there are some pilots) (see Kok 2003). Policy coordination has been consolidated and policy advice diversified in many countries with the government functioning more as a competitor with non-state think tanks and as enablers of these other actors (Commonwealth Secretariat 1995).

Table 1: Major features of models of public sector governance

	Market government	Participative government	Flexible government	Deregulated government
Principal Diagnosis	Monopoly	Hierarchy	Permanence	Internal regulation
Structure	Decentralisation	Flatter organisations	'Virtual organisations'	No particular recommendations
Management	Pay for performance other private sector techniques	TQM*; teams	Managing temporary personnel	Greater managerial freedom
Policy Making	Internal markets, market incentives	Consulta-tion negotiation	Experimen-tation	Entrepre-neurial government
Experimen-tation	Low cost	Involvement consultation	Low cost coordination	Creativity activism

Note: *TQM= Top Quality Management.
Source: Peters (1996: 21).

Debates and dilemmas in developing countries

NPM has not been wanting in terms of its adulators and critiques even in the highly industrialised societies. Owen Hughes (1998) argues that NPM represents a paradigm change in thinking and practice of public administration. The latter he felt belongs to an earlier era that is gone for good. He then proceeded to highlight the major factors that have led to this sea-(paradigm) change. His list includes the emergence of right-wing politicians in Western countries who saw the state as a part of the problem (because of its huge scope, size and methods), economic and fiscal crises of the welfare state, economic theories such public choice, agency and new institutional economics that both provide explanation for poorly performing public services and offered alternatives and other factors such as changes in the private sector corporations, ICT technology etc (see also Minogue et al. 1998).

On the other hand, there are those who point out that while public administration must take to heart the message of market discipline, there are serious problems in asserting that no differences exist between public and private sector management. Second, some others question the empirical validity of NPM both in terms of its claims of private sector management ideals and of public sector management. For instance, most private sector organisations rarely operate in the manner presented in NPM. More importantly, customers and citizens are not the same, and the contention that contractual production is always more efficient than direct bureaucratic production is not borne out in evidence (Kelly 1998: 202). Thirdly, there are those who believe that the NPM remedy is contradictory. Deriving from public choice rhetoric, if managers are guided by rational self-interest why should they be trusted to perform in the public interest? Terry (1998) has gone on to argue that the entrepreneurial model might undermine democratic values of fairness, justice, representation and participation. Such comments have been brought home more forcefully after the September 11, 2001 attacks in the United States.

Even proponents of NPM in the developing countries now acknowledge that all is not well with public sector reform (PSR) inspired by NPM in developing countries. A World Bank website notes that on average, 'only one third of reforms achieved satisfactory outcomes' and these outcomes were often not sustainable. 'Neither downsizing [nor] capacity building have achieved their goals of reducing civil service size nor improved service delivery and civil servants have not owned the reforms or adhered to codes of ethics' (www.world bank.org/publicsector/civilservice/strategies.htm).

There is no doubt that old style public administration emphasises a number of crucial principles for organising public sector services that are challenged by NPM. Guy Peters referred to them as 'chestnuts', an appropriate terminology, for that is what they are—the basics (Table 2).

Table 2: Old public administration chestnuts compared with NPM doctrines

Old Public Administration	New Public Management
Apolitical Civil Service	Political and Accountable Management
Hierarchy and Rules	Markets are superior to markets, emphasis on contracts, not rules
Permanence and Stability	Contractual management
Institutionalised Civil Service	Only small policy and a strategic center required
Internal Regulation	Internal regulation only for the rump of the service, not privatised or decentralised
Equality of Outcomes	Differential outcomes

Source: Extracted from Peters (1996).

Each of these 'chestnuts' represents an element of an administrative culture that took more than one century to institutionalise in each of the industrialised countries. In fact this change required a profound form of administrative reform in each country. It took so long because as several authors who have written about this tell us, the change affected not only the public sector but also the educational and political subsystems. In a detailed study of the rise of meritocracy (what he refers to as a revolution) in Great Britain, Michael Young argues that it was founded on the conviction by its promoters that 'the rate of social progress depends upon the degree to which power is matched with intelligence...civilisation does not depend on the stolid mass[,]...but upon the creative minority'(Young 1958: 14, 15). The foundation of the public service in each country, whether in the 'old' world (represented, for instance, by Britain and France) or the 'new' world (USA), was the reform of public service institutions as the crucible for ensuring that the best and brightest in the society worked for the public good, in the public service (see, for instance, Ruban 1995 on France and Mosher 1968 on the USA). These basics—neutrality, meritocracy and objectivity—were the essentials for coupling (democratic) power to the social reality of international competitiveness. Democracy may produce people with limited expertise in governance, but political leaders found in getting to office a huge and relatively efficient machine at work that was able to sublimate its own interests to the public good—an issue revisited in discussions on the post-1989 reconstruction of Eastern Europe and African countries today (Suleiman 1999; Adamolekun 2002).

The entry point of NPM is its critique that this machine has become outdated and has perhaps overstretched itself. But its main elements as described above needed the foundation of the old public disciplines to be effective—informal structures such as executive agencies, contracts between units within the service and accrual budgets etc. Research by those who have worked on the countries referred to as the 'Asian tigers' (Hong Kong, Singapore, Taiwan, Malaysia, Indonesia and Thailand) shows that they have combined elements of old and new public administration (see Hilton and Root 1996; Quah 1996). The first was needed to advance the cause of the second. In a very wide-ranging review, Nick Manning—one of the early apostles of NPM while at the Commonwealth Secretariat, now at the World Bank—highlighted three reasons why NPM has not been the great success it was expected to be in developing and transition countries.

First, is the absence of democracy. NPM has thrived in climes in which the model of the citizen is of one who is very demanding of his/her officials. In contrast in developing/transition countries, the model of the citizen hardly existed. Treated as subjects rather than citizens they have learnt not to expect great levels of service from their public service—if anything, the society served state officials rather than the other way round (see Mamdani 1996). Second, 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. Thirdly, NPM has had marginal impact even in its heartland. Manning's colleagues at the bank came up with an interesting typology to explain the success or failure of NPM in developing countries:

> Emerging World Bank evidence is consistent with the proposition that it is only where the New Public Expectations have generated the motive and where Old Public Disciplines have provided the capability that any broad,

> multi-sector public management improvements have been worthwhile—NPM style or otherwise (Manning 2001: 303).

A combination of capability and motive is therefore critical to the success of reform, NPM or not. In a sense, this evidence is also consistent with the African experience as my own observations of reform have found, it is exactly those countries that spend more on their civil services to put in place a meritocracy that are able to also advance on the new reforms (see Olowu 1999). In a sense, these elements sound very much like the preconditions Max Weber highlighted for a bureaucracy—*strong economy*, able to provide surplus salaries to pay an army of civil officials, commitment to *political* and *economic equality* and the existence of an *ethos* supportive of the public service.

In spite of these criticisms, 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. Several countries have therefore attempted these reforms in Africa—some based on the logic of their own social and political dynamics but many more based on the strictures and conditionality of bi-lateral and multilateral agencies. We examine this further in the next section.

Challenge of contextualising NPM in Africa—Main contributions in this volume

The five papers in this volume can be categorised into two broad groups. The first are those that provide empirical cases of attempts at implementing NPM in African countries. The joint paper by Mutahaba and Kiragu focuses on the experiences of five African countries: Ghana, Uganda, Tanzania, Kenya and Zambia. These five countries include the western, eastern and southern parts of the continent, and being examples of countries that have received substantial donor support to implement NPM type reforms, their experiences are worthy of the attention devoted to them. They show both successes and failures, but more importantly, they underscore the notion of the three generations of reforms in the continent, all strongly supported by donors since the economic crisis of the 1980s. This suggests that each succeeding wave provides crucial lessons for the next. For instance, 'third generation' reforms have seven main elements. First, they took a differentiated approach to pay, with selective pay strategies for strategic groups or sectors such as tax management or special service delivery enclaves. Second, 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. Third, for other services for which the public sector had responsibilities, and even those within the core functions, attempts were made to separate provision from the production function, leading to the support for local governments and the creation of autonomous agencies, while at the same time strengthening the policy framework of government. Other elements of third generation reforms include greater emphasis on performance and the overhauling of personnel management practices to focus more on individual performance. In many countries, three-year contracts for heads of ministries, departments and agencies became the norm, ethical codes were updated and training policies were restructured as part of the fight against corruption. Finally, parallel efforts are also being made to modernise budgeting, financial management systems and information technology (Stevens and Teggenmann 2003; Phiri-Mundia 2003), and to redefine the strategic framework for cities (e.g. Kampala, see Nabukeera 2003). All these have made a difference in terms of improving performance and productivity in many cases. Apparently, these are all consistent with the NPM philosophy, but external players have largely driven them to set prescriptions of good governance that are not consistent with local political 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 of institutional transfers. Yet, the current reforms—definitely more successful than the first set of reforms—still have their problems, which are highlighted in their paper.

A second paper in this genre focuses on the experience of Ghanaian cities in implementing NPM-type reforms of separating production from provision, or what Nicholas Awortwi refers to as having multiple providers instead of single government provision. The important lesson here is that governments require a different type 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. In other words, there is a quantitative and qualitative increase in transaction costs for reforming governments. Yet, 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.

The contribution by Asmelash Beyene belongs to the second category of papers in this volume—they try to interpret the context of African NPM. Beyene's paper derives from a major study initiated by the United Nations Economic Commission for Africa in the 1990s on the constraints that small- and medium-scale enterprises confront in African countries.

The reason why this is an important and relevant study is that if the main challenge of African countries is to survive and prosper in an age in which globalisation has become triumphant, African governments need to position themselves to promote those enterprises that are likely to enable them to take advantage of the opportunities presented by globalisation. His research again finds out that it is those countries that have good economies that are able to effectively support their SMEs. Asmelash Beyene and his colleagues found that the regulatory environment was wanting in many respects in the 13 countries they surveyed. Only countries like Mauritius, Tunisia actually provided an enabling policy and regulatory framework. A few others such as Côte d'Ivoire, Kenya, Morocco, Namibia and South Africa had a variable environment, while the others provided what he describes as a disabling environment.

The paper by Moses Kiggundu is the best one in this tradition. Drawing on micro and macro indicators, he argues quite effectively and persuasively that Africa is less prepared for globalisation than any other region of the world. Thus, 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 we engage the managerial. He counsels that the formulation of 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. That would help these countries to respond to the present institutional weaknesses at macro and micro levels.

A paper that is difficult to place by my two-fold classification is the fine paper by Des Gasper. He reviews the evolution of NPM and subjects its doctrines to critical analysis. He argues that African policy managers must engage in critical thinking. NPM may not be helping in this direction. Nevertheless, from his case study of the South African response, he shows how public administration students and practitioners can collaborate to ensure that they make NPM relevant to their contexts rather than as defined by organisations attempting to interpret the interests of international capital for Africans.

Therefore, in a sense, we have a very broad variety of contributions, and it is important that these contributors have provided us with a balanced and empirical assessment of NPM in Africa. But they go beyond that to suggest how the NPM discourse can make more lasting but valuable contributions to African public sector management. Mutahaba and Kiragu suggest that African countries must pay attention to those issues that have been largely avoided by bilateral and multilateral actors in their donor-based public sector reforms—the issues of how to build and retain capacity, and in particular how to improve pay in African civil and public services. Capacity building efforts that lose sight of how to sustain already built capacity are at best unproductive. Nicholas Awortwi concurs and suggests how this can be done at the municipal level with strong support by national and other actors.

Similarly, Moses Kiggundu and Asmelash Beyene suggest that African countries must pay attention to globalisation and how to take advantage of the opportunities it presents. Both are quite detailed in their discussions. While Kiggundu sees a policy response as more critical, he also suggests a number of specific institutional responses. Beyene is of the opinion that the cutting edge of industry in a continent that has experienced de-industrialisation is to provide an enabling framework for small and medium scale enterprises. Finally, Des Gasper proposes that the challenges faced by Africans are one that should force us to think more critically and constructively. His point underscores the importance of having effective national and regional research and training institutions on public policy and management. Many of these institutions established in the years following independence have gone comatose as the retinue of consultant took over advisory work on public sector reform in the continent. The universities and other colleges of higher learning have been similarly affected. The quality of their graduates is low, and they lack the wherewithal, the information base and equipment to make original contribution to policy debates. This is compounded by the fact that their brightest and best have become the subject of internal and external brain drain.

Perhaps the most important contribution of this special issue 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. It will require radical restructuring of thinking in institutions within and outside the public sector, and such efforts must be orchestrated by political and administrative leaders, as well as leaders of research and training institutions.

Conclusion

The last word must come from the paper by Moses Kiggundu. He argues that one of the reasons for lack of progress may be 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'. Nationally and regionally, there would be a need for in-depth diagnosis and analysis of the readiness for globalisation—especially to take advantage of important regional initiatives such as the New Partnership for African Development (NEPAD), the United State Government's African Growth and Opportunity Act (AGOA) and the Trade for Development and Enterprise (TRADE), as well as various poverty reduction and capacity building strategies including the Highly Indebted Poor Countries (HIPC). This must form the background to the relaunching of an agenda for a really New Public Management taking into consideration the context not only of globalisation but also democratisation. Indeed, these two should be the fundamental elements of an African administrative space, much in the same manner as the existing European administrative space. The current CAFRAD initiative would therefore need to be reformulated in the light of these developments.

African public administration systems have developed along the European prototypes. This special issue suggests that changes in the African political and economic contexts make important adaptations necessary. Democratisation, globalisation and the huge inequalities that pervade the continent are critical elements of the context. These coupled with the multiple crises in African public administration make rethinking essential. Clearly, Africa needs to overhaul its administrative systems to make them competitive and democratic. Such an effort must however be constructed by Africans themselves, though of course in active collaboration with external partners. If Africans are to lead the process, the commitment of the top political, administrative and civil society leadership would be necessary. Moreover, there is also the need for more research into African public management—one that connects the problem of financing the reforms locally with local structures and initiatives for reform in full view of insights from international experience. In such a framework, public management reform will be rooted in shared values necessary to confront the challenges of both democratisation and globalisation.

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Fashion, Learning and Values in Public Management: Reflections on South African and International Experience

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Abstract

New Public Management (NPM) has shaken up sleepy and self-serving public organisations. But it was spread like a religion: *assumed* to be modern, relevant and universally superior, despite having relatively little empirical backing. NPM has now lost much of its gloss, as experience of the massive transaction costs of radical reforms and of their often unfulfilled prerequisites mounts. An untried package was sold and bought. This paper looks for lessons. First, it discusses implications for the types of independent thinking and training required for public managers, including methods for thinking critically, caringly and creatively. Second, it takes a case study, a 1990s phenomenon parallel to but rather different from NPM, South Africa's 'New Public Administration Initiative' (NPAI). The NPAI made the move from rule-following 'administration' to outcomes-oriented 'management', abolished the division between white-oriented 'Public Administration' and black-oriented 'Development Administration' and heavily invested in reforming educational infrastructure for public and development management, including for thinking independently, not swallowing packages from abroad. NPAI, however, has had to reflect on its intellectual identity for the longer-term, otherwise it may be sidelined or eaten by competitors, notably plain 'management'. This paper examines this rise of 'management' and its threat to 'public' and 'development'. It argues the need to strengthen the 'public' orientation by promoting a number of dimensions of that concept beyond merely 'State' and State-society interaction, and to keep alternative senses of 'development' and 'management' to the fore in order to prevent monopolisation of these terms by the ideas of the corporate world.

Résumé

Le «New Public Management» (Nouvelle forme de gestion publique) (NPM) a bouleversé les organisations publiques qui n'étaient pas dynamiques ni ouvertes.

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Il s'est répandu comme une religion, c'est-à-dire qu'il était supposé être moderne, parfaitement adapté et d'une supériorité universelle, bien que ne disposant que d'un très faible support empirique. Le NPM a désormais perdu de sa superbe, au fur et à mesure qu'augmentent les énormes coûts de transaction induits par les réformes radicales et leurs conditionnalités qui ne sont pas souvent remplies. Une offre groupée a ainsi été commercialisée–et achetée. Cette communication cherche à en tirer des enseignements. Tout d'abord, elle évoque les implications des formes de réflexion et d'apprentissage autonomes exigées des administrateurs publics, incluant les méthodes de réflexion critique, approfondie, responsable, et créative. Ensuite, la communication introduit une étude de cas, celle d'un phénomène des années 90 parallèle mais plutôt différent du NPM: le «New Public Administration Initiative» d'Afrique du Sud (NPAI). Le NPAI a assuré le passage d'une « administration » très attachée aux règles, à une forme de «gestion» privilégiant le résultat; il a également aboli la division existant entre «l'Administration publique» à dominante blanche et «l'Administration du développement» principalement noire, et a grandement contribué à réformer les infrastructures d'apprentissage pour la gestion publique et la gestion du développement, comprenant les infrastructures permettant de réfléchir de manière indépendante, et incitant à ne pas «avaler» passivement les contenus provenant de l'étranger. Le NPAI a cependant eu à méditer sur son identité intellectuelle, dans le long-terme, car autrement, il risquerait d'être écarté ou absorbé par ses concurrents, notamment le système de gestion ordinaire. Cette communication analyse ce développement de la «gestion» et la menace qu'elle représente vis-à-vis du «public» et du «développement». Elle soutient qu'il existe un besoin de renforcement de l'orientation «publique» en promouvant certaines dimensions de ce concept, au-delà du simple «État» et de l'interaction État-société; cette contribution souligne également le besoin de mettre en avant des conceptions alternatives du «développement» et de la «gestion», afin d'éviter que ces termes ne soient accaparés par les idées du monde de l'entreprise.

Introduction: 'New Public Management' and South Africa's 'New Public Administration'

For policymakers and senior managers, the difference between learning by rote and learning to think independently is central. In rote learning we learn how to exactly reproduce something. We copy. This is fine for some purposes; we need to know exactly where the keys on the keyboard are, otherwise we produce nonsense or type very slowly, and we must reproduce our signature consistently otherwise our cheques and credit card payments may be rejected. But for most purposes in policy and senior management we need to make intelligent judgments about cases that consist of a unique new set of circumstances, not completely the same as anything we saw before. We have to think critically, to judge how far previous examples or various general ideas are relevant to the new case.

By 'critically' I mean relying on evidence, good logic and considered values, not automatic opposition. A good critic gives both praise and criticism according to when they seem due. Automatic opposition is uncritical; so is automatically following fashion.

Let us look at the rise and spread of the doctrines and practice called New Public Management (NPM). These emerged in the 1980s especially in New Zealand, Australia and Britain and in sister forms in the United States. They spread widely, especially in the 1990s, around many OECD countries and from them to lower-income countries, not least in Africa, partly through promotion by international agencies like the World Bank, Commonwealth Secretariat and management consultancy groups. At one stage, NPM's proponents claimed to have intellectually defeated the older public management and to be in the process of replacing it.

NPM has done a lot to shake up sleepy and self-serving public organisations, often by using ideas from the private sector. It provides many options for trying to achieve cost-effective delivery of public goods, like separate organisations for policy and implementation, performance contracts, internal markets, sub-contracting and much more (see Khandwalla 1999). It has a strong inter-organisational focus, as is needed in public management. But it has been spread somewhat like a religion; it was *assumed* to be modern, relevant and superior, so there was no need felt to prove that it suits the case concerned. To query this was held to show that you were outdated and reactionary.

Christopher Pollitt records in his study, 'Justification by Works or by Faith?', how thin was the empirical backing for NPM while it was being evangelised worldwide. No thorough pilot studies had been done, let alone studies giving clear lessons, based on consultation with medium and lower-level staff, or with customers about their experience in the experiments. Governments pushed ahead with massive changes on the basis of high hopes, misleading comparisons, a few examples often heard of from abroad, assurances from highly paid consultants and the views of some top civil servants and politicians far from the delivery line.

By now, as experience mounts, NPM has lost much of its gloss. In New Zealand, in many respects NPM's furthest frontier, the costs of an overly narrow approach to public management have been major and there is considerable backlash. The picture of the public and semi-public utilities such as the railways in Britain—complex new organisational systems, lavish remuneration of managers and sometimes of investors and often unimpressive, sometimes even disastrous, records of public service—means that copying British-style NPM has lost much of its credibility. One previously strong proselytizer for NPM—including the lead author of the Commonwealth Secretariat's lead publication on public sector reform (Commonwealth Secretariat 1995)—now notes, for example, the massive transaction costs of radical reforms, which can outweigh their intended efficiency gains (Manning 2001: 301). In the South, the advocated reforms rested on tacit assumptions which were far less often fulfilled than in their OECD home: the existence of solid traditional public sector management skills and routines within the state and of highly organised publics which could discipline it (Manning 2001: 303-5). Manning draws consolation from the argument that the amount of damage which NPM admittedly did in some cases (298) cannot have been too great since it has not in reality been widely implemented in developing countries: 'The excessive claims of NPM did little damage in the long run, [but] this was more by luck than by judgement' (308).

NPM was sold—and bought—as if it were a well-established package. It was sold—and bought—as if it was a consistent system, even though it was a patchwork of different elements and tendencies, some, for example, market-based and some hierarchy-based; it assumed but did not cultivate public service commitment and loyalty. How can we do better than too readily and unselectively swallowing new Northern nostrums? Good public management requires thinking critically, thinking caringly, and thinking creatively. It also involves learning how to learn, sometimes unlearning whatever we should discard, and helping others learn. Section 2 looks at one system for more critical and creative thinking. Section 3 examines a complementary method, the careful dissection of key concepts, with special reference to the terms 'public' and 'management'. I will use examples from the story of 'New Public Management' and from a different 1990s phenomenon, South Africa's 'New Public Administration Initiative'.

NPM and the interest in it were partly a reaction to failures. In Africa, for example, public enterprises have presented in large part a picture of inefficiency, losses, budgetary burdens and poor services (Gasper, Schwella and Tangri 2002). Dominant foreign sources of capital and ideas have demanded privatisation, as a general principle, insisting that it could slash the government deficit and depoliticize business decisions. But apart from job losses and fears among political leaders about losing patronage opportunities, privatisation may have other dangers: non-indigenous control, given the weakness of local capital; continuing monopoly, given the smallness of most markets; withdrawal of some services, at least at prices accessible to ordinary people; and massive enrichment of tiny insider groups. Foreign profit-driven corporations might lack long-term loyalty to local development, but the big private players have been backed by a predominant market ideology, embodied in organisations like the IMF and some major consultancy groups. The IMF, convinced of the ideology and not hindered by much local knowledge, may automatically press to privatize (Stiglitz 2002). Most countries have lacked the room for manoeuvre and the managerial and research capacity to effectively prepare and defend their own agendas, defining and using a wider range of options. What is happening in South Africa in public management has much interest then for other African countries, even when we take into account the differences in conditions.

Amongst the promising examples in South Africa are the independent lines it has evolved on reorganising state-owned enterprises, and its approach in education for public management.[1]

> Government's policy with regard to State Owned Enterprises is more properly referred to as a restructuring programme, and not in the more simplistic terms of privatisation. The programme was and remains designed around a multiple array of strategies, or mixes of options, that are designed to ensure the maximisation of [stakeholder] interests defined in economic, social and development terms... (Ministry of Public Enterprises 2000).

For example, when Telkom was 30 per cent privatised this raised US $1.2 billion, part of which has been used to extend the network to rural areas and townships. Telkom has made heavy net contributions to the public finances, while massively extending access, as required in its licence. It has moved from having one black manager for 60,000 employees in 1993, to having 50 per cent black management (Gasper, Schwella and Tangri 2002; see also Horwitz 2001).

To progress with an agenda of public service and national development—for example, adopting privatisation where appropriate and not otherwise, and regulating it effectively—requires substantial resources of national commitment and inspiration, of public service capacity, ideas and ethics and a coherent ideology different from the fundamentalism of the global market. When we look at the great success stories of East and South East Asia, we see in every case that those resources were mobilised, invested in and used. For, who will regulate the regulators? What will make and keep them—and the publicly-oriented but effective managers who are needed—trained, motivated and loyal? In the private, profit-driven sector, big money buys influence, seeks out good staff, invests massively in their loyalty and skills and pays for research and for publicists to spread ideas. The public sector (including all publicly-oriented organisations, not just state-owned ones) has to invest seriously and steadily in ideas, institutions and training if it is not to be dominated by forces of private wealth.

In the early 1990s South African training and education for public policy and public management were still parts of the apartheid world. Starting with the New Public Administration Initiative (NPAI) of 1991, exemplified in the deservedly influential 1991 Mount Grace conference papers, great advances were made through the 1990s in reaching further beyond only whites and in establishing post-apartheid programmes. Intellectually, this involved three moves: from 'government' thinking to 'governance' thinking, namely, societal management through the interaction of many agencies and social forces; from rule-following 'administration' to outcomes-oriented 'management'; and from a detached 'education' separated from 'training' to more fruitfully interrelated streams of work (Cawthra 1999; see also Swilling and Wooldridge 1997). A notion of public management was created. In addition, the old division between white-oriented 'Public Administration' and black-oriented 'Development Administration' was abolished. Both had been devalued by their apartheid separation. In South African parlance, the 'public and development discipline' was created. It has contributed substantially to South Africa's remarkable transition and its ability to think relatively independently and effectively in public policy and management (see Wessels and Pauw 1999).

By the end of the decade, the 'New Public Management' promoted by international agencies, and competition from international educational providers, notably offering general management education, had arrived in South Africa. The reactive vision of NPAI and the 'public and development' movement did not yet establish a sufficient approach. The jargon terms 'the public and development sectors' and 'the public and development discipline' left much obscured. 'Public and development', that noun-free, adjective-heavy emergent field, had to reflect on its intellectual identity for the longer-term. Otherwise it could be sidelined or even eaten by competitors, such as adjective-free, noun-heavy 'management'. Terms for the new movement have evolved, from 'public policy and development administration', in the early 1990s, to 'public and development management' by the mid–1990s, with 'policy' and 'administration' trumped by 'management'; and then to 'public management', with 'public' swallowing 'development'.[2] The danger is of 'public' itself being swallowed, leaving just 'management'. Section 3 considers this rise of 'management' and threat to 'development'. I will argue for the need above all to retain and strengthen 'public', clarifying and promoting a number of dimensions of the concept, beyond merely 'State' and State-society interaction; and also for keeping alternative senses of 'development' and 'management' to the fore, to prevent monopolisation of these terms by the ideas of the corporate world.

Critical and uncritical thinking

Learning in public management in the past: Nature and limitations

Christopher Hood has examined why and how administrative doctrines often get adopted without a good basis of evidence. His book with Michael Jackson called *Administrative Argument* suggests that, in the past, politically successful arguments about principles for administration have rarely been based on extensive, reliable data or careful logic and comparison with alternatives. More often they have relied on appeals to authority, metaphors, proverbs and selected supportive examples. Yet as Herbert Simon pointed out in his *Administrative Behavior*, for every one of these administration proverbs there is a contradictory one, equally plausible, that is ignored—until the next wave in administrative fashion when those opposite views may become a new orthodoxy. *Administrative Argument* catalogues 99 proverb-like doctrines in administration, about who should do what or how, and discusses what influences which doctrines get picked out and when. Simon wanted to establish administration on a more scientific basis, by precise large-scale testing of which doctrines work when and where. But the record of that sort of work in academic public administration has been rather indecisive and short of influence, since it rarely gives bold, inspiring, sweeping conclusions. Situations and criteria have so many aspects, vary so much and keep on changing.

Far more influential, argue Hood and Jackson, have been approaches which contain attractively-packaged sets of administration proverbs and satisfy all or most of the following six requirements. First, they must pick up a felt mood of the time. NPM matched a desire to 'jack up' the public sector and cut costs. In some countries, for example, the swing voter group was now relatively well-off and averse to more taxes.

Second, the approaches use persuasive metaphors and build on appealing and widespread 'common-sense' ideas. NPM stressed masterful 'management' (the word comes from the training of horses) rather than more modest 'administration', and equated budget-cutting with fitness and losing weight: 'mean' became redefined as 'lean'. It relied on simple pictures, provided by economists, that people are predominantly self-interested, restless calculators oriented to financial incentives. Only vivid simple images are likely to capture the imagination of enough people to be remembered and used. This is how business management 'gurus' work. Metaphors also genuinely help people to think and to be more creative.

Third, they should be stated in general terms which allow different groups to interpret the package differently, in line with their concerns. NPM's 'performance' talk could appeal both to cost-cutters, interested in financial performance, and to quality-raisers.

Fourth, the approach promotes the private interests of some influential groups while declaring that it serves the public good. NPM schemes, for example, have involved not just well-intentioned copying of a current fashion but sometimes large rewards for top public officials, who have moved towards private sector-type remuneration packages and who, after leaving the public sector, have frequently entered interested-party private companies.

Fifth, examples and comparisons, but only selected ones which support the pre-set conclusions, are used to give reasoned support. The examples often come as easy-to-remember stories, parables of failure or success, like we see in much management-guru literature. NPM presented inspirational stories: of the bad old ways and the shining modern alternative. It ignored cases which didn't fit.

Sixth, the approach is proposed in a forceful, dramatic way, which induces people to accept its story and conclusions even in the absence of solid evidence, for example, by insisting that a crisis demands immediate action. At a time of fear of being out-competed by Japan and others, the ideas which Tom Peters' famous *In Search of Excellence* (1982) put forward from study of a few successful American companies (most of which had collapsed ten years later) had considerable impact, even in public management and other countries.

These six factors help explain, propose Hood and Jackson, how packages of ideas from business management and economics—NPM drew from both sources—have often become more influential in public management than ideas from the public administration discipline itself, which were more complex, unmarketed and harder to use. Economics-based reasoning has had the added advantage that, given its boldly oversimplified picture of people's motives, it builds impressive-looking mathematical models of behaviour which give definite predictions. This provides a direction and a feeling of decisiveness. But the oversimplification is dangerous.

How might we do any better to think independently, yet influence and motivate? One lesson, especially from the study of public administration, is the importance of being empirical, case-specific and respecting complexity. From the history of ideas and administration we see the need for sensitivity to key concepts and how they have emerged. Another lesson, not least from economics, is the power of a systematic approach to thinking. And from business management, especially, we can draw a lesson about the power of metaphors and stories, for seeing new angles, communicating and persuading. How can we combine these requirements? I will make some suggestions and will indicate in particular how a fairly simple system of argument analysis can often help.

A system for thinking critically

In a classic study on *Towards a Philosophy of Administration,* Christopher Hodgkinson showed how administration consists in large part of the clarification, testing, communication and follow-up of evaluative statements. Hence strong skills for handling language and logic and discussing values are essential. Systems of pat answers inhibit us from thinking and learning. We need methods that help us to identify and check meanings and assumptions and to construct and assess counterarguments.

The following system uses two tables for analysis. The first table is for examining carefully the components and meanings in a statement or text. Only if we have clarified meanings are we ready to check logic. The second table is for then formulating the structure of the argument, to see how and how well the components fit together.[3]

Just as we normally miss some errors when we proofread our own work, we normally miss many significant aspects when routinely reading a complex text. Often, our minds too readily repeat the old scenarios with which we are familiar, rather than freshly and precisely examine what lies in front of us. In the first part of the system we therefore look closely, line-by-line and word-by-word, at the selected text or key extract. We place it in the first column of a table and divide it into sections. This helps us to get close to a position and examine all its parts in detail and yet keep a critical distance, so as to be able to think about it in a detached way.

In the second column of this table one identifies and comments on key words and phrases. Some people say 'New Public Management' was in fact largely *old private* management, which is often different from what successful modern private sector companies try for. Bringing business practices into public administration has been tried since the late nineteenth century, and many NPM components, like performance-related pay, were widespread much earlier. Hood and Jackson suggest that NPM presented itself as 'New' in order to divert attention from the mixed record of previous attempts on the same lines and to why attempts had declined.

One important guideline is to examine the major figures of speech, the cases where words are not used with their literal meaning. Some figures are found on the surface. (The previous sentence is itself a figure of speech, a metaphor.) Some lie deeper, more subtly ingrained (notice the metaphors in both these clauses), such as the original analogy of 'management' to close manual control, of animals.

Another guideline is to identify language which gives or suggests praise or criticism, because it often points towards the conclusions of the text. Sometimes we can usefully invest in making a third column, in which one takes the key words and phrases and rewords them more neutrally or with an opposite evaluative direction. Thinking about alternative choices of words helps to clarify the conclusions towards which the actual choice of words led, and it helps one to find possible counterarguments, other ways of viewing the same situation, against which the text should be compared when we judge it overall.

In the final column, one then identifies the main conclusions and assumptions of the text, both the stated ones and those which are unstated or hinted at. So, overall, the first table can look like this:

Table 1: A format for systematic investigation of a text's meanings and main components

The text	Comments on meanings	A rewording of key components to test meanings	Main conclusions and assumptions identified in the text
Section 1			
Section 2			
....			

The second part of the method takes the results from the first table: the identified meanings, components, assumptions and conclusions. In a second table we then lay out for each important conclusion the basis on which it is proposed--the asserted or assumed data and principles—and the possible counterarguments. The possible counterarguments (rebuttals) can either be direct doubts about the identified data and principle(s), or other doubts or exceptions concerning the claim. They provide the seeds of possible alternative positions, either as revisions of the original position or as radically different.

Table 2: A format for synthesis of a text's propositions and investigation of their cogency

I Claim [this conclusion],	**Given this Data (empirical facts)**	**and this Principle (or Principles = general, theoretical and/or value statements);**	**Unless (/except when) one or more of these counterarguments applies**
Conclusion 1	Data 1.1, (1.2, ...)	Principle 1.1, (1.2, ...)	Rebuttal 1.1, (1.2, 1.3, ...)
Conclusion 2	Data 2.1, (2.2, ...)	Principle 2.1, (2.2, ...)	Rebuttal 2.1, (2.2, 2.3, ...)
....	....	....	....

