8. WORKSHOPS

A list of chairs, convenors and presenters for each workshop is given below:

Workshop 1: **Professionalism and managerialism: accountability versus responsiveness**

Chair/Convenor: Dr Sam Agere, Director-General, Zimbabwe Institute of Public Administration and Management

Presenters:

- Mr Robert Dodoo, Head of the Civil Service, Ghana (paper not available)
- Mr Steve Matheson, Deputy Chairman, UK Board of Inland Revenue

Workshop 2: **Deregulation/re-regulation and partnership with the business and NGO sectors**

Chair/Convenor: Mr E. A. Sai, Chairman, Public Service Commission, Ghana

Presenters:

- Mr P. M. Rupia, Head of Civil Service, Tanzania
- Mr N. R. Ranganathan, Secretary, Ministry of Personnel, Public Grievances and Pensions, India
- Mr Khalid Shams, Deputy Managing Director, Grameen Bank, Bangladesh

Workshop 3: **Sustaining quality in government services**

Chair/Convenor: Dr K. A. Chandrasekaran, Consultant, United Nations Development Programme, India

Presenters:

- Dr M. Sibanda, Secretary for Public Service, Labour and Social Welfare, Zimbabwe
- Ms V. Lynne Pearson, Chief Executive Officer, Consulting and Audit Canada
- Professor Jon S. Quah, Associate Professor and Head, Department of Political Science, National University of Singapore

Workshop 4: **Centralisation/decentralisation and intergovernmental relations**

Chair/Convenor: Ms Robyn Henderson, Executive Director, The Royal Institute of Public Administration, Australia

Presenters:

- Professor Jona Isawa Elaigwu, Director-General and Chief Executive, National Council on Intergovernmental Relations, Nigeria
- Professor Moses N. Kiggundu, Professor of International Management and Administration, School of Business, Carleton University, Canada
- Mr Tim Plumptre, President, Institute On Governance, Canada

Workshop 5: **Human resource management: challenges and opportunities**

Chair/Convenor: Mr M. Modisi, Director, Public Service Management, Botswana

Presenters:

- The Hon. Ashok Jugnauth, Minister of Civil Service Affairs and Employment, Mauritius
- Dr Mario M. Nzuwah, Chairman, Public Service Commission, Zimbabwe
- Mr Denis Ives, Public Service Commissioner, Australia
- Ms Adelaide Phindile Mkhonza, Principal Secretary, Ministry of Commerce and Industry, Swaziland

Workshop 6: **Challenges and opportunities for small states**

Chair: Dr P. I. Gomes, Executive Director, Caribbean Centre for Development Administration, Barbados

Convenor: Mrs Gloria Payne-Banfield, Secretary to the Cabinet, Grenada

Presenters:

- The Hon. Simone de Comarmond, Minister of Tourism and Transport, Seychelles
- Mrs Jaya Mohideen, Senior Consultant, Economic Development Board Consulting Group, Singapore
- Professor Ian Scott, Head, Department of Politics and Public Administration, University of Hong Kong

Professionalism and managerialism: accountability versus responsiveness: recent Inland Revenue developments (United Kingdom)

Edited extracts from a presentation by Steve Matheson, Deputy Chairman, UK Board of Inland Revenue

In the private sector there are the disciplines of the bottom line and shareholder expectation. While in the public sector, we have very tight expenditure control, strict accountability and the added spice of Ministerial expectation.

But in all sectors – including the voluntary sector – the pressures for change are very similar. We are all looking for greater cost-efficiency, increased value added, more for less, quicker and better and improved customer satisfaction.

Structure and responsibilities

The Department is managed by the Commissioners of Inland Revenue who, together, form the Board of Inland Revenue – a Chairman, two Deputy Chairmen and a Director-General. The Board derives its status and responsibilities from statute.

Section 1 of the 1890 Inland Revenue Regulation Act sets out the general scope of the Board's authority as follows:

> "The Commissioners shall have all necessary powers for carrying into execution every Act of Parliament relating to inland revenue".

That is pretty clear but the Section goes on to say:

> "and shall in the exercise of their duty be subject to the authority, direction and control of the Treasury and shall obey all orders and instructions which have been or may be issued to them on that behalf by the Treasury".

And that has been reflected in fairly tight central controls over the Revenue as over other Government Departments. But now a lot of that is changing, and fast.

The Departments' responsibilities are easily stated:

- the efficient administration of the direct taxes and duties;
- providing ministers with advice on tax policy for the direct taxes;
- providing valuation services for revenue, rating, council tax and certain other purposes; and
- collecting national insurance contributions on behalf of the Department of Social Security.

We have both operational and policy responsibilities and provide a valuation service for revenue, rating and council (local government) tax.

Some current numbers might be of interest:

- 40 million individual and corporate "customers";
- 62,000 man-years of permanent staff;
- 800 locations nation-wide;
- 150 million pieces of correspondence annually;
- 30 million telephone calls;
- 5 million personal callers;
- 45,000 terminals networked;
- £1.8 billion budget;
- over £100 billion "turnover";
- cost to revenue ratio – 1.5 per cent.

I think these speak for themselves. What they show is that the Inland Revenue is big business by any definition and increasingly run on business lines.

The pressures for change

Government policies require us to deliver three things:

First, to create and develop sensible business units, delegate executive responsibility to them and make managers more accountable for delivery of outputs. If you like, running the public services on business lines. That takes us straight into the Next Steps Initiative, the setting up of agencies and executive offices, delegation, new pay and grading arrangements, and so on.

Second, to set those businesses challenging performance standards which meet Government requirements and Government expectations. On things like quality, accuracy, turnaround times and advice. In other words, the whole business of the Citizen's Charter and in the Revenue our own Taxpayer's Charter (see Annex).

And the third thing Government policy requires us to do is to benchmark our cost and quality standards against the best anyone can offer. In short, get costs down and quality up. In other words, privatisation, market-testing and all that that entails.

The then Chancellor said in the introduction to the 1991 White Paper, *Competing for Quality*: "The best public sector managers and the best in public services can match anything achieved in the private sector". That is a clear, supportive statement and in the Inland Revenue we are determined to prove it true. But the word "best" is crucial. Second best will not be good enough.

There is, of course, a danger that these different Government initiatives can sometimes seem to conflict with each other. Especially to operational staff a long way from London. And they *do* compete for management time and resources. But they are a coherent whole and demand a concrete response.

Progress to date

We recognised some considerable time back where Government policy in relation to the public sector was leading. That is why we have developed an integrated change programme, managed as a whole with key milestones and regular monitoring of progress.

We are on a journey not yet completed. We are two years into the change programme, which started with comprehensive reviews of the management and organisation of the Department begun in 1991 with the help of consultants. What that did was identify the scale of change we needed to match up to the challenges Ministers set us for the 1990s. It was clear that this would involve a major commitment of time, resources and senior management effort.

Stage 1 – April 1992
- 97 per cent of staff in Executive Offices or the Valuation Office Agency

Stage 2 – October 1992
- New Performance Management System for all staff
- Delegated responsibility for pay/grading

Stage 3 – April 1993
- Abolition of Civil Service grades
- New Revenue-specific staff group
- New Performance Pay System
- Reorganisation of office structure

Ongoing– Delayering
– Market-testing
– Simplifying
– Streamlining

These staged developments, starting in 1992, look very much driven by cost-efficiency, as indeed they were.

In order to deliver a single, integrated programme for change, to switch resources into compliance and customer service, to find the money to fund all pay and price increases, to pay the efficiency dividend the Treasury and Ministers demand from us each year, we knew that we would have to secure – from the staff – a major performance shift.

The days are long gone when we asked Ministers for more resources to do what *we* wanted (e.g. more compliance work) or in response to *their* ideas (e.g. the Citizens' Charter). We recognised in 1990 that we would have to create significant headroom *ourselves*. Now for the Board to recognise that is one thing. For the staff and trade unions to come to terms with it needed a major culture change. We are only part way through that today and it takes time and strong measures.

So, we have introduced a new performance management system, new performance-related pay arrangements, abolished annual increments and Civil Service grades. Over 100 Inland Revenue grades have been replaced by five broad bands and new job titles in a wholly Inland Revenue focused staff group covering the whole Department. And, in addition, we now face a very big change in the tax system in 1996/97 with the introduction of self-assessment for those taxpayers who currently fill in annual tax returns.

Working with our staff

In summary, we have broken with the past and look forward. We are asking our people to deliver far more, to improve quality and with fewer staff. And to repeat that, year on year.

That is not a comfortable message. And one that staff and unions tell us constantly does not sit easily with our commitment to caring for staff. So, what are we doing about that important hearts and minds issue – caring?

First, by demonstrating that we are the best at what we do in terms of both cost and quality, we are preserving jobs and standards for those who come after us.