The system is presented in more detail in Gasper (2000b) through an examination of texts from Southern African policy debates. The procedure typically generates significant added insight about what a text says, and provides a basis for evaluating and when necessary, changing it. For example, Gasper (2003) analyses the section on corruption in the important mid-1990s study with which the Commonwealth Secretariat launched its publications series for improving public service management. Sentence-by-sentence and sometimes word-by-word examination takes us behind the screens of euphemism in international agency discourse and shows the tensions in the negotiated text. It reveals how, behind diplomatically general formulations, low-income countries were treated as empirically different (supposedly more corrupt and in need of systemic and cultural change) yet on the other hand subjected to the same policy approach as specified for high-income countries: an economic perspective that focused on altering the balance of prospective risks and rewards attached to corrupt behaviour.

Here we look further at the same Commonwealth Secretariat publication, not this time at a single passage but a series of passages and at the messages on public sector management from the document as a whole.

The Commonwealth Secretariat's advocacy of public sector reform—and privatisation

Under the carefully edited surface of *From Problem to Solution* (Commonwealth Secretariat 1995) lay mixed messages. Some parts of the study were oriented to privatisation and were in tension with other parts which believed instead in internal public sector reform. This emerges from studying the whole report with an eye for key passages which one finds particularly near its beginning and end; and by then analysing the identified passages parallel to each other, as shown in Table 3. The table probes the meanings conveyed by terms, including in its third column, by re-wording to see what difference the actual choice of words made. Some rewordings used in the table are intensifications or clarifications of the position in the text but some are doubts and proto-rebuttals.

The mixed messages could reflect the involvement of different editorial hands, with some coming in at a later stage to counteract or tone down the strong criticisms of government activity, as in the sections of the study which are examined in Table 3. We find, however, still a main message, re-emerging in key passages towards the end of the document (51, 53, 67) where the recommended roles of the various different policy options are stated in relation to each other. While many policy measures are presented in the report, often in detail, ultimately privatisation seems to receive pride of place: both in the short term by being the first option to consider, before others, and in the long run as the assumed final option to which governments will be forced to turn, as the others arguably become less and less effective.

Due to length limitations, I have not presented a second table containing a synthesis of the identified components into a tidied set of explicit propositions and possible counter-arguments. Interested readers may like to undertake that exercise for themselves and to read Manning's (2001) partial retraction of *From Problem to Solution*'s recommendations after more exposure to experience of how the proposed solutions could generate major new problems.

Table 3: Examination of the Commonwealth Secretariat's published position on public sector management

The Texts (extracts from Commonwealth Secretariat 1995)	Comments on Meaning and Style	Possible Alternative Wordings	Identification of Text's Conclusions and Assumptions
From Problem To Solution [Title of the report]	1. Meaning: not just a diagnosis of weaknesses but an identification of cures. 2. Connotation: that there is a single shared problem and a single shared solution—even though some parts of the report rebut this.	From Problems to Solutions	Assumption: This report reveals the single shared problem and single shared solution. Background: The existence of a Management Division of the Commonwealth Secretariat (CS) encourages the idea of important commonality in problems and solutions in member countries.
Within a few decades, government expenditures had acquired a reputation worldwide, with a few notable exceptions, for poor products, services and attitudes. (p.4)	1. Within a few decades since what? Implicitly, the independence of former Imperial possessions. 2. Only a few exceptions —is this true? It is truer for ex-colonies, but still overstated.	One or two generations after independence, the public sector throughout ex-colonies is known for poor performance.	Assumptions on audience: - The primary function of the report is to channel ideas from North to South, without being so crude as to say so openly. -While the rich North is unlikely to pay much attention to the CS, the poor South is both problematic and open to influence, especially if neither point is too openly stated.

Table 3: Continued

The Texts (extracts from Commonwealth Secretariat 1995)	Comments on Meaning and Style	Possible Alternative Wordings	Identification of Text's Conclusions and Assumptions
Traditionally, the shortcomings of the public service have been seen as organisational problems capable of solution by appropriate applications of political will, powerful ideas, and managerial determination. Recent years have seen a new problem identified – government itself. (p.6)	'have been seen as' is used to record the traditional view; more emphatic and supportive is the term 'identified', used for the new view. Later the 'new problem identified' is specified as government over-ambition, but here it is introduced in a more dramatic and anti-government way, as 'government itself'.	The traditional view sees public sector problems as soluble. The stronger new view sees them as inherent to government. [Hence privatisation would be the main line of response, rather than public sector reform – contrary to the focus of most of the report; see the extract.	(Implied) Conclusion: Our starting point presumption should be that government is a problem not a solution.
It has been argued with increasing force that it is the over-ambitious scale of government, seeking to intervene and provide services in areas where it has no proven track record of success, that is the problem. (p.6 continued)	1. 'with increasing force' implies strength, not just intensity, of argument; so support is implied for this view. An opposed view is reported on p.8 in sceptical fashion. 2. 'a new problem' has quickly been turned into 'the problem': as in the report's title.	Governments are doing too much that they are unfit to do.	Implied conclusion: Governments are doing too much that they are unfit to do. [Remarks: if governments work only in areas of already proven success, they will never find new ones.]
The overriding concern with economic growth has led to a re-focusing and narrowing of national goals, suggesting that there must also be a re-focusing and narrowing of government institutions and responsibilities. (p.6 continued)	'Overriding concern' - Is this true? Note the emergence also of e.g.'Human Development' - 'Overriding concern' by whom? Business sectors? 'Must be': no choice left.	In some economically regressing countries, governments have felt obliged to concentrate on a few economic issues. Business sectors in many countries would like government to do that	Implied conclusion: governments must do less.

Table 3: Continued

The Texts (extracts from Commonwealth Secretariat 1995)	Comments on Meaning and Style	Possible Alternative Wordings	Identification of Text's Conclusions and Assumptions
...Despite consensus on the need for change, there continues to be controversy on the appropriate role of the state (p.6, later).	The fact of controversy weakens the earlier claim of an 'overriding concern'; as we will see on p.8.	Not everyone agrees with the business sectors.	Conclusion: People understand tha the old situation must be changed, but some remain confused by old arguments for it.
New Roles – Concerns For Change *In some countries, concern has been expressed that the extensive changes in the role of government currently being considered are not always based on a sufficient awareness of local conditions. The political leadership of some developing countries have argued that failures in development planning are not because of the level of state intervention but because of its nature... in not allowing for popular participation, in not addressing the unique social environments, and in not encouraging transparency and accountability (p.8).*	The subsection records doubts raised in the 'South' about New Public Management. However, the title seems to reduce the doubts to worries over change, mere conservatism. The doubts are attributed to 'The political leadership' [with the earlier 'some countries' now identified as 'some developing countries'], as if the doubts are not shared by many others too.	In some countries, leaders afraid of change defend their traditional policies, by arguing that these policies have been poorly implemented and could be handled better	Implied Conclusion: arguments reducing the role of government are weak.
Government was not in error in setting itself its tasks, the argument runs, it failed in the manner in which it sought to undertake them. It is the style of management and not the role of government which is the problem.	'The argument runs': distanceis taken from this position, in contrast to the way in which the opposed position was presented earlier (it 'has been argued with increasing force')	Old arguments for extensive government involvement in economic and social management continue to be recited-regardless of the worlwide record of poor performance...	

Table 3: Continued

The Texts (extracts from Commonwealth Secretariat 1995)	Comments on Meaning and Style	Possible Alternative Wordings	Identification of Text's Conclusions and Assumptions
The reasons for government involvement in management have not disappeared. The lack of domestic private capital, the risk of foreign domination of the economy... (p.8 contd.)			
Against that background, pressure to review and reduce the role of government may appear to threaten a system in which there is already insufficient experience, inadequate resources and a volatile political environment and could be destabilising; incremental improvement of the basics may be more pertinent. (later on p.8)	'may appear to threaten', and 'may be more pertinent': again we find a distanced, somewhat sceptical reporting of this viewpoint—but it is included, not ignored, even if rather as an afterthought or response to comments	...—together with new arguments that changing the role of government would be destabilising, given all the problems that make government's performance so weak!	
Where there is no strategic reason why an activity should be privatised, corporatisation or contracting out should be considered. (p.51)	The recommended sequence of discussion is: first consider privatisation. 'Strategic reasons' can be political too.	First, consider privatisation: that is the proper starting point for discussion.	

Table 3: Continued

The Texts (extracts from Commonwealth Secretariat 1995)	**Comments on Meaning and Style**	**Possible Alternative Wordings**	**Identification of Text's Conclusions and Assumptions**
In some limited situations where contracting out is not feasible because of market weaknesses or political restrictions, the development of internal markets is being explored with, as yet, uncertain results. (p.53)	Similarly, where there is not full privatisation of management, privatisation of supply ('contracting-out') is the presumed most plausible solution.	If not privatising, then consider contracting-out to the private sector. Only in a few cases are other possibilities worth considering.	Implied Conclusion: In the short run, privatisation is the base case, the reference point; and in the long run, privatisation is the road ahead
This increasingly diverse public service will be less and less amenable to hierarchical management or to control by ever more detailed contractual relationships (p.67).	And therefore the case for privatisation will increase, according to this study.	But in the long run corporatisation or contracting out will be less and less satisfactory.	

Analysing key terms: Meanings of 'Public', 'Management' and 'Public Management'

An essential part of critical thinking is the thoughtful re-investigation of key terms. None is more key in public policy, administration and management than 'public' itself, yet its meaning is subject to much confusion. In almost the same breath we say 'public' for 'State', as in 'the public sector', and then discuss how this public sector deals with those outside it, 'the public'. Despite its claim to newness, NPM showed too little thought here, due to its reliance on a generalised model of the market and on the conventional economics conception of public goods. More reflective positions may well vary from country to country. One cannot draw an answer from off a foreign shelf (Ngema 2002). In South Africa the meaning of 'public' has for historic reasons its own special confusions. There appears no consistent stance on whether the public sector is more than the State sector and whether it includes NGOs and CBOs (Community based organisations) or not; hence, the occasional addition to 'public sector' of the phrase 'and development sectors'.

Different understandings of what is feasible and desirable for a political community lead to different delineations of the public sphere. We will see limitations of the neoclassical economics concept of 'public good' (non-rivalrous and non-excludable goods) for discussing the choices involved. For public administration we need rather to consider public goods as identified priorities within a political community, whose supply is to be promoted through some form of 'public action'. State action is only one such form: the State is (in principle) merely a tool of a political community, one available tool amongst others. Ideals of 'public service' and public-spiritedness are critically important for this operation of community and State. Shrinkage of the notion of 'public' to that in neoclassical economics matches a domination of the political community by wealth.

Conceptions of 'Public' Reflect Conceptions of Political Community

'Public' comes from the Latin *publicus*, derived in turn from pubes meaning adult (cf. 'puberty'). It now has a complex of meanings (*Oxford English Reference Dictionary* 1996) including three uses as an adjective: (1) 'of or concerning the people as a whole', (2) 'of or involved in the affairs of the community', and (3) 'provided by or concerning local or central government' (as in 'the public sector'; but not provided just for government itself, instead provided with an orientation to the whole public; similarly, public goods are not only provided by the State). In addition there are two meanings as a noun: (1) the community in general, and (2) a section of the community having a particular interest or some special connection.

Conceptions of 'public' reflect theories of what is a political community and of how it can and should perform. The term 'the community' becomes dangerous when given a Gemeinschaft interpretation requiring a whole shared culture. It is dangerous because it is used to exclude. 'Public' requires rather a Gesellschaft interpretation, of citizens living together and cooperating according to common rules. It is a reference to a political community, not to cultural homogeneity. The perception in some recent 'New Public Management' of citizens as only customers is another dangerous reduction.[4]

Let us identify alternative criteria for using the term 'public', and some of the issues which arise:

1. *Non-profit*. Many public agencies, with public purposes according to other criteria in this list, operate on a profit basis.

2. *Inter-organisational:* The public arena is characteristically multi-actor, multi-jurisdiction, multi-authority. This is a secondary characteristic, a consequence of more central features.
3. *That which is managed or held in common.* This criterion seems more central, but omits one basic feature of the term, its critical, normative, force. People declare that issue X *is* a matter of public concern, i.e. should be subject to community attention and steering even if it presently is not, and conversely that issue Y is *not*, i.e. should not be, a matter for public concern even if it is presently subject to community regulation.
4. *That which should be managed in common.* This fourth criterion is therefore essential, as partner to the third. Questions arising include: 'Should' by what criteria? In common amongst whom? Managed in which respects? By which modalities? The remaining three criteria represent lines for discussing the question of what should be in the public arena.
5. *Everything in a polity that is not 'private'.* By itself this criterion gives no answers but provides a line for thought and critique. Feminists have noted, for example, how the costs borne by women have often been treated as 'private' and hence not a topic for public discussion or action.
6. *Activities or matters which affect other people, especially otherwise than through markets.* Which effects are considered significant in type or quantity, which affected groups are considered significant and as judged by whom? These notions vary and evolve. Activities which only benefit oneself are in this conception not considered 'public'.
7. *Activities or matters which harm other people.* In this narrower interpretation, behaviours should be treated as part of the 'private' sphere as long as no one is harmed.

One finds all these criteria and more mentioned in public policy texts, typically without being distinguished (e.g. the opening pages of Parsons 1995). Yet they do not all move together, and hence the field is not one with tidy, clear or agreed boundaries.

Definitions of the field(s) of public policy and public administration reflect contested ideas about the functioning and ordering of societies: about the capacity of markets; about duties to and for others; about the degree of sustainable public-spiritedness; about the capacity of States or other non-market action; and hence about the degree to which non-market action should be legitimated by extension of the label 'public'. In market-based social philosophies there is a large private sphere; to operate outside the market is only justified if it remedies culpable harm to others who are recognised as juridically distinct and important; public benefit is seen only as the sum of the private benefits of separate individuals; and the public sphere is only to provide a frame for markets and to remedy the (supposedly) exceptional market failures, typically by action that is itself organised on (quasi-) market principles. Public service becomes conceived purely on a supplier-customer model: to deliver contractually specified services (Swilling and Wooldridge 1997).

If instead we consider that duties are more extensive, markets frequently unsatisfactory, public-spiritedness sustainably high, and non-market action often efficacious, then the label 'public' will be extended broadly. Public administration can be seen as broader than government administration, for: 'Public is a pre-governmental concept which broadly describes the full range of human collective activities which are outside of our private homes and distinct from the market of the private pursuit of gain' (Frederickson 1996: 299). This differs significantly from the modern economics concept of public goods.

Public Goods

Mainstream economics has focused on the market, and requires goods that are rivalrous and excludable in order for its predictive and prescriptive claims to have more plausibility.[5] The neo-classical theory of public goods then only offers a definition by contrast. Public goods are defined as problem cases: goods which are non-rivalrous and/or non-excludable. The pure public good (or bad) is both. It affects others, not only the producer and buyer, and the others cannot (feasibly) be excluded, nor does their 'participation' reduce the effects on both producer and buyer. This combination makes 'free-riding' by all possible and inhibits funding and hence provision of the good. Such a definition is not sufficient for understanding the public sphere and its constructed nature. It can be used to reduce public action to what neo-classical economics understands.

First, which 'others' are considered is a matter for political choice. For long in South Africa, blacks were excluded from the polity and were likely to be not counted for many purposes. In some cases, foreigners are not counted. Who is considered 'the public' depends on the context and prevailing values. Economics' utilitarian formation makes it potentially consistent with including all races, but its reliance on the market leads it typically towards counting only those with money to make themselves heard.

Second, being non-rivalrous and non-excludable does not make a good publicly available; non-excludability often makes that more difficult. What makes such a good publicly available, and hence a public good in the ordinary sense of the term, is (a) a decision that it is important, and then

(b) some form of public action. What is chosen for actual public provision is influenced by ideas about what *should be* publicly provided, including about what are merit goods. In all countries and times this covers far less than all non-excludables; it also includes some excludables. Education and health care are both rivalrous and excludable services, yet both may be provided by public agents to be accessible to ordinary people, often at a subsidized price, because they are seen as deserving priority as merit goods and because their 'consumption' brings important favourable external effects.

Let us take a further example: public spaces. They belong to the family of what Joseph Raz and John Gray call 'inherently public goods', which

> ...do not necessarily satisfy the technical requirements of an economic public good...[but] are ingredients in a worthwhile form of common life. Consider public parks in the context of a modern city [DG: a facility especially valued by many poorer people]...There are, of course, no insuperable technical obstacles to turning urban parks into private consumption goods...[But] Public spaces for recreation and for lingering, whether streets, squares or parks, are necessary ingredients in the common life of cities, as conceived in the European tradition and elsewhere. Where such public places atrophy or disappear, become too dangerous or too unsightly to be occupied... the common life of the city has been compromised or lost. This is a nemesis, long reached in many American urban settlements and not far off in some British and European cities, which market institutions can do little to prevent. It is only one example...of the indifference of market institutions to inherently public goods (Gray 1993: 134).

So we have various types of definition of public goods:

- *analytic*: as in economic theory, to discuss what it considers to be exceptions as seen from its intellectual starting point, the model of the well-functioning market;
- *descriptive*: goods/services provided by public agents; or guaranteed by public bodies; or provided with a full or partial public subsidy; and;
- *prescriptive*: goods/services which should be provided/guaranteed/ subsidised by public bodies.

Wuyts et al. (1992) do not adopt the neoclassical economics definition. Drawing on de Swaan (1988), they emphasise not merely that a good is hard to provide via markets, but the aspects of prioritisation and public action, including the processes of debate about what are to be accepted as public problems, what are the boundaries and responsibilities of the political community, and hence what are public needs and 'public goods'. These debates vary across time and place, as seen in Wuyts's contrasting histories of the extension of water and sewer networks in nineteenth century European cities and twentieth century Johannesburg. Richer groups in Europe's expanding cities, increasingly residentially secluded by income, paid private entrepreneurs who installed water and sanitation systems for their neighbourhoods. Eventually these public goods were extended by legislation and State subsidy to low-income areas, given the richer groups' wish to eliminate epidemics that endangered and inconvenienced them too, and the growth of concern from increasingly organised medical and State bureaucracies and general public opinion. In South African cities, richer groups 'solved' the problem of unsanitary low-income areas not by extending public provision to them, but from the 1930s onwards, by forced removal of their populations to remote townships. It was bus transportation, to ensure timely arrival of black labour each day to the 'white' areas, which became a State-recognised public good and recipient of subsidies.

In the USA, whereas shared public spaces in cities can be neglected, the provision of security and countering of crime have emerged as prioritised public goods. Tax-breaks and public funds are channelled to these sectors, whose products are increasingly commodities for sale by private suppliers. These booming new industries have a vested interest in the reproduction of classes of criminals and prisoners. The USA now has two million persons in prisons, often privately run.

Which are 'public agents' and 'public bodies'? Families, numerous sorts of association, and NGOs/PVOs (private voluntary organisations) have a proven ability to make major direct contributions to quality of life. Further, for State action to be beneficial, broader public action of various types is necessary: to generate the State action, discipline it and complement it. Thus the conception of *public action* covers more than action by the State. For Mackintosh (1992) it is purposive collective action, not all of which will be publicly beneficial. For Dreze and Sen it is instead action for public benefit, which can be done by various agents and private agents too. Often, even typically, it will involve various organisations. We arrive at a broader conception of governance: the 'array of ways in which interplay between the State, the market, and society is ordered' ('Insights' no.23 1997; IDS Sussex).

'Public' refers to a *series* of contrasts with the untrammelled market, not only the issues of ownership or profit-orientation: in the criteria used, going beyond considering only market and market-equivalent impacts; in the greater scope of effects considered, concerning types of effect and the greater range of affected people considered; in the greater range of people to be involved in discussion and decision-making, within an arena for debate of matters of common concern, not an army or only a market; and thus overall in the broader range of values advocated, including public spirit and concern for others, not only self-interest and (at best) agreement-following. All of these extensions will be at risk if public management veers away from emphasising and understanding the concept of 'public' and the processes that define and constitute a public, a political community, and becomes instead more exclusively and conventionally managerial.

Balancing 'Management' with 'Development' and 'Policy'

In contrast to the term 'public', the historical origins of the term 'management' are in the training of horses.[6] 'Management' was however a consciously imported term in the South African 'New Public Administration Initiative', and by the mid-1990s had even substantially displaced 'administration'. 'Public Management' was widely adopted, partly to assert a chosen focus within public administration, and partly to assert difference from more traditional schools and departments.

Internationally, there is considerable confusion over the term 'public management' and no consistent usage internationally—hence in fact no consistent differences in usage between it and 'public administration'. Kettl and Milward's state-of-the-art survey of public management reveals many different definitions.[7] In reality 'public management' is a name adopted by almost any new stream in public administration that reacts against the conventional shape which the field had acquired: State-centred, organisation-focused, maintenance-oriented. 'Public management' is then used to at least suggest results-orientation, plus implicitly—but not always in practice—flexibility about means, and therefore sometimes—but regrettably far from always—foci on State-society issues and societal self-management too. It is certainly broader than market-inspired 'New Public Management', some of which seemed to be dated private management, imported to discipline a sector of which less was expected (Pollitt 1993, 1995).

The term 'management' brought the connotation of private sector know-how, can-do spirit, and delivery of results. The danger of the term in the past quarter-century has been the ideology that there is a universally valid 'management', adopted from a particular narrow vision of Anglo-American private sector practice, which should be imposed on all sectors and all countries: 'managerialism'. Pollitt provides an excellent diagnosis and critique. In South Africa, a depoliticised conception of 'management' fitted well with the adaptation by governing elites from the late 1970s onwards to the national and international opposition to the apartheid system, by transference of more and more functions and responsibilities outside the State (Tapscott 1995, 1997).

Public administration itself has existed throughout its modern era, the past century, at the intersection of political science and generic management, and been widely considered as a sub-discipline of one or both. It can perhaps better be understood as an *inter-disciplinary field*—a field at the crossroads of several disciplines and a set of practical demands—which in comparison to general management requires stronger involvement also from law, economics, history and some other disciplines too. For example for Erwin Schwella, public administration is a domain of study to which many approaches can validly be taken, including economics perspectives, legal perspectives, management perspectives and policy perspectives. He sees public management as then a sub-focus within public administration (Schwella 1999).

There is no need for full consensus on disciplinary identity and location: there are many legitimate intellectual bases, from various disciplines and the schools within them. There is room for different specialisations and niches within public administration, and we gain through competition of ideas. A danger exists, however, given the ambiguity of 'management', of a narrowing of the whole field if 'public management' is used to mean both 1) a new-look, more relevant successor to public administration, which hence dominates whole departments and curricula and funding, and also 2) just one possible legitimate emphasis within public administration. For if public management is one possible emphasis, then it cannot sustain monopoly claims. And if it were a broad successor to public administration, then it must provide space for various foci, including for example a policy-level focus.

'Development' was another conscious NPAI importation to old South African public administration. The 1991 Mount Grace Declaration called for 'an explicit developmental focus', and 'a more relevant approach to the issues of governance in a developing society'. It redefined SA as a developing society, the large majority of whose population lived in absolute poverty; so it merged public administration and development administration (Fitzgerald 1995). Public management for a developing country like South Africa, fast undergoing massive changes of many types, cannot work well by copying nostrums from public management in the rich

North. The South African constitution of 1996 requires the public service to be development-oriented (Section 195(1)).

Some will feel that the role of the two terms is different: 'public' as more about the field for management, 'development' as more about its purposes and philosophy. Although the separation of 'public' and 'development' may seem untidy to some, these are adjectives not different territories, and the 'public and development' label raises questions which give entry points for necessary discussion. The arguments for retention of the 'development' title take it as a guiding interdisciplinary perspective about secular change and possible progress/regress, not as a set of separate and second-class studies. It became a tainted term in South Africa through its association with the 1950s Bantustans policy of 'separate development'. Later the strategy of broader black pacification and cooptation through ameliorative programmes from the late 1970s used the banner of 'development' as a supposedly neutral, consensual, economically obligatory approach (Tapscott 1995, 1997). 'Development' was there seen as economic development plus its socio-political requirements, for the good of all, as determined by development economist experts. Yet this past history provides important counter-opportunities now. 'Development' can also function as an explicit, vital banner for emphasising the interests of the poor majority. Claims that it is for the general good, or even good for all, establish an arena for raising the questions: Who benefits? Management for whom, by whom, and with whom? This questioning is vital in a massively divided society which can easily drift away from any priority to the have-nots, through incorporation of a minority of them. The governing political movement in South Africa represents an amorphous, variegated political alliance, with no one group dominant or likely to be (Lodge 1999). That leaves possibilities both for argumentation to have influence, and for sliding away from mass interests towards a neo-liberal or a parasitic state (Ngema 2003). Notwithstanding Tapscott's valid warnings about how the term 'development' can be used and misused, the other alternatives—abandoning the term or leaving it to be monopolised by others—are worse.[8]

Similarly, without an explicit 'policy' orientation, 'public and development' or especially 'public management' will be more likely to disappear into generic management. Policy direction is then far more likely to come from unconsidered sources, not least the values embodied in the market. Value concealment brings domination by the monied and by those who are powerful in other ways.

Is attention to labels worthwhile? Arguably, what one has won in practice one may not need to install in a label; and what one has not achieved in practice is unlikely to be won through control of labels. However, the processes of thinking and the content of the choices which lie behind labels are important and influential; and the labels help to remind and guide. Hence the critical look we have taken here at 'new', 'public' and 'management'.

Conclusion: Thinking critically, caringly, and creatively

Good public policy, management and administration require thinking that is disciplined yet creative, independent and committed. I have suggested that the early 1990s South African New Public Administration Initiative's work in re-examining some central concepts and promoting independent thinking in public administration education made a significant contribution to the encouraging aspects of independent-minded, critical and motivated public management that we see in post-apartheid South Africa; and that these can be further strengthened. Mental liberation is needed to draw fuller benefits from political liberation.

The system for critical analysis of key texts which we examined in Section 2 is one widely usable way to strengthen skills of purposeful rigorous thinking. It can contribute also to reflection on value assumptions, and to creative generation of alternatives and positions that express one's considered value commitments. Close examination of, for example, the images and metaphors that we and others use is often helpful in generating new ideas; and skill in mobilising insightful metaphors helps communication.

Case studies are also very important. They can build credibility and stimulate integrated understanding and creativity. We need studies not only of failures but of successful turn-arounds and innovative thinking in redesigning the State. When can for instance retrenched workers receive shares in commercialised public enterprises, so that they benefit from later success? Success stories in State redesign exist, including various from East Asia, Europe, North America, and India. Those from India deserve looking at, since they are from a country which is not more privileged than much of Africa, in fact less privileged than South Africa, yet still has some strong national ethos and traditions of analysis independent of Washington and London (see for example Khandwalla 1988, 1999). Nevertheless, public servants in Africa may find African cases the most useful. Ramaite, Director General for Public Service in South Africa, rightly calls for 'a shift away from the uncritical application of...models from other contexts' and for 'active documentation of local and contextually relevant...practices' (2002: 19). His Ministry's new journal for public service managers, *Service Delivery Review*, exemplifies this approach.

Case studies are vital not only in helping to strengthen skills of independent thinking and creativity; they can also help to motivate, to build confidence and commitment. Reforms which assume selfishness and do not praise and foster altruism (e.g., which allow private sector practice in public sector hospitals), might in practice foster more selfishness and undermine existing altruism. Some schools of public management in South Africa teach courses on public service ethics and ethos. These are essential, not luxury extras, as part of the task of ensuring that 'civil service' does not mean 'uncivil and not much service'. As one vital but fragile element of social capital, 'public service ethics are much easier to destroy than to build up' (Mackintosh 1995: 50). The content of such courses must go well beyond official codes of ethics. 'Ethos' includes the feeling of pride in the job, the spirit of public service, loyalty and confidence, based on a philosophy of public management and not only a tool kit, but on knowledge of relevant achievements in public service, at home and abroad. *Service Delivery Review* encouragingly espouses such an agenda. Its second issue, for example, was entitled 'RDP [Reconstruction and Development Programme] for the Soul', echoing a call by South Africa's Deputy President.

To effect the sort of rethinking and reorientation of 'public' in South Africa that was sketched earlier, some strong markers and supplements were required. The New Public Administration Initiative deliberately brought in new terms, notably 'policy', 'development' and 'management'. Are they still needed? I suggested yes for 'policy' and 'development', which could be at risk. The concept of 'public and development management' has represented a historically necessary variant of and emphasis within public administration in South Africa, where the term 'development' can now play two crucial roles. First, it can underline the claims and interests of the majority of the population, as opposed to the majorities of capital. Secondly, the historical 'State' connotation of 'public administration' has required that 'development' be used as an indicator of the worlds of public action beyond traditional public administration: hence 'public and development management'. In the case of 'management', the issue is not how to sustain the concept, but how to put brakes on indiscriminate and uncritical use. We need to complement 'management' by policy and development, otherwise, unthinkingly the driving values are likely to become those of the market or of other forces of privilege. To advance the ideals of 'Batho Pele' (People First), and support a society-centred governance model for less elitist, more mass-oriented reconstruction and development, we require as one element a public and development management vision that embodies the themes that 'public' is more than 'State', and 'the public' is more than the monied; that 'development' means improvements for ordinary and disadvantaged people, and that accountability is to the broad public, not only to *chefs* or the market.

Notes

1. See also the critiques of Northern NPM orthodoxy, especially for public services in a country like South Africa, by leading South African civil servants, in Mokgoro (2002) and Ngema (2002); and a critical sifting of Northern management literature on leadership in Diphofa (2003).
2. JUPMET, the organisation founded in 1995-6 which actively links the six postgraduate schools of public administration / management in South Africa, adopted 'Public Management' in its title.
3. The first table adapts the method of argument analysis in Scriven (1976). The second adapts the format for viewing policy arguments in Dunn (1994).
4. The Commonwealth Secretariat report followed New Public Management in declaring 'The term "customer" has a broad meaning: any citizen engaged with government' (1995: 37). But why not then say 'citizen'? The customer language can bias definition of the public to include only those who pay. It impoverishes the picture of relationships in a polity.
5. Rivalrousness: my consumption of a good means that you cannot consume it. Excludability: access to a good can be controlled; exclusion is feasible at an affordable price.
6. The source words are the same as for 'manual' and 'manège': the Italian 'maneggiare', and 'maneggio', the training of a horse; from 'mano' (hand), from the Latin ' manus' [Webster's].
7. Kettl himself sees public management as having a program- (and hence inter-organisational) focus, not administration's organisation-focus. Yet amongst his contributors, Weimer and Vining treat public management as intra-organisational design and executive functions (so excluding policy analysis); and Guy Peters shuns the term public management as unenlightening, and instead delineates several different old and new schools of thought within public administration.
8. Tapscott, like several others, puts considerable weight on James Ferguson's elegant study of one project in Lesotho in the 1980s. I critically evaluate Ferguson's generalizations from this one case, in Gasper (1996).

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Lessons of International and African Perspectives on Public Service Reform: Examples from Five African Countries

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Abstract

In the late 1980s and 1990s, the objective of public administration reforms was to contain and control the costs of running government in response to citizens' concerns that government was involved in too many activities, which were both unproductive and costly. In many countries (developed and developing), these efforts paid off, in that fiscal discipline was enhanced and deficits were eliminated or contained. However in some countries, especially where government institutions were still in the process of formation and development, there was no fat to cut; so the reforms cut though to the bone and in some cases deformed the public administration systems, which resulted in a serious erosion of government capacity and effectiveness.

There is now recognition (starting in the late 1990s) of the need to reform public administration by addressing systemic issues, including capacity building, planning, budgeting, performance improvement, and human resources management. In many instances these measures are pursued through the adoption of private sector management methods and approaches. As a result what was called 'public administration' is now called 'public management'.

In this paper the authors review the efforts of five African countries, which have used a combination of the above methodologies to reform their administrative systems. The authors report that almost all the countries studied found it was easier to implement the cost-reduction and stabilization related reforms, which were often driven by donor-funded consultants (Ghana and Uganda were market leaders), and ostensibly the intended results were attained, although in

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time these have been reversed in some of the countries. As the focus of reform shifted to addressing performance improvement and removing systemic bottlenecks the reforms became more difficult to pursue. They required the involvement of a wider cross-section of the public service, commitment at the political level, and ownership by the country, with donors supporting, rather than driving the process. Of the five countries studied, Tanzania has been able to sustain the reforms by galvanizing all key players including the entire public service, politicians, as well as donors in support of the reform effort. However, the price of pursuing reform through an inclusive process is that results come very slowly but when they do they tend to be sustainable.

Résumé

À la fin des années 80 et 90, l'objectif des réformes de l'administration publique était de limiter et de contrôler les dépenses de fonctionnement du gouvernement, suite aux inquiétudes exprimées par les citoyens, selon lesquelles le gouvernement était impliqué dans beaucoup trop d'activités non productives et trop coûteuses. Dans la plupart des pays (développés ou en développement), ces efforts se sont révélés payants, car ces pays ont connu une plus grande discipline fiscale et ont éliminé ou maîtrisé leur déficit. Cependant, dans certains pays où les institutions gouvernementales en étaient encore à une phase de formation et de développement, il n'y avait rien à réduire; ces réformes ont donc fait des coupes au cœur même de ces institutions, déformant ainsi le système de la fonction publique, dans certains cas. Cela a provoqué une grave réduction de la capacité et de l'efficacité gouvernementale.

Il est aujourd'hui admis (depuis les années 90) qu'il faut réformer l'administration publique, en s'attaquant à des questions systémiques, telles que le renforcement de capacité, la planification, la budgétisation, l'amélioration des résultats et la gestion des ressources humaines. Dans plusieurs cas, ces objectifs sont réalisés à travers l'adoption de méthodes de gestion du secteur privé. Ainsi, au lieu de parler d'«administration publique» on utilise aujourd'hui le terme de «gestion publique».

Dans cette contribution, l'auteur analyse les efforts de cinq pays africains, qui se sont servis des méthodologies mentionnées plus haut, pour réformer leur système administratif. Selon les auteurs de ces rapports, presque tous les pays étudiés ont trouvé qu'il était plus facile d'introduire les réformes liées à la réduction et la stabilisation des coûts, qui étaient souvent dirigées par des consultants financés par les bailleurs de fonds (le Ghana et l'Ouganda étaient les leaders du marché); par ailleurs, les résultats souhaités ont été apparemment atteints, bien qu'avec le temps, certains pays ont connu le résultat inverse. Lorsqu'il s'est ensuite agi d'améliorer les résultats et de supprimer les goulots d'étranglements de l'administration publique, les réformes se sont avérées plus difficiles à poursuivre. Elles nécessitaient l'implication d'un plus grand échantillon de l'administration publique, ainsi qu'un certain engagement au niveau politique et une appropriation du processus par le pays; ce processus serait davantage soutenu que dirigé par les bailleurs de fonds. Des cinq pays étudiés, la Tanzanie a le mieux réussi à viabiliser ces réformes en stimulant les principaux acteurs du processus, y compris le service public dans son intégralité, les hommes politiques, ainsi que les bailleurs de fonds. Cependant, l'inconvénient de ce type de réforme inclusive est que les résultats apparaissent lentement, mais tendent à être durables.

Introduction

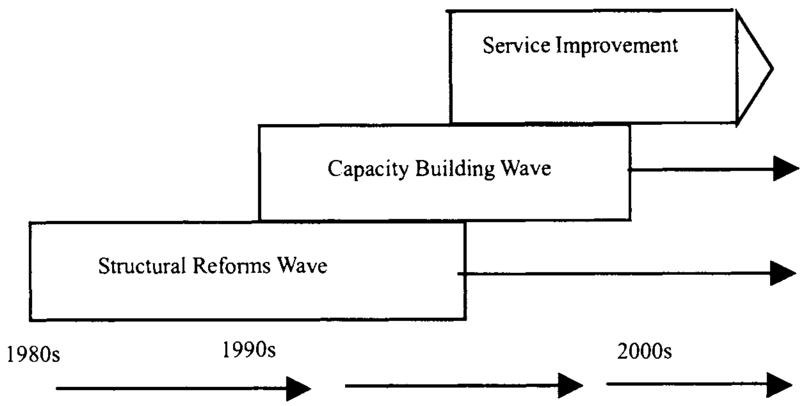
Public service reforms which have taken place in Africa during the last two decades are part of a global phenomena that has touched all parts of the world—developed, developing and countries in transition.

In the developed/industrialised countries these reforms were, to a significant extent, linked to the neo-liberal ideology prevailing in many of those countries in the 1980s. The ideology postulated a diminished role for the public sector and a greater reliance on the private sector. It challenged state involvement in economic activity. In several Organisation for Economic Cooperation and Development (OECD) countries, notably Australia, Canada, New Zealand and the UK, management of public activity shifted from 'public administration to public management' with the accompanying belief that private sector management practices was what the public sector needed.

In developing countries, including those in Africa, most of the post-1980 public service reforms were initially in the framework of structural adjustment programmes (SAP), and were mainly if not entirely externally generated (Mutahaba & Balogun 1989). The focus of the SAPs were to contain budget deficits. In relation to public service reform, this led to concentration on the need to reduce the cost of the service, a major element of which related to personnel. Neo-liberalism also informed the external pressures which were being put on African governments to reform and meant the challenge of the virtual monopoly of power of the post-colonial state and the creation of space for other actors in development. The African state, formerly the exclusive recipient, partner and rationale for international aid, lost its most favoured status, and other agents came in to do more (Israel 1991). Privatisation, allowing for the hiving off of activities not seen to be central to the mission of governments, became a plank of many of the reform programmes. It was expected not only to reduce the overall size of the public service, but it could also reduce pressure on fragile administrations, free resources for essential tasks and allow for a better utilisation of scarce administrative skills.

Realising the 'rolled back state' has not proved to be a simple exercise anywhere (Murray 1992). The 'minimalist state' faced its own problems

Figure 1: Three waves of public service reforms in Africa



both in the industrialised world and the developing world. It soon became apparent that a crucial prerequisite for the development of the private sector is the existence of a modernised and highly efficient public sector. As a highly industrialised country, with a well-established private sector, The Federal Republic of Germany tried to extend those attributes to former East Germany. It quickly realised that 'the establishment of an efficient public administration performing its functions under rule of law is one of the most important and urgent objectives of (a programme for) achieving equal living conditions in all of Germany' (Seiler 1993).

Administrative reform/public service reform, therefore, has come to include a plank for restructuring government/central administration to create an effective instrument to manage the affairs of the nation in this new institutional environment. Questions related to the nature of the modern public service and its role, as well as the skills and expertise required have had to be addressed (Klitgaard 1994).

Review of administrative reform experiences: Cases from Africa

Overview

To date, international experiences in administrative reform are characterised by three planks. The first focuses on the redefinition of the role of the state with a view to ensuring that it only performs functions that should be at the level of the state leaving the other functions to sub-national governments, the private sector and voluntary sector. The main issues here are the need for the state to provide an environment that is conducive to private sector development, decentralisation of functions to sub-national governments; and the privatisation, commercialisation or liquidation of non-functioning, unnecessary public enterprises. The second plank involves the adoption of efficiency measures to enhance public management performance. The measures include, among others, improvements of financial and personnel management systems with an emphasis on increased autonomy for managers (with corresponding responsibility), pay reform (linked to performance) and continued skill development and upgrading.

The third feature is an emphasis on measures for enforcing the accountability of the governors to the governed through increased transparency, openness and citizen participation.

African countries have, over the past fifteen years, undertaken reforms in the framework of the three planks. In this section we examine the experiences of several African countries to date in this regard. As we do so it is useful to note that most countries did not approach their reforms by focusing on the above planks sequentially; there was considerable overlap among the planks. In other words, some countries will have a pronounced element of the first and/or second plank while moving into the third wave in their reform programmes. Nevertheless, it is still useful to analyze the reform efforts of the countries using the categorisation. The experiences of five African countries are examined. These countries have been in the forefront of reform in the continent in the post-1980 period.

First Wave: Structural-oriented public service reforms

The impetus for this first wave of PSR in Africa, as was the case in other developing countries, emerged from the macroeconomic and fiscal reforms that were embedded in structural adjustment programmes (SAPs) sponsored by the World Bank and the International Monetary Fund (IMF). Public Service reform then sought to make Government lean and affordable through cost reduction and containment measures, rationalising the state machinery, divesting non-core operations, retrenching redundant staff, removing ghost workers from the payroll, freezing employment and adopting measures to control the wage bill and other personnel-based expenditures.

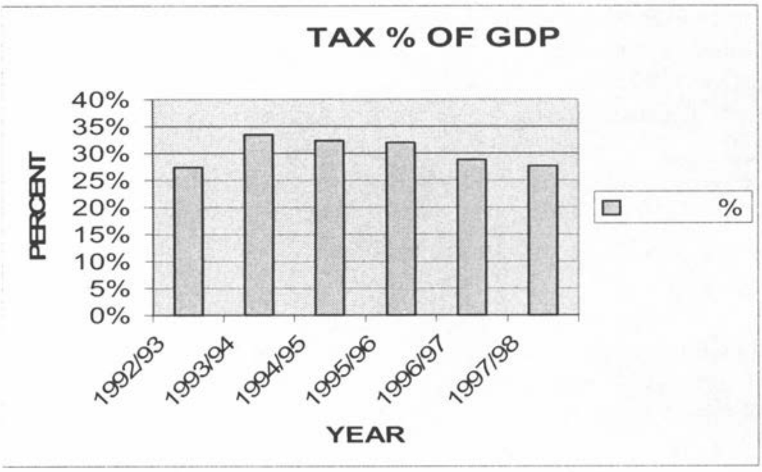
The results of these efforts in the five focus countries were varied and mixed. Ghana was a pioneer in embarking on World Bank and IMF-sponsored structural reforms, via a 'Program for Economic Recovery and Structural Adjustment' launched in 1983. Under this programme, the number of central government employees was reduced from 301,000 in 1986 to 260,000 in 1990. Also, by 1990, the Government's wage bill had been reduced to a comparatively low 4.5 percent of GDP. The other four countries embarked on similar reforms in the 1990s.

In Uganda, there was a drastic downsizing of Government. Between 1990 and 1997, the numbers on the Government's payroll reduced by more than half, from roughly 320,000 to 147,000. The number of ministries was also reduced from 39 to 17. Tanzania, which was about two years behind Uganda in launching serious structural reforms, also reduced its workforce by about 30 percent between 1992 and 1997 from roughly 355,000 to approximately 270,000. Furthermore, in both countries, as a measure to control the wage bill, there were successful efforts to monetise in-kind pay benefits and consolidate these and non-salary allowances in a transparent gross salary structure. The objective to lower the wage bill, however, was not realised because the reduction in staff numbers was more than offset by real rises in the pay levels which were necessary to reverse the steep erosion of real pay levels in the previous decade.

In Kenya and Zambia the pace of implementing structural PSRPs has been comparatively slow and less far-reaching. In Kenya, the retrenchment of public servants through a voluntary early retirement scheme, between 1994 and 1996, was reversed through the hiring of teachers during the same period. Fresh efforts were taken from 1999, as part of the revamped PSRP involving adopting targets of retrenching 42,329 employees (about 10 percent of the total public service payroll) and 'restriction of the wage bill to an affordable level'. In Zambia, the downsizing of the public service only started in earnest in 1997. From then until the beginning of 2000, the total number in government employment fell from 139,000 to 102,000. Therefore, in both countries macroeconomic and fiscal adjustment-driven reform measures remain high on the Agenda the PSRPs, despite the fact that SAP driven reform initiatives were formally launched in the early 1990s.

Box 1: Kenya revenue authority as an enclave PSR for success

In the context of the structural adjustment-based PSRP, the Government of Kenya established the Kenya Revenue Authority (KRA) in the early 1990s. This measure improved domestic revenue (tax) collection to unprecedented levels (see Figure below). Subsequent reductions were a result of deliberate policies to reduce taxation and the slowdown in economic growth.



Source: Developed by the authors based on Annual Reports of Kenya

On impact of the measures of public service delivery, generally the structural PSRPs have had little positive direct impact. On the contrary they have in most instances severely constrained both the capacity of the state to perform and affected service delivery adversely. Staff reduction and employment freeze have created a shortage of skilled professionals and technicians throughout the services, and of the frontline workers needed to sustain, improve quality and expand public services in such key areas as education, health and agriculture extension. Even the reduction of such semi-skilled support staff as drivers, which happened under

Kenya's voluntary early retirement scheme, significantly constrained performance of the public service managers.

Another example of a structural PSRP measure that negatively impacted on service delivery is cost sharing. In Kenya, for example, prior to commencing the cost sharing policy, gross enrolment in primary schools was about 100 per cent. Following an aggressive, albeit covert, policy of cost sharing, through introduction of fees and other levies, enrolment had dropped to about 70 per cent by end of 1990s.

It is also noteworthy that in the five countries many of the gains of structural PSRPs measures have been reversed. This is particularly so in the pioneer success cases of Ghana and Uganda. In Ghana, a wage hike in 1992 cancelled out the previous gains on controlling the wage bill, which as a percentage of GDP nearly doubled from 4.5 per cent in 1990 to 8 per cent. Furthermore, by 1996, the size of the public service had risen to 330,000, about a quarter above the level achieved in the late 1980s. In Uganda, public service numbers have also been on the rise since 1998. They are currently at about 197,000, and are set to increase significantly

Box 2: Restructuring of ministry improves roads services in Zambia

In the second half of the 1990s, Zambia has had tremendous improvements in the quality of roads following the restructuring of the Ministry of Works and Supply and putting in place of the enabling policy and legal framework under the PSRP. The restructuring has resulted in the active participation by the private sector in road construction, rehabilitation and maintenance works, which previously were directly undertaken by councils and Roads Department under the Ministry of Works and Supply. The Government's sole and core responsibility now is to set and enforce standards for road use and maintenance, and to provide policy, legal and regulatory framework to ensure the provision of quality roads.

As a result, the condition of roads in terms of road surface and drainage has improved from 20 per cent in 1995 to 42 per cent in the year 2000. The improved road condition has facilitated trade and commerce within and among provivinces and districts. It has also led to reduction in vehicle maintenance costs for transporters and other motorists.

Source: R.H. Mataka, 2002, 'Zambia: Focusing on Capacity Building' in K. Kiragu (ed). *Public Service Reform Impact on Service Delivery in Southern Africa*, Mimeo.

above that in the medium term. Also, the measures to improve transparency of the compensation package are being reversed by the reintroduction of non-salary allowances. Even latecomers such as Kenya show the difficulty of sustaining structural PSRP interventions. As earlier indicated, the results of initial downsizing were quickly reversed through recruitment of teachers and rehiring of some of those 'erroneously' retrenched such as drivers. In 2001, the programme was stopped altogether.

Nonetheless, structural reforms had some limited enclave successes in improving service delivery in a few instances. Examples of these include the establishment of autonomous revenue authorities in the all countries in the early 1990s (see Box 1) and the results of restructuring and downsizing that was accompanied by enhanced private sector participation (see Box 2).

On the whole, however, it is clear that the SAP driven PSRPs 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; and
- Second, some of the interventions, such as the freeze in recruitment, directly undermined capacity building for service delivery.

Lessons of experience to be derived from implementation of the SAP led PSRP in the five countries under scrutiny in this paper include the following:

- The cost-containment/cost reduction measures, in themselves, could not lead to sustainable reduction of public expenditure;
- They were having a negative impact on the level and quality of public services by undercutting its capacity;
- For a number of reasons including the fact that they were perceived to be externally driven and owned, there was no commitment to them by those involved and little or no public support for them;
- As a result, except for those responsible for managing the macro-economic situation, public service executives would seize every opportunity to block or reverse implementation;
- From the above situations the reforms themselves generated opportunities and pressures to take measures to improve service delivery, which provided the launching pad for the next wave of PSRP.

Second Wave: Focus on capacity building for improved service delivery

The foregoing lessons of experience had made the countries to realise that weak capacity was the root problem in the poor delivery of services. The next focus of their PrepRPs, therefore, shifted from cost-reduction and cost-containment to capacity building. This conceptual frame apparently derived from the perceived success in improving and expanding public service delivery in developing countries in the decade after independence through capacity building interventions.

In this regard, key interventions in the next wave of Preps included:

- **Enhancing Staff Skills**: This aspect of the reform perpetuated past practices but there was a heightened sense of the need to give more emphasis to on-the-job and short-term training and to manage technical assistance (TA) differently;
- **Improving Management Systems and Structures**: The systems targeted for improvement included those for human resources, financial and information management. Improvement in structures extended in some countries to encompass structural (as contrasted with governance-oriented) decentralisation;
- **Restoring Incentives and Improving Pay**: Negative incentives have also been included, i.e., sanctions for non-compliance with new codes of ethical conduct;
- **Improving the Work Environment**: Elements of this have been identified to expenditures, office equipment and re-tooling.

Thus most of the donor-funded PSR projects in the countries launched in the mid-1990s were mainly about capacity-building in a more broadly defined sense. The World Bank, for example, provided technical assistance credits to Ghana (1995), Kenya (1994), Tanzania (1999) and Uganda (1995). UNDP was another multilateral agency that actively supported capacity-building-based PRPs in all the countries in the later half of the 1990s. The bilateral donors supporting PSRP projects were also largely involved in capacity-building interventions. UK's DFID (then ODA), for example, focused much of its support on systems development, especially in financial and human resources management, so that it had such projects in all the countries, except Zambia. Similarly, the Swedish International Development Agency (SIDA) then focused its support on development of financial management systems. It had such projects in Kenya and

Tanzania. Generally, however, the capacity building-oriented PreRpPs did not have much perceptible impact on service delivery. In addition, the capacity building measures were in many instances piecemeal and fragmented.

One singularly significant shortcoming was the conspicuous absence of effective pay and incentives reform, which remain critical to sustainable capacity building. Even in those countries where major downsizing of the public service had taken place, there was limited progress in pay reform. The resources released from retrenchment were not enough to appreciably lift the low salaries of public servants. Consequently, morale and discipline in the public service remained low, and unethical conduct in ways of bribery and corruption were on the rise. In the circumstances, service delivery continued to deteriorate in most countries throughout the

Box 3: Tanzania 'Quick Wins' services improvement scheme

Tanzania's 'quick-wins' programme for services delivery improvements was a deliberate initiative to demonstrate that PSRPs were not all about sacrifices and pains inflicted by such measures as retrenchments, employment freeze and other cost containment measures.

The initiative focuses on 11 service areas concentrated in key domains of public concern. The key outputs and outcomes relate to timeliness; quality of service/customer care and responsiveness to public. In order to ensure ownership, it is based on leadership and implementation by the ministries themselves. It uses simple business process re-engineering supported with local technical assistance (Eastern and Southern Africa Management Institute—ESAMI).

The early results are promising with a clear indication that time has been drastically reduced to process passports, work permits and licenses in several areas. Land titles are processed much faster. Investment certificates are also issued faster (10 days instead of 270!). There is also marked improvement in the administration of small loans to women and students.

Source: University Consultancy Bureau, 2001, 'An Evaluation of the Quick Wins Initiative', Report submitted to Civil Service Department, Government of the United Republic of Tanzania.

1990s. Recognising this trend is at the heart of the recent and ongoing initiatives to design the third wave PSRPs.

Third Wave: Focus on service delivery improvement

Besides the perceived inadequacies of the first and second waves of PSRPs, the impetus for focusing on service delivery improvement by the focus countries' PSRPs originated from six factors. They are:

- The need to demonstrate early results from reform,
- Public demands for transparency and accountability,

Box 4: Results-Oriented Management Programme in Uganda

Uganda launched its Results-Oriented Management (ROM) in 1997. As previously pointed out, by then Uganda had already achieved unprecedented levels in downsizing the public service. ROM was geared to transforming the culture of the new small public service to ensure it delivered services for which it was accountable.

The initial phase of ROM entails the identification of performance indicators and targets, and annual plans by every public service organisation, including local government (district) councils. These targets provide the basis for issuing performand contracts to public service managers, who can then be effectively held accountable. Furthermore, against these targets, the organisations and their staff will in ithe future be allocated resources and be assessed annually.

So far, however, progress in the implementation of ROM is slower than initially envisaged. There is low implementation capacity, which is underscored by lack of incentives, including poor pay. Therefore, there is not yet any discernible impact on service delivery.

Nevertheless, the ROM initiative in Uganda represents a unique and pioneering response to the quest for PSRP impact on service delivery by enhancing transparency and accountability of public service organisations and their managers.

Source: Originally included on page 8 of a paper prepared by one of the authors, titled: 'Country Engagement, Public Service Reform Impact on Service Delivery in Sub-Sahara Africa: Lessons', 2002.

- The shift to market economies and private sector-led economic growth,
- Influence of 'new public management',
- The need for PSRPs to support sector-wide approaches; and
- Pursuit of an integrated systems approach.

As elaborated in the next paragraphs, the second to fourth factors are related and reflect a response to global trends that impact on the environment in which the states will operate in future. The first, fifth and sixth factors present a more strategic approach in the design of PSRPs.

The need to demonstrate early results
Wave 1 – structural reforms – can impose severe social and political pains especially in the downsizing and retrenchment of employees.

Box 5: PSRP Initiative to support private sector development in Tanzania

A 1996 'Investor Roadmap of Tanzania' study was the beginning of USAID support to the Tanzania PSRP. The study, with the intention of increasing investment in Tanzania, analyzed government regulation of the private sector and the steps required for an investor to become legally established in Tanzania. Core processes were examined and potential improvemnts were highlighted. On the basis of the results of the study, a 'Private Sector Facilitation' component was introduced in the PSRP. With funds provided by USAID, and subsequently the UNDP, a programme to sensitise select groups of public servants to be 'custromer-oriented and facilitating 'in dealing with both local and foreign business persons was launched. This training complemented the 'quick-wins' measures at the Tanzania Ministry of Trade and Industry and the Tanzania Investment Centre.

This programme has also led to the formation of the Tanzania National Business Council (TNBC), which was launched in 2001. The TNBC, comprising members from both the public and private sectors on a fifty-fifty basis, is a mechanism aimed at providing a forum for continuous and structured consultations between the public and private sectors on national strategic and policy issues.

Source: Box prepared by the authors and used originally in another paper by one of the authors (see 4 above).

Consequently, the majority of the public and most political leaders does not support those reform programmes, and can even be quite hostile to them. In the circumstances, both the political and administrative leaders of the PSRP perceive the need to demonstrate early progress in service delivery improvements in order to achieve and/or sustain crucial public support and political commitment for the overall PSRP. In other words, there was an imperative and urgency to respond to the shortcomings of past PSRPs. This is precisely what happened in Tanzania, which responded with the launch of a 'quick wins' service delivery improvement programme (see Box 3) which is comparatively technically simple, fast and low-cost to implement; its potential impact can be very high, demonstrating that tangible results can be achieved rapidly. In the case of Tanzania, the impact at the immigration department (where work permits for expatriate personnel are processed) and at the Ministry of Trade and Industry (where investment certificates are issued) is very noticeable in terms of facilitating foreign investment inflows. At the same time, this scheme has, necessarily, a narrow focus. It is neither a systemic nor sustainable basis for service delivery

Box 6: Limited fiscal decentralisation yields results in Kenya

In Kenya, where a clear-cut decentratlisation policy is not yet in place, the PSRP has a component of local government reform that reflects the recognition and imperative for institutional pluralism in service delivery. In this context, Government has introduced a Local Authority Transfer Fund, to which it now disburses 5 per cent of all its revenues to the local government councils. However, the release of funds to a council is tied to the submission of service delivery improvement plans, and a plan to achieve a 5 per cent reduction in spending on staff each successive year in the medium-term. This simple fiscal decentralisation measure appears to be effective. Accountability by the councils has vastly improved, with 100 per cent return of proposals and accounts. There is also ample anecdotal evidence of significant improvements in service delivery in many local government councils.

Source: Box prepared by one of the authors and used originally in the paper cited under Box 4.

Public demand for transparency, integrity and accountability
The global surge of political liberalisation, pluralism and enhanced democratic environments in the 1990s has triggered a demand for good governance. The voices for transparency, integrity and accountability have demanded from the public service not just improved service delivery, but also demonstrable value-for-money in public expenditures, corruption free service delivery, the observance of meritocratic principles in human resources management and greater participation from civil society. It is such pressures that hastened the introduction of the Result-Oriented Management (ROM) component in the Uganda PSRP in 1997 (see Box 4).

The shift to market economies and private sector-led economic growth
In the five countries, as elsewhere in much of the developing world, the collapse of socialist and communist economies in the early 1990s heralded the total shift to market economies (capitalism) and private sector-led economic growth strategies. This paradigm shift in the role of the state was well captured and indeed exploited in the definition of the new vision and mission of the second wave PSRPs. Generally this trend brought about serious attempts by PSRPs in the countries to impact the role of the State in promoting private sector development and even foreign investment.

The PSRP design brought in the 'Gateway Project' with the explicit objective of supporting the country to be the leading destination of foreign investment on that part of the continent. While a quantitative and independent evaluation of these initiatives is not yet available, the public officials involved are convinced that they are making positive and significant contributions in the delivery of public services to private sector investors.

Influence of 'new public management'
The so-called 'new public management' (NPM) has reached the focus countries in various strands and forms. In the basic, institutional pluralism in the delivery of public services has been embraced in the context of redefining the role of the state. It is in this context that all the focus countries have embarked on some measure on decentralisation to local governments and corporatisation of public service delivery through establishment of executive agencies. These programmes have devolution-orientation in Ghana, Tanzania and Uganda, and therefore may be expected to have more extensive and profound impact on public service delivery in the medium-to-long term. Even in countries with limited decentralisation

measures, such as Kenya, the potential impact on service delivery is discernaible (see Box 6).

Among the focus countries, Ghana appears to have pioneered the recourse to the 'agency model' in the search for alternative options for improved public service delivery of services. Thus, for example, Ghana transformed its Rural Water and Sanitation Department to an agency in 1994. Today, this agency is considered to be a model for comparatively efficiency and effective delivery of rural water and sanitation services in Africa (see Table 1). More recently, all the other focus countries have embarked on programmes to establish agencies. Among the latter countries, Tanzania has at present the more systematic, comprehensive and active programme that is judged to have significantly affected service delivery (see Box 7).

At another level, NPM has introduced in the focus countries such concepts and practices of 'managerialism' as client-orientation and management accountability. In Ghana and Tanzania, 'clients service charters' have been established to commit public organisations and staff to provide better services and ensure that the public can hold MDAs accountable. Service delivery surveys (SDSs), public perception surveys and expenditure tracking studies are other new tools for monitoring and evaluating public service performance, as well as reinforcing accountability in the public service that are widespread across the focus of these countries. In Uganda, public service managers have been moved out of permanent and pensionable, secured tenure to limited tenure (three year) performance contracts. Further, in Uganda, Tanzania and Zambia, open and more participatory staff appraisal schemes have been introduced. However, the impact of all these on service delivery has not yet been assessed, and it is probably too early to do so.

The education sector development programme in Uganda, for example, has overall been a major success in improving delivery of primary education in the country. Since the programme was launched in 1996, there has been a 210 per cent rise in the number of pupils in schools, and gross enrolment in schools has risen to a comparatively high 82 per cent. For a while, the education SDP was not linked to any public service reform measures. In time, however, it was clear that improved management of the public service, especially in financial and human resources management, was crucial to a successful education SDP. For example, initially, while considerable resources were annually allocated to the SDP by Government and donors, these resources could not be used to recruit enough teachers until the Ministries of Finance and Public Service introduced reform measures in budgeting, funds disbursement and appointment of teachers.

Table 1: Improved service delivery by Ghana Water and Sanitation Agency, 1994–1999

System Type	1994–1998 Actual	1999 Target	1999 Actual	1994–1999 Totals
Boreholes—new	2,145	628	693	2,838
Hand-dug wells—new	312	279	66	378
Total—new water points	**2,457**	**907**	**759**	**3,216**
Small Communities —new	72	37	16	88
Small Towns—new	16	33	9	25
Total new —pipe Systems	**88**	**70**	**25**	**113**
Hand-dug wells—rehabilitation	64	382	0	64
Boreholes —rehabilitation	334	1,352	1,124	1,458
Conversions		1,064	2,161	2,161
Total—Rehabilitation	**398**	**1,734**	**3,285**	**3,683**
Sanitation				
Household Latrines	6,197	2,750	1,465	7,662
Institutional Latrines	265	120	145	410
Total—Latrines	**6,462**	**2,870**	**1,610**	**8,072**

Source: Koraterg Korda and F. Amoakoh, 'Ghana: Broadening Participation and Deepening Reforms'. Paper presented at a Conference to Share Experience of Public Service Reforms, held in London, September 2001.

Table 2: Achievements by the Uganda Health Sector, 1986–1999

Performance Indicator	1986	1999
(a) Service Delivery		
• Districts with Guinea-worm disease	16	3
• Prevalence of HIV/AID transmission	30 %	10 %
• Percentage of children 12–23 months fully immunised	-	47 %
• Percentage of women using contraceptives	3–5 %	15 %
(b) Health Outcomes		
• Infant mortality rate per 1000 live births	122	97
• Under 5 mortality rate per 1000 live births	203	147
• Average maternal mortality rate per 100,000 live births	900	506
• Total fertility rate	7.3	6.9

Source: Ministry of Health

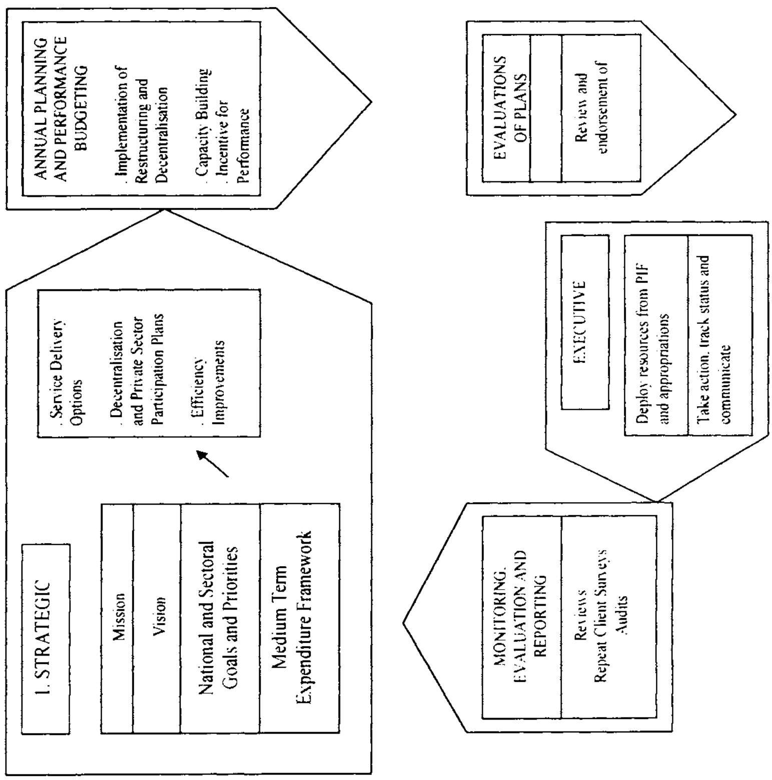
Box 7: Tanzania executive Agencies Programme

In Tanzania, a 1994 study tour of the United Kingdom by public officers responsible for the PSRP generated interest in the 'corporatisation' of non-core government departments by transforming them into quasi-autonomous 'executive agencies'. In 1996 a policy framework to establish about 30 agencies was defined and endorsed by the Cabinet. In the following year, the enabling legislation was passed by Parliament. The agencies have autonomy over staffing, pay and use of resources.

Since 1997, a total of 12 agencies have been formally launched, while the list of potential numbers has risen to about fifty. A recent independent evaluation of the performance of agencies shows significant improvements in the services provided by these agencies, i.e. better road maintenance, higher quality airport services, faster business registration and improved counter services and a more efficient and effective National Statistics Office.

Source: Civil Service Department, President's Office, Public Service Reform Programme Annual Report 2000/2001, Dar es Salaam.

Figure 2: Tanzania's performance improvement model



Pursuit of an integrated systems approach
As described above, PSRP strategies in the focus countries have generally been reactive. However, there are signs that innovative approaches are emerging, as illustrated by the Tanzania performance improvement model approach (see Figure 3). This model is supported by a multi-donor-funded Performance Improvement Fund that delivers capacity and incentives for service delivery improvements. There is competition for access to resources by ministries. Release of funds to ministries is against service improvement plans and accountability reports. A similar initiative, albeit on a pilot basis, has been launched in Zambia.

A strong monitoring and evaluation system will complete the system. There is much anticipation that effective implementation of this approach will elevate PSRP to an instrument for sustained improvement in service delivery in resource-scarce environments.

Shared Lessons of Experience

The foregoing has revealed some shared lessons of experience which may be summarised under the following ten headings:

- PSR is more crucial to developing countries;
- Significant PSR gains but limited impact;
- Major problems and constraints persist;
- Danger of reversal and inertia;
- Early progress is crucial to achieve and sustain broad support;
- New impetus to focus on service delivery improvements;
- Need to strengthen PSRPs link with sector-wide programmes (SWAPs);
- Institutional pluralism is imperative for sustainable service delivery improvements;
- Strategies should be comprehensive and integrated; and
- Donor assistance could be more effectively channelled.

We review each of them in turn.

PSR is more crucial to developing countries
There is consensus that PSR is more crucial to developing countries than for developed countries for at least these reasons. First, most developing countries have the problem of heavy public debts, severe resourcing constraints which impact negatively on both capacity and performance of the public service. In this context, therefore, PSRP is crucial not just in di-

rectly improving service delivery but also in prioritising the roles, functions and programmes and strategic management of the available resources.

Second, globalization and information technology revolutions are seen to pose unique challenges to the developing states. PSR should identify how the state can facilitate its citizens to withstand the negative consequences of globalization, such as severe competition in international trade, and to take advantage of the opportunities arising from globalization and information technologies. Thirdly, PSR in developing countries needs to put in place sustainable strategies to the new wave of loss of the critically skilled (e.g. scientists, science teachers, doctors, nurses, engineers, technicians, accountants, managers etc.) to developed countries.

Significant PSR gains but limited impact

PSR has contributed to significant gains in all the focus countries. However, in each of the countries, the impact of the reforms is so far limited, especially with regard to improving service delivery. The first wave of structural reforms had made important contributions to streamlining government structures, functions and staff to more affordable and efficient levels. The second wave had improved capacity, mainly in terms of skills and systems. Nonetheless, there are promising early results with PSR across the countries. The 'quick-wins' scheme in Tanzania and the executive agencies programmes in that country and other focus countries are particularly noteworthy. PSR is also making a marked contribution to improved service decisions where it is linked to SWAPs, as in Uganda with the education and health sectors programmes.