Second, we are doing our utmost to offer fair treatment (including humane severance terms, if that is what it comes to), comprehensive training and

development and the tools to do the job, including enhanced IT support. We have signed a 10-year contract with a private sector company to transfer to them, in tranches, beginning on 1 July this year, the 1,900 staff, buildings and equipment which provide IT support for the Department's business.

We are working hard on:

- enhanced management and development training (through our new residential training college);
- improved working conditions and facilities;
- a new fast-stream, revenue-specific graduate recruitment and internal selection scheme;
- a major quality improvement programme; and
- increasing delegation and empowerment at all levels, with greater responsibility and accountability for those willing to accept both.

Improving our service

We know from surveys that taxpayers want us to do two things above all else. The first is to get it right first time, every time, with the minimum hassle. The second is to catch those who do not want to join the club and make it increasingly likely that they will be caught.

So, part of our change programme involves:

- merging work on assessment and collection, previously carried out to the confusion of taxpayers in separate offices;
- restructuring our local office network to achieve cost-savings and improved service to taxpayers;
- setting up over 200 Taxpayer Enquiry Centres which are open longer hours;
- using more mobile Enquiry Centres to reach both remote and disabled communities and business and city centres;
- piloting a national telephone support service (probably from 8 a.m. to 10 p.m.) providing contact with expert staff who will have access to taxpayer records through enhanced computer support;

- re-designing our forms and literature to make them more helpful; and
- training over 40,000 staff in customer service.

The more successful we are at all this:

- the greater the tax yield as we and taxpayers get it right;
- the less confrontational tax becomes generally;
- the lower the costs – for the Revenue and for taxpayers – in running the system.

Summary

By the end of the 1980's, we recognised that even tougher times were coming. We anticipated that in time we would have to absorb pay and price increases year on year and would need to make headroom ourselves for improving our performance on compliance and customer service and improving the quality of our work across the board.

Out of that came fundamental reviews of organisation, structure, pay and grading and hence the integrated programme for change. On top of that, we now face self-assessment which will mean putting greater responsibility on taxpayers.

So we need to change from a Department based traditionally on *command*, *control* and *investigation* to one geared to *service*, *support* and *audit*. That demands major effort from all of us. But the prize is a more flexible, efficient and responsive Department as well as a smaller and more effective one. One that can and will demonstrate year in and year out that we are the best at what we do, benchmarked against *any* public *or* private sector comparisons anywhere in the world. We have not reached that goal yet but we are on the journey and accelerating fast.

The UK Taxpayer's Charter

You are entitled to expect the Inland Revenue:

To be fair

- By settling your tax affairs impartially
- By expecting you to pay only what is due under the law
- By treating everyone with equal fairness

To help you

- To get your tax affairs right
- To understand your rights and obligations
- By providing clear leaflets and forms
- By giving you information and assistance at our enquiry offices
- By being courteous at all times

To provide an efficient service

- By settling your tax affairs promptly and accurately
- By keeping your private affairs strictly confidential
- By using the information you give us only as allowed by the law
- By keeping to a minimum your costs of complying with the law
- By keeping our costs down

To be accountable for what we do

- By setting standards for ourselves and publishing how well we live up to them

If you are not satisfied

- We will tell you exactly how to complain
- You can ask for your tax affairs to be looked at again
- You can appeal to an independent tribunal
- Your MP can refer your complaint to the Ombudsman

In return, we need you

- To be honest
- To give us accurate information
- To pay your tax on time

Deregulation/re-regulation and partnership with the corporate business sector: the Tanzanian experience

Edited extracts from a presentation by Mr P. M. Rupia, Head of Civil Service, Tanzania

At the time of Tanzania's independence in 1961, the provision of social services (education, health etc.) was shared by the Government and non-governmental organisations; while law and order, the provision and maintenance of basic economic infrastructure (roads, railways, parts) and utilities (water, electricity, telecommunications), were the responsibility of Government.

The limited capacity of local entrepreneurs, and a reluctance to see foreign investors play a leading part in economic activities in Tanzania, saw the Government increasingly playing an active developmental role itself.

By 1966, the Government had 100 per cent share-holding in 43 business enterprises engaged in activities ranging from manufacturing and trade to banking and insurance.

The policy of socialism and self-reliance adopted in 1967 placed even more responsibility on the State for social and economic development. Widespread use was made of nationalisation. Local, bilateral and multilateral funding was mobilised to set up new public enterprises and expand others. By 1979, Tanzania had 380 public enterprises and by 1990 the number had reached 425, accounting for about 24 per cent of non-agricultural employment but only 13 per cent of GDP. Of this total, about 300 were commercial (business-oriented) state enterprises.

The private sector, comprising of a few foreign-based companies and several locally-based firms, the majority of which are owned by non-African Tanzanians, was allowed a substantial role. In an environment with a diverse number of players, procedures had to be established to harmonise and rationalise the different functions and activities undertaken by these players. This meant having in place different regulations to define, monitor and control the behaviour of all business entities.

Regulations

In the manufacturing and industrial sector, industrial licensing was instituted. Though well intended, this item of regulation may have been misused. It served to discourage many would-be investors in Tanzania due to the cumbersome procedures and the length of time it took to get the necessary approvals in place.

The policy on "confinement" allowed selected state-owned enterprises (parastatals) to be the only importers and/or exporters of certain commodities/products. The rest of the business sector had to route their requirements through the "confinee" corporations. This measure, which had been meant to control and rationalise the use of the little foreign exchange the country was realising from its exports, was a bottleneck to any meaningful strategic planning by the corporate sector. Often the "confinee" corporations did not have adequate allocations of foreign exchange for them to make better use of quantity discounts in their procurement, denying advantages of economies of scale and ultimately lower costs to the economy and the consumers.

In the agricultural marketing sector, regulations were instituted to restrict entry into the marketing and processing of certain export crops, namely cashew nuts, coffee, cotton, tobacco etc. Only co-operatives or some specially established parastatals, such as the General Agricultural Products Export Company (now defunct), were allowed to handle the crops.

The financial sector lived through a rigid foreign control regime, ranging from import and export control arrangements to blocked funds mechanisms where dividends for foreign shareholders had to be placed, often without interest, before being repatriated at some undefined future date.

The trading sector experienced rigidly enforced price controls on almost all major household items. The result of this was the inability of some enterprises to meet their production costs since they could not easily recover such costs through price increases.

The parastatal sector was also highly affected by numerous regulations meted through the Presidential Standing Committee on Parastatal Organisations (SCOPO). Schemes of service, levels of compensation, decisions on hiring and firing, had to be approved by SCOPO before being implemented. A less than free management and decision-making system had made managers and their respective Boards unable to make needed interventions.

In one way or another the sum total of these regulations had some negative effect on the business sector, public and private. There were numerous other reasons that negatively affected the performance of the business sector. But inability to act by managers, as a result of obtaining regulations, was one of the main causes of the deplorable performance of the parastatal sector.

Deregulation

The cumulative effect of the inappropriate development strategies coupled with excessive regulation led to a reassessment of strategies. A policy of economic

reforms and policy changes intended to bring about rapid economic development started in the 1980's was given new impetus. By the mid-1980's, the Government started implementing a new policy of trade liberalisation with gradual reduction, and finally elimination, of price controls. With the launching of the Public and Parastatal Reform Project in 1992, funded by the International Development Association, further deregulation has been recommended and put in place. A major development in the process has been the divestment of Government from direct ownership and management of commercial/business activities. The Investment Promotion and Protection Act (1990) gave rise to a "one-stop" centre – the Investment Promotion Centre (IPC) for the facilitation of setting up new businesses and/or expansion-modernisation of existing ones through quicker licensing and investment promotion.

Deregulation has brought about treatment of all participants in the market on an equal basis. New players have been allowed in sectors that had been the exclusive domain of the public sector i.e. banking, agricultural marketing etc.

Deregulation is thus providing a springboard for the corporate business sector to exploit opportunities in all major economic sectors. It is abundantly clear from the policy initiatives behind deregulation that the objective is to widen the options of economic growth and participation of the whole business sector, not only in industrial and agricultural enterprises but also in economic infrastructure such as power generation, transmission, distribution. telecommunications, air and road transportation etc., which previously were the domain of the public sector alone.

Re-regulation

It is true that there has been a general improvement of the economy in so far as the shops are full of imported goods. Yet the responsibility of the Government in the development of social sectors and economic infrastructure is still there. In the past this was possible to guarantee by controlling the exports through the Government Marketing Boards.

Yet the strain of the free-market economy in Tanzania is becoming more pronounced. Already there are shortages of essential drugs in Government hospitals. Reports of coffee and cotton, the mainstay of the economy, being smuggled to neighbouring countries is sending shock waves to the Ministry of Finance and the Central Bank. The Ministry of Finance Economic Survey Report on the 1992/93 budget performance reveals a horrific picture whereby taxes to the tune of Shs.38.5 billion have yet to be paid to the Government coffers.

There is no doubt that the free-market economy as a strategy has produced the desired results in developed countries. It is even true that in some South-East Asian countries it has enhanced economic growth. Yet, where such successes have been

scored, it has been as a result of the domestic economic base being domestically-oriented.

In a situation like the one Tanzania is in now, whereby the dependency syndrome has increased, the domestic base is unreliable, hence some form of re-regulation continues to make economic sense.

There is therefore a need to strike a balance between wholesale free-market economy, and deliberate and strictly state-guided regulations. After all the Government's basic development objective improving the welfare of its people through a sustained improvement in their living standards has not been abdicated. Some form of carefully selected re-regulation measures will have to be instituted to ensure a "level playing-field" for all actors.

Conclusion

To avoid returning to the past, there is a need to review the role of Government in the light of political and economic changes in the global arena. A well-defined indicative and supportive role to replace an interventionist, heavy-handed one, is urgently needed. Government structures need to be streamlined and the mandate and functions of various agencies and departments need to be clearly defined. A greater degree of decentralisation of power and decision-making is called for. Political stability, a general confidence in the future of the economy, robust financial intermediation and a supportive legal framework are some of the elements to enhance the partnership with the corporate business sector.

Deregulation/re-regulation and partnership with the business and NGO sectors - an Indian experience

Edited extracts from a presentation by Mr N.R. Ranganathan, Secretary, Ministry of Personnel, Public Grievances and Pensions, India

In 1947 when India gained independence, the conventional wisdom was that in developing countries, state intervention for stimulating growth was inescapable. This inevitably led to a bloated bureaucracy and a large public sector. In the Seventies, many countries, particularly in the Far East, started deregulating/liberalising their economies which resulted in a high degree of economic growth together with an active private sector. Their track record in the efficiency of investment, improvement in the distribution of income and sustained growth rate have resulted in the present day belief that deregulation/liberalisation is a better route for sustained growth to raise the standard of living in developing countries.

Deregulation in India has been used, so far, to strengthen market forces to ensure higher competition, thus reducing the role of the State as a regulator, welfare provider and producer. It has resulted in liberalisation of different regulations (such as industrial licensing) so as to unleash forces of competition in the economy. As an element of broader economic policy, it has resulted in structural adjustment programmes for the Indian economy as a whole. Obviously, this has been done on the conscious assumption that market allocation of resources is almost always more efficient than allocation by Government. It is also based on the lessons learnt that financial liberalisation is very difficult and unlikely to succeed without a considerable degree of macro-economic stability.

The Indian experience so far has been one of fair success with a dramatic improvement in the balance-of-payments position, reasonably good export performance and a moderate growth rate. Yet rising inflation, which has now reached a double-digit level, is a cause for worry as it affects the vulnerable sections of the population; the fiscal deficit has also yet to be brought down to a reasonable level and these are matters of concern. Moreover, reforms and changes in relative prices affect different groups. Therefore, from the standpoint of equity and to make changes politically acceptable, incentives have been maintained in India along with transitional arrangements, such as the public distribution system, to those most adversely affected.

Earlier, India' s planning process was such that during the first three decades after independence, there was no sense of partnership between business and Government. While it is true that some business groups flourished in the regime of licences and permits, the economic and social environment was such that the industry was almost placed in a subordinate relationship with Government. The political leadership as well as bureaucratic leadership neither trusted the industrial

and business groups nor allowed them full freedom in their operations. There has been a big change of attitude in recent years. Liberalisation of the economy in the last three years in particular, has now resulted in a situation where entrepreneurial talents have been released from their shackles and industry can play its proper role in partnership with Government. It cannot be said, however, that the mindset of political leadership or bureaucratic leadership has completely changed in India. There are still mental reservations in some quarters and it will take some time before the kind of partnership that exists in countries like Japan can materialise in India. A positive development however is that at least the major political parties are committed to economic reforms and to this extent reforms in India are irreversible. The pace of reforms is, however, a different matter and it is here that business circles need to push for reforms relentlessly so that the momentum so far gained is kept up.

India's experience in developmental planning has shown that developmental activities undertaken with people's full involvement are more cost-effective as compared to the developmental activities undertaken by the Government when people become passive observers. Non-involvement of people leads to an attitude of total dependence on government resulting in lack of accountability by the officials administering developmental schemes. The Indian experience has further shown that in the areas of education, health, family planning, minor irrigation, afforestation, etc., much can be achieved by creating institutions accountable to the community. The focus now in India is on developing multiple institutional options for improving the delivery systems by using the vast potential of the voluntary sector (non-governmental organisations). Both the Planning Commission and the Ministry of Rural Development are now working out institutional strategies so as to create or strengthen non-governmental organisations (NGOs) at the district, block and village levels to synthesise the purpose of investment envisaged in the Annual Plan with optimisation of benefits at the grassroots level by relating these programmes to the needs of the people.

Democratic decentralisation is also an important step in this direction. There are several NGOs in India doing commendable work in education, family planning, rural development, etc. covering a wide spectrum of developmental activities. The milk revolution in India is an example of this kind. Co-operative sugar factories which revolutionised rural areas in the State of Maharashtra also exemplify this. To some extent, it can also be said that the social engineering which has taken place in the State of Kerala resulting in a high degree of literacy, particularly among women, improved standards of living in rural areas of this State, etc. are due to voluntary efforts and the initiatives taken by NGOs. An important lesson that can be derived from the Indian experience is that if there is to be a suspension of over-dependence on the Government, apart from suspension of cynicism in social attitudes, democratic decentralisation and strengthening of the institutional arrangements so as to tap the vast potential of NGOs are key inputs in public administration.

Governments must side with the poor (Bangladesh)

Edited extracts from a presentation by Mr Khalid Shams, Deputy Managing Director, Grameen Bank, Bangladesh

There is little doubt that at the end of the century, our governments now operate in an extremely complex and turbulent environment. This is true of both the developing as well as the developed countries. The more conventional concepts of government, state and sovereignty are undergoing rapid change due to both internal and external pressures. On the one hand, extremely powerful forces have been unleashed globally, through the emergence of new technologies, growing international trade and threats to the world environment, forces that will inevitably accelerate global integration. On the other hand, existing governmental systems have become increasingly ineffective, because they cannot solve people's problems within their own countries. We have witnessed the sudden collapse of the Soviet Union which could not meet the aspirations of its people. We have seen with horror the total breakdown of social and political order in Bosnia-Hercegovina, Somalia and more recently the holocaust of Rwanda.

Poverty is our number one problem

According to various estimates including those of the World Bank, about one billion people or one sixth of the human race now live in poverty. Poverty creates a disequilibrium in society and is the cause of much of the turbulence that we see around us. Poverty deprives people of their self-dignity and destroys their creative capacity. Poverty is morally degrading, socially disruptive and economically wasteful, yet poverty is deeply entrenched in South Asia, in Sub-Saharan Africa, and in the fast-growing economies of South-East Asia and China. It is growing rapidly in the former socialist countries of Eastern Europe and even in the developed countries of the West which have experienced chronic unemployment and the gradual decline of their inner cities.

Our national and municipal governments have generally failed to cope with the problem of poverty and the rising discontent arising from it. Governmental systems have become almost redundant in dealing with discrimination against women who, along with children, are the worst victims of poverty. Governments have also largely failed to deal with impoverishment of ethnic and religious minorities in many societies. This is in spite of the four decades of development following the establishment of the UN system, massive project investments by the multilateral and bilateral agencies, unparalleled advancements in modern technology and of course, successive development plans undertaken by national governments themselves.

Some concrete achievements have no doubt been made by the less developed countries in terms of longer life expectancy, higher literacy rates and rapid increases in per capita income, particularly in the Asian region. But the problem of poverty still remains quite intractable; and in some places it is getting worse.

Delivery systems which did not deliver

The national five-year plans of developing countries are indeed replete with programmes that explicitly aim at alleviation of poverty. Enormous resources have been allocated each year to implement poverty-related projects. And yet evaluation after evaluation indicate that resources earmarked for the poor have in fact been hijacked by the non-poor, the elites in society, precisely those from whose hands the poor were to be saved. Sometimes poverty-focused projects have nurtured and aggravated poverty instead of alleviating it. The failure has been on two counts. Firstly, the government systems designed to deliver resources and services to the disadvantaged groups have not functioned; they have not delivered to the designated clientele. They have become corrupt and wasteful. Designing new delivery systems that can efficiently reach the poorest segments of the society, therefore, makes up the biggest challenge for our governments in the coming years.