Major problems and constraints persist

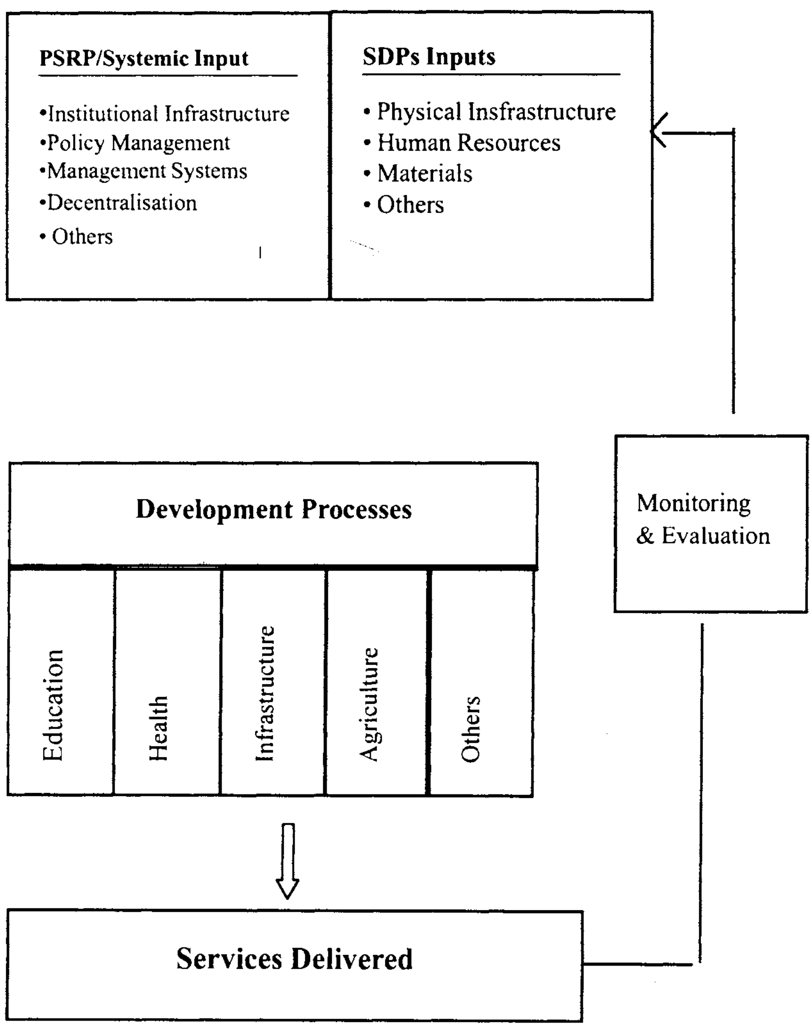
In all the reviewed countries, experience was that there are major problems and constraints to PSR, including:

(a) Support for the reform programmes remains narrow and difficult to sustain at all levels, (i.e., those of political leaders, the public at large, and the bureaucrats) for two reasons: First, the reforms are still stigmatised by the pains of such first wave structural reform measures as retrenchment, employment freeze, cost-sharing, etc. Second, to the extent that the reforms entail change, there are large constituencies who perceive threat and resist change.

(b) Weak capacity and resources constraints often hinder implementation of plans and programmes for improvement and expansion of services. Furthermore, in a vicious circle, poor budgeting and financial management practices exacerbate the problems of capacity and resources constraints, and vice versa.

(c) There are no effective incentives for performance. Generally, pay remains low for public servants in the countries. At the same time,

Figure 3: A Total Systems Perspective of PSRP and SDPs Nexus



pay reform is not readily feasible in the short to medium term because of the limited wage bill that can be afforded under the budgetary constraints.

Dangers of reversals and inertia

There is evidence that some past gains in PSRP implementation have been reversed. This is especially the case with the cost-containment measures, as happened with: retrenchment in Ghana and Kenya; pay reform in Uganda; and decentralisation of health services in Zambia. Also, inertia or excuses for not sustaining implementation are quite common, as exemplified by pay reform in Tanzania. Therefore, the leaders and managers of PSRPs must remain vigilant to these dangers. Yet, sometimes there are no incentives for maintaining this big vigilance.

Early progress is crucial to achieve and sustain broad support

In the context of the major problems and constraints, and the dangers described above, early progress by way of demonstrable impact on service delivery improvement is crucial to achieve and sustain broad support to the PSRPs. In this aspect, the Tanzania quick-wins scheme is particularly illustrious.

New impetus to focus on service delivery improvement

As elaborated in the previous section of this paper, there is new impetus to focus PSRPs on service delivery improvements. This impetus arises from the following:

- The need to demonstrate early results;
- Public demands for transparency and accountability;
- The shift to market economies and private sector-led economic growth;
- Influence of 'new public management';
- The need for PSRPs to support sector-wide approaches; and
- Pursuit of an integrated systems approach.

There is need to strengthen PSRPs' link to SWAPs

PSPRs may not effectively and sustainably impact on service delivery improvement if they are not strongly linked to the SWAPs, which are now very common. The rationale and imperative are illustrated in Figure 3.

Institutional pluralism is imperative for sustainable delivery improvements

The capacities of the public services in the focus and other developing countries will remain relatively low well beyond the foreseeable future.

This fact is underscored by two particulars. Firstly, the public revenue bases in these countries remain narrow and unstable. Secondly, public revenues remain comparatively low, at about 15 per cent of the Gross Domestic Product (GDP) for the focus countries, except Kenya which has about 27 per cent. The statistics of revenue mobilisation are low compared to those of developed (OECD) countries, where they range about 40–60 per cent of GDP.

In the circumstances, public service in developing countries needs to: firstly, keep to a critical minimum the range, quantity and quality of services it will commit to provide freely to the public. Secondly, it should mobilise for a widely inclusive and participatory delivery of the essential services. These objectives will be achieved through:

(a) Decentralisation of services to state/regional and local governments, and communities; and
(b) Facilitating and promoting participation of the private sector and other non-governmental agencies in the delivery of such essential social services as education and health.

Strategies should be comprehensive and integrated

Piecemeal and fragmented PSR projects have shown to be rarely effective and their outcomes are generally not sustained. Examples of this include:

- Downsizing without capacity building,
- Capacity building without pay reform,
- Capacity building without service delivery focus, etc.

Accordingly, the countries are all striving either to design or implement comprehensive and integrated PSRPs. Some, like Kenya where the programme extends to cover privatisation of public enterprises, legal sector reform, education sector reform, etc., may, however, have overstretched the comprehensiveness, and made integration even more complex and challenging.

There is consensus on the need to move on a fairly broad front, and to integrate various public sector reform programmes, including SWPs, with a focus on improving service delivery. The performance improvement model in Tanzania is an attempt at achieving such integration within conventional public service processes.

Donor assistance could be channeled more effectively

It smacks of a tautology to state that donors assistance remains crucial to the PSRPs in the focus countries. Donor funds have been the predominant source of financing for every facet of PSPR in all the countries.

A suggestion that the comparatively low contribution of domestic revenues to PSRP may reflect weak Government commitment to the reform programme is not supported by any evidence. PSRPs, like other reform and development programmes in the countries are funded under the development-cum-investment budget (vote), which in all these countries has a majority of donor funding. Therefore, PSRPs are not significantly discriminated against in the allocation of domestic revenues in the Governments' budgets.

However donor assistance could be channelled more effectively. Some of the drawbacks in donor assistance include the following:

(a) Some donors push for excessive reliance on technical assistance from developed countries, and especially their nationals in the case of tied aid. This was in many instances at the expense of ignoring better qualified, more experienced and cheaper local and regional expertise;

(b) Some donors' reliance on enclave project implementation units (PIUs) which they equip and staff at much higher standards than the rest of the public service. While the rationale for this option is familiar, it is observed that PIUs seriously undermine capacity-building and morale across the public service for three main reasons. Firstly, the PIU staff are usually poached from among the best performing officers in the public service. Secondly, the staff in the PIUs are far better paid than their colleagues, and this breeds discontent and low morale among the latter. Thirdly, the PIUs have a dysfunctional relationship with the mainstream Government structures.

In the context of the above, African countries may want to urge their development partners to:

- Progressively move from project-oriented to a sector-wide approach (SWAPs) in supporting PSRPs. As a first step, donors could move to a 'basket funding' mechanism, which is in extensive use in various SWPs in recipient countries. The Performance Improvement Fund (PIF) in Tanzania and Zambia represents advanced forms of 'basket funding', part of the Government budget.

- Increasingly support enhanced utilisation of local and regional consultants and other experts as technical assistance for the PSRPs in SSA countries. Therefore, as much as considered effective, donors' assistance to PSRPs should not be tied to procurement of technical assistance or other services or goods from the donor countries.
- Facilitate improved sustained sharing of experience and knowledge between the designers and implementers of PSRPs. The participation of senior policy advisers, civil servants and civil society actors in this workshops across international borders in Rwanda as a resource person is just one example of facilitating knowledge sharing. Other possible mechanisms could include: establishing networked websites in SSA countries; establishing regional resource centre(s); an exchange programme for public service officers between the countries; and funding research in PSR in these countries.
- Continue to facilitate the exposure and learning by the leaders and managers of PSRPs in the international trends in PSR design and implementation.

Concluding observations

The history of Public Service Reform Programmes (PSRPs) in Ghana, Kenya, Tanzania, Uganda and Zambia, shows that service delivery improvement has only been a major focus of PSRPs in recent years. Ghana had a Civil Service Performance Improvement programme (CSPIP) since the early 1990s but a recent evaluation of the programme shows that it was largely unsuccessful in terms of improving service delivery. Such attention to service delivery improvements are just starting in Kenya, Tanzania, Uganda and Zambia.

Furthermore, it is difficult to design, complex to implement and even more difficult to sustain a PSRP that guarantees the right outcomes and impact on service delivery in the long run. Such a programme is necessarily comprehensive and integrated with other public sector reforms and SWPs. Unfortunately, both capacity and experience in these are awfully lacking in the public services of the developing countries.

Moreover, while strong, broad-based and sustained support, especially by both political and technocratic leaders, are critical to the successful design and implementation of PSR, they are not easy to come by. The legacy of the pains of the SAP-driven structural PSR (i.e. retrenchment, employment freeze, wages freeze, cost-sharing, etc) still makes the general public and political leaders weary of reforms. Also, there are strong vested interests against most changes inherent in the implementation of PSR. In addition, weak or no incentives undermine ownership and commitment to PSR by public servants.

Nevertheless, there are promising results both in the implementation and design of PSR in the five countries. Successes in PSR impact on services delivery in these countries have been pointed out in the early part of this paper. Particularly noteworthy are: the 'quick-wins' scheme in Tanzania; the executive agencies programmes in all the countries, although to varying degrees; and the crucial role of PSR in the sustained implementation of SWPs for service delivery expansion and improvement, as exemplified in sectors' development programmes of education and health in Uganda.

In design of PSR, it is significant to note that all five countries are rapidly shifting gears to comprehensive and integrated approaches. Effective strategies seek to blend, synchronise and sequence measures for, among others:

- Rightsizing; capacity building,
- Introduction of incentives,
- Enhancing transparency and accountability; and
- Business process re-engineering.

This is what is innovative in the Tanzania Performance Improvement Model (PIM) even though its implementation remains a conspicuous challenge.

Evidence also suggests that sustained improvements in performance and service delivery are linked to:

- Institutional pluralism;
- Decentralisation with enhanced incentives at both organisational and individual officer levels;
- Clear performance targets and accountabilities; and
- Effective monitoring and evaluation systems.

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Managing Multiple Modalities of Delivering Basic Services in Ghanaian Cities

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Abstract

This paper analyses the capacity of three local governments (LGs) in Ghana to undertake new ways of solving public problems in basic infrastructure services. The paper argues that while LGs in Ghana have disengaged themselves in directly delivering public sanitation and solid waste (SSW) services to users and have pursued multiple modalities of public, private and community delivery, they have found themselves trying to manage complicated new relationships for which their competence is insufficient. The paper further argues that adoption of new and different modalities does not guarantee automatic realization of LG goals. The paper concludes that contracting out government services to multiple agents is a difficult process whose expectation can easily be elusive, so there should be systematic analysis of LG regulatory, facilitative and monitoring capacities before undertaking that new approach. The paper suggests that becoming a purchaser rather than a provider entails a new administrative capacity of government workers supported by a new information and management process. Managing multiple modalities to achieve expected outcomes is different from managing traditional bureaucracy.

Résumé

Cette présentation analyse la capacité de trois gouvernements locaux (LG) ghanéens à adopter de nouvelles méthodes de résolution des problèmes publics au niveau des infrastructures de service. Au moment où les LG du Ghana ont arrêté de fournir (aux usagers) des services publics sanitaires et de collecte des déchets (SSW), pour adopter diverses modalités de fourniture publique, privée et communautaire de ces services, ils se sont retrouvés à gérer de nouvelles relations complexes, pour lesquelles ils ne sont pas suffisamment qualifiés. Cette contribution poursuit en affirmant que l'adoption de ces nouvelles et multiples modalités ne garantit pas une réalisation automatique des objectifs du LG. La

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présentation aboutit à la conclusion selon laquelle le fait de sous-traiter les services gouvernementaux avec de multiples agents est un processus difficile, dont les attentes peuvent être incertaines; il devrait donc y avoir une analyse systématique des capacités de réglementation, de facilitation et de contrôle des LG, avant d'adopter cette nouvelle approche. Cette communication affirme que le fait de devenir un acheteur plutôt qu'un fournisseur implique une nouvelle capacité administrative des travailleurs gouvernementaux, renforcée par un nouveau processus d'information et de gestion. Le fait de gérer de multiples modalités pour atteindre un résultat déterminé est différent de la gestion d'une bureaucratie traditionnelle.

Introduction

In the last decade and a half, two profound changes have taken place in the management of public sector organisations. The first is the new public management (NPM) approach to delivering public services to users. The second is the role of central/local governments to enable the efforts of non-state providers. The former involves internal reorganisation of the public department to undertake direct services delivery using commercial or market principles. It also includes government policy change towards public departments by granting them a degree of autonomy and a further separation of their monitoring role from delivery. The second change 'enablement' requires local governments (LGs) to 'run less but manage better and differently' (Helmsing 2002: 323). This new approach involves three new responsibilities: (i) facilitating efforts of others to perform responsibilities that have been transferred from state monopolists (capacity building); (ii) setting clear regulatory policies to govern agents (rules of the game); (iii) monitoring the performance of multiple agents and assessing their performance.

This paper examines the efforts being made by three local governments: Accra Metropolitan Assembly (AMA), Kumasi Metropolitan Assembly (KMA) and Tema Municipal Assembly (TMA) in Ghana to undertake these responsibilities in the area of sanitation and solid waste (SSW) services delivery. Since in dealing with agents LGs bear many risks including contract management problems, public opposition, monopolistic behaviour by agents and their inefficiencies, it is postulated that only LGs with requisite capacity will be able to manage multiple agents to benefit from the presumed advantages of contracting out-of-service delivery. The capacity requirements include: developing legal framework in which other actors operate; creating a competitive contract award process; developing realistic financial incentives for agents; setting effective monitoring and compliance system; and improving organisational and management skills (Awortwi 2003). Since the study hypothesized that local context and national environment have a potential to influence the success of governance through contracting, three cities, Accra, Kumasi and Tema, were selected. Their socio-cultural, political and economic background can be differentiated to some extent. Kumasi is less cosmopolitan than Accra and Tema. Accra, the national capital, has a population of about 1.7 m. people, while Tema and Kumasi have 0.5 m. and 1.2 m., respectively (Ghana Statistical Service 2000). These cities have seen different levels of improvement in the management of SWC and PL. In the cities, some communities enjoy excellent and uninterrupted services while others live in blighted areas characterized by unreliable and dilapidated services.

Empirical data was collected through structured and unstructured questionnaire interviews, checklists of facts and figures, and field visits to all the selected service delivery points. Stakeholders in the service delivery such as LGs, departments, commercial enterprises, CBOs, institutions, social and political commentators, as well as service users were interviewed. A total of 15 public officers and 34 private entrepreneurs (14 SWC and 29 PL operators) working in different modalities to deliver SSW services in the three cities were interviewed. The interviewees from both sectors were people with some years' experience in services who could share useful information. The public officers included Environmental Health Officers, Heads of Waste Management Departments, Monitoring and Supervising Officers, Cleansing Officers, Directors and Planners, while the private contractors included 20 Directors (five of whom are from CBOs), seven Operational Managers, four General Managers, and three Financial Assistants.

Conceptual approaches to improving services delivery

In the 1980s, the public sector in many African countries provided services with its labour, materials and equipment. Apart from providing physical infrastructure, politicians used the sector to fulfil multiple objectives including creating jobs, satisfying political expediency, and delivering a wide array of non-commercialised services and patronage. Many analysts argue that without the discipline of competition and focus on objectives, public bureau workers had little incentive to innovate, control costs and deliver services effectively and efficiently. Even where governments found the resources to operate public services, delivery of the services was poor and large segments of the population were left out. The best way to improve, according to many analysts, was to change the way in which public infrastructure and services were administered in Africa. For those on the ideological right, privatisation was the only solution. For instance, according to the World Bank, the key task is to 'manage infrastructure like a business, and not like a bureaucracy' (World Bank 1994: 2), which means the private sector can do a better job. Private sector participation in public service provision is expected to foster government downsizing, reform governmental management and functions and improve delivery. Neo-liberals call for 'reinventing government' by inspiring a new entrepreneurial spirit in the public sector (Hammer and Champy 1993; Osborne and Gaebler 1992; Barzelay 1992). Osborne and Gaebler (1993: xvii) demonstrate in their ten principles for entrepreneur government that the basic problem is neither too much nor too little government, but rather the wrong kind of government. Many of these analysts proposed to shrink government, remove it from as many infrastructure programmes as possible and turn the functions over to the private sector. Programmes that have to remain in the government's hands should be contracted out, they argue. The consensus among many of these analysts is that the market would make government infrastructure provision self-correcting in three ways: efficiency, cost minimisation and quality delivery. Some of these market assumptions have become a very powerful ideological belief within the Right, to the extent that Kettl (1993) argues that, in the United States, this presumed superiority of the private sector had led to contracting out everything possible with relatively less concern about how to structure and manage it.

Many of the persuasive arguments and ideologies have influenced the way many African states have administered infrastructure services recently. This includes acknowledging the vital role of other actors (formal and informal) and subsequently decentralising responsibilities to them. This practice has further been bolstered by advances in technology, which have made possible 'unbundling' of the components in the service delivery process to several institutions. In addition, the pressure towards greater citizen involvement in decision-making has compelled governments everywhere to seek inclusiveness in service provision at a time when the available resources for delivering services have declined.

The policy support of contracting out sanitation and solid waste services in Ghana

In Ghana, as part of the process to restructure its development goals, in 1988, the government embarked on a new policy, which involved delegating some of central government's (CG) responsibilities to LG. It was expected that this would improve delivery and management of basic public services at the local level. In their attempt to deliver and not crumble under heavy new responsibilities, some LGs in turn devolved some services to the private sector, community based organisations (CBOs) and their own departments in the form of multiple modalities, meaning LGs were no longer delivering public services alone, but developed many contractual arrangements with non-state actors that make use of the latter's resources and management capabilities. The recognition that multiple non-state actors can be made to deliver infrastructure services necessitated a change of policies and practices from government to governance. The latter is a different (and better) way of governing public services.

Although, the national environmental policy (Min. of LG 1999) gives the primary responsibility of SSW management to LGs, given the nature of the service with its problems of environmental externalities, the state has seen the necessity to enable LGs to better perform their responsibilities. The national policy mandates the LGs to invite the private sector to provide the actual services under contract or franchise, as appropriate. When these functions are transferred, the corresponding capital and budget, personnel and equipment are also mandated to be transferred (Min. of LG 1999: 14-15). Second, the policy also requires LGs to maintain adequate capacity to provide not less than 20 per cent of the services and reserve the right to take measures to intervene in the event of failure of the private sector to deliver. Third, in terms of cost recovery, the policy provides that where possible, SSW services shall be provided on a full cost recovery basis, under franchise or concession agreements. In deprived areas where ability to pay may be low, service charges may be related to the recovery of operation and maintenance. Where cost recovery is not possible, the LG may enter into contracts with contractors to deliver service under which the assembly will pay from revenues generated from other sanitation zones or from their own resources.

The sanitation policy also mandates LGs to enact appropriate bylaws and implement strong and effective supervisory, licensing and performance measurement systems and further empower community tribunals to prosecute offenders against sanitation bylaws. The policy further requires all premises to have primary storage facilities which shall meet the approval of the LG with regard to size, material and capacity. The LG shall, in consultation with each community, prescribe the minimum standard of collection service, taking into consideration household incomes, housing pattern, and the infrastructure in the service area. In general, the policy requires that waste be collected at least twice a week. In communities where house-to-house waste collection is not appropriate, the LG shall designate communal storage sites where solid waste can be discharged into a fixed or removable container.

Capacity of LGs to regulate multiple agents and their modalities

To be able to regulate different modalities of public, private and community delivery of services across an entire city, LGs should have the technical capacity to clearly demarcate zones where each modality is applicable and indicate public policy objectives to be achieved in using each modality. Regulation also requires LGs to establish in clear terms the rules that apply and how they will be enforced. To be able to perform these roles effectively, the LGs should first have the capacity to contract. As regulators, LGs are expected to have the capacity to determine all the components they want agents to deliver and what processes to use in order to obtain the right supplier, as well as to set goals and standards to measure what they have bought. These are what Kettl refers to as 'smart buyer' traits (Kettle 1993: viii). The capacity to contract involves a transparent contractual process, design of a good contract document and assessment of the costs involved in obtaining the right agent.

Contract tendering procedure

In the absence of a profit incentive, an LG intent on pursuing efficiency must regulate performance directly. However, it will face asymmetries in the information available to itself and to the operators of the service. This could make it difficult to determine the extent of inefficiency and thus to implement corrective measures. Domberger et al. (1986) argue that competitive tendering largely overcomes the problems of both incentives and information. The tendering process generates information about the relative efficiency of the operators who bid for the contract, provided of course that the level of service is specified correctly and with precision. The three LGs have established tender boards whose membership includes the chief executives (mayors) as chairmen and the coordinating directors (the principal bureaucrats) as secretaries. The board has the responsibility of screening, selecting and awarding contracts. The rules governing tendering and contracting are set by two national Acts of Parliament, LG Act 462 and Regulation Act of 1995, LI 1606. While LI 1606 mandates all LGs to adopt open competitive bidding, Act 462 specifies what is unacceptable on the part of LG members and staff regarding contracts. Nevertheless, in the three cities contractual processes have involved influencing many bureaucratic decision-makers and sometimes paying bribes. The analysis shows that with the exception of one of the SWC contracts in Tema, which was tendered, in Accra and Kumasi the LGs awarded the contracts without reference to the tender board or the laid-down procedures.[1] In many cases, LG officers and politicians had financial interests in the contracts being awarded and disregarded the set provisions. Conflicts of interest and general lack of transparency seem to have crept into awarding of contracts because the roles of politicians and bureaucrats as policy-makers and implementers, respectively, were not separated. Politicians have influenced awards of contracts more than bureaucrats have used pre-qualification criteria to select agents.

The design and management of standard contract document

Although the LGs have models that could guide them to write good contracts, in Kumasi and Accra the bureaucrats hardly refer to them (Awortwi 2001). Also, although each LG has legal advisors who could help them analyse the legal implications of contracts being awarded, their services are disregarded in this area. It is only when a contract has come under media scrutiny (through allegations of corruption) that one sees the vital role they ought to play. The legal advisors, most of the time, are not official members of either the tender board or the technical subcommittees that design contracts. In fact, the administrators, many of whom have no technical skills, design many contracts. In public sanitation or latrine (PLs), the bureaucrats just take an old indenture, which was designed about 20 years ago, and replace the names and addresses with the particulars of the new agent. Indentures are hardly modified to suit the present situation and demand. Issues regarding contract duration, operation and transfers of the infrastructure are not clearly specified in the indentures to distinguish build, operate and own (BOO), build-operate and transfer (BOT), rehabilitate, operate and transfer (ROT) and affermage.

Regulatory costs associated with contractual exchange

In using contracts as a form of exchange mechanism, LGs incur a number of costs related to searching for and selecting agents, acquiring information and negotiating with agents and monitoring and enforcing contracts. When these activities are carried out properly with an eye to value for money, regulatory costs associated with these activities may fall, which makes contracting a better exchange mechanism than establishing a bureau or buying from the market under imperfect information and competition. If efficiency is the criterion for choosing a modality, an 'intelligent' LG will compare the production cost of setting up a bureau to deliver a service with the cost of buying from the market. Another way of benchmarking differences in production cost is for the LGs to contract a small amount of service delivery to 'in-house' providers along with buying from the market. However, in the three cities, data on expenditures are combined, so separating regulatory costs from administrative and production costs for analysis is impossible. But, in Accra and Kumasi, although there was no rigorous search for agents, information gathering, negotiating, monitoring of agents and enforcement of contract terms; corruption and collusion was very high which translated into a high cost of buying from the market. This means that regulatory costs can be high irrespective of whether there was diligence in acquiring information or undertaking laborious processes in contracting.

Setting clear public policy objectives in the service

Regulating multiple modalities of service delivery in a city involves defining the areas of jurisdiction of the various modalities in such a way that there are clear boundaries separating public, private and CBO delivery. Since goals and interests may conflict among actors and modalities, clear jurisdictional boundaries are important. While in the three cities LGs try to demarcate localities into zones depending on household socio-economic and infrastructure characteristics, the same has not been done for different modalities of service delivery. In both Accra and Kumasi, there are many overlaps. For instance, commercial private operators who undertake service contracts are undermining CBOs undertaking franchise operations (AKCPP Semi-annual Report 1998:12). Again in Kumasi and Accra, the LGs have failed to legally declare CBO areas as franchise zones. What this means is that users can decide not to pay for service delivery and may expect LGs to provide toll-free services with a communal container system. In contrast, in Tema, there is clear demarcation of areas controlled by franchisees, service contractors and 'in-house' public delivery. The clear zonal demarcation is partly explained by the fact that Tema is a well-planned city in contrast to Accra and Kumasi. Medium- to high-class areas are clearly distinguished from low-class areas on the basis of homogeneity of housing and infrastructure services. In Accra and Kumasi, the homogeneity is broken. Many areas formally classified as medium- or high-class are interspersed with rundown buildings, decrepit infrastructure and poor neighbourhoods, thereby making a good assessment of who can or cannot pay for solid waste collection (SWC) difficult. As a result, zonal demarcation of franchising and service contracts is nebulous. In Kumasi, this unclear zonal demarcation has resulted in unregulated open competition in some neighbourhoods, with a private contractor collecting solid waste from households that can pay, leaving those who cannot do so to fend for themselves. Public health objectives cannot be achieved through selective waste collection.

The second regulatory policy that needs to be set in multiple modalities is the process by which public objectives are to be achieved. Public policy involves making political decisions. Objectives can be attained efficiently and effectively, depending on the goals set by politicians and the mechanisms adopted to implement them. Technically many aspects of SSW services can and have discriminated between consumers on the basis of their ability and willingness to pay. As a result, in many areas, users may pay close to the economic cost of service delivery. However, depending on the objectives set by policy-makers, fixing of user fees and enforcement of payment have been difficult issues in LGs. In Tema, the LG aims at operating a system of waste collection where every household is expected to pay close to the economic cost of delivery. It is the goal of the LG that all waste collection areas will be on franchise, but at the moment only about 65 per cent of households pay directly for SWC, 15 per cent through service contractors (with World Bank financial support) while the rest do not pay. In the newly developing and low-income areas where users do not pay for service delivery, the LG has contracted-in to the waste management department (WMD). The goal is to provide public delivery until such time when it becomes economically viable enough to interest commercial agents and then to hand over delivery to the private sector. In contrast, in Accra, the LG has been inconsistent in implementing its goal of operating a waste collection system paid for by user fees. In 1997, when the city and country waste limited (CCWL) contract was signed, all franchise agreements were terminated and waste collection in the whole city was changed to service contracts. Consequently, the practice of agents collecting their own fees directly from households was stopped and the LG revenue collectors assumed that responsibility. In 1999, the LG collected less than 50 per cent of the SWC fees, while in 2000, only 2 per cent was collected.

A comparative analysis of the three cities shows that Tema has a clear and consistent policy objective, which is more towards attaining economic efficiency in SSW delivery than in Accra and Kumasi. In high- to medium-income areas in Tema, the LG makes above-normal profit to cross-subsidize the service in low-income areas. However, in Kumasi, many rich areas do not pay for SWC at all, while in Accra the LG has been sloppy in collecting user fees. In both cities, if LGs can clearly establish zonal demarcation for each modality and set consistent policy goals with the aim of recovering costs, they will be able to reduce operational or production cost substantially, which will also relieve their budgetary problems and continual reliance on the central government (CG).

Establishing and enforcing sanitation bylaws and contract rules

It is expected that as different modalities are structured in the cities, LGs will be able to design bylaws that specify the 'dos and don'ts' of all actors and specify sanctions that will be applied if the rules are not respected. Under the powers conferred upon the three LGs by section 79 of the LG Act, 1993 (Act 462), by the year 2000, Accra and Tema had passed SSW bylaws. In Kumasi, only a draft bylaw (KMA-WMD 2000), which is a replica of the one designed by the Ministry of LG, is available. A comparison of the bylaws shows that while non-complying users in Accra are liable to summary conviction and a fine not exceeding ¢200,000 (US $30), or in default of payment to a term of imprisonment not exceeding six months, or to both, their counterparts in Tema face lesser sanctions. They will be liable on conviction to a fine not exceeding ¢100,000 (US $15), or in default of payment to imprisonment for a term not exceeding three months. Although sanctions against unwanted waste practices may appear severe, their necessity is easy to see on the streets when they are not enforced. In Ghanaian cities, many residents tend to be ambivalent in their attitude towards sound environmental upkeep and dump waste indiscriminately. The reasons for this include: (i) inadequate or absence of waste containers; (ii) long distance to a central container or waste bin (people cannot carry waste around)' (iii) the belief that waste should not be transferred from one locality where it is generated to another (immediate disposal at the site of its generation is important); and (iv) lawlessness—people do not fear that their actions will lead to sanctions by law enforcement authorities. While LGs are not effective in sanctioning offenders, there are few strong communal institutions to play a complementary role (Obiri-Opareh 2003: 184-5). Another problem with enforcement of bylaws is the degree to which residents flout them. As indicated by Tema's Solid Waste Manager, 'Your ability to enforce bylaws is restricted by the magnitude of defaulters. You cannot arrest 20 per cent of the population. You might as well spend half of your budget to hire people to police the whole city!' What is more, the judicial process in Ghana is perceived to be very slow to deal with offences, even those in the criminal code. There is, therefore, no gainsaying that SSW offences do not attract the necessary attention of the judicial system. The lack of sanitation courts in any of the cities seems to be another factor hindering strict enforcement of sanitation regulations.

Furthermore, the bylaws are not comprehensive enough to deal with all stakeholders. In the three cities, the bylaws place more emphasis on indiscriminate waste disposal by users. No mention is made of the LGs' own obligations to users or possible sanctions if they fail. The reason for this is that LGs cannot set tight conditions that they know they cannot honour. The bylaws are silent on contracts and what ought to be done in cases of default. Furthermore, the sanitation bylaws are silent on procedures for lodging complaints and monitoring agents. Regarding enforcement of contract terms, none of the LGs has been able to terminate an agent's agreement on the basis of non-performance. This is because, unlike other services, the delivery of SSW is such that the moment an agent is dismissed, the LG has to quickly move in to deliver the services, and in circumstances where the LGs have little reserve capacity, they are reluctant to apply vigorous sanctions that might incur the displeasure of agents.

LG Capacity to facilitate multiple agents and their modalities

Efficient and effective operation of partnerships and multiple modalities is not generated spontaneously. It is developed and enhanced by 'intelligent' LGs. The ability to build such capacity is contingent on, among other things, the economic, human and political resources LGs are able to mobilise at any given time and how judiciously such resources are managed to achieve efficiency gains. An important part of analysing economic capacity of LGs lies in assessing three inseparable dimensions of the fiscal systems—fiscal capacity, fiscal effort and fiscal autonomy. Such analysis helps to determine how the alleged advantages of fiscal improvement (reduced current expenditure risks, reduced capital expenditure and borrowed needs) and labour management problems are achieved. Improvements in LGs finances also reflect in the way they fulfil their financial responsibilities to contractors. In Ghana, in line with the decentralisation policy, LGs are allowed to impose fees and user charges on the services they provide. The LG Act, 1993 (Act 462) also provides a vast array of sources of revenue (property rates, lands, license and fees). In these taxable areas, LGs have autonomy to set their own rates without CG intervention. In the three LGs, Accra has more landed properties, more taxable economic activities and higher population than Kumasi and Tema. Using total estimated revenue and crude estimated per capita revenue generation as yardsticks to measure fiscal capacity, the analysis shows that Accra has larger potential to raise revenue, followed by Tema and Kumasi. However, efficiency ratios from the three cities show that Tema performs better than Accra and Kumasi. A comparison of the revenue growth with rate of inflation shows that in real terms there is not much growth in all the three cities.

Furthermore, since 1994 the CG has been transferring not more than 5 per cent of the total national revenue to LGs for development activities including service provision. A comparative assessment of fiscal autonomy of the three cities shows that since 1997, LG in Tema has consistently mobilised more revenue internally than what it receives from the CG in contrast to Accra and Tema. The implication is that, financially, the two cities are more dependent on CG transfers than Tema. Since 1996, Kumasi has been running a deficit budget and it is unable to honour its financial obligations.

Managing waste revenue and expenditure

Waste management is one of the largest consumers of the resources mobilised by LGs and brings little revenue because of the externality and free-rider problems. LG expenditure on SSW consists of administration, regulatory, delivery and management costs. In Kumasi, waste management expenditure is more than 20 per cent of the overall city expenditure. Between 1997 and 1999, SWC was directly delivered by the WMD. During these years, expenditure rose from ¢1.3 b. to ¢1.43 b. (US $402,816) (9 per cent). After SSW was contracted out to commercial private agents, expenditure rose from ¢1.4 b. to ¢2.5 b. (45 per cent) within a year, while revenue collection fell from ¢200.7 m. to ¢156.7 m. between 1999 and 2000. The revenue and expenditure accounts of the KMA show that the LG was able to mobilise only 3.5 per cent (1997), 8.5 per cent (1998), and 10.9 per cent (1999) of its total waste management expenditure. This means that the excess expenditure needed to be financed by CG transfers. In 2001, the CG financed 89.1 per cent of the KMA's waste expenditure. The low revenue collection is due mainly to the KMA's inability to collect user fees, while the high expenditure is due to contracting out to the commercial private sector. In Accra, only data on operational costs and revenue was available. However, given that personal emoluments form 20–25 per cent of the AMA's expenditure, the percentage of waste expenditure will hover around 24–30 per cent. Analysis shows that while the AMA makes substantial surplus from door-to-door waste collection, that surplus is depleted by a huge operational deficit in the central container system. In Tema, the LG has been able to finance a substantial part of its expenditure. For instance, in 1999 and 2000, the LG recovered 92.6 per cent and 94.3 per cent respectively of its expenditure, while in 1998 the LG obtained a surplus of ¢89.4 m. (US$ 38,634) (15.9 per cent). If the TMA was able to reduce inefficiency in its 'in-house' delivery, it could generate more surpluses from SWC. The reasons for the TMA's relatively better performance are: first, it has franchised about 50 per cent of SWC, hence reducing in current expenditure. Second, the TMA has made private agents responsible for collecting user fees in areas where it has contracted out service delivery. Third, because it has more franchised modality, the LG has less unessential staff on the payroll. Four, capital expenditure through acquisition and maintenance of equipment has also fallen. In contrast, the AMA and the KMA have contracted out all SWC to private agents, and pay a substantial amount but collect fewer user fees. The two cities contracted out uneconomically by paying higher rates per tonne of SWC to commercial private agents than they could afford. Furthermore, in Accra and Kumasi, the LGs incurred investment costs by acquiring waste collection equipment and vehicles before leasing them to commercial private agents. However, the lease agreements were poorly written to the extent that they transferred more risk to the LGs than to the agents. In Accra the contractor will own the equipment after five years, yet it did not pay a penny in amortisation fees, while in Kumasi the contractor pays a fixed revenue fee instead of a direct rental fee.

Ability to collect user fees (bad liability index)

LGs should be able to collect fees from users to whom they have provided services. A bad liability index (BLI) is used to measure losses with respect to uncollected charges for services provided. In other words, BLI is the ratio or percentage of collected user charges to expected revenue per fiscal period. The relevance of this index rests in the fact that apart from revenue loss, the resources committed to the provision of the services constitute additional costs to LGs. In Tema, commission collectors are paid 10 per cent of the total revenue collected. This accounts for the relatively better revenue mobilization of the LG. However, for almost a year, the franchisees and revenue collectors have not submitted to the LG the number of users they have registered, and for that matter a good assessment of how much they are able to collect. The TMA only accepts the amount the agents provide, which means that with more effort, the TMA can perform better financially than it is doing currently.

In Kumasi, more than 90 per cent of the households do not pay for SWC, not because they are not in a position to pay but because the KMA has not bothered to collect user fees because of political expediency and other factors. Notably, it has not educated the citizens on the need to pay directly for the services and has continued to live with the fact that traditionally people do not pay for SSW services. The city has taken a political stand that SWC is a public good, so general tax should be used to defray its cost. That partly explains why until 1999 the city had organized the collection of solid waste by itself and had rejected the possibility that many of the services could be made efficient and effective through the application of commercial or market principles even if services were contracted-in. In high-income areas, where households are willing to pay, the KMA is still not able to collect even 30 per cent of the fee. In Accra, in the year 2000, the AMA estimated that it would collect about ¢38.1 b. (US $5.5m) from a target billing of ¢39 b. (US $5.6) By June 2000, it had collected only ¢425 m. (US $61,719). A revised budget at the end of the year showed that the AMA was able to collect an incredible ¢800 m. (US $116,177) (2 per cent). It is alleged that the AMA deliberately did not collect user fees to enable the government to win votes in the run up to the presidential and parliamentary elections. In general, of the three city authorities, the TMA operates the most prudent fiscal policy and has benefited most from private sector participation in SSW services, in the form of reduced current and capital expenditure.

Human resource capacity

It is important to carefully define exactly what the core business of the LG is as far as waste management is concerned, and what kinds of costs are essential to reduce current expenditure. The type of personnel is also an important criterion for assessing how well the LG can meet the training needs of agents, especially small and micro-entrepreneurs and CBOs involved in service delivery. The training needs may include contracting rules, monitoring indicators, bylaws and sanctions. This requires LG personnel to have managerial and human relations skills that are receptive and able to negotiate and build consensus among all stakeholders. Until LGs entered into multiple modalities, a large number of personnel were employed to enable the department to deliver services directly. It was therefore expected that after giving the responsibility of delivery to agents, they would retain a specialised core to undertake facilitation, regulation and monitoring roles and also 20 per cent labourers for contingency delivery purposes. However, the LGs still keep large numbers of non-essential staff such as supervisors, workshop supervisors, drivers, labourers and carpenters. Comparison shows that the TMA maintains a small but vital number of personnel whose services are relevant to monitoring, in contrast to the bloated number of employees at the AMA and the KMA (see table 2).

Table 1: Existing Personnel in LG Waste Management Departments

Profession	AMA	KMA	TMA	Total
Typist, Telephonist & Secretary	7	3	2	12
Executive Administrative Officers	2	1	0	3
Assistant Directors	1	0	0	1
Computer Operators	3	0	0	3
Security Officers	9	8	2	18
Storekeepers	4	2	0	6
Technical Officers	5	1	0	6
Supervisors (Workshop)	4	2	0	6
Workshop Superintendents	1	0	0	1
Workshop Supervisors	6	4	0	10
Workshop Tradesmen	41	40	0	81
Environmental Health Officers	30	6	7	43
Labourers (SW)	83	30	29	142
Labourers (LW)	268	137	4	409
Engineering	3	3	2	8
Carpenters & Masons	4	0	4	8
Drivers	21	20	12	53
Heavy Equipment Operators	11	4	2	17
Accounting Staff	16	2	3	21
Weigh-bridge/ landfill attendants	6	2	0	8
Total Human Resource Capacity	**525**	**265**	**67**	**1157**

Source: AMA, TMA and KMA Personnel Offices, 2001.

The table shows that TMA manages multiple modalities with less cost and labour management problems than the AMA and the KMA experience. The problem is that internal reorganisation, which is needed to enable LGs to hire qualified personnel to facilitate multiple modalities and lay off non-essential ones to reduce current expenditure has not been effected. Another dimension of the problem is that, historically, interaction between various departments and agencies involved in urban SSW management has been very weak and ineffective. Information and research by LG departments and allied agencies (the Environmental Protection Agency (EPA), the Centre for Scientific and Industrial Research (CSIR), the Department of Town and Country Planning (DTCP) and universities) are often fragmented. In this case, the CG appears not to have performed its role as facilitator and co-ordinator of all the agencies in SSW management.

Facilitating the role of CBOs and the informal sector

LG services do not reach a large proportion of the population, whether they are provided by 'in-house' operators or contracted out to commercial private agents. As a result, many households are obliged to rely on CBOs and the informal sector. In the three cities, the LGs have registered all formal waste collectors and licensed their operations, but the same has not been done with the informal waste collectors popularly called *kayabolla*. In Accra, this business is brisk. These informal waste collectors charge ¢150–500 for a bundle of waste and pay ¢50–150 to unauthorised central container attendants. Although their activities in principle are a positive factor in SWC, as they help in pre-collection and recycling of waste, the WMD has not developed any short- to long-term plans to incorporate them. At worst, their roles are seen as aberrations not to be encouraged.

The situation with CBOs is no better. LG bureaucrats have not found ways to facilitate and incorporate their on-going activities. In Kumasi, the role of the LG as co-sponsor of the Micro Enterprise Refuse Collection (MERC) scheme has been very disappointing; the constant interference by the city mayor is disabling the CBO scheme instead of facilitating it. In Accra, the AMA also abandoned its responsibility of assisting the Ashiedu Keteke Community Participation Project (AKCPP) financially and logistically a few months after its inauguration. Even attendance at meetings of the CBO by bureaucrats is erratic because they expect to be given monetary incentive in the form of 'sitting allowance'. The inability of the two LGs to declare the areas statutory franchise zones means that the cooperation of households is voluntary. When a household decides not to participate and returns to the old practice of dumping waste indiscriminately, the programme is undermined and the whole community suffers since there is no formal service delivery. Secondly, because LGs have not designated these areas as franchise zones, users are not sanctioned legally for refusing to co-operate with CBOs. Although generally CBOs play an important role in SSW management in low-income areas, the three cities have not done much to facilitate their efforts. Assistance to existing CBOs is seen as benevolence rather than conscious and consistent effort to facilitate their work. Strategic management requires that LGs collaborate with these groups so as to leverage financial resources and increase coverage.

Political capacity of LGs

Political capacity, as used here, refers to the position or the power of LGs to access various resources in and outside their jurisdiction as a result of the influence that the constituency commands in national politics. In other words, it involves leveraging resources and power from politicians, administrators, donor agencies and residents through procedures other than those traditionally established. The political capacity of an LG is measured by critically assessing the contribution of the following: (i) an enterprising and influential mayor who gets things done through his/her personal efforts; (ii) the voting pattern of LG citizens, which can be used for political bargaining; (iii) the collective action spirit of local residents; and (iv) the geographical position or strategic importance of the LG's jurisdiction to national development. In the African patronage system, the political capacity of an LG's constituency cannot be underestimated. It provides an influencing factor determining how CG resources are distributed among localities, how political positions are filled and even how CG and national politicians respond to local concerns. Experience from countries that have undertaken public sector reform and NPM indicates that with increased responsibilities and a level of LG autonomy, mayors and LG politicians are becoming more proactive in leveraging resources. Rather than simply signing contracts with agents and reallocating tasks to bureaucrats and assuming that effectiveness will result, political entrepreneurs and transformational leaders are positioning themselves within the organization so they can develop key parts of reform management. They spend more time collaborating with other institutions and integrating their policies.

Unlike the New Zealand approach, where chief executives of government departments are held formally accountable for the quality of service delivery (contractual guarantee depends on improvement in services delivery), in the Ghanaian case, chief executives are only accountable to the president who appointed them. As long as they can gratify the president, they care very little about the services they provide. In the three cities the mayors display some peculiar management styles. The mayor of Kumasi adopts populist actions on an ad hoc basis instead of a systematic approach that involves planning, negotiation and consensus building. The mayor's role can be described as politically incorrect, grossly inept and disabling. On several occasions, his weird behaviour and management styles have drawn him into confrontation with many private agents. In 1993, and again in 1998, he illegally abrogated all private sector PL contracts and transferred them to his cronies. He preferred to do things informally and enjoyed tremendous political support from the executive arm of government to be precise from the presidency. In contrast, although the management styles of the chief executives of Tema and Accra cannot be exonerated from politics (as they also enjoy the political support of the government), the two seem to be interested in promoting consensus and take an active role in facilitating commercial partnerships. This partly explains why contracting-out started much earlier in Accra and Tema, than in Kumasi. Nevertheless, in Accra, the probable reason for the mayor's facilitation of private sector participation is his private interest. After all, he was a member of the board of directors of the biggest company, which ended up being awarded a monopolist contract.

The socio-cultural, political and economic background of Accra, Tema and Kumasi can be differentiated. Kumasi is mostly inhabited by Akans, and until 2001, generally leaned politically towards opposing the ruling government, while Accra and Tema are multicultural and politically divided. The political antagonism of Kumasi residents to the government, coupled with the political position of the mayor, to some extent affected the way local entrepreneurs perceived their participation in government services. Although many of the citizens are traditionally business oriented, because of their political positions, LG support to them has been selective, mostly supporting political party functionaries. It was thought that a change of government in 2000 would affect the political see-saw and consequently the capacities of the LGs. Kumasi was expected to benefit more from CG project transfers than from the previous government, but by 2003, this had remained elusive. With regard to participatory culture, although Accra is more cosmopolitan and seems to have been influenced more by globalization than Kumasi and Tema, it is hard to draw clear differences in terms of the role citizens play in collective action. Although the research is limited by data on donor contributions to each of the LGs, the little data available shows that Accra, being the nation's capital, has higher political capacity to leverage resources from the CG, private investors and development partners. For instance, a crisis in SSW services is given more publicity and therefore the government and donors are more ready to assist. Currently, DFLD, GTZ, the World Bank and DANIDA are all involved in various SSW projects in Accra.

Capacity of LGs to monitor and evaluate multiple agents

In multiple modalities, monitoring the activities of agents ought to be the priority of LGs. This is because it is in the interest of agents to undertake less of their obligations in order to reduce costs, and to receive more revenue if shirking is possible. Effective monitoring of agents depends on collection of data about how services are provided by agents and how such information is managed. Kettl (1993) argues that LGs can eliminate some of their agency problems if they develop the expertise to determine what they buy by investing more in monitoring and assessment. On the contrary, as reliance on multiple modalities has grown, the LGs' investment in such determination has actually diminished. LGs have given increasingly less attention to mechanisms for obtaining information concerning conditions of service delivery in localities. In the three cities, only the AMA has a reasonable data bank on SSW collection. In Tema, the WMD has one computer but basic waste collection data are kept on paper in files, and retrieval is cumbersome. Data and information management in Kumasi was non-existent until January 2000. An engineer of the WMD expressed his frustration in this way:

> If you have a mayor who clearly states his displeasure in data collection with a view that data and computers do not collect waste from the street, it is people, equipment and machines that do, then the system will not work. In other words, it is [more] important when there is no waste on the streets than to store data in computers that can be manipulated by officers.

Experience in Kumasi demonstrates that not only does an LG need capable manpower that can collect, store, process and retrieve information, but also leaders who show commitment to planning and monitoring. Again in Accra and Kumasi, LGs disregarded the national policy of keeping 20 per cent in-house capacity to deliver services. The two LGs have leased out all equipment to agents and created private monopoly. The implication is that not only can agents hold the two LGs in hostage, but more importantly also, the LGs lose vital benchmark information for effective monitoring and evaluation of costs and quality of private delivery.

Transfer of logistical support for monitoring

Notwithstanding the important role monitoring and supervision play in service delivery, not much attention is given to the section in charge of undertaking the job in terms of resources, material transfers and training. In Accra and Kumasi, LGs spent billions of cedis on contracts with agents, but not even 1 per cent of the amount was budgeted for monitoring. Nothing at all is spent on market research, and because the LGs themselves have not used contract exchange to create proper principal-agent relationships, they are unable to monitor the agents. In addition, with poor LG salaries, the private agents easily manipulate the already unmotivated monitoring officers. In Tema, it took almost six months before the only motorcycle, which was for the use of the monitoring officer but had broken down, was repaired. The absence of logistics not only breeds indifference to monitoring among bureaucrats, it also provides opportunity for the agents to get away with shoddy work.

Effective monitoring system

Monitoring should create awareness among all stakeholders that the system can identify delinquents and punish them. A good monitoring system draws a distinction between the role of the principal and that of the agent. However, in Accra, there was a conscious attempt by the main private agent (CCWL), aided by some corrupt officers, to usurp the work of the monitoring officers through a dubious agreement ceding that responsibility to the private agent, and not to the LG. In effect, the agent delivers services and monitors as well. Furthermore, in Tema and Kumasi waste collection is manually assessed and recorded, which makes it vulnerable not only to human error, but also to collusion and manipulation. In addition, the problem of externality in SSW services requires that households be involved in monitoring activities to complement LGs. However, none of the three LGs have systematically involved user groups in monitoring either service delivery by agents or indiscriminate and clandestine dumping by residents. Furthermore, many contractors have not inscribed their names on the central containers that they lift. This concealment helps them to avoid being noticed easily by users in case of uncollected waste or clandestine dumping.

A critical analysis of the skills of monitoring officers shows that there is a need for retraining on enabling roles. As service delivery was transferred to agents, many lowly skilled WMD staff just assumed the role of monitoring officers without receiving any training. In addition, because they are lowly skilled, their activities are also lowly placed in the administrative structure of the bureaucracy. They are hardly seen, and when the budget is cut, not only is logistical support needed for their work reduced, but they are also made redundant and dismissed unnoticed (during the public sector reform, many of the WMD staff who were retrenched were sanitation field officers called *samansama).*

Findings on the comparative enabling capacities of the LGs

It is hypothesised that the higher the capacity of the LG to facilitate, regulate and monitor agents, the better the quality of services that will be delivered in the city. Table 2 shows the total enabling capacities of the three LGs. Scheffe's test of multiple comparisons also shows that mean difference of quality of service delivery is significant at the 0.05 level in all dimensions in the cities[2] (see also boxplot in Figure 1).

Table 2: Comparative analysis of LG capacity

Enabling Indicator	AMA	KMA	TMA
Regulatory Capacity	9	6	14
Facilitative Capacity	19	14	21
Monitoring Capacity	7	5	5
Total score	**35**	**25**	**40**
Expected Score	**57**	**57**	**57**
Enabling Capacity Achieved (%)	**61.4**	**43.8**	**70.1**

A cursory comparison of the results shows that while the capacity of the AMA and the KMA reflect the quality of service delivery in Accra and Kumasi, in the case of Tema, it is the opposite. While the TMA has the highest enabling capacity, the quality of its services is rated poorest.
In other words, the difference in the level of service quality cannot be explained by its overwhelming enabling capacity. What seems a plausi-

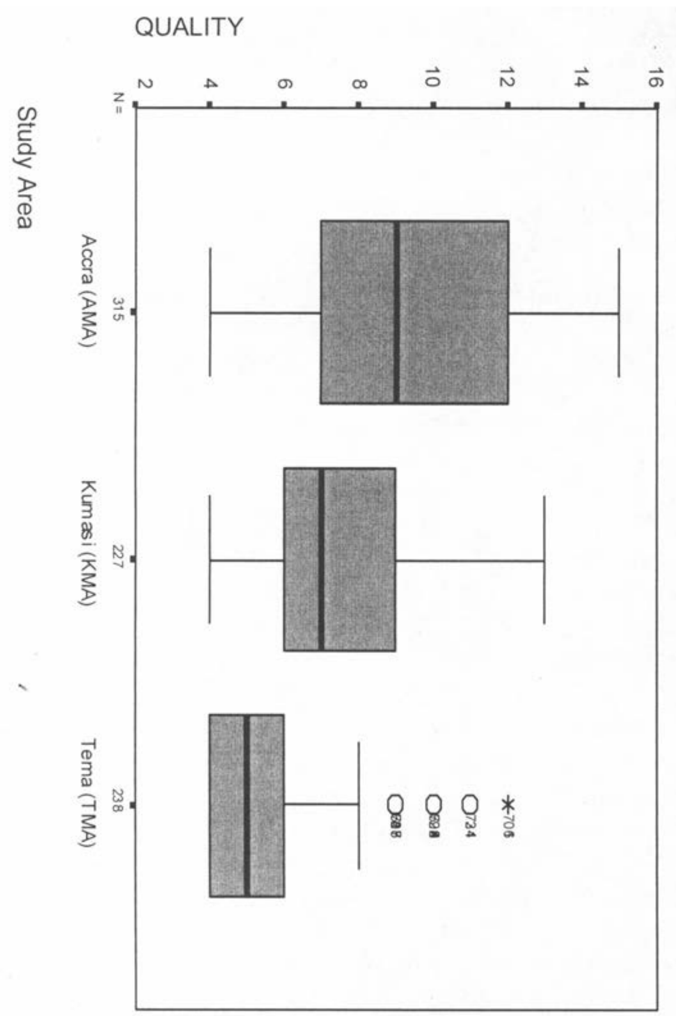

Figure 1: Boxplot showing significant variations in the quality of service delivery in the cities

ble reason is that there is high expectation of service quality among Tema residents. This expectation emanates from residents' past experience in receiving higher quality services, and since actual waste collection decreased by 14 per cent between 1999 to 2000, users are not satisfied. This probably pinpoints one of the limitations of report card assessment (user survey), as any measure of quality may depend on knowing the quality perception profile of users. Besides, the city also has better infrastructure services than Accra and Kumasi and contains a large number of expatriate, rich people and elite. In fact, the poor rating of services by Tema residents is contrary to field observation. Nevertheless, the findings show that LGs that adopt more service contracts or buy from the market should have more financial capacity to pay agents if the quality of delivery is not to be compromised. Those who adopt multiple modalities of franchising, open competition and service contracts should have high capacity to regulate and set clear policy objectives.

Enabling capacity and improvement in service coverage

It was expected that by facilitating multiple agents to deliver services there would be improvement in service coverage. Areas that were not covered in the past by a monopolistic WMD would now have access to services (output indicator) while there would also be an increase in the volume of waste collection (input indicator). In Accra, before the change to multiple modalities, the operational capacity of the fleet of LG vehicles and equipment in 1990 could only allow limited coverage of up to about 43 per cent (AMA/Colan Consult 1995). In 1997, it increased to 55 per cent. In Kumasi, research conducted by Post shows that the LG used to collect about 40 per cent of daily waste generation. The rest was dumped indiscriminately into drains and public spaces (Post 1999). In both cities, the situation was worse in the high-density, low-income areas where collection at the central container sites was irregular. In Accra, the volume of SWC has improved and conservative estimates suggest that 65–70 per cent of waste generated daily is collected as compared with 45 per cent before multiple modalities. In Kumasi, waste coverage is now about 58 per cent. In Tema, the participation of the private sector has enabled the WMD to directly provide terminal services to the newly developing areas as well as remove waste from unsanctioned refuse dumps and low-class areas. A comparison of enablement scores with the number of multiple partnerships in the cities provides a new insight that a high score of LG enablement encourages more modalities to develop, improves service coverage and reduces cost, but does not have such an effect on subjective indicators of quality of delivery. In the three cities, the overwhelming enabling capacity of the TMA is reflected in the comparative improvement of these three indicators.

The effect of multiple modalities on LG finances and cost to users

Prior to multiple modalities, LGs did not charge the true cost of service delivery, and this resulted in financial deficits and huge CG subsidies. Since one of the motivating forces for reform is often reduction in fiscal deficits, it is not surprising to expect a rise in tariffs. However, when purchasing on behalf of its citizens, the LG has a responsibility to provide value for money. Benefits are expected to accrue through lower costs, encouragement of innovation and development of the market. The most optimistic estimate suggests that private participation in the delivery of public services saves between 30 per cent and 50 per cent in the public budget (Zachary 1996; Kamieniecki, Shafie and Silver 1999). In Accra, after the CCWL contract was signed, the AMA took a bold initiative to recover costs, including the Canadian loan, by raising user fees. The AMA introduced an additional classification (super high-class areas) thereby dividing the city into four zones instead of three. In 2000, SWC rates, which initially ranged from ¢6,000-8,000 (US $1) per month, were increased to ¢40,000 (US $5) in super high-class areas; ¢25,000 (US $3) in high-class areas; and ¢10,000 in medium-class areas. The low-class areas continued to get their services free. However, for political reasons, in the year 2000 the collection of user fees was postponed until the presidential and parliamentary elections (Obirih-Opareh and Post 2002). In Kumasi, the CG still provides subsidies because the idea of billing users has been a difficult issue for the LG. It believes that SWC is a public good to be provided without charge. In addition, many of the service contracts with agents were designed in such a way that the LGs incurred loses instead of savings. With the exception of Tema, LGs have experienced budget deficits as a result of the high cost of private sector participation. Although private agents have brought some improvement in the volume of SWC in Kumasi and Accra, it would be ironic to equate that with a proportional increase in cost of delivery to the LG and to users. Considering that many of the contracts were signed without an eye to value for money, the LGs did not reap the advantage of a reduced budget as many studies on public sector reform and contracting-out indicate. In Accra and Kumasi, LGs still employ a large number of unessential personnel, and if administrative costs are added to the costs of private delivery, it makes no sense for the LGs to have contracted-out instead of contracting-in. The TMA has been able to improve its finances because it has franchised much of its jurisdiction and at the same time contracted out SWC fees to private agents. In addition, although users in Tema pay lower rates (¢4000-12,000) than users in Accra, the TMA is able to achieve a budget surplus from its operations because it has implemented a better fee collection method. This means that increasing user fees as a result of private sector participation is not a sufficient condition to improve LG finances unless there is also improvement in the efficiency and effectiveness of collection methods.

Leveraging LG resources by facilitating community initiatives

While the cost of CBO delivery is far cheaper in both Accra and Kumasi, too little effort has been made by the LGs to facilitate their operations. In all the cities, strategies to help CBOs have centred on occasional material support in the form of donations rather than a policy of enablement. This is not so much for legal or regulatory reasons, or because of lack of the necessary management capacities, but for lack of commitment and interest by the LGs. As a result, very little has been achieved in terms of leveraging resources from community initiatives. The gains that have been made in involving residents in managing SSW services in the cities can be credited almost exclusively to the initiatives of NGOs and donor agencies.

Better regulatory strategies for multiple modalities

The capacity of LGs to manage multiple modalities is dependent on, first, their ability to separate their delivery role from regulation. In Tema, the LG failed to get the fundamentals right by not separating the regulatory role of the WMD from delivery (Awortwi 2002). As a result, the WMD's capacity is stretched to the point where it is ineffective in carrying out both roles. While the TMA signs contracts with all commercial SWC agents, it does not do so with the WMD. In accordance with NPM, the best approach would be for the TMA to appoint an independent regulator if it cannot regulate its own delivery.

Second, LGs regulate better if they are able to clearly demarcate zones for the different modalities: private, public and community. In Accra and Kumasi, LGs have not officially recognised and designated areas operated by CBOs as statutory franchise zones and continue to allow commercial private agents to infiltrate. The co-existence of informal and formal providers and the clandestine dumping of waste by the former are the result of the inefficient regulatory policy of the LGs. The activities of the informal sector are defended in much literature as coping or survival strategies that urban poor use. It is said that without the informal sector the poor would not be serviced, but in this case it is the inability of the LGs to identify and incorporate the activities of the informal sector into its modalities rather than a strategy pursued by poor households. In fact, case-studies of CBO delivery and mounting evidence from willingness-to-pay studies in many developing countries including Ghana (Archer et al. 1997; Post 1999) indicate that even poor households would prefer to pay a reasonable fee for service delivery, and SSW is no exception. The activities of the kayabolla can be rolled into CBO operations or they can be made to provide door-to-door services to operators of central container services (as they are doing now), but in a formal way. The idea is not to roll them into a tax bracket, but to structure their activities and also to let them provide checks on their colleagues.

Third, LGs should use contractual exchange to introduce competition and set different rules for different modalities. The analyses of contract design, tendering procedures and general management of contracts show that the three LGs have not been able to use contract formulation to develop a competitive market for SSW services. In Accra and Kumasi, private monopoly was developed, while in Tema, the LG franchise system adopted a continuity approach (where incumbent service contractors were asked to change to franchises). In all the contractual exchange, conflict of interest, corruption and collusion played very important roles in determining awards. In effect, LGs in Kumasi and Accra are not smart buyers as the very contracts they signed with their agents undermined their own independence and ability to regulate.

Fourth, keeping a small percentage of service delivery also allows the LGs to monitor agents effectively and prevent becoming hostages to other providers. In Kumasi and Accra, as LGs failed to keep 'in-house' delivery, they are unable to obtain service delivery benchmarks to assess the effectiveness of private delivery. As a result, the two cities are paying disproportionately high costs for SWC service by commercial private agents. Tema has 'in-house' delivery, but it has also failed to apply many NPM suggestions. The internal organization of the WMD in terms of using commercial principles or being more client-oriented remained unchanged. The LG did not change its policy towards the WMD, so it also performed poorly in obtaining information to monitor agents. Fifth, the ability of LGs to regulate better depends on their capacity to sanction defaulters. There is a presumption in favour of contracting out service delivery to the private sector, not because it is inherently more efficient than establishing a bureau to deliver the service, but because enforcement of standards is assumed to be inherently easier in the former (Deakin and Walsh 1996: 41). This assumption would be valid under normal circumstances because it would usually be easier for the LG to reprimand private agents (contractors) than their own colleagues in the office. However, the study shows that this assumption holds only when the LG is able to fulfil one of its crucial roles—that of financial responsibility to private agents. As stated by a small agent and reiterated by his colleagues: 'The LGs have not only failed to pay the right prices for the services we deliver, but they have failed to pay us regularly. What moral rights do they have to sanction us if we fail to perform?' Although LG officials insist that they still have the right to sanction despite their inability to pay regularly, in reality this has not been the case. Therefore, the ability of the LG to enforce standards, especially for contracted out services, is constrained principally by its financial capacity. In Accra and Kumasi, private enterprises continue to hold residents hostage not only because they have a monopoly, but also, and most importantly, because the LGs fail to pay them regularly.

Flaws in CG enabling policy on SSW services

The problem with CG enablement is that the ministry of LG that has oversight responsibility in monitoring and enforcing the policies is sloppy to say the least. Second, the national policy does not clearly separate the role of the LG as a regulator and the role of the WMD as an agent. To state that the WMD shall serve a supervisory role and at the same time provide 20 per cent contingency capacity to deliver, there is a probability that one of the two roles will be under-performed. Third, the policy on PL management does not differentiate the modes of construction and transfers. In other words, BOT, BOO, ROT and affermage are not clearly defined in the policy. Fourth, the government policy of encouraging communities to establish sanitation norms and to encourage residents to participate in neighbourhood cleaning exercise 'once every 2 month[s]' (Min. of LG 1999: 6) was based on the wrong assumption that every community has a CBO. Even where CBOs are available, they are not formally included in LG deliberative and legislative structure, so their plans may not receive formal attention by politicians and bureaucrats. Fifth, in many low-income areas where the policy recommends government subsidy (in actual practice, free provision), CBOs delivery shows that users are willing to pay a greater percentage of service delivery. So the policy should have focused on how to elicit information and appropriate method of delivery than 100 per cent subsidy. Sixth, although the policy states that contracts must be clearly defined and awarded transparently in such a way as to ensure competition (Min. of LG 1999: 14), its failure to state what constitutes transparent process makes it vague. Given that every LG has a tendering board, the policy should be clear to indicate that contracts should be awarded on compulsory competitive tendering.

The promotion of competition should not assume that once services are given to agents it will automatically happen. Finally, the problem with the SSW policy in Ghana is that it places more emphasis on waste collection than on minimisation. Public education on waste reduction, separation and recycling is not mentioned. This means that waste makers' roles appear to be sidelined as they are only seen in terms of the payment of fees. Education on indiscriminate waste disposal is absent in the policy.

Conclusion

We initially hypothesised that given a level of LG enabling capacity to regulate, facilitate and monitor agents, there will be many benefits, including improved quality of service delivery to users, improvement in LG finances, and many of the advantages associated with contracting-out. The results give some indications that the relationship between LG enabling capacity and quality of service delivery may not be direct. However, the results do show that an LG with higher enabling capacity obtains substantial improvements in less subjective indicators such as service coverage and price than in subjective ones of improved quality delivery. Nevertheless, the unit cost of delivery and quality are two important criteria that must be considered along with coverage to develop an argument for multiple modalities. This is because money put into public delivery may also increase coverage. It is usually the cost and quality of provision that bedevils LGs. The results suggest that LGs that choose to operate more contracting out services will have to be mindful of the financial implications and what has to be done. Critical indicators are the degree of fiscal autonomy of the LG and the efficiency and effectiveness of user fee collection. Also, the LG must have the capacity to negotiate better contract cost, which depends also on the ability to collect good information both ex-ante and ex-post. The findings show that buying from the commercial private sector is not cheaper than LGs' own delivery. The benefits of reduced LG expenditure on current and capital costs can only be achieved if there are systematic and conscious commitments by LGs to clearly define public policy objectives to achieve efficiency, effectiveness and equity in delivery.

In addition, it can be concluded that contracting out modality is a difficult process which can more easily fail to meet expectations than adoption of franchise or open competition (which is the preferred option for financially deficit LGs). This means that a relatively weaker government can adopt a franchise system with less difficulty (although this must be related to negative externality of the service) than with adopting a service contract system. To adopt multiple modalities simultaneously demands more efforts at developing and nurturing the process; that is, capacity to clearly demarcate service zones and design and enforce contract rules and bylaws according to types of modalities. There should be systematic analysis of LG regulatory, facilitative and monitoring capacities rather than seeing enablement as a black box. The analysis has shown that adoption of new and different modalities does not guarantee automatic realisation of LG goals. In Ghana, LGs have pursued multiple modalities without conscious and diligent efforts to improve these three indicators. Consequently, they have found themselves trying to manage complicated new relationships for which their competence is insufficient. Becoming a purchaser rather than a provider entails a new administrative capacity for government workers, supported by new information and management processes. Managing multiple modalities to achieve expected outcomes is different from managing traditional bureaucracy.

Notes

1. A total of 15 SWC and 29 PL contracts were analysed in the three cities.
2. A total of 1502 users covering 43 residential communities and 47 PL sites were surveyed in the three cities, using a report card method. Users were asked to rate the quality of each SSW services they received as 'poor', 'fair', 'good' or 'very good'.

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Restructuring the African State for more Effective Management of Globalisation

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Abstract

It is generally accepted that globalisation is here to stay and that Africa and the Africans need to participate gainfully and equitably in the global economy and global society. This paper investigates Africa's readiness for more effective globalisation. Drawing on indicators from both the macro (national) and micro (sub-national) levels, this paper concludes that Africa is individually and institutionally less ready for globalisation than other parts of the world. The paper makes conceptual and practical suggestions for rethinking, restructuring and reorganising the African state for better understanding and management of globalisation. Before undertaking specific reforms and capacity building initiatives, every country should develop a strong national foundation for globalisation involving, among other things, articulation of widely shared societal core values, institutions, competences and functions. Lack of nationally shared core values and a strategic sense of direction and institutional weaknesses at both the macro and micro levels combine to render the African state especially vulnerable to the vagaries of globalisation.