Secondly, government plans and projects have not been able to build up local capacity for sustainable development. Organisations have not come up at the grassroots capable of seizing and mobilising local initiative and enterprise for development that would energise people. Decentralisation efforts of government have led to further reinforcement of centralisation tendencies within our societies. The national or the central government has become stronger and stronger; in comparison the local governments and community-based institutions have languished. Organisation development based on participation of people still remains an elusive dream.

Harnessing poor people's enterprise

There is however, growing evidence that many non-government initiatives have attained considerable success in reaching the poor. In designing new delivery systems, we have to cull through the evidence that is already available and decide on how best such systems can be replicated on a large scale. Empirical evidence on the ground suggests that the bottom poor and the socially disadvantaged are capable of taking significant initiatives when motivated by a catalytic agent by:

- organising themselves and tackling development decisions on their own;
- identifying their specific development potential, based on the enterprise and productive skills that they already possess;

- initiating development through micro-enterprises, when provided with easy access to credit;

- mobilising personal and group savings, which can provide them protection against numerous risks to which the poor are particularly vulnerable; and

- empowering themselves through a participatory development process at the grassroots level. They can bargain, negotiate and liaise with relevant government and non-governmental organisations to demand additional resources and services leading to more sustainable development.

Grameen experience: alleviation of poverty through credit

Grameen Bank's experience, now spanning a decade and a half, is a clear pointer that alternative delivery systems can be designed to serve the very poor people. The hypothesis is further being tested and proved world-wide through numerous credit programmes which are targeting exclusively on the bottom poor in both rural and urban areas. What the experience has clearly demonstrated is that credit when targeted at the designated clientele, say the rural landless or the urban slum dwellers, is a powerful weapon to break the vicious cycle of poverty.

Credit becomes the most fundamental of all human rights. It provides access to scarce financial resources which the poor have been denied through conventional banking systems. Once the access is assured, the poor can quickly break through the vicious cycle and meet their basic needs like, employment, food, shelter, health and education. They can accomplish much when they are organised properly and allowed to participate in taking investment and consumption decisions together in small groups of like-minded persons. There is lot of peer support as well as a lot of peer pressure that helps to ensure maintenance of credit discipline. Without discipline, loans will not be paid back and credit will end up as hand-outs or charity which keep the poor in perpetual bondage.

Essential features of Grameen's delivery system

Starting as an action research project begun by Professor Muhammad Yunus in 1976, Grameen Bank today represents the largest credit programme in Bangladesh. It has disbursed to date more than a billion US dollars in credit amongst two million borrowers, 94 per cent of whom are women. Commercial banks that have traditionally lent to the rich and the influential, would not even dare to touch the exclusive clientele of Grameen – the poor, the illiterate and the women from amongst the landless. But Professor Yunus and his young colleagues dared to defy the conventional wisdom and began a series of social experimentation which ultimately led to the establishment of an alternative credit delivery system.

Today, as a recent World Bank study shows, Grameen is financially a sound institution; two-thirds of its 1042 branches have already broken even. It has a strong institutional identity, because the bank is owned by the borrowers themselves, the poorest of the poor in Bangladesh. Grameen members have bought up shares worth two and a half dollars each. Their elected representatives make up the majority of the Board of Directors that determines its policies.

It has developed a diversified credit programme catering to multifarious credit needs of a very large clientele. It gives small loans every year to hundreds of thousands of borrowers for self-chosen investments that help to quickly raise their income. In addition, it provides special loans for housing, seasonal loans for crop production, emergency loans for food security, loans even for the installation of sanitary latrines or hand-pumps that will supply safe drinking water. A couple of years ago the bank introduced an equipment leasing programme that enables the poor to invest in technology-based activities. The older borrowers are now purchasing irrigation pumps, power tillers, power looms and other machinery which help to raise their productivity.

Why has Grameen's credit delivery system succeeded while the Government systems have lagged behind? The reasons are not very hard to ascertain because Grameen's operating system is well defined, easy to understand and follow. That is why so many replications of Grameen's credit delivery system have been attempted world-wide. The principal features of what has been termed as essential or replicable Grameen are:

- exclusive targeting on the bottom poor, based on clear-cut eligibility criteria for selection of clientele;

- organisation of borrowers into homogeneous groups and building group solidarity through a participatory organisation development process;

- close rapport between the bank staff and the clientele groups. All bank transactions are transparent and close to the customers. With Grameen, "the poor do not come to the bank, instead the bank goes to the poor";

- a professionally-trained and motivated staff capable of establishing rapport and interacting with its clientele; special loan conditionalities which are particularly suitable for the poor;

- a simultaneous social development agenda, that can address the basic needs of the clientele;

- promotion of a problem-solving culture within the organisation based on continuous experimentation and social learning.

The impact

What has been the impact so far? Independent evaluations have shown that with the help of annual loans from the Bank, most borrowers have been able to increase their income and improve their family welfare quickly.

A recent study based on a household survey in an area where Grameen has operated for more than ten years, showed that approximately half of the Grameen households have broken through the poverty lines. They were on a sustainable development path. They have acquired substantial new assets; almost 300,000 Grameen borrowers have built new homes to replace the dilapidated shacks in which they used to live. They are now for the first time sending their children to school; they have better food to eat and better clothes to wear. They are able to borrow and invest increasingly larger amounts of capital. Grameen borrowers have smaller families. In many instances women have not only broken out of the traditional culture of silence, but have become socially more assertive. They feel stronger today than ever before, especially because of Grameen's Social Development Programme, popularly known as the *Sixteen Decisions*.

What can governments do?

Governments have been under a great deal of pressure in recent years to open up their economies, deregulate, liberalise and privatise. These measures have prompted many governments to relegate "poverty" further to the background as public expenditures have shrunk. But free-market conditions need not be in conflict with the poverty alleviation goals of the government. They may on the contrary help alleviate poverty. It depends a great deal on the new opportunities created for the poor and the disadvantaged to freely market their products and services as well as on the modalities and objectives pursued in opening up the economy, for instance on the measures used for privatisation.

The poor, for example, could directly benefit if "privatisation" measures provided them with freer access to financial resources. They would benefit if the market barriers which prevent the poor from fully exploiting their productive potential were removed altogether. What it means is that government macro-polices must decisively shift in favour of the poor, if poverty alleviation programmes are to make any headway in the last decade of this century. Micro-level credit interventions require urgently substantive and well co-ordinated macro-level policy support from the government.

Firstly, there is a need for institutional support for scaling up of what usually starts as an action research or pilot project for micro-credit. This would call for provision of funds to supply the much needed seed capital and meet institutional costs of expansion of the poverty-focused programmes.

Secondly, a conducive policy environment has to be created to facilitate implementation of such programmes as they are scaled up. Grameen, for example, functioned in an adverse socio-political milieu that impeded its initial growth. The realisation has grown that as a specialised financial and social development agency operating outside the government sphere, it critically needs strong government support. The pricing policy, the monetary policy, the credit policy, the industrial and trade policies of the government, have to be synchronised so as to directly support the micro-level programmes targeted at the poor.

Thirdly, there are fresh opportunities for governments to forge new alliances and collaborative relationships with other partners concerned with poverty. The non-governmental organisations have a comparative advantage in delivering resources and services directly to poor people. They need to work together. The international and bilateral aid agencies are other important stakeholders who have the resources, but whose priorities are distorted. In the plethora of physical infrastructure projects funded by the aid agencies, poor people are often lost sight of. The time has come for a convergence of the efforts of numerous partners and stakeholders who increasingly share the same goal and vision of a world free from poverty.

While the governments may have failed to deliver resources directly to the bottom poor under the conventional programmes, the micro-level non-government initiatives will not succeed on their own. They would require firm and direct political support from government. In the backdrop of the cut-back culture which has overtaken governments, policies have to be retooled and adjusted so that priorities are reassigned, resources reallocated and new directions given to the coalition of efforts by the major stakeholders in poverty alleviation programmes.

Sustaining quality in government services: downsizing the civil service – successes and pitfalls: Zimbabwe's experience

Edited extracts from a presentation by Dr Misheck Sibanda, Secretary for Public Service, Labour and Social Welfare, Zimbabwe

The Civil Service Reform Programme in Zimbabwe has its roots in the monumental work of the Public Service Review Commission appointed by the Government in November 1987 to undertake a general and in-depth review of the structures, functions, management and procedures in use in the Civil Service. At the time of the review, some of the main characteristics of the Civil Service were as follows:

- a large and cumbersome service of about 45,000 persons rising to 192,000 in 1992;
- a substantially inexperienced cadreship operating in a heavily-centralised working environment;
- serious overlaps and duplication of functions resulting in unclear areas of responsibilities and unnecessary wastage of resources;
- lack of transparency, accountability and responsiveness; and
- complicated rules and procedures that stifled initiative and innovation.

It was against such a background that, in 1989, the Review Commission recommended an immediate reform and modernisation of the Civil Service, noting that structures were no longer compatible with the requirements of a modern administration nor with the efficient delivery of services to the population.

Objectives of the Reform Programme

Based on the findings of the Public Service Review Commission, the following broad objectives formed the basis for a plan for the Reform Programme:

- the need to improve the means of public policy formulation and implementation;
- the need to introduce performance management into the Civil Service operations to ensure better service delivery;

- the need to improve conditions of service in order to retain competent skills, enhance morale and motivation;

- the need to upgrade basic management systems through training and staff development programmes in order to maintain an improved service;

- the need to rationalise public expenditure through a process of labour deployment, structural reviews and decentralisation; and

- the need to set up and strengthen monitoring and support systems within the service with a view to increasing efficient and cost-effective delivery of services.

With the advent of the Economic Structural Adjustment Programme (ESAP), another dimension of the Civil Service Reform Programme, i.e. the need to reduce government expenditure as a contribution to the reduction of the budget deficit, was given an added impetus. The targeted figure of reduction was 25 per cent of the total civil servants, translating to 23,000 posts.

Main strategies to effect Civil Service reform

In the last four years, Government through the Public Service Commission (PSC) has adopted a number of strategies in order to implement Civil Service Reform. Such measures include the following:

- setting up institutional machineries to implement and monitor the Reform Programme. In this regard, we have the following units already in place: Monitoring and Implementation Unit in the Office of the President and Cabinet; Human Resource Directorate; Management Services Directorate and Efficiency Unit in the Public Service Commission; and the Training Directorate in the Ministry of the Public Service;

- introduction of performance management and promotion examinations in order to improve the quality of service;

- improvement and enhancement of conditions of service and compensation of civil servants through job evaluation and compensation surveys;

- changing the thrust of the Public Service Commission from being essentially a regulatory and controlling machinery to providing a facilitating, enabling and supportive environment; and

- decentralising certain management and administrative functions which are currently performed by the PSC to ministries.

Downsizing the Civil Service

A major component of the Civil Service Reform Programme, which is the main concern of this short paper, is the reduction of the size of Zimbabwe's Civil Service. At independence, there were about 45,000 civil servants. Ten years later, the Service had increased by over 50 per cent to 160,000, and by 1992 to 192,000. The massive increase was generally associated with the need to fill the gap left by the exodus of whites from the Service, the democratisation of the educational and health facilities, and the reconstruction of rural infrastructural facilities destroyed during the war of liberation.

The reduction of the size of the Civil Service has been justified on the basis that:

- it is too big and too costly relative to its revenue base;
- it is inefficient and incapable of delivering quality services;
- there is serious overlapping of authority and responsibilities; and
- it does not lend itself to a rational utilisation of both human and material resources.

It is important to note that the Economic Structural Adjustment Programme (ESAP) includes a component of reducing the size of the Civil Service by 25 per cent over a period of five years beginning in the financial year 1991-1992.

The reduction of the Civil Service: success or failure?

Since 1992, the Zimbabwean Government through the Public Service Commission has adopted various strategies to reduce the size of the Civil Service.

First, posts that remained vacant in excess of twelve months were abolished. The rationale of such a decision was that if the ministries concerned could perform certain functions without adverse effects, then such posts were not critical or essential to the operations of the ministries. However, some posts particularly in the professional and technical groups remained unfilled for long periods because of shortage of the required skills. In such cases, the PSC reinstated such posts whenever needed.

Second, obligatory reductions were effected. This came in the form of a directive from the PSC to Heads of Ministries to give up a certain percentage of their posts. This strategy of necessity forced Heads of Ministries to critically review the

performance of officers so that only the most competent were retained. In practice, this method was difficult to effect.

Third, another way of downsizing the Service was that of voluntary retirement. Voluntary retirement is applicable to all people in the Civil Service except teachers and health personnel because of their critical role in society. Those civil servants who opt to leave the Service are given monetary incentives to do so and the posts they occupied would be abolished forthwith from the establishment. Up to July 1994, a cumulative total of 1,745 applications for voluntary retirement were received by the PSC.

While the method of voluntary retirement has so far resulted in 646 persons leaving the Service, at times such a strategy has had an adverse effect on the performance of the Service. More often than not, it is the most enterprising and good performer who leaves the Service leaving behind the less efficient and effective officer.

All in all, the Zimbabwean Civil Service up to 30 June 1994 had been reduced by 12,700 giving a shortfall of 10,300 posts to reach the target of 23,000 posts. With the knowledge and experience gained from earlier strategies, the PSC is embarking on more efficient and effective methods of reducing the Civil Service. These include the following:

- The reduction of administrative levels within the Service, currently standing at ten grades from clerk to permanent secretary. It is hoped that the collapsing of administrative levels will not only reduce the number of posts, but will reduce bureaucracy and hence improve overall performance output.

- Contracting out of certain functions of line ministries which can be better and profitably performed by private sector organisations e.g. security-related services, grounds maintenance, cleaning services, laundry services, repair and maintenance of equipment, and catering services. Contracting out such services will not only lead to the reduction of the Civil Service and savings in terms of capital and maintenance expenses, but create opportunities for emergent business persons to participate in business and create employment.

- Decentralisation of certain functions and activities of ministries to local authorities with a view to bringing goods and services closer to the consumer at provincial, district and village levels in the areas of health, education and social welfare.

Through these strategies, it is envisaged that by 30 June 1995 the total number of posts reduced will be 16,815, thus accomplishing the target of 23,000 posts.

Conclusion

The downsizing of the Civil Service in Zimbabwe has taught us a few lessons. First, that the question of the size of the Civil Service is a complex matter. We have discovered that it is not only a question of head counts that matters, but perhaps the issues of scope, structure, composition, skills mix, institutional capacity and the enabling environment are equally critical. Second, that all in all the size, cost, efficiency and effectiveness of the Civil Service are ultimately linked to the overall performance of the economy.

Increasing quality in government services: a modern imperative (Canada)

Edited extracts from a presentation by Ms V. Lynne Pearson, Chief Executive Officer, Consulting and Audit Canada

Today, there are a number of significant pressures on government to change. These include the conditions of fiscal restraint, socio-economic trends, and increasing client expectations. These pressures are not unique to Canada – they are also faced by governments in other countries.

Fiscal restraints

The Canadian Government is burdened with a large fiscal deficit that limits its capacity to effectively deliver existing or new programmes and services demanded by taxpayers. Further, the Canadian public is openly hostile to any new tax increases.

Government's response to this funding squeeze has been three-fold: a cap on operating budgets; a freeze in programme spending; and downsizing of the Public Service.

Socio-economic trends

The world is characterised by rapid change – technological, social, economic, and political. The sheer volume of information and the pace of change facing organisations are forcing them to streamline procedures and exploit information technology to deliver higher quality service to more demanding clients.

The trend towards globalisation (growing international trade, the internationalisation of capital markets, and a shift from a national to a global perspective on such issues as third world debt and the environment) means that separate areas of the world economy are fast becoming integrated. The challenge of globalisation for government is to deal effectively with an increasing number of stakeholders and with highly complex issues, all within the climate of fiscal restraint.

Increasing client expectations

The pervasive service quality movement is influencing how both public and private sector organisations do business. Consumers today are better informed and more demanding about the quality of products and services they receive. This means that

the costs and quality of government services are being questioned and that government's role as a service provider is under pressure.

In response to such increased client demands, internal stakeholders (employees and managers) are demanding greater flexibility to more effectively meet clients' demands, as well as to increase their quality of working life. Thus, there is pressure from both internal and external stakeholders for change in how government operates and delivers programmes.

As a result of these forces, many governments are currently redefining their roles and the way in which they deliver goods and services. There is pressure upon them to cut back by reducing expenditures, levels of staff, and services. Finding ways to do more for less becomes critical to them in order to satisfy the client public. Quality Management provides a valuable approach to solving the crunch created by these forces.

Quality Management

The implementation of Quality Management may be thought of at three levels. The first level relates to the key steps linking the government's situation with priorities, policies, clients, programme mandate, mission and values. The second involves determining the factors which affect programme effectiveness; and the third provides the steps required to implement efficient and effective service delivery.

Managed change process

The best way to introduce change with a minimum of operational discontinuity is to use a process that guides the organisation's staff through the stages of transforming their perceptions, behaviours and relationships amongst themselves and with clients.

Involving management and operational staff in change from the beginning ensures that those who will live with the changes understand the new processes well. Since operating staff are involved in the redesign from the beginning, and have had to work out the changes together, it is easy for them to implement changes. The change process becomes a living part of the organisation.

As the change requirements evolve with implementation, staff will know how to make adjustments because they will have been through the process, understood the rationale, the approach and the reasons for the change. They will know how to apply lessons learned to their service processes.

Changes can be made in an effective, risk-reduced environment by leading staff through a structured, comprehensive approach including the diagnosis of the situation, walking through the process, and devising solutions with stakeholders. This process involves determining what is needed and what is not; and acting to implement the improvements.