Résumé

Il est généralement admis que la mondialisation est un phénomène irrémédiable et que l'Afrique et les Africains doivent participer d'une manière profitable et équitable à l'économie et à la société mondiales. Cette communication cherche à déterminer si l'Afrique est prête pour une mondialisation effective. Sur la base d'indicateurs de type macro (nationaux) et micro (infra nationaux), cette contribution soutient que sur le plan individuel et institutionnel, l'Afrique est moins bien préparée à la mondialisation que les autres régions du globe. Elle émet ensuite des propositions conceptuelles et pratiques, permettant de repenser, restructurer et de réorganiser l'État africain, pour une meilleure compréhension, ainsi qu'une meilleure gestion de la mondialisation. Avant d'entreprendre des

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réformes spécifiques et des initiatives pour le renforcement des capacités, chaque pays devrait créer une forte base nationale pour la mondialisation, prévoyant entre autres, la mise en œuvre de valeurs fondamentales au niveau des institutions, compétences et fonctions. L'absence de valeurs nationales fondamentales, un certain sens stratégique de la direction, de même que les faiblesses institutionnelles aux niveaux macro et micro concourent à rendre l'État africain vulnérable aux caprices de la mondialisation.

Introduction

Twenty years ago the word globalisation did not exist in daily use in Africa. Today, it is everywhere and evokes strong and often violent political, intellectual and emotional debate and reactions. It has come to characterize the end of the twentieth century, and the beginning of the new millennium. It makes and unmakes individuals, families, organizations, communities and nation states. Some think it will save Africa; others are convinced it will destroy it. It differentiates and integrates. Although Africa's rightful role and position in the globalising world continues to be hotly debated and contested, most African countries have decided to participate in the global economy and global society. For example, all except a few are members of the World Trade Organization (Kiggundu 2002a: 173-4). Yet Africa's position in the world—measured by size of the economy, share of world trade, investment, power and influence or image—continues to fall compared to other developing regions of the world.

The purpose of this paper is to assess Africa's readiness for effective globalisation, and to suggest strategies for reorganising the state both at the macro (national) and micro levels. Effective globalisation is about the efficient creation and equitable distribution of value at all levels of society. After briefly discussing the meaning and importance of globalisation for Africa, the paper uses various global indicators to assess the region's readiness for globalisation. The results show weaknesses in the readiness for gainful globalisation for almost all African countries both at the macro and micro (sub-national) levels. The paper ends by outlining strategies for building the foundation and reorganising the state and various sectors of the economy for more effective globalisation.

Understanding globalisation

Globalisation is not a unitary concept: it means different things to different people and different things to the same people across time and space. It is not only about trade, investments and other cross-border transactions. Rather, it is complex, dynamic and multi-dimensional and needs to be understood by individuals, families, groups, communities and public and private sector organisations in order to maximize its potential benefits and minimise its inevitable unintended adverse effects. It does not happen by accident, but needs effective leadership, planning, resourcing and management by both the public and private sectors working together in partnership at all levels of society. It is important because it is pervasive, outward bound and creates deeper interdependencies among regions, nations, governments, businesses, institutions, communities, families and individuals. It evokes strong and often violent reactions because it is associated with the world's most significant challenges and opportunities.

Globalisation affects all Africans no matter where and how they live. The best strategy is to fight back and respond in kind in order to take advantage of its opportunities, and to minimise its potential adverse consequences. This requires a strategic approach. Africa and Africans should not see themselves as helpless victims of globalisation. Rather, they should actively take the initiative to understand the nature of globalisation, its causes and consequences on the ground, assess their opportunities, strengths and limitations and develop realistic goals and a plan of action for managing globalisation. It is not easy and there are no guarantees, but the strategic approach is better than isolation or surrender. A strategic approach in partnership with others increases the chances of success and mitigates against some of the negative consequences.

A return to the old protectionist ways would hurt African states and their people the most because they are least able to fend for themselves. At the moment, globalisation, at least as an ideal rather than current practice, offers African states and their citizens the most realistic opportunity to undertake economic and political reforms necessary for economic growth, democratic development and improvements in the overall living and working standards of the majority of the people. For many African states, their own survival as nation-states may well depend on whether or not they succeed in managing globalisation for the betterment of their citizens.

Globalisation is not value-free. It is often seen through ideological prisms. As well, the pressures to conform to universal standards of conduct and competitive performance force organisations and individuals to assimilate new values, which may be in conflict with local cultural values and practices. However, Africans must not allow emotions to dictate their reactions to globalisation's short-term or unintended negative consequences. History offers instructive lessons of experience. For example, while the Industrial Revolution was beneficial to Britain, Europe and other industrial countries, millions of citizens paid heavily for the progress and success of industrialisation. These and similar past experiences provide lessons, courage and wisdom for managing globalisation more equitably and with a human face.

As recent experiences show (Landes 1998; Soros 1998), during its initial stages, globalisation tends to be associated with extremes. Winners have tended to take it all by accumulating wealth, assets, opportunities, income, political and economic power as well as control of and access to technology and other resources. Losers, on the other hand have tended to lose it all. Yet, globalisation is not necessarily a zero-sum game; rather, it is a cooperative enterprise in which actors can make enforceable contracts with others at home and abroad. Those who play fully commit themselves to specific strategies and commitments. If interstate commerce reduces the likelihood of regional conflicts, then globalisation must be an integral part of Sub-Saharan Africa's overall strategy for security and development.

Globalisation is a local concept (Abdullah 1994). Therefore, it must be explained to the people in ways that make sense in terms of their own lives. It must be translated so that its meaning and impact is understood at the micro, community, family and individual levels. Macroeconomics definitions used by macroeconomists and corporate executives are not enough. Globalisation must speak to peoples' salient needs: material, security, intellectual, cultural, political, social, emotional and spiritual. Globalisation is too important to be left to the experts; citizens must take centre stage.

Finally globalisation, as a concept and practice, should not be projectised. It is not a project with beginning and terminal ends, but an on-going transformational process of people, institutions, communities, governments and society as a whole. It is not suitable for technical assistance because it must be home-grown, driven from within and not imposed upon by outsiders.

Is globalisation good for Africa?

The question as to whether globalisation is good for Africa and Africans continues to be debated by politicians, academics, policy-makers, corporate executives and ordinary citizens. Yet, available evidence suggests that while it is not without pain, loss and diappointments, globalisation has brought good things to Africa. For example, a recent series of longitudinal World Bank studies (World Bank 2002; Dollar 2001) have shown that outward-oriented developing countries grow more rapidly than inward oriented or closed ones. Specifically, the countries that increased their integration into the world economy over two decades ending in the late 1990s achieved higher growth in incomes, longer life expectancy and better schooling. Many of these countries have adopted domestic policies and institutions that have enabled their citizens to take advantage of global markets and sharply increase their share of trade in their GDP. They have also experienced rising wages and declining numbers of people in poverty. They are better positioned to achieve the targets of the Millennium Development Goals on time (UNDP 2003).

These studies also show that countries unable or unwilling to increase their integration with the world economy are being left behind. For these countries, the ratio of trade to GDP has either remained flat or actually declined. On average, their economies have contracted, poverty has risen and education levels have risen less rapidly than in the more open countries. These countries are much less likely to achieve the targets of the Millennium Development Goals (UNDP). Unfortunately, many of these countries are in Sub-Saharan Africa. According to the 2003 *UNDP Human Development Report*, if present trends continue, Sub-Saharan Africa will not be able to fulfil the poverty goals of the Millennium Development Goals before the year 2147, and those relating to infant mortality before 2165. This is despite substantial progress in reforming the overall policy environment. Much of this shortfall is attributable to poor governance, ineffective globalisation and general lack of capacity (Olowu and Sako 2002; World Bank 2003; Kiggundu 2002a; Rondinelli and Cheema 2003).

Assessing Africa's readiness for globalisation

It is now generally accepted that the call for a minimal state in response to globalisation is naïve and lacking theoretical and empirical foundation. Globalisation does not diminish the role of the state. (Weiss 1998; Ohmae 1995). Rather it calls for different and evolving roles, in response to changing challenges and opportunities. Globalisation requires a strong, democratic, productive, strategic, citizen-centred and competent state (Kiggundu 2002a; Rondinelli and Cheema 2003; United Nations 2001). Globalisation needs good governance. Only the state can provide the necessary leadership for good governance. Therefore, globalisation, good governance and the state are inextricably connected. It is also clear that no Sub-Saharan African state can go it alone. Globalisation requires building a multitude of mutually beneficial domestic, regional and international partnerships. Such partnerships must transcend the traditional public-private sector demarcations and concentrate on achieving results meaningful to the citizens.

During the 1990s, many African leaders declared their countries 'open' for business. The question that must now be asked is whether or not these countries–their institutions, communities and citizens–are *ready* for globalisation. Just as the negative consequences of globalisation come to Africa in battalions, it is naïve to expect the benefits to be served on a silver platter. In spite of substantial progress in reforming the overall economic policy environment, administrative and political reforms, the overall results on the ground are at best mixed. Gains made by some post-conflict countries such as Mozambique, Uganda, Ghana and Ethiopia have been overshadowed by continuing conflict and violence threatening the very existence of the nation-state in Liberia, Sierra Leone, Côte d'Ivoire, Rwanda, Burundi and the Democratic Republic of the Congo (Kiggundu 1999).

While there is no one single indicator of readiness for globalisation, it is generally understood that effective globalisation requires fundamental changes in individual and collective beliefs, values, attitudes, behaviour, competences, systems, performance, incentives and patterns of interactions for the whole society under the strategic and competent stewardship of the state. Recently, Cook (2003), Lipumba (1999) and Wallace (1999) investigated Africa's readiness for globalisation and found it mostly wanting. According to Cook, 'Africa is markedly less integrated in the global economy than it was in the 1950s or even 12 years ago' (2003: 130). A quick but reliable test of a country's readiness for globalisation is the profile and resources allocated to the key portfolios of economic and social development, administration of justice, corporate services and the quality of its international representation, such as the World Trade Organization. Table 1 provides five summary indicators of Africa's readiness for globalisation. The five indicators measure overall economic performance (GDP, average annual percentage growth), development of human capital (Human Development Index), government effectiveness (a measure of good governance), economic freedom (openness) and e-government (internet connectedness). Gross Domestic Product (GDP) and Human Development Index (HDI) are widely used by the World Bank and the UNDP, respectively, to indicate absolute and comparative levels of economic and human development performance for all member states.

Table 1: Summary indicators of Africa's readiness for globalisation

Country	GDP Average annual % growth 1990-2000	HDI Rank		Government Effectiveness Percentile Rank		Index of Economic Freedom-Overall Rank		E-govern-ment Index 2001
		1991	Average 1991-2003	1996	Average 1996-2002	1996	Average 1996-2003	
Angola	1.3	147	156	8.4	5.9	133	145	0.85
Benin	4.7	150	153	58.7	48.1	77	77	
Botswana	4.7	95	102	71.5	77.6	61	63	1.01
Burkina Faso	4.1	154	168	19.6	39.0	118	104	0.75
Burundi	-2.6	139	161	15.1	9.6		140	
Cameroon	1.7	119	126	10.1	25.9	118	107	0.99
Cape Verde	2.6	109	111	60.9	60.6	93	105	
Central African Republic	2.1	142	156	15.6	12.4		78	0.98
Tchad	2.2	152	162	21.2	34.0		125	0.55
Comoros	2.6	126	135	21.2	15.8			0.65
Congo	-0.2	115	128	5.6	7.8	130	134	0.94
Congo, Dem.Rep. (Zaire)	-5.1	124	143	1.1	1.2	127	144	
Côte d'Ivoire	3.5	122	144	55.3	36.5	93	93	1.05
Djibouti	2.4	153	155				94	1.35
Equatorial Guinea	2.5	137	133	1.7	2.9		137	
Ethiopia	4.6	141	162	34.6	32.0	104	113	0.57
Gabon	2.5	97	114	14.5	26.2	90	84	1.17
Gambia	3.3	159	160	58.1	48.7		96	0.64
Ghana	4.3	121	128	57.0	57.0	86	92	0.98
Guinea	4.3	158	163	6.7	33.0	61	79	0.65
Guinea Bissau	2.2	151	162	14.2	15.9		144	
Kenya	2.1	113	130	31.8	23.4	84	84	0.9
Lesotho	4.2	107	125	69.3	55.6		109	
Madagascar	2	116	138	17.9	35.6	84	82	0.79
Malawi	3.8	138	156	23.5	27.3	107	119	0.64
Mali	3.8	156	165	18.4	26.6	80	71	0.62

Table 1: Continued

Country	GDP Average annual % growth 1990-2000	HDI Rank		Government Effectiveness Percentile Rank		Index of Economic Freedom-Overall Rank		E-govern -ment Index 2001
		1991	Average 1991-2003	1996	Average 1996-2002	1996	Average 1996-2003	
Mauritania	4.2	148	150	63.1	49.9	115	116	0.91
Mauritius	1.2	47	59	79.3	75.2		63	0.84
Mozambique	6.4	146	162	26.3	40.3	127	114	0.71
Namibia	4.1	105	117	74.3	69.2		60	0.65
Niger	2.6	155	169	13.4	17.6	124	120	0.53
Nigeria	2.4	129	141	7.8	8.9	86	100	1.02
Rwanda	-0.2	133	154	9.5	23.6		129	
Senegal	3.6	135	150	37.4	54.9	113	91	0.8
Sierra Leone	-4.5	160	170	48.0	21.4	93	117	0.68
Sierra Leone	-4.5	160	170	48.0	21.4	93	117	0.68
South Africa	2	57	92	70.9	68.2	61	60	1.56
Sudan	2.1	143	146	2.2	5.7	127	136	
Swaziland	3.1	104	115	53.6	39.4	77	72	
Tanzania	3.1	127	146	8.9	30.8	93	96	0.83
Togo	2.6	131	140	20.1	16.9		128	0.65
Uganda	7.1	134	150	43.0	48.3	36	54	0.46
Zambia	0.5	118	141	16.2	22.8	61	75	0.75
Zimbabwe	2.4	111	124	50.3	22.6	115	136	0.76

Sources: Compiled from: World Bank, 'World Development Report', 2002; UNDP, Human Development Reports, various years; Kaufmann, 2003 et al. www.worldbank.org/wbi/governance/govdata2002; Heritage Foundation in association with the *Wall Street Journal* (www.wsj.com); and United Nations. *Benchmarking E-government: A Global Perspective. Assessing the Progress of the UN Member States*. New York, May 2002.

Government effectiveness is one of the measures of good governance recently developed by the World Bank (Kaufmann, Kraay and Mastruzz 2003). It measures:

> the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies. The main focus of this index is on "inputs" required for the gov-

> ernment to be able to produce and implement good policies and deliver public goods (Kaufmann et al., 2003: 3; www.worldbank.org/wbi/governance/govdata2002).

This index captures both strategic (policy) and operational (service delivery) aspects of government effectiveness. It is therefore both managerial and citizen-centred.

The Heritage Foundation, in association with the *Wall Street Journal*, publish the annual Index of Economic Freedom. It measures 10 broad economic factors of trade policy, taxation, government intervention in the economy, monetary policy, capital flows and foreign investment, banking, wage and price controls, property rights, regulation and black market. The score for each factor ranges from 1 to 5; the higher the score, the greater the level of government interference in the economy and the less the economic freedom. Countries with an average score of less than 2.00 are categorised as 'free', while those with a score of 2.00–2.99 are 'mostly free'. A score of 3.00–3.99 is 'mostly not free', and countries with 4.00 or above are classified as 'repressed'.

Using the 1998 Index of Economic Freedom, Lipumba (1999) summarised the results of 38 African countries. None of these countries received a rating of 'free', seven were rated 'mostly free'; 25 were rated mostly 'not free', and six were rated 'repressed'. These results showed loss of freedom over the previous year.Yet, Lipumba also found that the Index of Economic Freedom seems to be correlated with the ability to attract foreign direct investment. Table 1 does not provide individual country scores. It shows rankings for 1996—the year most African countries were first ranked—and the average rankings for the six year period from 1996 to 2002. Rankings were used because they give a better indication of how African countries are doing, not only relative to themselves but also, more importantly for globalisation, in comparison with the rest of the world.

The fifth indicator used for readiness for globalisation is the e-government index of 2001, developed by the Division for Public Economics and Public Administration (DPEPA) of the United Nations, in association with the American Society for Public Administration (United Nations 2002). The index is derived from a weighted measure of Web presence, telecommunications infrastructure and human capital. It uses a numerical scale ranging from one to five, with one representing an emerging presence and five representing seamless or integrated applications. The scale measures the government's level of development, based primarily on the content and deliverable services available through official websites.

Out of 190 UN member states, data were obtained for 169 countries, including 33 African countries. The countries were grouped into four categories. At the top were countries with High E-government Capacity with a range of 2–3.25 score. Next was the Medium E-government Capacity with a range of 1.60–1.99. Minimal E-Government Capacity ranges from 1.00–1.59, and Deficient E-government Capacity, below 1.00.

Out of 33 African countries, all but six were found to be deficient on the E-government Index (see Table 1). The other six were categorised as having Minimal E-government capacity. As a measure of the state's capacity to utilise the Internet and the worldwide web for delivery of government information and service to the citizens and beyond, the e-government index provides at least three indicators relevant for globalisation. First, it is a measure of the capacity and willingness of the state to be *inclusive* and reach out to all citizens to provide information and deliver services. In Africa, citizen access to government (programmes, resources, opportunities, etc) remains problematic. Second, it is a measure of *openness,* both internally and globally as an outward-bound state. Third, it is a measure of the capacity of the state to undertake *transformational change* based on experimentation and learning.

In summary, the results of Table 1 show low levels of readiness for globalisation. Although GDP average annual growth rates show that during 1990–2000 most African economies started growing again, the growth rates are relatively modest, especially compared to newly globalising countries in Asia. As for the HDI, Africa's efforts to develop its human capital have been far less successful than the other countries with whom Africa must compete and cooperate for effective and mutually gainful globalisation.

Most of the countries shown in Table I show HDI rankings in triple digits in 1991. Moreover, practically all countries reported worse average rankings for the 1991–2003 period than at the beginning of the period. Even countries like South Africa, Botswana, Ghana, and Mauritius did not improve their average rankings compared to 1991. For example, South Africa lost over 30 ranking points over the 1991–2003 period. These results suggest that the rest of the world improved its human development and the quality of its human capital better than these African countries. Therefore, the citizens of these African countries may not be ready for effective globalisation compared to citizens of other countries with higher HDI rankings.

The results for government effectiveness are rather mixed. Significant improvements by countries such as Senegal, Tanzania, Rwanda and high levels of government effectiveness by Mauritius, Namibia, Botswana, and South Africa are overshadow by low and declining scores for Angola, DRC, Sierra Leone, Swaziland and Zimbabwe. The results for the Index of Economic Freedom have not changed significantly from Lipumba's 1998 results, and the African state remains economically mostly not free in *comparison* with the rest of the globalising world.

No single index can give a full picture of a country's readiness for globalisation. However, taken together, the results of these five indicators provide strong evidence that: (i) Africa lags behind in its efforts to get ready for globalisation; (ii) it is proving harder for Africa to catch up with the rest of the world; (iii) most African states are falling behind relative to the rest of the world; and (iv) only a handful of countries may be strengthening their readiness for globalisation.

Building the foundation for effective globalisation

It is becoming painfully clear that just as it was with Structural Adjustment Programmes (SAP) some twenty years ago, current efforts focused almost exclusively on improving the macroeconomic policy environment, democratic development and public sector reform may be necessary but not sufficient for preparing the African state and its citizens for the increasingly difficult challenges of the new wave of globalisation. While it is unrealistic to expect immediate results – it took China twenty years to prepare for membership in the WTO – maintaining the status quo is not a realistic option if Africa wants to participate gainfully in the global economy and global society. The prerequisite for getting ready for gainful globalisation is the building of a strong national foundation based on shared values and mindset, sense of common purpose and strategic directions, commitment to collective action, sagacious leadership at all levels of society and the emergence of responsive, effective and connected institutions. This in turn necessitates transformational change and development for society as a whole. Transformational change, as opposed to transactional, is strategic, system wide, long-term, interactive and process- and results-oriented aimed at bringing about fundamental changes in values, beliefs, attitudes, systems, structures, incentives, relationships and performance at different levels of society with government as the key player (Kiggundu 1998).

Kiggundu (2002a) proposes five elements needed for building the foundation for gainful globalisation. These are: (i) stabilisation; (ii) national consensus on the essence of the state; (iii) development of civil society and indigenous institutions; (iv) good governance and democratic development, and (v) capacity development for globalisation. Only stabilisation and the essence of the state are briefly discussed here because detailed discussions can be found for indigenous institutions (Dia 1996), governance and democratic development (Olowu and Sako 2002) and capacity building for globalisation (Rondinelli and Cheema 2003).

Stabilisation covers three areas: public security, public administration and management and economic management. The concept of stabilisation has been used for structural adjustment programmes (SAP). It is being extend here to include public security, especially for countries in transition from war to peace and public administration and management. Stabilisation is particularly important for countries and societies emerging out of war or conflict, those with a history of prolonged institutional decay and human rights abuses and those with weak and contested governance systems.

The most important component for building a strong foundation for mutually gainful globalisation is the institutionalisation of a national dialogue on the essence of the state and the development of consensus, or shared values and understanding of the essence of the state. Out of this dialogue should emerge consensus on a set of nationally shared core values, which in turn would help define the country's strategic directions, core institutions, core competences and core functions. The emerging consensus on the essence of the state should be global: embracing both the local indigenous virtues of society, and the global realities of the twenty-first century. Strategies for managing globalisation gainfully and building an open and inclusive society should be part of this broad based, participative and citizen-centred dialogue and consensus building. It is premature, and could be counterproductive to reform or strengthen institutions, reform capital markets and attract foreign investments, invest in human and physical capital, collect more tax revenue, etc., if there is no national consensus on their individual and collective relevance for good governance, globalisation or the values and strategic directions of the state and its citizens. Countries that fail to be bound together by virtue of strongly shared core values cannot build a strong foundation for mutually gainful globalisation. Countries with no consensus on core values, strategic directions, goals and priorities cannot build the foundation and institutions needed for effective globalisation. They cannot mobilise the collective will, resources or perseverance required to take advantage of globalisation's opportunities, or to defend themselves against its unpredictable vagaries. Available evidence suggests that Africa's most troubled states, like those of the Great Lakes Region, do not have strongly shared national core values, lack the collective capacity to overcome local and national crises and are globally challenged. On the other hand, Botswana, by means of *Therisanyo,* has articulated a statement of the essence of the state, national core values and long-term vision, which seem to serve the country well in building a stronger foundation for the effective management of globalisation (Government of Botswana 1997; Kiggundu 2002a).

Reorganisation for effective globalisation

Table 2 summarises the more practical strategies and structural interventions proposed by various authors for the effective management of globalisation. These interventions, however, have to be understood within the broader context of the need to have in place a strong national foundation, as discussed above. Rondinelli and Cheema (2003), the United Nations (2001), and Kiggundu (2002c), suggest interventions aimed at bringing about improvements in the macroeconomic policy environment, public sector reforms, and the development of civil society. These suggestions are characteristic of the approaches advocated by the donors, United Nations agencies and the architect of the Washington Consensus. They have been found to be necessary but not sufficient for bringing about the kind of transformational changes and development Africa needs for effective management of globalisation (World Bank 2002; Stiglitz 2003; Kiggundu 2002b).

Robbins and Ferris (2003) (Table 2), provide a list of practical recommendations specifically for agriculture, Africa's most important productive sector. In a study of the effects of globalisation on the agricultural sectors of 10 East and Central African countries, they found that governments and the people of these countries have not appreciated the scale and implications of globalisation on their economies. They also observed that without urgent strategic and behavioural changes, globalisation could seriously weaken these countries' economies in the years ahead. They recommended a wide range of changes both in the public and private sectors including major efforts to increase public understanding of issues in multilateral trade negotiations, reducing economic dependence on primary commodities and major reforms in agricultural development and research strategies. These findings speak to the need for similar studies of the impact of globalisation on other sectors of the economy and society. The results of these studies would identify needed strategic, structural, institutional and attitudinal changes for the effective management of globalisation both at the macro (national) and micro (sub-national) levels.

Most African countries maintain the same government structures inherited from the colonial administration with little or no regard for changes both within the country and the rest of the world (Kiggundu 2002c, 1998, 1992). Globalisation provides an excellent opportunity for governments to rethink the organisation of public administration, both at the national and sub-national levels. The five key areas that need immediate restructuring of government functions for effective management of globalisation are *economic management* (i.e., finance, labour, trade, agriculture, telecommunications, transport, higher education), *international relations* (i.e., foreign affairs, finance, trade, agriculture), *security* and the administration of justice (i.e., justice, police and prison services, immigration, intelligence, the military), and *the environment.* Globalisation calls for organic, cross-functional and team-based structures both within and across key institutions. It is important to adopt a comprehensive approach that would incorporate traditional institutions (Dia 1996), Weberian and post-Weberian bureaucratic norms of behaviour both in the formal institutions as well as society in general (Kiggundu 2002c).

Table 2 also lists a number of specific structural changes aimed at reorganising the national government structures (Kiggundu 2002a). These recommendations are based on the assumption that in their current form, public institutions in Africa are not properly structured and well organized to meet the changing challenges of globalisation, and to take advantage of the emerging global opportunities. Already, the global private sector, international organisations including the United Nations system and governments of other countries outside Africa are re-strategising, restructuring and reorganising or reinventing themselves in response to the challenges of globalisation (Ashkenas et al. 2002; Gore 1993; Kiggundu 2002c; Kirkpatrick, Clarke and Polidano 2002). As the recent United Nations Report (2001) confirms, African governments must do likewise if they hope to participate effectively in the global economy and global society. Traditionally, governments are not structured for agility, and therefore experience difficulties managing multiple transitions associated with globalisation. That is another reason why they should form coalitions, networks and partnerships with domestic and international actors both in the public and private sectors. Openness and accessibility are major challenges for Africa's public institutions. It therefore makes sense to begin by promoting openness locally and domestically. This would involve opening up government and other public institutions (e.g., reform of local gov-

Table 2: Summary of recommended strategies for reorganising the state for effective globalisation

Kiggundu (2002)	Robbins and Ferris (2003)	Rondinelli andCheema (2003)	United Nations (2001)
1. Appoint senior policy advisor on globalization 2. Link globalization to national strategic priorities 3. Create interdepartmental coordinating committee 4. Create unit on globalization at executive level 5. Create independent agency on globalization, competitiveness, equity, and integrity. 6. Restructure and refocus select ministries 7. Contract for long-term consulting services 8. Develop national programme on public education 9. Make globalization central to national governance framework 10. Support globalization initiatives at local, sub-national levels 11. Establish a ministry in charge of globalization 12. Mandate publication of annual report on the state of globalization	1. Strengthen national negotiating capacity. 2. Manage oversupply of primary product exports. 3. Enforce existing trade protection 4. Stimulate production of value added goods and services 5. Establish sectoral planning units 6. Establish national market education programme 7. Establish market information services 8. Strengthen research and extension services 9. Stimulate local industry 10. Strengthen the legal framework for property rights, rule of law, and democratic development	1. Strengthen capacity for public administration. 2. Create enabling environment for participation in a globalizing economy. 3. Promote socially equitable and sustainable economic growth. 4. Create partnership and collaboration for infrastructure development and service delivery 5. Build social capital, strengthen civil society, protect human rights and democratic development. 6. Develop and mobilize human and financial resources and invest in productive and competitive private sector enterprises	1. Develop home-grown reforms to fit real needs. 2. Make democracy meaningful and build a strong strategic state. 3. Use public institutions and linking pin at the national, sub-national and international levels. 4. Develop core competences for economic, social and political development 5. Institute core public service values (e.g. learning, integrity, competency, citizen-centred, diversity, etc) 6. Build effective networks (local, national, regional, international). 7. Make globalization an instrument of inclusion, equity, empowerment.

ernment, citizen engagement using e-government), opening channels of communication and enhancing understanding across traditional local divides: race, ethnicity, religion, gender, urban-rural, etc. The more internally open and competitive a society is the more likely it is to benefit from openness and competitiveness with the outside world.

The functionally structured organisation of government along traditional line ministries is not suitable for the effective management of globalisation. Take the ministry of foreign affairs. This is one of the most expensive ministries, with offices in most of the key capitals of the world. Traditionally, career diplomats and political appointees staff these offices. The diplomats are usually trained in politics and international relations. While these are useful skills, globalisation demands more that diplomacy. It also requires intimate knowledge and understandings of international economics especially finance, banking and business; international trade; law; migration; environmental movements and international changes in social policy and socio-political movements. The challenge for newly globalising African governments with limited resources is how to reorganise ministries such as foreign affairs in such a way as to provide timely and useful services to the globalising citizens at the lowest cost. In general, externally oriented ministries such as foreign affairs have to establish effective coordinating mechanisms with internally oriented ministries, such as agriculture. Likewise, internally oriented ministries, such as local government or internal security, have to work in harmony with those ministries or agencies with established relationships with the outside world. Creating an interdepartmental committee of heads of departments, restructuring and refocusing select ministries for globalisation (see Table 2), helps to break down bureaucratic silos for better coordination, leadership and strategic decision-making.

Education is another portfolio that needs rethinking, restructuring and reorganising for globalisation. Traditionally, education has been considered a social service, grouped together with health and community development in the service sector. Policy makers regard education a consumption public good, and therefore, resource allocation tends to fluctuate according to annual budget pressures. As a result, for most African countries, the overall quality of education remains poor, unevenly accessible and below what is needed for effective globalisation.

In the newly globalising economy and society, education is not only a social service but also a competitive advantage distinguishing winners from losers. This is especially true of higher education, which should be seen as an individual, family and societal investment. This mindset leads to several structural policy implications. First, higher education should be separated from basic (primary) education. Where institutional capacities and economies of scale allow, basic education should be decentralised to sub-national local levels. Second, higher education should be taken out of the social sector policy framework or budgetary envelope and placed in the economic management sector. Third, priority areas for higher education should be determined by the country's needs for competitiveness in the global economy. While most educators put emphasis on science and technology, for some small African countries, their comparative advantage may also be in languages (e.g., Arabic, Chinese, Spanish, German, Russian, English, French or computer languages), assembling or professional personal care and human services. The challenge is to find a realistic niche and reorganise higher education accordingly. It is also the case that only in freedom can individuals be freely educated. Only by protecting basic freedoms can a society build the true foundations of scientific knowledge and inquiry.

In addition to reorganising line ministries, African governments must develop and strengthen central and regulatory agencies as part of the national integrity and regulatory system (Kiggundu 2002a: 76). The overall objective for a national integrity and regulatory system (NIRS) is to control corruption, strengthen regulation, protect human and property rights, and promote effective and equitable globalisation in both the public and private sectors. Corruption is bad for globalisation because it weakens the state, undermines the market, demoralises society, leads to institutional decay, and alienates the outside world. When the modern state is increasingly required to 'steer, not to row', the need for effective NIRS has never been greater. Therefore, no reorganisation is complete without a comprehensive assessment and realigning of central and regulatory functions such as audit, customs and revenue, central banking, elections, competitiveness, policing and law enforcement and government procurement and contracts. As well, there must be in place an impeccable system for regulating the regulators.

Reorganising at the sub-national level

Managing globalisation only at the macro (national) economic, political, administrative, legal and social/cultural levels is not enough. This is partly because globalisation is also a local concept manifesting itself most strongly at the local levels (Abdullah 1994). Therefore, those African countries wishing to build for effective globalisation must rethink, restrategise and reorganise at the sub-national levels. Three of the most important sub-national sectors for effective globalisation are the business private sector, the regional, local and municipal governments and civil society. Yusuf, Wu, and Evennett (2000), and their co-workers (i.e., Venables 2000; Henderson 2000; Mills 2000; Hayami 2000) extensively discussed and illustrated regional, local and urban dynamics for effective globalisation. Likewise, Lechner and Boli (2000) and their co-workers provide various discussions of globalisation and civil society. What follows below is a brief discussion of the importance of the business private sector for globalisation, drawing on the recent work by the World Economic Forum.

In its 2002–2003 Global Competitiveness Report, the World Economic Forum, in addition to providing data on the Growth Competitiveness Index, which is based on three macro (national) variables of economic growth, public institutions, and technology, also introduces for the first time the Microeconomic Competitiveness Index (MICI). MICI examines the underlying conditions defining sustainable levels of productivity in a given economy and society. It attempts to capture the two related concepts of productivity and the creation of wealth, both of which are rooted in the sophistication of business enterprises and their strategic and operating practices, as well as in the quality of the microeconomic business environment in which the country's firms compete (Cornelius, Porter and Schwab 2003; Porter 2003). According to Cornelius, although the macroeconomic, political, legal and public administrative contexts are important, 'unless there is appropriate improvement at the microeconomic level, other reforms will not bear fruits' (2003: xvii).

MICI is made of two broad sub-indices of: (i) the degree of company sophistication and (ii) the quality of the country's business environment. Table 3 provides operational details for each of these sub-indices. Company sophistication is operationalised in terms of firm operations such as production process sophistication, local and international marketing, staff training and willingness to delegate authority to lower levels of the hierarchy. It is also operationalised in terms of strategic functions such as company spending on research and development (R&D), capacity for innovation, extent of branding, nature of competitive advantage and extent to which incentive compensation is used.