The most common causes of failed improvement initiatives is that they start with studies that are never implemented or with training that is never put into practice.

"Just-in-time" learning provides coached guidance when it is needed for the next step in undertaking change as opposed to classroom training which is quickly forgotten despite the considerable costs undertaken. By following a practical, logical process, with coaching as needed, staff learn how to do the right thing, the right way at the right time. Working with facilitators, client organisations can implement change at their pace, working around ongoing business exigencies, minimising interference with day-to-day business.

The Quality Management methodology is a living process combining learning with doing. The results are greater staff expertise, lower costs, and shorter time-frames from initiative start up to improved process implementation.

Lessons learned

Consulting and Audit Canada has considerable experience in assisting clients in implementing Quality Management. Our experience in Quality Management has resulted in a few lessons learned:

1. Managers look for the magic solution which will not take up their time. There is still a belief that you can pay someone to re-engineer your processes, that they will go away and come back with the savings and the quality formula. Unfortunately, if you really want quality, the managers have to roll up their sleeves and get involved, and get their staff involved.

2. Managers must be willing to examine their core processes. To do so is threatening. To find that they are doing things that are no longer essential may threaten their position and their personal psyche. Consequently, real commitment from the manager is required.

3. Applying quality efforts to peripheral administrative functions will result in relatively small gains.

4. To overcome the forces acting against the implementation of quality, managers must assign their top people to the improvement effort. If they are unwilling to have their star performers grapple with quality, they won't achieve it.

5. Most government organisations will have to work hard to develop measurement systems useful for measuring quality, including client feedback, service measures, process cycle-times, process (as opposed to line) costs, benefits or balanced measurement score-cards.

6. Government programmes are usually functionally organised, not organised around client-focused processes. The high degree of functional fragmentation makes it difficult to achieve real savings in processes. Functions are often too narrow a focus to achieve big changes and savings. Consequently, more attention has to be given to organising work along horizontal, cross-functional, client-focused processes with performance measures that mirror these processes.

7. Managers must not only consult with clients but act on the information received. There is sometimes a lack of willingness to talk to clients either because managers believe they know what the client wants, or because they have ignored client feedback before and are now too embarrassed to go back to the client again.

8. Managers need to determine first whether they are doing the right thing. Doing what they have always done only faster is not the answer. A preoccupation with technology as a solution to their problems without an analysis of what needs to be done can be a terribly expensive trap.

9. Managers should not offer person-year reductions in client service areas to justify technology requests before they know what the real impact will be. The cuts are usually made by cost-cutters before the technology is implemented. The result is that fewer service employees have to try to run the old system while they are trying to implement the new system, and will be overwhelmed in the process. Quality is the victim and service badly affected.

10. Test the new system in a pilot situation before implementation. Even if it is a good system, the bugs have not been ironed out and premature implementation results in the loss of quality and unhappy clients.

Sustaining quality in the Singapore Civil Service

Edited extracts from a presentation by Jon S. T. Quah, Associate Professor and Head, Department of Political Science, National University of Singapore

The Singapore Civil Service (SCS) consists of the President's Office, the Prime Minister's Office and 14 ministries. It had a total of 58,922 employees on 2 July 1994.[1] The SCS has retained the original structure of four divisions recommended by the Trusted Commission in 1947 and has 15,311 Division 1 Officers (of whom 461 have super-scale status), 18,858 Division II officers, 17,567 Division III officers, and 7,186 Division IV officers.[2] It is about 127 years old as its origins can be traced to 1867, when the Singapore branch of the Straits Settlements Civil Service was formed.[3]

The main thesis of this paper is that the SCS has managed to improve and sustain the quality of its service because of the introduction of the following five policies:

1. the adoption of anti-corruption measures;
2. selective recruitment of the "best and brightest";
3. competitive pay for high-flyers;
4. computerisation; and
5. the establishment of the Service Improvement Unit (SIU) in April 1991.

While the first four policies are essential for ensuring the quality of the service provided by the SCS, the creation of the SIU is important because it provides valuable feedback and enables the SCS to monitor and improve the quality of service provided by the public sector.

As much more research has been done on the first four policies,[4] and in view of the space constraint, a brief discussion of these policies will suffice. Accordingly, this paper will focus on the SIU and its role in sustaining the quality of service in the SCS.

Anti-corruption measures

When the Peoples Action Party (PAP) Government assumed power in June 1959, it inherited a corrupt colonial bureaucracy that was not concerned with national development, and whose members were insensitive to the needs of the population. The PAP leaders realised that they needed to co-opt the civil servants as partners in national development. Furthermore, they had to minimise, if not eliminate, corruption in the SCS as, without an incorrupt civil service, all the gains made in development would not be shared among the population as the spoils would be squandered by corrupt politicians and bureaucrats.

In 1980, the PAP Government introduced the first prong of its anti-corruption strategy by amending the existing Prevention of Corruption Ordinance and replacing it with the Prevention of Corruption Act (POCA), to curb opportunities for corruption and to increase the penalty for corrupt behaviour. More specifically, the Corrupt Practices Investigation Bureau, which was formed in 1952, was given additional powers by the POCA. The PAP Government could only afford to implement the second prong of its anti-corruption strategy – the improvement of salaries and working conditions in the SCS to reduce the incentive for corruption – in 1972 after it had achieved economic growth.[5]

Singapore's anti-corruption strategy has been effective because it is designed to minimise or remove the two major causes of corruption; the incentives and opportunities that make corrupt behaviour irresistible.[6] Thus the ability of the PAP Government to minimise corruption in the SCS has removed an important obstacle to the provision of quality service in the public bureaucracy.

Selective recruitment

The Public Service Commission is the most important central personnel agency because it is responsible for controlling the quality of personnel entering the SCS, especially the Administrative Service, by attracting the "best and brightest" candidates to apply for Civil Service positions. It relies solely on interviews to select short-listed candidates for appointments to Divisions I and II. To be eligible for appointment to the SCS, a candidate must satisfy the following six criteria: citizenship, age, education, experience, medical fitness and character (i.e. no criminal conviction). In short, the PSC serves as the gatekeeper to the SCS by ensuring fair play and impartiality in recruiting and selecting candidates for senior appointments on the basis of merit.[7]

To compete for the best candidates in the labour market, the PSC offers attractive undergraduate scholarships to students with excellent results in the Cambridge General Certificate advanced level examination to study at the local universities or prestigious universities abroad. After graduation, these scholars are bonded to serve in the SCS for a fixed number of years, depending on the duration of their scholarship. The President's Scholarship is most prestigious and 119 Singaporeans were selected as President's scholars from 1966 to 1990. The PSC has recently improved the terms of its scholarships to compete with those statutory boards, government-linked companies and private sector firms which are offering attractive scholarships to bright students.

Finally, the PSC also competes for qualified candidates in the open market by conducting career talks at the two local universities for graduating students several months before their final examinations. To enhance their competitive edge vis-a-vis the private sector, the PSC and some government departments conduct

special briefing sessions for honours year students before their examination results are known to entice them to join the SCS.[8]

Thus, the second prerequisite for ensuring quality service in the SCS is its policy of selective recruitment of the "best and brightest" candidates by the PSC.

Competitive pay for high-flyers

In its report, *Leadership for America: Rebuilding the Public Service*, the Volcker Commission recommended that: "The commitment to performance cannot long survive, however, unless the government provides adequate pay, recognition for jobs done, accessible training, and decent working conditions".[9]

The PAP Government subscribes to this view also and this explains why it has attempted since 1972 to provide competitive salaries and favourable working conditions for civil servants.

In March 1972, all civil servants were given a 13th-month non-pensionable allowance comparable to the bonus in the private sector. One year later, the salaries of senior civil servants were increased to reduce the gap with the private sector. In May 1979, the then Minister for Trade and Industry, Goh Chok Tong, recommended a salary rise to rectify the problem of gross disparity between what the outstanding graduates are earning in the private sector compared to what the high flyers are earning in the Administrative Service.[10] In April 1982, the Government revised the salaries of those in the Administrative Service and other professional services to redress the wide disparity in pay between graduates in the public and private sectors, and to minimise the serious brain drain of senior bureaucrats from the SCS to the private sector.[11]

In March 1989, the Minister for Trade and Industry, Lee Hsien Loong, pointed out that the low salaries and slow advancement in the Administrative Service contributed to its low recruitment and high resignation rates. In recommending a substantial salary increase for the SCS, Lee indicated that:

> "As a fundamental philosophy, the Government will pay civil servants market rates for their abilities and responsibilities. It will offer whatever salaries are necessary to attract and retain the talent that it needs. As the Minister for Finance stated in his budget speech, the Government can afford to do so, and this is only being fair to the officers concerned".[12]

As a result of the 1989 salary increase, senior civil servants in Singapore earn salaries which are extremely high by international standards. For example, the basic monthly salary for the top administrative grade (staff grade V) was S$32,425

(or A$28,196 or US$20,140) which is much higher than the top monthly salary of A$18,278 in the New South Wales Public Service in Australia or the monthly salary of US$7,224 for GS-18, the highest salary scale for the United States Federal Service.[13] However, as Lee has stressed in his ministerial statement, the gross monthly salary of staff grade V (S$42,026 or US$26,103) is modest compared to the salaries of the top executives in the private sector in Singapore.