Table 3: Summary of dimensions of the microeconomic competitiveness index for Africa's corporate effective globalisation

Company Operations & Strategy	**National Business Environment**	**Related and Supporting Industries**
1. Production process & Strategy sophistication	**A. Input Factor Conditions**	1. Quality/quantity of local suppliers
2. Nature of competitive advantage	1. Physical infrastructure	2. Local availability of process machinery, components and parts
3. Extent of staff training	2. Administrative infrastructure	3. Availability of specialised research and training services
4. Extent of marketing	3. Human resources	4. State of cluster development
5. Willingness to delegate	4. Technology infrastructure	5. Extent of product and process collaboration
6. Capacity for innovation	5. Capital markets	
7. Company spending on R&D	**B. Demand Conditions**	
8. Value chain presence	1. Buyer sophistication	
9. Breadth of international marketing	2. Consumer adoption of latest products	
10. Degree of customer orientation	3. Government procurement of advanced technology products	
11. Control of international distribution	4. Presence of demanding regulatory standards	
12. Extent of branding	5. Stringency of of environmental regulations	
13. Reliance on professional management	6. Laws relating to IT	
14. Use of incentive compensation		
15. Extent of regional sales		
16. Prevalence of foreign technology licensing		

D. Context for Firm Strategy and Rivalry 1. Incentives: - Distortive government subsidies - Favouritism in decisions of government officials - Labour-Management cooperation - Efficiency of corporate boards 2. Competition: - Hidden trade barrier liberalisation - Intensity of local competition - Extent of locally based competitors - Effectiveness of Antitrust policy - Decentralisation of corporate activities - Costs of other firms' illegal/unfair activities - Tariff liberalisation

Source: Compiled from Porter (2003, table 2)

The national business environment is in turn made up of four sub-sectors: the factor (input) conditions such as the physical, human, technological and administrative capital and infrastructure; demand conditions such as buyer sophistication, presence of demanding regulatory standards and government procurement of advanced technology; related and supporting industries such as the quantity and quality of local suppliers, availability of local process machinery and component parts, local specialized research and training services; and context for firm strategy and rivalry such as incentives and competition (See Table 3).

'The Global Competitiveness Report 2002–2003' provides MICI data for 80 countries, including a few African countries. Using multivariate statistical analysis (regression and factor analysis), the report examines the relationship between each of the MICI sub-factors and the countries' economic performance (GDP, PPP). For low-income countries, the results show that the most important aspects of company sophistication are improving the sophistication of production processes, becoming more customer-oriented and beginning to practice marketing, including branding. For the quality of the business environment, the statistically important sub-factors are: upgrading the quality of infrastructure (electricity, communications, transportation networks), establishing and enforcing sound regulatory environment (e.g., environmental standards, laws governing information technology); reducing barriers to competition (e.g., hidden trade barriers, distortive government subsidies); and strengthening antitrust policy. All these variables create the foundation of efficiency, quality, transparency and specialisation of underlying inputs that firms draw on for effective competition and globalisation. The report also found that in the initial stages of economic development and globalisation, 'other aspects of the business environment, such as financing, venture capital, and expanding the availability of scientists and engineers, are not yet priorities at this stage of development' (Porter 2003: 33).

The Microeconomic Competitiveness Index was scored from one (low) to five (high) for each of the 80 countries. The countries were then ranked from one (the best) to eighty (the lowest). Over a five-year period (1998-2002), the top five rankings went to the USA and several European countries (Finland, Switzerland, Germany, the Netherlands). The MICI rankings for select African countries were: South Africa (29, down from 25), Tunisia (32), Morocco (48), Namibia (51), Botswana (57), Nigeria (71, down from 66), and Zimbabwe (70, down from 48). Haiti (80) received the poorest ranking. No data were available for other African countries pointing to the need for more MICI research for all of Africa. The limited available data, however, points to weaknesses in critical areas where Africa needs to build the foundation for effective globalisation for the corporate sector. The combined effects of lack of strong nationally shared core values especially as they relate to the demands of globalisation, individual and institutional weaknesses at the macro (national) and micro (sub-national) levels as impediments to effective globalisation threaten to further marginalize the region, and to prevent the Africans from gainful participation in the global economy and society. Greater challenges lie ahead for Africa and the Africans in an increasingly globalising world.

Summary and conclusions

Using both macro and micro level indicators, it has been shown that Africa is not as ready for effective globalisation compared to other parts of the world with whom the region must both compete and cooperate. Individual and institutional weaknesses threaten to perpetuate the region's continuing marginalisation in the global economy and society. Current efforts to reform and build local capacities for more effective globalisation do not seem to have resulted in significant improvements over the past twenty years. One of the reasons for lack of progress may be 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.

In the future, individual countries should carry out in-depth diagnosis and analysis of their readiness for globalisation. Such analyses could focus on separate regions of the country (e.g. coastal or urban regions), sectors (e.g. agriculture), or institutions (e.g. productive enterprises, central and regulatory agencies, local government authorities). Regional initiatives such as NEPAD, US Government's African Growth and Opportunity Act (AGOA) and the Trade for Development and Enterprise (TRADE), as well as various poverty reduction, and capacity-building strategies including the Highly Indebted Poor Countries (HIPC) initiative should all be judged in terms of their individual and combined contributions to Africa's readiness for gainful and inclusive globalisation. Likewise, some of the energy and resources used for resisting and staging violent demonstrations against globalisation should be diverted to getting Africa better equipped for effective management of globalisation. This is a challenge Africans must take on with vigour and determination: they cannot afford to delegate it to outsiders.

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Enhancing the Competitiveness and Productivity of Small and Medium Scale Enterprises (SMEs) in Africa: An Analysis of Differential Roles of National Governments Through Improved Support Services

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Abstract
Small and Medium Scale Enterprises (SMEs) are universally acknowledged as effective instruments for employment generation and economic growth. Even in countries with large corporations such as the United States, SMEs contribute a very substantial percentage to the employment generated. In Africa, where the private sector is not well developed, SMEs could play a critical role in stimulating development and alleviating poverty. This paper tries to look at the role SMEs can play in the continent's development, their current predicament characterized by numerous constraints that prevent them from realizing their full potential as instruments of development and highlight the kind of measures that need to be taken to enhance their effectiveness and competitiveness so that they can become effective players in regional and global markets. The study draws on empirical studies undertaken in selected Africa countries and measures proposed for dealing with the constraints by entrepreneurs and government officials in different fora.

Résumé
Les Petites et moyennes entreprises (PME) sont connues universellement pour leur rôle efficace dans la création d'emplois et dans le processus de croissance économique. Même dans les pays regroupant de grandes sociétés commerciales, tels que les USA, les PME présentent un fort pourcentage de création d'emploi. En Afrique, où le secteur privé n'est pas aussi développé, les PME pourraient jouer un rôle clé dans l'accélération du processus de développement et la diminution de la pauvreté. Cette contribution se penche sur le rôle que peuvent jouer

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les PME dans le processus de développement du continent; elle examine également leur difficile situation actuelle, caractérisée par un certain nombre de contraintes, qui empêchent les PME d'utiliser pleinement leur potentiel en tant qu'instruments de développement. Cette communication propose les diverses formes de mesures qui pourraient permettre d'améliorer leur efficacité et leur compétitivité, afin qu'elles puissent devenir des acteurs déterminants des marchés régionaux et mondiaux. Cette présentation est basée sur des études empiriques entreprises dans certains pays d'Afrique; elle s'inspire également de précédentes mesures proposées par les entrepreneurs et les responsables gouvernementaux lors de divers fora visant à gérer ces contraintes.

Introduction

For some time now, Africa's overall economic performance, with few exceptions, has not been that impressive. The results have been mixed, sometimes with performance showing improvement, and at another times going down. High population growth, declining per capita income, crushing external debt, fragile democracy and a political climate characterised by civil unrest and strife have not provided an environment conducive to development.

Countries that have made economic breakthroughs in the last two decades demonstrate beyond doubt that the development of entrepreneurship has been the *sine qua non* of economic growth and development. African governments have also started to acknowledge the conventional wisdom that to promote growth they should provide a conductive macro-economic environment within which the private sector can flourish. The private sector which in the past played a modest role in development is now being recognised as an engine of growth and encouraged to spearhead the development process. The importance of small and medium-sized enterprises as well as the upgrading of the informal sector is in particular being advocated as a strategy for enhancing development and growth. The case for nurturing and supporting SMEs becomes obvious when one considers their potential for development as manifested in their labour-intensive nature, income-generating possibilities, capital-saving capacity, potential use of local resources and reliance on few imports, flexibility, innovativeness and strong linkages with the other sectors of the economy.

The significant role SMEs play in development is acknowledged universally. Even in countries such as the USA, where big corporations dominant, SMEs still play enormous role in the country's economy. In the United States, of the 6,200,000 small businesses, 5,400,000 employ less than 20 employees each (Schell 1996). Small businesses employ 72,000,000 people. In Asia, small enterprises make up more than 90 per cent of the industries in Indonesia, Philippines, Thailand, Hong Kong, Japan Korea, India and Sri Lanka. They account for 98 per cent of the employment in Indonesia, 78 per cent in Thailand, 81 per cent in Japan and 87 per cent in Bangladesh (Fadahunsi and Daodu 1997).

Africa's ability to break out of its current non-impressive economic performance would, to a large extent, depend on its ability to harness the entrepreneurial potential visible in its streets, market places and small and medium scale enterprises. Entrepreneurship is a function of opportunities, technical and commercial skills, entrepreneurial spirit, finance, infrastructure and the overall environment within which the enterprises operate. However, because of its marginalisation during the colonial period and further isolation in the period after independence, the private sector in Africa is hardly in a position to rise to the challenges ahead. It is therefore imperative that special efforts be made to strengthen the private sector so as to enable it function as an engine of growth.

In spite of repeated public announcements about their assumed importance as instruments of development, SMEs in many African countries enjoy a lukewarm support. They lack effective organisation and knowledge of modern management techniques. Organisations created to promote SMEs are not sufficiently prepared for the task and the interface with policy-makers leaves much to be desired.

In the discussion that follows, we shall examine what is meant by SMEs, the constraints they face in Africa, what needs to be done in terms of support services if they are to be made effective instruments of development. With globalisation deepening and the acknowledgment that it would prove difficult to remain outside it, African SMEs will have to be prepared adequately if they were to become active players in the global market. While it is true that globalisation creates opportunities for SMEs to be beneficially involved in global markets, it also poses numerous challenges and problems. SMEs' flexibility and adaptability promise their success. However, as things stand now, most SMEs are far from meeting the conditions for taking advantage of the promise of globalisation. They need to upgrade their management, quality and delivery capacity before they can start to enjoy the benefit that globalisation promises. That would require an appropriate strategy to help SMEs become successful competitors. This paper examines how African SMEs can be made competitive in global and regional trade while at the same time meeting domestic demands.

This paper draws heavily on a survey undertaken by ECA staff and local consultants between May and July 2000. The empirical studies were carried out in 13 African countries representing the North, West, East, Central, Southern Africa and the Indian Ocean. The studies were undertaken mostly by ECA staff with two local consultants used for the Nigerian and Tunisian studies. The author of this document covered Mauritius, Namibia and South Africa. The studies were conducted between May and July 2000. Materials for the studies were collected through document review and interviews with various stakeholders from the public sector and the private sector. In the case of the studies conducted by this author it involved interviewing 19 individuals representing entrepreneurs, government officials and UNDP officials in Mauritius. The study in Mauritius was conducted between 29 May and 2 June, 2000. The Namibia mission that was conducted immediately after the Mauritian visit involved interviewing representatives from 21 agencies including UNDP, government, private sector and NGOs and review of documents made available by respective agencies. In South Africa the study was conducted form 3 to 7 July 2000 and involved interview with 11 officials from government and the private sector.

Definition of SMEs

There is no universally accepted definition of SMEs in Africa. Even definitions in other countries lack uniformity and reflect the relative development of the respective economies. For instance in the USA, the small business administration defines 'small business' as any business with less than 500 employees. The latter figure may represent medium to large enterprise in the African context. In Mauritius, SMEs are defined as manufacturing enterprises which use production equipment with an aggregate CIF value not exceeding ten million rupees. Unlike other Africa countries, South Africa uses an elaborate categorisation of survivalist, micro-enterprises, small enterprises, medium enterprises and large enterprises. The micro and small are further sub-divided into small micro and very small enterprises. Survivalist enterprises represent activities by people unable to find paid jobs or get into the economic sector of their choice. Small enterprises, which constitute the bulk of established businesses, have from 5 to 50 employees. They are often owner-managed or family-controlled businesses and are likely to operate from business or industrial premises, are registered and satisfy other formal registration requirements. Medium enterprises often employ up to 200 persons and have capital asset, excluding property, of about 5 million Rand (Beyene 2000a) In Namibia, the government defined small businesses in the manufacturing sector as those with employment of less than 10 persons, turnover of less than N $1,000,000 and with capital employed of less than N $500,000. In all other businesses, small business is defined as one which employs less than 5 persons, whose turnover is less that N $250,000 and capital employed less than N $100,000. Thus, as could be surmised from the foregoing examples, which represent more the rule than the exception in many African countries, there is hardly a uniform definition for SMEs (Beyene 2000b).

Differentiation is also often made between SMIs (Small and medium scale industries) and small enterprises with the former representing the manufacturing-sector enterprises, while the latter is broadly conceived of being comprised of manufacturing, trade and service enterprises. In this paper we will use the latter conception.

Constraints to SME development in Africa

A government that is genuinely committed to the development of SMEs needs to ensure a support strategy that judiciously combines entrepreneurial, technological and managerial competence with real market opportunities and access to resources. However combining the foregoing elements in a business concern can be assured and facilitated by a favorable political and economic climate, by a policy and regulatory environment that does not discriminate against small enterprises and by a set of institutional mechanisms (private, governmental and non-governmental) that helps to upgrade managerial and technical competencies and facilitates access to markets.

In what follows, we will review the state of African policy and regulatory framework, infrastructure, access to finance and non-financial services namely, technology skills development and marketing to determine the extent to which they support or hamper the development of SMEs, and drawing on best international and African practices recommend ways and means for providing a support system that can strengthen and enhance the effectiveness of SMEs in their quest to meet local demands as well as become competitive in the global market.

The policy and regulatory environment

Whether they cater specifically to the domestic market or operate in the global market, SMEs can immensely benefit from a conducive policy and regulatory environment. Absence of such an environment can force SMEs to early exit from the market. Governments genuinely committed to the promotion and developments of SMEs have to make sure that an enabling policy and regulatory framework is in place. According to a study undertaken by the Economic Commission for Africa (ECA),[1] such framework should include:

- Stable fiscal and monetary setting with reasonable interest rates, a system of financial markets that provides incentives to save, and mechanisms to channel savings into investments. For instance, a lower tax rate on initial profits allows firms to retain some earnings and to increase investment as appropriate.
- Policies that minimise the cost of business licensing and registering while safeguarding public interests.
- Policies that facilitate business transactions such as infrastructure development (ECA 2001: 13).

A survey undertaken in 13 countries in the different sub-regions of the African continent revealed that the policy and regulatory environment in many African countries were wanting in many respects. While in a few countries there existed a good policy and regulatory environment, many of the countries surveyed still suffered from a disabling environment.

Table 1: The regulatory environment in African countries

	Current State			Recent Changes		
	Enabling	**Variable**	**Disabling**	**Improved**	**Same**	**Deteriorated**
Cameroon			*		*	
Côte d'Ivoire		*		*		
Ethiopia			*		*	
Gabon			*		*	
Kenya		*		*		
Mauritius	*			*		
Morocco		*		*		
Namibia		*		*		
Nigeria			*		*	
Senegal			*	*		
South Africa		*		*		
Tunisia	*			*		
Uganda			*		*	

Source: Economic Commission for Africa (UNECA), 2001.

From the foregoing table, it is obvious that the policy and regulatory framework leaves much to be desired. With the exception of Mauritius and Tunisia, the environment is found to be either disabling or variable suggesting mixed results. Many of the countries lacked a legal and regulatory framework that supported SMEs development and growth. The study for example revealed that in Ethiopia the customs system and the very many forms and declarations tended to divert entrepreneurs' efforts from productive tasks. It was also discovered that custom duties and tariffs discriminated against local producers. In Nigeria in spite of favourable rules and regulations on contracts, leasing and corporate tax as well as export and fiscal incentives, enforcement of these conditions were lacking due to weak political will. Support programmes were diverted to unintended parties due to corruption. As a result, no appreciable impact was made on the original target groups who were supposed to benefit from the support measures instituted.

In South Africa, the legacy of apartheid has seriously compounded the constraints that the black-owned and controlled enterprises faced. During the apartheid era, the majority of South Africans, non-whites, were deprived of viable business opportunities. A recent study identified various business laws and regulations affecting business growth and the intensity of the barriers they face. There are a number of laws, regulations and bylaws governing conservation, mining, commerce and industry. The laws relating to commerce and industry have proven barriers to business. It is stated that agricultural land cannot be used for developing industrial activities. This creates barrier of entry for the development of farm crafts, agricultural produce processing and other related activities. Title deeds covering tribal land ownership also affect entrepreneurs who could not get access to credit as the banks do not accept these as collateral. The law prohibits use of agricultural land to other uses as well without official permission. According to the Agricultural land Act of 1970, agricultural land cannot be sub-divided without the permission of the Minister. With changes in technology, it is possible to increase output in small plots, but the law does not allow any sub-division no matter how convincing the cause might be. Farmers are not allowed to let part of their land to tenants for more than 10 years without the express permission of the Minister. Emergent farmers therefore find it difficult to acquire additional land thus creating a barrier. SMEs have difficulties obtaining the required licenses as the capital requirements to reach the required standards are high. Other constraints experienced relate to the areas of taxation, labour law, business trade, property and land ownership and town planning schemes and access to credit. Amongst these the most serious are:

- Inadmissibility of tax deduction on outlays made by an investing taxpayer who provides funds to an SME by way of loan capital;
- SMEs are not provided tax incentives of a kind which would encourage the creation of new SMEs and the expansion of existing SMES;
- The complexity of the tax system which increases the compliance costs for the tax payer and the administrative cost for the revenue authorities; and
- SMEs complaints that the costs of complying with their tax obligations (including record-keeping, calculation, withholding of VAT and employer's tax, completing and submitting the returns) are tantamount to an additional tax (NTISIKA Enterprise Promotion Agency 1999a).

SMEs also believe that the basic conditions of employment create problems for them in the following respects:

- The increase in the minimum overtime rate-from 133 per cent to 150 per cent of the normal rate-is too costly;
- Leave provision: increasing annual leave to three weeks and providing for three days family responsibility leave per annum is costly;
- The organisation of working hours: the fact the averaging of working hours is not permitted limits flexibility in smaller firms where unions do not exist commonly; and
- Reduction in normal working hours—to 45 from 46 hours per week—is difficult to afford (NTSIKA 1999a).

An ECA study also reported that in Senegal entrepreneurs complained about the complex administrative procedures for trade transactions and lack of transparency in the processing of administrative matters, even though efforts are underway to overcome these problems.

While the foregoing examples show some of the constraints faced in the policy and regulatory environment, it should be indicated that there are some countries that have taken necessary measures to improve the environment. For instance, Morocco has taken measures to simplify legal and accounting procedures for registering companies. There are still complaints that the procedures put in place are too complex for small businesses but at least the need to improve had been recognised and appropriate steps have been taken. The Namibian government policy paper admitted that there were many cumbersome procedures, which often resulted in long delays in processing permits, licenses and approvals and took the necessary measures to eliminate regulatory constraints. In its 1999 white paper, the government of Namibia declared that it would: introduce the establishment of a one-stop facility for the processing of all permits, licenses and approvals which would guide and connect entrepreneurs through the process; set the targets for maximum permissible time to process applications; require local authorities to publish annually their plans for the provision of sites, premises and other infrastructure to support small business; develop long term plans for each municipality and township requiring that specific provision be made for small businesses. The government also committed itself to simplifying the reporting requirements for small mining claims and operations; harmonising and streamlining the approval procedures between the Ministries of Trade and Industry and Finance for granting manufacturing status and incentives; simplifying the currently excessive registration requirements that hinder small scale investment activities in the tourism industry, requirements including mandatory grading and registration of hotel mangers; and relaxing the stringent control of imports of grains, protecting the existing milling industry by the Agronomic Board against new entrants into the industry (Beyene 2000b).

Kenya, with the help of DFID, has managed to improve the legal and policy environment. It introduced a single business permit contributing to lowered costs of operating business. Mauritius and Tunisia can be cited as providing an appropriate and conducive regulatory environment.

In Mauritius, the manufacturing sector, including the SMEs, is provided with numerous incentives, which by other African countries' standards are considered generous. The government has by and large been proactive in creating a conducive policy environment for the effective operation of SMEs, particularly for those in the export sector. However, entrepreneurs still believe there are some areas that require improvement. In spite of the relatively more conducive policy environment in Mauritius, SMEs still complain about many policy-related constraints. A letter to the Minister of Finance by the chairperson of the Small and Medium Enterprises Federation of Mauritius states:

> there is an urgent need for an SME-oriented and SME-friendly policy. The productivity and growth of SMEs will depend especially on the policy of creating an enabling environment and a level playing field for all manufacturing sectors. Incentives in favor of the EPZ sector should be extended

> to the SMEs to help them to stay competitive and face the world market (Farzan Nahaboo 2000).

The letter then enumerated the measures that should be introduced ranging from VAT exemption on production equipment and spare parts to reduction of interest rate for loans for the purchase of equipment; to extending loans for working capital; to no additional collateral to be demanded when contracting a loan for the purchase of new equipment or for the construction of industrial building if an entrepreneur has already contracted a loan at the bank and given the necessary guarantees for such; to labor law for the SMEs workforce to be at par with EPZ companies, etc.

As the box below demonstrates, Tunisia seems to have taken a number of positive measures aimed at creating a conducive a policy and legal environment.

Box 1: Best practice in the policy environment

The case of Tunisia is particularly interesting. The Tunisian textile industry comprises 2000 firms, which employ 50 per cent of the active population in manufacturing, and provide over 50 per cent of export revenues. In order to prepare the industry for increased competition following the WTO agreement, the Tunisian government adopted several measures to support SMEs. They included substantial tax and financial advantages such as payment by the government of the employer's contribution to social security. Formal administrative procedures were centralised in a one-stop shop (the head office of the Agency for the Promotion of Industry) to reduce transaction costs. All administrative steps are now carried out in less than 48 hours. The favourable legal, financial and administrative system has not only benefited Tunisian SMEs, but also contributed to attracting foreign investors.

Source: ECA (2000: 22).

Infrastructure policy

The availability of good infrastructure facilities provide a conducive environment for productive activities to take place and facilitates the generation of economic growth. There is no way production processes and locational advantages can be optimised in the absence of adequate power, water, transport and communication facilities. Successful competition in the regional and global markets hinges on the availability of an adequate and efficient infrastructure. Low cost and high quality infrastructure service tends to improve price competitiveness. As pointed out in a recent study:

> The importance of this function has increased in recent years, because of the changing nature of the competition in regional and global markets. Speedy and punctual delivery of manufactured goods has become a major parameter in the new competition. A well-developed infrastructure—for moving goods from factories to ports and far rapid international communication—air cargo space and high charges feed into non-competitive pricing, missed deadlines, poor reputation and cancellation of orders. Long delays in obtaining telephone and electricity connections raise production costs and waste scarce management time (ECA 2001: 22).

As could be surmised from the table below, while the state of infrastructure in Mauritius, Morocco, Namibia, South Africa and Tunisia is relatively good, the infrastructure in the other countries surveyed were considered disabling.

Table 2: Infrastructure in 13 African countries

	Current State			Changes		
	Enabling	**Variable**	**Disabling**	**Improved**	**Same**	**Deteriorated**
Cameroon			*		*	
Côte d'Ivoire		*		*		
Ethiopia			*		*	
Gabon			*		*	
Kenya		*		*		
Mauritius	*			*		
Morocco	*				*	
Namibia	*				n.i.	
Nigeria			*		*	
Senegal		*		*		
South Africa	*			*		
Tunisia	*				*	
Uganda			*	*		

Source: ECA (2001: 23).

Mauritius has a network of 1,880 km of bituminised roads. Over 93.1 per cent of the roads in Mauritius were paved in 1996 and the normalised road index was 110. The latter is the total length of roads in a country compared with the expected length of roads, where the expectation is conditioned on population density, per capita income, etc. A value of 100 is normal; anything under 100 is below average. This score compares favorably with the scores given to developed countries. According to the Economic Intelligence Unit 'The Island's road network is excellent in comparison with that of most developing countries'(See Beyene 2000c).

From the interviews carried out by the author with entrepreneurs and their partners, there were no complaints about the standard of infrastructure in the country. The quality of roads, power, port, water and communication facilities are more than satisfactory.

In the area of telecommunications, Mauritius has a highly developed postal, fax and telex services and an extensive telephone network. The total installed capacity has expanded by 150 per cent from 104,000 in 1992 to 265,514 lines in 1998. As a result the number of connected subscribers has increased from 70,000 to 242,505 in six years. Telephone density (i.e. the number of connected lines per 100 inhabitants) improved from 7.2 to 22. This puts Mauritius ahead of the rest of Africa whose telephone density was 1.67 per 100 inhabitants in 1994.

It is recognised that international competitiveness crucially depends on successful adoption and diffusion of information technology (IT). It is a tool for achieving quick response, just-in-time management and other modern practices. A number of organisations that aim to promote the use of IT had been established in public and private sectors. It has been identified as a key sector for industrial diversification. In 1995, Mauritius established an Informatics Park to provide physical and telecommunication infrastructure to both foreign and local operators. Very recently the government has embarked upon a cyber city development. In spite of the good IT infrastructure available in the country, SMEs are not principal users yet. But as more SMEs get involved in the global market, they will find it necessary to resort to that tool and when that happens they will not as such experience any problem as there will be a well-developed infrastructure to accommodate their needs.

In South Africa, the legacy of the apartheid regime is evident in all sectors of the economy. The economy is characterised by a duality of services. The white cities have adequate infrastructure while the places where the majority of the people live and are the natural hosts of small businesses lack basic infrastructure

In general South Africa has good transport infrastructure and is considered the best in Africa. It has sizeable and efficient ports, a good road network and good air links. As the Economic Intelligence Unit of 1999-2000 observed, 'because of apartheid, the transport network was almost exclusively designed to connect white cities and areas (indeed, few African areas appeared on maps). As a result, the network of rural feeder roads is very poor, as are road and rail links with African townships and homelands'. However, the government is using its Spatial Development Initiative to develop the economic potential of specific regions in South Africa, using public resources to leverage private-sector investment. In telecommunications, attempts are being made to redress the current profile of roughly 60 telephones per 100 whites and only 1 per 100 blacks. Around the year 2000, South Africa had approximately 5.3 million installed telephones and 4.3 million installed exchange rates. By January 1998, more than 21,000 community telephones have been installed and over 620 villages in previously under-served rural areas have been connected. The IT infrastructure is the most advanced in Africa, and by November 1998, more than 1.5 million were using the internet with service providers, increasing their customer base by 10 per cent per month. (See Beyene 2000c).

Namibia has a well-maintained network of 5,000 km of tarred and 27,000 km of gravel roads. It also has efficiently operated rail, harbor and air services. According to the Economic Intelligence Unit the economy is largely free from transport bottlenecks. Namibia's telecommunication system is modern and efficient. 90 per cent of the network is on digital lines. Telephone penetration was one per 20 inhabitants in 1996. The consensus that emerged from the interviews the author conducted with SME operators on the state of infrastructure in Namibia is that they are by and large more than adequate and pose no serious obstacles to the operation of SMEs.

In spite of the relatively good state of infrastructure in the foregoing countries, many countries in Africa lack the kind of infrastructure that can facilitate industrial development. For instance, Nigeria lacks a good road network in the rural areas, necessary for transporting agricultural produce to markets. According to the ECA study: 'Only about 40 per cent of the country has pipeline-borne water, the provision of electricity is inadequate and very limited in rural areas and telecommunication facilities are almost non-existent' (ECA 2000: 23). In Ethiopia it was found that the scarcity and high cost of land was prohibitive, seriously affecting industrial use. Also the absence or inadequacy of waste disposal services and inappropriate administration for infrastructure services were equally a serious concern. Unreliable telecommunication services were found a major obstacle to SME development in Uganda. Power outages and fluxes were an equally serious problem, disrupting production. In Cameroon and Gabon, road and railway transport were also founding wanting in many respects.

Access to Finance

Access to finance tops the list of constraints faced by small enterprises everywhere. Although most often SME entrepreneurs acquire their capital from their own savings or from family members, they also resort to traditional banking sources to meet their capital requirements. However, because of their weak financial base, SMEs are regarded as high-risk

Table 3: Availability and access to loans in 13 African countries

	Commercial and Development Banks						NGO Finance		
	Availability			Accessibility			Availability		
	High	Medium	Low	High	Medium	Low	High	Medium	Low
Cameroon			*			*		*	
Côte d'Ivoire			*			*		*	
Ethiopia			*			*		*	
Gabon			*			*		*	
Kenya		*				*	*		
Mauritius		*			*			n.i	
Morocco		*			*				*
Namibia		n.i				*		n.i	
Nigeria		*				*			*
Senegal			*			*			*
South Africa	*				*			n.i	
Tunisia	*				*				*
Uganda			*			*	*		

Source: ECA (2000: 26).

areas and as such do not succeed in attracting enough loans. Because of the high transactional cost involved and inability of small enterprises to provide the collateral banks require, SMEs find themselves starved for funds at all stages of their development ranging from start-up to expansion and growth. Table 3 shows the availability and accessibility of SMEs to finances in commercial, development and NGO funds.

Among the major constraints identified by the ECA survey are:

• *High interest rates and collateral requirements*
As small businesses are considered riskier ventures, they are often subjected to higher interest rate charges than large enterprises. They cannot get long-term finance and do not have the same access to finance opportunities as large enterprises. The SMEs' interest increases the cost of doing business and thus reduces competitiveness. In Gabon and Cameroon, interest rates can go as high 25 per cent. In Uganda, interest rates range between 22 and 27 per cent and between 30 and 40 per cent in South Africa. Again in South Africa, high collateral and deposit requirements for loans from commercial banks, community banks, and building societies prevented them from getting access to loans. As the apartheid laws did not permit blacks to own property in cities, they were unable to provide collateral.

• *Inadequacy of financial services in support of SMEs*
In South Africa, small businesses, particularly those owned by blacks are constrained by the narrow range of market opportunities and limited access to finance. In the past, South African financial institutions catered mainly to the modern white sector of the economy. Even though black entrepreneurs are no longer explicitly excluded from the financial system, the practice on the ground shows that even now they are not benefiting from the new dispensation. The following are examples on how they are excluded in practice:

> Restrictions on lending by state-owned agricultural banks to black farmers in specific agricultural areas. Very few blacks own property or land in specific farm areas. This is particularly acute for black businesses in communal areas which do not hold title deeds for the land as it is communally owned (NAFCO 1995a).

In Senegal, the ECA survey found out that the private sector remained handicapped by the fact that most financial institutions were ill-equipped to serve the SME sector. Often such institutions were further constrained by serious internal management weaknesses and lack of qualified staff. Findings from Cameroon and Gabon point to similar problems. Apart from the inadequacy of the human resources in the financial institutions, the quality levels of their staff left much to be desired.

In Mauritius, SMEs can obtain credit from the Development and Commercial Banks of Mauritius, provided they meet their requirements. The Development Bank of Mauritius (DBM) has an array of financial schemes for the SME sector and finances all development activities, with the exception of purchase of land. DBM also makes finance available to SMEs in the manufacturing sector at a concessionary interest rate. However, according the findings of the studies conducted by the Commonwealth Secretariat Group as well as De Chazal Du Mee (1998), the SMEs are dissatisfied with the cumbersome and bureaucratic nature of the DBM loan procedures. An aggregated response of 23 companies by the Commonwealth survey revealed that the uptake of its financial facilities is low and many reported that they took loans from commercial banks at much higher interest rates i.e. 16 per cent instead of 10 per cent. Criticisms of the bank revolve around: 'the lending criteria, fairness in granting funds, the slow processing of applications, and the refusal to lend against second hand machinery' (Wignaraja and O' Neil 1999)

• *Concentration of finance in urban areas*
With poor road networks between major cities and rural settlements, delivery of credit becomes expensive, discouraging banks from offering services outside the major cities. In South Africa, bank branches are concentrated in central business districts and other white areas.

• *Misuse of government sources*
Where governments made financial assistance available, they often ended up benefiting groups they were not intended to serve. A study on Nigeria revealed that financial support from government sources ended up benefiting political loyalists, who often received the loans as rewards for political support.

• *Lack of information on sources of finances*
In the absence of umbrella institutions offering information on financial services, many SMEs are unaware of the facilities that exist. There many be many institutions, each advertising its service separately, but may not be known to many potential SMEs who could have used the services. It is reported that in Kenya the lack of an information center and appropriate channels constitutes a major handicap for the collection of relevant information for SME development.

Table 4: Technology and marketing support services in 13 African countries

	Support Services for Technology and Skills					Support Services for Marketing					Institutional Coordination		
	Existence		Effectiveness			Existence		Effectiveness					
	Yes	No	High	Medium	Low	Yes	No	High	Medium	Low	High	Medium	Low
Cameroon		*					*				*	*	
Côte d'Ivoire	*			*		*			*	*		*	
Ethiopia	*				*	*						*	
Gabon		*					*			*		*	
Kenya	*			*		*			*		*		*
Mauritius	*		*			*		*		*			
Morocco		*				*			*	*		*	
Namibia		*				*			*				*
Nigeria	*				*	*			*		*	*	
Senegal	*			*			*				*	*	
South Africa	*		*			*		*		*	*		
Tunisia	*			*		*		*		*	*		
Uganda	*				*	*				*		*	*

Source: ECA (2000: 30).

Non-Financial Support Services: Technology, skills development and marketing

Support services can assist SMEs in performing well and being competitive. Although such services may exist in many African countries, their effectiveness may be doubtful. Surveys undertaken in 13 African countries show the extent of prevalence, effectiveness and the nature of institutional coordination in technology, skills and marketing services. From the findings it is clear that even though non-financial support services are available, their effectiveness is doubtful.