Lee concluded his March 17, 1989 speech in Parliament by promising that the Government "will continue to carry out regular surveys of private sector salaries to stay competitive. As the economy grows, and private sector incomes rise, we will regularly adjust civil service salaries to keep in step. Paying civil servants adequate salaries is absolutely essential to maintain the quality of public administration which Singaporeans have come to expect".[14]

Nearly four years later, in December 1993, Deputy Prime Minister, Lee Hsien Loong, announced in Parliament that the salaries of ministers and civil servants would be increased in January 1994 to keep pace with the private sector and to compensate for the reduction in their medical benefits.[15] There was an average salary increase of 20 per cent for the Administrative Service and superscale officers received between 21-34 per cent increase in wages, including bonuses. The table below shows the current basic monthly salaries (excluding allowances) for superscale officers in the Administrative service.

Current basic monthly salary for superscale officers in the Singapore Administrative Service, 1994

Grade	Basic monthly salary	
	S$	US$*
Staff Grade V	38,799	25,866
Staff Grade IV	33,261	22,174
Staff Grade III	27,723	18,482
Staff Grade II	24,041	16,027
Staff Grade I	20,359	13,573
Superscale A	17,392	11,595
Superscale B	14,658	9,772
Superscale C	12,187	8,125
Superscale D1	10,205	6,803
Superscale D	9,302	6,201
Superscale E1	8,614	5,743
Superscale E	7,927	5,285
Superscale F	7,290	4,860
Superscale G	6,653	4,435

* The exchange rate in July 1994 was US$1.00=S$1.50
Source: *Straits Times* (Singapore), December 4, 1993, p28.

In sum, the PAP Government's policy of ensuring competitive pay for high-flyers by periodically revising Civil Service salaries to keep pace with rising wages in the private sector has enabled the SCS not only to retain its high calibre personnel but also to sustain its quality service.

Computerisation

The first computer, installed in the SCS in 1962, was used for the national census, national statistics and the SCS's payroll. In 1979, the Management Services Department conducted a computerisation and mechanisation survey and found that the efficiency of the SCS could be enhanced to a great extent by introducing computerisation and automation as 105 major information and operational systems could be computerised.[16]

The National Computer Board (NCB) was formed on August 15, 1981 to promote, implement and guide the development of information systems in the SCS. The Civil Service Computerisation Programme (CSCP) was introduced by the NCB in September 1981 to improve both efficiency and productivity in the SCS by promoting the widespread use of computers among civil servants.

As a consequence of the CSCP, computerisation has made extensive inroads in the SCS and has enabled it to improve efficiency by reducing manpower costs. Indeed, the CSCP has generated S$2.71 in returns for every dollar spent on computerisation and reduced the need for 5,000 posts in the Civil Service by automating manual and repetitive tasks and streamlining operations.[17]

The SCS became fully computerised in 1990 as it had 107 mainframes and minicomputers, 10,000 personal computers and terminals, 293 operational application systems and 606 computer professionals. The budget for computerisation had also increased from S$14 million in 1985 to S$150 million in 1990.[18] Indeed, computerisation in the SCS has resulted in significant improvements in the quality of public services in terms of shorter waiting times and faster turnaround and response.

The Service Improvement Unit

In his address at the opening of Parliament on February 22, 1991, President W. Kim Wee announced the setting up of a Service Quality Improvement Unit (SQIU) under the Prime Minister's Office "to monitor and improve upon the standard of public administration" and "to maintain the highest possible standards in our public services" by obtaining feedback from the Singaporean public to improve the service provided by government departments and statutory boards.[19] The creation of the SQUI was a further manifestation of Prime Minister Goh Chok Tong's consultative style of government.

The SQUI was renamed the Service Improvement Unit (SIU) and was formed in April 1991 with the following terms of reference:

1. To measure, review, audit and assess the present level and speed of service provided by Government departments and statutory boards to the community. It will identify problem areas and make recommendations to the ministries concerned for remedial action to be taken. It will not act as censor, but as facilitator for ministries and departments in their efforts.

2. To foster in Singaporeans, a sense of common ownership and collective responsibility by inviting their participation in improving the standard of public service through dialogue with professional and business groups, and community organisations, inviting them to suggest alternatives to government systems and procedures which need improvement.

3. To consider all suggestions from the public. Individual complaints will be channelled to the Quality Service Managers in each ministry. The SIU will concentrate on the broader questions of systems and procedures.

4. To collate and compile feedback from the public and monitor the responses by the ministries concerned. The SIU will also work with ministries to develop a system to measure the level of service quality and track changes over time.[20]

The SIU is governed by a six-member Political Supervisory Committee, which is chaired by a minister, and a Management Committee consisting of nine senior civil servants, including the Chairman, Ngiam Tong Dow, who is the Permanent Secretary of the PMO and the Budget and Revenue Division, Ministry of Finance. The SIU is assisted in the performance of its duties by the appointment of 93 quality service managers (QSMs), who are super-scale officers in the SCS and statutory boards assigned to deal with complaints from the public or to channel these to the proper ministries or officers concerned. The SIU suggested that QSMs should be at least the second-in-command to ensure that they had the authority and resources to make changes throughout the organisation.[21] Furthermore, Quality Steering Committees (QSCs) were set up to spearhead improvement efforts in the ministries and statutory boards.[22]

During its first two years, the SIU's strategy focused on five aspects. The first concern was to increase organisational efficiency and effectiveness by "requesting ministries and statutory boards to review their rules and regulations and remove any found stifling, intrusive or obsolete". From April 1991 to March 1992, the ministries and statutory boards reviewed over 200 rules and modified or abolished 96 of them.[23] During its second year, the SIU proposed the creation of Regional Service Centres (RSCs) to serve as "supermarkets" for government services as one

way of increasing cross-agency organisational efficiency for the public's benefit. Accordingly, a RSC Working Group was appointed in November 1992 to develop the concept and to make recommendations to the SIU's Political Supervisory and Management Committees.[24]

Second, to maximise human resources, training is provided to enable civil servants to give better service. In addition to training all the QSMs, the Civil Service Institute (CSI) had also trained 11,630 officers in counter skills and 1,672 officers in telephone skills under the Public Contact Improvement Programme by the end of March 1993. The SIU co-ordinated and arranged for ministries and departments to send their staff for training at the Singapore Airlines' SQ Centre, which was formed to conduct training programmes to improve service quality at the national level.[25]

Third, the SIU has emphasised the use of information technology and automation to reduce administrative work and raise productivity. Indeed, its recommendation of increasing the GIRO participation rate to 90 per cent of all regular transactions was consonant with the government's suggestion to use GIRO to promote cashless transactions and to reduce paperwork.[26] The GIRO Promotion was conducted from February to April 1993 by the SIU to improve the GIRO system for users and to overcome public reservations about the use of GIRO for payment of public sector bills.[27]

Fourth, ministries and statutory boards were encouraged by the SIU to "assess their quality of service (through the use of service audits and exit interviews for example), develop performance monitoring systems and set targets for improvement".[28] In addition, the SIU informed the public of such improvements made by ministries and statutory boards as provision of more one-stop services, better facilities and more easily accessible information for the public by issuing two reports on the level of service in these organisations. Since the SIU's role is to monitor the performance and service quality of the public bureaucracy so that standards are not eroded, many departments and statutory boards have developed systems to monitor service levels using such indicators as waiting time, time taken for approvals and number of unanswered calls.[29]

Finally, the SIU monitors the feedback received from the public by analysing the nature of requests, complaints and suggestions received by the various public agencies. The number of calls and letters received by the QSMs has remained about the same: 7,909 calls and letters from April 1991 to March 1992; and 7,900 calls and letters from April 1992 to March 1993.[30] The six public organisations which have received the most feedback during the first two years of the SIU's existence are the Housing and Development Board, the Public Works Department, the Civil Aviation Authority of Singapore, the Mass Rapid Transit Corporation, the Police, and the Construction Industry Development Board.[31]

The complaints received during the first year were not serious as they "did not show up any major flaws in Government systems and procedures" and concerned "unhelpful staff in various departments, inability to get through telephone lines, and noise generated by construction work and military aircraft".[32] However, the number of complaints decreased by 37 per cent from 3,063 in financial year (FY) 1991 to 1,921 in FY 1992, and the number of compliments rose by 211 per cent from 161 to 501 during the same period.[33]

Conclusion

The two major features of the SCS's approach to sustaining quality should be highlighted: its comprehensive nature and the long period of time it has taken to do so. The approach is comprehensive because it deals with three important obstacles to the provision of quality service in the SCS: corruption (by implementing anti-corruption measures and paying competitive salaries); incompetent personnel (by selecting the best and brightest and paying them well); and inefficiency (by introducing computerisation).