Technology and skills development

In South Africa, the technopreneur programme strives to create sustainable enterprise through quality training and support services. Its specific objectives are to: promote access to technology and appropriate skills transfer; establish appropriate support systems; facilitate business start-up; and create sustainable enterprises through quality training. The Technopreneur programme involves a number of strategic partners in the provinces. During 1998–1999, the programme was carried out by 14 institutions in 7 provinces. The Technopreneur programme involves:

Needs analysis	Institutions identify gaps in their Local community and business markets to customise the business training spheres
Orientation process	Potential students are given an overview of the courses and their objectives
Selection process	Successful applicants are given career guidance in choosing viable courses that are suited to their abilities and desires
Training process	Access to technology and appropriate skills transfer integrated with business and entrepreneurial skills training
Cocoon phase	After successful completion, the students are placed in small businesses under the guidance of the training institutions. Each student is afforded the opportunity to apply the skills and knowledge acquired during the training phase.

Mentoring phase	Students in this phase start up their own businesses with diminished support from the institution until the student becomes independent.

Source: Ntsika Enterprise Promotion Agency, Fact sheet, Technopreneur Programme.

To provide the trainee easy access to the market, the training institution negotiates contracts such as supply, repair, etc, within the vicinity. Once the trainee has gone through the training process, s/he participates in a production operation to complete a particular contract in their field of training with support in the cocoon phase. Once the student has completed the last phase of the training, the future entrepreneur is introduced to the Technopreneur Start-up procedures.

The Manufacturing Advisory Centres (MACs) in South Africa are established at regional levels to assist small-, medium-, and micro-enterprise (SMME) manufacturers to improve their productivity and competitiveness in the market place.

Recently, The Agricultural Research Council (ARC) has also started to assist, facilitate and guide the process whereby the small-scale farming sector, processing entrepreneur, and related-industry entrepreneur are serviced with appropriate new or existing technology. It also aims to assist in the creation of awareness of both producers and consumers of the various products, services and new opportunities. The areas of possible assistance are product development, market analysis, feasibility studies and business plans and implementation assistance.

The Centre for Industrial and Scientific Research (CISR) has recently launched initiatives in support of SMMEs which include:

- The incubator for Empowerment and Job Creation, which helps to develop SMMEs to implement CSIR-developed technologies to empower entrepreneurs from previously disadvantaged communities;
- The Entrepreneurial Support Centre which was launched in the North-West Province to support both prospective and existing SMMEs in the area of technical extension, training, technology demonstration, administration and mentorship services; and
- Its partnership with Ntiska Promotion Enterprise and the National Productivity Institute in Launching Manufacturing Advisory Centres pilot programme aimed at assisting SMME manufacturers to upgrade their performance and competitiveness in both local and international markets.

Mauritius has developed a sophisticated research infrastructure for its sugar industry, but there has not been much progress in R&D in other areas. Investment in R & D has been nearly non- only 0.01 per cent of GDP compared to 0.6 per cent in Singapore and 1.8 per cent in Korea.

The Small and Medium Industries Development Organization (SMIDO), the Export Processing Zone Development Authority (EPZDA) and the Industrial and Vocational Training Board (IVTB) are major players in extending support services in technology and skills development.

SMIDO aspires to create a strong and modern SME sector that is efficient, competitive, integrated and increasingly export-oriented. Only SMEs in manufacturing have access to SMIDO. It has mapped out seven key thrusts to support its mission: productivity and export promotion, entrepreneurship development and start-up services, technology application, quality development, training and consultancy, incentive management and regional SME development. The center's technical services center is based on the concept of the common facilities workshop. It is equipped with a variety of workshop machinery to undertake the various operations to help small enterprises in the repair and maintenance of their production system wherever possible. It also provides among other things Product and Process Development Grant which covers up to 50 per cent of the nominal cost associated with consultancy, production equipment and investment costs on prototypes, in relation to the development of either new processes or products.

SMIDO gives short duration training programme to upgrade technical skills of entrepreneurs in such areas as workshop organisation and machine operation (lathe, milling, drilling, gear cutting, welding etc.). The centre also disseminates new technology and helps in modernising SMEs by providing advice as to the best technology available for their specific business. It helps to fabricate parts for SMEs and to provide repairs and maintenance service. Between June 1997 and 1998, the centre manufactured 225 parts for 130 enterprises

The EPZDA, established in 1992, provides a range of services to EPZ firms so as to enable them to improve their competitiveness. It primarily focuses in the smaller exporter and its services are targeted at the textile sector. Its service offerings include: Consultancy Services, services through the Clothing Technology Centre (CTC) which has 'state of the art' equipment, constantly being updated to ensure that the latest world-wide developments are available to be seen and used by the center; and trend forum which occasionally organises seminars and workshops, exhibitions and buyers/sellers meetings in the area of textiles, etc.

IVTB compliments the activities undertaken by SMIDO and EPZDA. There is a government training levy of 1 per cent on the wage bills of enterprises and is administered by IVTB. When enterprises engage in any type of training, they are refunded 80 per cent of the cost provided the training is carried out in the context of approved programmes and institutions. Even training given at SIMIDO gets refunded when the enterprises send their employees for approved training course at SMIDO. IVTB and other commercial training organisations run the training courses. IVTB has training centers and is assisted by 90 private training institutions. In addition to the training services it provides, IVTB renders technical advice and runs library and information services.

Support services for marketing

SMEs face serious market constraints which include inability to sell products and services and lack of access to appropriate, relevant and understandable information and advice. With globalisation opening up potential opportunities to access global markets, SMEs are increasingly being encouraged to position themselves to take advantage of the emerging opportunity but find themselves unable to benefit because of the many constraints they face, including poor marketing infrastructure. According to a recent report:

> Support services for marketing also required to connect companies' products and services with regional and international markets. In Africa the experience is variable, with some countries having a good and relatively efficient network of institutions providing marketing services (Mauritius, South Africa and Tunisia), whereas some others have none (Cameroon, Gabon, and Senegal). In other countries such as Ethiopia, Kenya and Uganda the network of institutions is somewhat inadequate. All in all, it seems that marketing services are more widespread in Africa than technological-related ones, but the overall effectiveness tend to be low in both cases (ECA 2001: 29).

In South Africa, NTISIKA is mandated to provide marketing-related services. It helps SMEs to benefit from tenders in the public service, facilitates their access to international markets, buys raw material on bulk at lower prices and participates in national and international exhibitions. The Department of Trade and Industry provides compensation of costs incurred in developing new export markets and participating in foreign exhibitions. This is an incentive that extends to all companies irrespective of their size

The De Chazal Du Mee survey (De Chazal Du Mee 1998) of 58 SMEs, 43 members of SMIDO and 15 non-members in Mauritius revealed interesting findings about the state of marketing in the country. The survey covered those items from the food and beverages, textile, wearing apparel, leather, wood products, publishing, chemical, rubber, plastic, jewelry, ceramics, metal products, workshop and other sub-sectors.

According to the findings: 55 per cent of the members and 73 per cent of the non-member enterprises have a good product mix. 78 per cent of the members and 60 per cent of the non-members seek to improve the quality of their products. But only in 50 per cent of the members and 47 per cent of the non-members are efforts made to change the design of the products. Among the registered members 45 per cent attempt to develop new products while only 47 per cent did among the unregistered. 58 per cent of the registered enterprises have brand names.

While 46 per cent of the members among the registered SMEs believed that packaging is very important, only 20 per cent of the unregistered SMEs believed so. The survey revealed that 26 per cent of the registered SMEs have good quality of packaging with those in the food and beverages having the best quality packaging; 80 per cent of members and 92 per cent non-members sell their products directly to customers; 18 per cent of the members and 27 per cent of non-members export. While 38 per cent of members intend to export, only 20 per cent of the non-members have such intention.

SMEs in Mauritius lack information regarding their competitors and market share. According to the survey result, only 20 per cent of the members have a good appreciation of their competitors. Also only 54 per cent of the members were able to estimate their market share, while only 18 per cent gave a fairly good estimation. Only 38 per cent of members and 53 per cent of non-members advertise their products. It is also reported that advertising is done without any defined advertising plan.

In Namibia, the government initiated the vendor development programme to address the market problem and is designed to contribute to:

- Improvement of market access for small businesses;
- The capture, within Namibia, of a great proportion of what the Namibian consumer, large businesses and government spend. The programme will also be used to establish new small businesses, and to expand and diversify existing businesses;
- Improvement of the structure of and trading relationships within the Namibian economy by linking large businesses with small suppliers; and

• Improved sector linkages (Republic of Namibia 1999).

Through the above initiative, it was possible to match buyers to suppliers, helping them to establish on-going relationships between them. So far, a number of small businesses have been linked with the large buyers through this arrangement.

The Nigerian Export Promotion Council caries out market studies and other promotional activities. The different national associations of chambers of commerce, industry, mining, agriculture are in some ways involved in providing marketing support services but "the system seems to lack information on international markets for inputs and sales, and on domestic suppliers, purchasers and market trends' (ECA 2001: 36)

As in the case of the other services, Mauritius, South Africa and Tunisia appear to have good support services. In Mauritius there are two major marketing support service institutions extending assistance to manufactured and agricultural export products. These institutions are the Mauritius Export Development and Investment Authority (MEDIA), which has recently been restructured, and the Agricultural Products Export Promotion authority (APEPA).

MEDIA provided the operators in the export sector with services such as trade information; buyer/seller meets and contact promotion programmes; annual organisation of the Mauritius International Trade Exhibition in Mauritius and the Mauritius International Apparel and Textile Exhibition held in Paris and London; market surveys on export opportunities in specific international markets; and up-to-date advice and information on Mauritian products, services and investment opportunities.

APEPA was established in 1995 by an act of Parliament as a parastatal body under the aegis of the Ministry of Agriculture, Food Technology & Natural Resources. Its role is to facilitate and co-ordinate the activities in the agricultural export sector ranging from production to export. The agency is also involved in the investigation and study of both potential new products and new markets to be tapped. It is entrusted with the responsibility to set up strategies to accommodate and encourage any new profitable export avenue.

Another development worth mentioning in the area of marketing is the establishment of the Sub-Contracting and Partnership Exchange–Mauritius (SUBEX-M) in 1997. It promotes sub-contracting arrangements between large, small and medium enterprises at national, regional and international levels. Its specific objectives include: creating a data bank on potential sub-contractors and customers; providing information outsourcing possibilities in response to enquiries; and providing technical assistance to improve manufacturing capabilities in SMEs on occasional basis. It also organises annual trade exhibitions with a view to promoting sub-contracting.

Concluding remarks

From the foregoing analysis, it is obvious that in spite of the potential role African SMEs can play in their respective economies, they are beset by numerous obstacles that adversely impact their contribution. The policy and regulatory environment, with few exceptions, leaves to be much desired. Although one notices increasing acknowledgment of the problems and attempts to take steps aimed at ameliorating the situation, a lot more need to be done if African SMEs are to play an effective role in meeting the domestic demand as well as accessing global opportunities. The ECA study sums up the challenges in this area which constitute poor regulatory environments characterised by

> the complexity of such regulations, which substantially increase transaction costs of SMEs putting them at a disadvantage vis-à-vis larger national companies and foreign enterprises; and lack of transparency in implementing SME support programmes, which deliberately benefit other actors rather than targeting SMEs. However, a substantial number of Africa countries have seen major improvements in their regulatory systems over the last few years (ECA 2001: 22).

Infrastructure is another area where SMEs encounter formidable problems. Good infrastructure is critical for fostering economic performance and competitiveness of SMEs. Optimal physical and IT infrastructures comprised of, among other things, a good, well-maintained network of roads, airports and ports, a stable power supply and an extensive telecommunication network, are vital for the effective functioning of enterprises. As one report remarks:

> Major improvements in infrastructure have become an imperative for three reasons: (a) the internal market of most African countries is too small and exports to neighboring and distant markets are essential to deepen the division of labor and reap efficiency gains; (b) the new competition puts a premium on product quality and speed of delivery, which are impossible to achieve without adequate infrastructure; (c) e-commerce will further raise the need for better infrastructure, both in telecommunications and transport of goods (ECA 2001: 41).

Finance still poses a major obstacle to SMEs in Africa. They lack access to long- and-short term capital. They are considered risky and banks are reluctant to take chances on them. None of the Africa countries in the survey seem to have an efficient structure of financial institutions even though some may be relatively better those others. Alternative financing like micro-credit has started to appear in some countries, but the loan size is barely enough to meet the needs of the small entrepreneur.

Non-financial institutional support in that area of technology and skill development and marketing are hardly satisfactory. So if African SMEs are to become vibrant and contribute to the economy, as in many European countries and even the USA, they need to be provided with adequate support that will sufficiently enhance their capacity to play the role expected of them.

Note

1 The ECA survey was undertaken in 13 African countries from the different sub-regions. Based on the studies as well as other international practices, Prof H. Schmitz of IDS, University of Sussex and Mr. M. Albaldadejo, University of Oxford, were commissioned to prepare a strategy document on 'enhancing the competitiveness of SMEs in Africa: A strategic framework for support services'. The report was then used as a working document in various workshops where participants from Africa discussed and endorsed it.

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Anthropology in the Sudan brings together some of the most important papers published by one of Sudan's leading anthropologists of the 1970s, and is supplemented with three chapters by younger Sudanese anthropologists. Abdel Ghaffar M. Ahmed was one of the first Sudanese to return to the Department of Anthropology and Sociology of the University of Khartoum with a PhD in anthropology in the early 1970s, and has been arguably the most influential Sudanese anthropologist of the past three decades, both within Sudan and internationally. At a time when many African scholars and universities turned their backs on anthropology as a colonial discipline with no relevance in newly independent countries, he saw a kernel that could be made not only relevant but indispensable to the struggle for development in Sudan. Accordingly, he embarked on a critique of colonial anthropology aimed at reclaiming the discipline as a key contributor to understanding and transforming postcolonial Sudan, publishing many articles and books, in both English and Arabic, that influenced colleagues, students and government officials. In addition to the articles reproduced in this volume, his books *Shaykhs and Followers* (1974), *Economic Anthropology and Issues of Development in Sudan* (1975, in Arabic) and *Some Aspects of Pastoral Nomadism in the Sudan* (1976) had major impact.

Ahmed's interventions in the 1970s development debates in Sudan, together with some spectacular failures of development projects attributable to lack of local knowledge and understanding of ecological, cultural and other factors normally studied by anthropologists, helped of Evans-Pritchard, whose research dominated colonial anthropology in Sudan and influenced Western anthropology in general.

Ahmed's essay, '"Tribal" Elite: A Base for Social Stratification in the Sudan', reprinted here as Chapter Five, has, perhaps, had the most bring anthropology and anthropologists into the center of development research and planning in Sudan. Ahmed came to play an important institutional part as founding dean of a social science faculty at the new Juba University and as director of the Economic and Social Research Council in Khartoum. He has spent much of the past two decades outside Sudan, working in universities, research institutes and international agencies as teacher, researcher, writer and advocate for disempowered Africans, recently as executive director of OSSREA (Organization for Social Science Research in Eastern and Southern Africa).

Ahmed's essays here demonstrate the sort of engaged anthropology he has advocated and practiced. The impetus for collecting these essays came from the debate sparked by Mafeje's 1996 CODESRIA monograph. They are the fruits of a project Ahmed conceived in response to the critiques of colonial anthropology by Magubane and Mafeje in the early 1970s:

> The indigenisation of anthropology, and the deconstruction of the Eurocentrism of its categories and debunking imposed identities and forms of knowledge became the major task of those who took the discipline seriously even though one has to hasten to add that their numbers were few among the trained African anthropologists (12).

The first task was to examine colonial anthropology to uncover how its basic concepts and methods were shaped by the colonial context and to rescue from its products what could be used positively in postcolonial nation-building and development. Then came the job of building a decolonised conceptual and methodological framework for an indigenised anthropology.

The first four chapters analyze the history of anthropological research and training in Sudan, from the Seligmans' first visit in 1910 through the 1970s. Chapter Two gives an overview of the development of Sudanese anthropology, from the colonial period of research by foreigners for the colonial government, through the founding of the Department of Anthropology and Sociology at the University of Khartoum as the center of research and training shortly after independence, still by foreigners but in the service of an indigenous government, to the 1970s when the first Sudanese to earn PhDs returned from European universities to take over direction of Sudanese anthropology. Chapter Four assesses the work of

Evans-Pritchard, whose research dominated colonial anthropology in Sudan and influenced Western anthropology in general.

Ahmed's essay, '"Tribal" Elite: A Base for Social Stratification in the Sudan', reprinted here as Chapter Five, has, perhaps, had the most enduring conceptual impact on Sudanese anthropology. Building on Mafeje's critique of the ideology of tribalism, Ahmed analyzes the precolonial social and political order of rural Sudan in terms of what he calls 'power centers', linking households to regional groups and ultimately to central states. He then attempts to show how the fluid relations involved were transformed by the colonial and then postcolonial states in a process of class formation. The analysis demonstrates core characteristics of the indigenised anthropology Ahmed advocates by joining detailed field-based studies of local communities to an understanding of national level processes and structures with a view to empowering those local communities.

Ahmed envisions the anthropologist not as an ivory tower intellectual but, because of deeper knowledge of these people, as an advocate for voiceless people in the communities where s/he does research. The anthropologist, according to Ahmed, is also a leader of the multidisciplinary research teams he insists are needed. In chapter Eight he goes so far as to insist that the anthropologist can and should intervene during the research process itself to promote empowering changes, however small in scale.

Ahmed seems to assume in these essays that all indigenous anthropologists have the interests of the people they study at heart and can be trusted to speak for them and give them some guidance toward development. This aspect of interventionist anthropology is one of many issues I would have liked to see Ahmed reflect on now, in light of his three decades of experience. Some updating and reflection is provided in the three chapters written by his younger colleagues, but not nearly enough, and none by the master himself. There are unsettling hints in the chapters by Munzoul Abdalla M. Assal and Idris Salim al-Hassan that Ahmed's vision has not been fulfilled in the 1980s and 1990s, despite strides made in the 1970s. Sudan has experienced a string of catastrophes since the eruption of civil war in 1983, including devastating drought and the death and displacement of millions of people. In this context, a repressive government, difficult work conditions at the universities and the growing intervention of foreign NGOs and international agencies have tended to dictate research agendas at a time when anthropologists, as well as their colleagues in other disciplines, have found it necessary to work multiple jobs to support their families. How has this affected Sudanese anthropology? Al-Hassan laments the tendency he notes in recent years for anthropological work in Sudan to revert towards a simplified functionalism and empiricism. Is there a connection here? It is to be hoped that Ahmed and his collaborators will follow this useful book with a new one that pursues these questions.

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Myron Echenberg, (2002), *Black Death, White Medicine: Bubonic Plague and the Politics of Public Health in Colonial Senegal, 1914-1945*. Social History of Africa Series. Portsmouth, NH: Heinemann; Oxford: James Currey; Cape Town: David Philip. 303+xvii pp. $ 24.95 (paperback) 65.00 (hardcover)

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The study of disease in Africa was for a long time outside the province of social science analysis. Medical facts were assumed to contain intrinsic meaning. Therefore, they were best studied to the natural sciences. The realisation that disease and epidemics are socially perceived and constructed is relatively recent. Two decades ago, it was difficult to fill ten pages of bibliographic essay on the social history of African health and disease (5). Today, the literature has grown and historians continue to study health and disease. This study under review represents another milestone in the historical study of colonialism, public health and disease. Echenberg approvingly quotes that 'all epidemics are politically constructed' (67). He proceeds to reconstruct the history and impact of plague epidemics that struck Dakar in 1914, 1919 and 1944. Viewing it against the background of changing political conditions within Senegal and internationally, the study demonstrates that the epidemic was more than a medical issue. The colonial context and the World War situation introduced perceptions of plague that altered indigenous notions of health and healing as these interacted with European medical technology and adjusted to Western medical assumptions. The study broadens our understanding of plague as a disease beyond its medical trappings, showing its impact on the physical nature of urban societies and changing socio-ecological orientations of rural Senegalese communities.

The book is divided into three parts. Part I, titled '"Take [a Job in Dakar] if You Want to Die": The Plague Epidemic of 1914', has four chapters. Part II, titled '*Kooxa Dooma Ka*: "Acute Headaches", on1919–38', contains three chapters, while part III, titled '"Merely a Disease of Natives": Plague, War, and Politics, 1939-45', has two chapters. Each of the parts tackles a different plague epidemic, focusingon origins, changing nature, control measures and the political, social and economic impacts on society. The study has a separate two-chapter introduction. Chapter One emphasises that 'epidemics cannot be understood exclusively as a medical event'. Noting the colonial context in which plague occurred, Echenberg shows that the political lens through which the 1914 epidemic was perceived drew ideological contest that pitted the conquerors against the conquered. Chapter Two provides a background to the Senegalese plague epidemic by analysing the etiology of bubonic plague and the political setting in which the microbial agent responsible for bubonic plague, *Yersinia pestis*, operated. It locates the 1914 plague attack within the worldwide third pandemic of the twentieth century. When it struck, existing scientific knowledge of plague was inadequate. Consequently, the perception of its causes and controls in Senegal was trapped in pseudo-scientific explanations. This state of knowledge gave way to erroneous assumptions about Africans as inherently diseased people, that buttressed extant European racism.

The racist and imperialistic assumptions of the French colonial medical explanation in Senegal can be traced to a decree promulgated on August 17, 1897. The decree sought to thwart African healers by declaring biomedicine the official medical system. Built on Western rationality that associated civility with modernity, it sanctioned western medicine as an epitome of civilizational achievement. That Africans still preferred to visit local healers came as a surprise to colonial medical officers. One military physician argued that African masses 'will always be loyal to their ancestral customs and their anti-hygienic practices' (241). By 1913, the African preference for indigenous healers was associated with African habits and customs. These habits were perceived as antithetical to proper hygiene and sanitation. In short, Africans were averse to hygiene and sanitation because of their habits, and these rendered them susceptible to disease. That is why, the French administrators concluded, plague was 'merely a disease of natives'.

On the contrary, Echenberg shows that 'the health of Europeans was the primary objective of public health policy as it emerged in the colony' (23). Towards this end, French medical experts in Senegal, as in the rest of Africa, constructed disease as an expression of irrational African resistance to Western medicine. To some medical officers in Senegal, contagion was the critical link between diseased (black) bodies and healthy (white) ones. Contagion was a problem to be checked because through it, diseased Africans passed their illnesses to healthy Europeans. The baseline assumption of this argument was that Africans were inherently diseased and constituted a danger to Europeans. The answer to this danger was racial segregation. As a 1911 manual on *Colonial Hygiene* stated:

> The native villages constitute a permanent danger for Europeans because of the numerous transmissible illnesses which their inhabitants frequently suffer from, so that we can only counsel building European dwellings at a certain distance from native groupings (27)

By locating the 1914 plague at the conjuncture of the World War I, the study examines African political struggles for representation in colonial Senegal and their significance for the war efforts altered by European aspirations for complete segregation. Chapters Three to Six trace the outbreak of plague in April and May of 1914, its progress through May to November 1914 and the French medical responses and assess the impact of the epidemic on society. Plague caught the authorities unprepared. They were unable to diagnose it with scientific accuracy and even after confirming that that it was plague, the medical responses were uncoordinated, coercive, parsimonious and ultimately ineffective. They were 'marked by one blunder after another' (124). Though plague struck in April 1914, it was not until May 13, 1914 that the first Dakar Health Committee met. The committee hesitantly declared Dakar contaminated and granted sweeping powers of intervention to health officials. The officials proceeded to institute classic epidemic control measures like quarantine, *cordon,* disinfection, incineration and strict burial practices. However, the *cordon* was ineffective because it was applied discriminately to Africans, not Europeans. It controlled Africans, not infected vectors or Europeans. Alternative dwellings were not provided after infected buildings were burned. In fact, burning raised the issue of fair compensation and intensified overcrowding, another favourable condition for infected vectors. People relocated to plague camps lacked provisions for food and water supply. In a nutshell, emergency measures were disastrous and spurred people into political activism against the state.

Since the control measures adopted did not affect Europeans, most Africans interpreted this as part of the broader colonial objective of dispossessing Africans from their land and allocating it to Europeans. Echenberg uses the Lebu protests to illustrate this argument. Given the conjuncture between the epidemic, the election of the Senegalese deputy to the French National Assembly and World War I, the emergency measures were easily politicised. Worse still, the Governor-General, Ponty, 'vacillated throughout the crisis between support for medical experts and political expediency' (131). In the process, the epidemic re-emerged after a short lull in a more virulent attack in 1916. Although one of the consequences of the epidemic was the creation of Medina as a separate African location, the broader aim of residential segregation on the basis of race in Dakar failed. Echenberg attributes this failure to African resistance through representatives like Blaise Diagne, who was elected deputy in 1914.

Chapters Seven to Nine identify the plague zone, characterise its inhabitants in terms of ethnicity and religion and note how these two influenced perception of the epidemic. Further, the chapters delve into the diverse rural and urban visions of the plague in the interwar period. The chapters show that though a better understanding of plague had emerged, the French medical responses remained rigid and uncompromising to the plight of local people. By an analysis of ecology, the author shows how susceptible people were in the plague zone. Echenberg examines the religious and cultural background of the groups in the zone and how their respective identities were deployed in responding to French colonial medical perception of the plague. In analyzing the rural visions of plague, Echenberg delves into the local therapeutic systems and their perceptions of biomedicine. The chapters finally analyze local funeral dirges of the Sereer Ndut, the visions they reveal about the experience of plague and a discussion of plague in Dakar, Rufisque and Saint-Louis. Though Echenberg locates the significance of women as custodians of the dirges, one would have hoped for a more extensive discussion of women in the plague experience. This, for instance, would focus on the presence or absence of women in the medical profession, in the parties involved in controlling plague and even in the politics of the time. His gendered perspective is too limited to a review of dirges.

The final part of the study tackles the 1944 plague epidemic. The context was similar to the 1914 epidemic because of World War II. However, Echenberg argues that the 1944 plague found the administration and medical personnel as unprepared as they had been in 1914. It is the presence of American military personnel in Dakar that made a difference. The control measures instituted in 1944 were helped, but also complicated, by both the war context and the presence of new military personnel. They were helped because the new personnel came with new control measures that focused on vectors and broke the chain of transmission of bubonic plague by targeting and killing fleas using a new insecticide called DDT. However, the presence of another power caused consternation among the French who interpreted American effort as designed to take over Senegal.

The 1944 epidemic provoked only mild resistance from Africans even though the control measures were still coercive and intrusive. Echenberg suggests that Africans were by then used to the intrusive plague control measures. In conclusion, he argues that the most effective method of dealing with plague lay in addressing the structural issues like housing that rendered Senegal and Africa in general susceptible to plague attack. By constructing plague as 'merely a disease of natives', the French failed to understand 'that proximity to infected rodents was a more important factor than either the sanitary conditions of buildings or the ethnicity of the victims' (214).

This is an informative study. Its theme is compelling and timely because it is at the heart of current concerns about health, disease and poverty. The launching of a CODESRIA institute on health, politics and society in Africa is further testimony to the importance of the theme of this book. Unfortunately, African historians have been absent in the study of medicine and disease. By giving a historical dimension on disease and public health, the book helps locate the study of medicine in a context that is historically informed and social sensitive. It reminds readers that disease is not solely a medical issue. This is a highly recommended study.

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Mamadou Aly Dieng, *Les premiers pas de la Fédération des étudiants d'Afrique noire en France (FEANF) (1950–1955), de l'Union française à Bandoung*, l'Harmattan, 2003, 374 pages.

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Dans son ouvrage, Amady Aly Dieng vise deux objectifs: primo, situer le mouvement des étudiants de l'Afrique noire française dans l'ensemble des luttes anti-impérialistes de l'Afrique; secundo, en saisir la portée et en mesurer les limites. Outre l'introduction, la conclusion et les annexes, l'ouvrage est composé de sept chapitres.

Le chapitre premier traite de la période allant de 1940 à 1945. Durant cette période, il y avait peu d'étudiants en France à cause de la guerre. Il a fallu attendre la Libération pour voir les étudiants s'organiser en vue de mener des activités culturelles, syndicales et politiques durant la période allant de 1946 à 1950.

Le chapitre 2 est consacré à l'analyse des trois regroupements animés par des étudiants. Il s'agit du Groupement africain de recherches économiques (GAREP), de l'Association des étudiants du Rassemblement démocratique africain (RDA) et de l'Association des étudiants nationalistes.

Le GAREP, dirigé par Abdoulaye Ly, a exercé une grande influence sur l'association des étudiants de Paris de 1947 à 1950. Il s'est livré à des recherches théoriques sur le marxisme et sur l'impérialisme. Sur ces deux thèmes, le GAREP a rompu avec le dogmatisme en utilisant les travaux de marxistes qui ont été tenu mis à l'écart. S'appuyant sur L'accumulation du capital de Rosa Luxembourg, Abdoulaye Ly a montré les insuffisances de la théorie léniniste de l'impérialisme pour une explication globale satisfaisante du phénomène impérialiste en Afrique. Quoique le mot d'ordre d'indépendance fût considéré comme évident, le GAREP ne l'a pas formulé clairement.

L'Association des étudiants du RDA, créée en 1949, légalisée en 1950 et sabordée en 1956, avait pour but le regroupement de tous les étudiants démocrates désireux de défendre la cause africaine dans le cadre du RDA. Elle a combattu les positions du groupe parlementaire RDA consistant dans le non-respect des engagements en faveur de la lutte anticolonialiste définie dans le Manifeste et le rapport de Gabriel D'Arboussier. Elle comportait deux tendances. Les nationalistes gravitant autour de Cheikh Anta Diop s'intéressaient à l'étude des problèmes de civilisation, de la culture, de l'histoire et des langues africaines. Le groupe de langue était animé par des étudiants africains militant activement au Parti communiste français. Les partisans de ces deux courants ont mené de rudes batailles pour contrôler et orienter l'Association des étudiants du RDA.

L'Association des étudiants nationalistes est créée en 1950 par Majhemout Diop, Abdoulaye Wade et d'autres étudiants. Elle n'a pas eu beaucoup d'influence sur la FEANF. Les points communs aux étudiants nationalistes sont le sahélo-centrisme, le pannégrisme, le diffusionnisme, le nationalisme culturel et la démarcation par rapport au marxisme.

Le chapitre 3 est consacré à la création de la FEANF. Dieng y décrit la naissance de la FEANF, les buts et les congrès de cette organisation.

Le chapitre 4 traite des différents congrès, des conseils d'administration et des activités de la Fédération de 1950 à 1955.

Dans le chapitre 5, Dieng analyse la presse de la FEANF de 1950 à 1958. La FEANF a publié sept numéros de L'étudiant d'Afrique noire. Dans les colonnes de ce journal sont posés les problèmes politiques, économiques et sociaux majeurs. La question culturelle n'y figurait pas en bonne place.

Le chapitre 6 est consacré à la présentation de l'attitude des étudiants africains face aux problèmes politiques et culturels. Abordant les problèmes politiques, Dieng montre l'existence de deux tendances politiques: les progressistes et les apolitiques.

Les nationalistes constituaient une fraction des étudiants du RDA groupés autour de Cheikh Anta Diop.

Les progressistes formaient deux groupes distincts:

- Le groupe de langues animé par Babacar Niang et Abdou Moumouni qui militaient au Parti communiste français;
- Les apolitiques autour de Jérôme Kouadio, Doudou Thiam et Assane Seck ont montré une grande prudence en matière de prise de position politique.

Abordant les questions culturelles, Dieng passe en revue les courants de pensée qui ont inspiré les étudiants africains. Il s'agit du marxisme, de la Négritude, de l'existentialisme, du personnalisme et du nationalisme pharaonique.

Selon leur date d'arrivée en France, les étudiants africains ont lu des auteurs différents. La génération de l'entre-deux guerres a fréquenté les écrits des ethnologues, des linguistes et des administrateurs des colonies. Parmi les étudiants venus en France à la veille de la Deuxième Guerre mondiale, Abdoulaye Ly était le plus avancé. Il a lu plus que ses compagnons.

Les étudiants arrivés en France après la Deuxième Guerre mondiale ont lu des ouvrages qui ont contribué à fortifier leur conscience nationale.

Le chapitre 7 est consacré aux rapports entre la FEANF et les organisations d'Afrique Noire. Dieng analyse les relations de la FEANF avec l'Association Générale des étudiants de Dakar (AGED) et ses relations avec les autres organisations.

Le livre de Amady Aly Dieng vient s'ajouter à d'autres études portant sur le même sujet, études faites par Jean Pierre Ndiaye, Madame Marième Diop, Sékou Traoré et Charles Diané. Dieng s'est démarqué de ces auteurs dont les travaux sont empreints de dogmatisme et de schématisme à certains égards. Ce dogmatisme et ce schématisme sont dus à l'adhésion de leurs auteurs à un type de marxisme simplificateur et à une insuffisance de la documentation.

Économiste de formation ayant écrit un livre portant sur l'histoire du mouvement étudiant en France des années 1950 à 1955, Dieng a montré la nécessité de l'interdisciplinarité dans les sciences humaines. Son livre constitue une mine d'informations incontournable pour tous ceux qui s'intéressent à l'histoire du mouvement étudiant.

Il présente une fresque d'anciens étudiants qui ont joué un rôle important dans nos pays au lendemain de leur accession à la souveraineté internationale. Les informations que Dieng a fournies montrent la fidélité ou l'infidélité à leurs options d'anciens étudiants ayant eu des responsabilités politiques dans leurs pays.

Le livre de Dieng couvre la période allant de 1950 à la conférence de Bandoung, mais l'auteur n'étudie pas l'impact de cette conférence sur le mouvement étudiant africain.

Nous espérons qu'il le fera dans un autre volume qui sera la suite de ce livre important et riche.