Secondly, not only has it taken the SCS a long time to ensure quality service, the sequence of the measures adopted is equally important. The crucial first step is to minimise bureaucratic corruption by introducing and implementing impartially comprehensive anti-corruption measures as it would be difficult to ensure a quality service in a corrupt civil service as the provision of services would depend on a person's ability to bribe the bureaucrats concerned.

Related to the first step is the need to have a meritocratic system where candidates to the public bureaucracy are recruited and selected on the basis of achievement criteria. Without such a system, it would be easy for incompetent individuals to be selected through patronage or other ascriptive criteria. If high-flyers are not nurtured and motivated by competitive pay and accelerated promotion, they will inevitably leave for greener pastures in the private sector or emigrate to other countries. It would be extremely difficult to sustain quality service in the civil service if the latter fails to motivate and retain the high-flyers.

In the case of the SCS, it should be noted that the implementation of the first four policies to ensure quality service lasted for more than 30 years from 1959 to 1990. The SIU's creation in April 1991 is important because it signifies the beginning of a new phase where the end-users or customers – the public – are consulted for their views on the quality of services provided by the SCS and the statutory boards. Suggestions on how to improve the services provided have also been encouraged by the SIU and, where feasible, such improvements have been introduced by the agencies concerned. Needless to say, the process of quality improvement in the

SCS is a continuous one and much more remains to be done by the SIU which is just three years old.

Finally, it will not be easy to replicate Singapore's approach to sustaining quality in the SCS elsewhere because of the high economic and political costs involved. It is expensive to pay civil servants high salaries and to introduce large-scale computerisation in the civil service. It will also be difficult to minimise corruption or to introduce a meritocratic system without widespread political support. Singapore's experience shows that a strong government with a long tenure of office (35 years) and sustained economic growth in the country have enabled the implementation of the five policies responsible for sustaining quality in the SCS.

Notes

1. Information was provided by Public Service Division (PSD), Prime Minister's Office and the Service Improvement Unit (SIU). The views in this paper are those of the author and do not necessarily reflect those of the Government of Singapore, the PSD, the SIU or the National University of Singapore.

2. Ibid.

3. Jon S. T. Quah, "The Origins of the Public Bureaucracies in the ASEAN countries", The Indian Journal of Public Administration, Vol. 24, No.2 (April-June 1978), p.417.

4. Jon S. T. Quah, "The Rediscovery of the Market and Public Administration: Some lessons from the Singapore Experience", Australian Journal of Administration, Vol. 52, No. 3 (September 1993) pp. 320-328.

5. For more details on the PAP Government's anti-corruption strategy, see Jon S. T. Quah, "Singapore's Experience in Curbing Corruption", in *Political Corruption: A Handbook*, edited by A. J. Heidenheimer, M. Johnston and V. T. Le Vine (New Brunswick: Transaction Publishers, 1989) p841-853.

6. Ibid., p.842.

7. Jon S. T. Quah, "The Public Bureaucracy and National Development in Singapore", in Administrative Systems Abroad, edited by Krishna K Tumala (Washington, D.C.: University Press of America, 1982), p.51.

8. Mohd. Aminudin bin Buang, "Attracting and Retaining Personnel in the Administrative Service", (B.Soc.Sci. Honours academic exercise, Department of Political Science, National University of Singapore, 1991), p.33.

9. Paul Volcker, *Leadership for America: Rebuilding the Public Service* (Lexington: Lexington Books, 1990), p. 33.

10. Republic of Singapore, Parliamentary Debates Singapore Official Report, Vol. 39, No. 5 (May 15, 1979), cols. 358-360.

11. Jon S. T. Quah, "The Public Bureaucracy in Singapore, 1959-1984", in *Singapore: Twenty-five Years of Development*, edited by You Poh-Seng and Lim Chong-Yah (Singapore: Nan Yang Xing Zhou Lianhe Zaobao, 1984), pp. 296-297.

12. Lee Hsien Loong, "Salary Revision for the Administrative, Professional and Other Services", Ministerial Statement in Parliament, March 17, 1989, p.5.

13. Quah, "The Rediscovery of the Market and Public Administration", p.323.

14. Lee, "Salary Revision for the Administrative, Professional and Other Services", pp 21-22.

15. "Government pay boost for 65,000", Strait Times (Singapore), December 4, 1993, p.1.

16. Chuang Kwong-Yong et al., "Policy Issues of Central Management on Government Information Systems in the Republic of Singapore", (Singapore: Case-study prepared by the Ministry of Finance for the United Nations Development Administraton Division, 1983), p.5.

17. Quah, The Rediscovery of the Market and Public Administration", p. 325.

18. Straits Times, January 15, 1991, p.40.

19. Wee Kim Wee, *A Common Stake, A Common Destiny*. Singapore: Ministry of Information and the Arts, 1991), p. 3.

20. SIU Progress Report (April 1991-March 1992) (Singapore: PMO, June 1992), p. 10.

21. Ibid., pp. 1 and 11-12.

22. Ibid., p.2.

23. Ibid., p 2.

24. SIU Second Progress Report (April 1992 to March 1993) (Singapore: PMO, June 1993), p.2.

25. Ibid., pp. 3-4 and SIU Progress Report (April 1991 to March 1992), pp. 3-4.

26. SIU Progress Report (April 1991 to March 1992), p.4.

27. SIU Second Progress Report (April 1992 to March 1993), p. 4.

28. SIU Progress Report (April 1991 to March 1992), p 5.

29. Ibid., p.5 and SIU Second Progress Report (April 1992 to March 1993), p. 7.

30. SIU Second Progress Report (April 1921 to March 1993), p.8.

31. Ibid., pp. 8-9.

32. SIU Progress Report (April 1991 to March 1992), pp 7-8.

33. Ibid., p.9.

Centralisation/decentralisation and intergovernmental relations: the Nigerian experience

Edited extract from a presentation by Professor Jona Isawa Elaigwu, Director-General and Chief Executive, National Council on Intergovernmental Relations, Nigeria

As discussed below, the military superstructure (i.e. military government) has had a great impact on intergovernmental relations in Nigeria and the constant punctuation of the democratic political process has affected the institutionalisation and the adequate regulation of intergovernmental dialogue.

In Nigeria, the pattern of centralisation and decentralisation is directly related to the size and multi-cultural nature of the country. In particular, intergovernmental relations in Nigeria are a derivative of the federal compromise of the structure of the country.

Introduction

Centralisation and decentralisation have been key terms in Public Administration for a very long time.[1] The literature in this field of study is replete with case-studies of trends in centralisation and decentralisation and the nature of inter-governmental relations resulting therefrom. As government and the process of governance get more complex, so also have the demands for participation in the decision-making process escalated.

In most countries of the world, erstwhile suppressed identities are exploding in new forms of self-determination and nationalism. Apparently homogenous states have witnessed an upsurge of sub-nationalism. Heterogeneous or multicultural states have had to resort to varying ways of resolving their intergroup relations through self-determination, federalisation or ethnonationalization.[2] From the collapse of the Soviet Union to the break up of Yugoslavia, the federalisation of the European countries, and the unification of North and South Yemen, to the ethnonational solutions, to problems of multinational states in Nigeria, India and Canada – a clear lesson has been sent out that the demands for participation on the ascendant and that leaders who treat sub-national demands with levity stand the risk of an explosion in sub-national identity.

Given the complexity of modern government, the experience of many countries has shown that there are "social limits to politically-induced change"[3] from the centre. Is decentralisation of political power a political imperative in the current world?

In Nigeria, what is the pattern of centralisation and decentralisation? and what is the nature of intergovernmental relations? Given these questions we suggest that:

- The pattern of centralisation and decentralisation is directly related to the size and multicultural nature of the country.
- Intergovernmental relations in Nigeria is a derivative of the federal compromise and structure of the country.
- The military superstructure (i.e. military government) has had a great impact on intergovernmental relations in Nigeria.
- The constant punctuation of the democratic political process has affected the institutionalisation and the adequate regulation of intergovernmental relations.
- The demands of modern and complex government and the political economy of federalism have limited the options available to all African leaders (and particularly) Nigerian leaders on centralisation and decentralisation.

It is therefore no wonder that the complexity of Nigeria has made decentralisation a political imperative even though the nature of intergovernmental relations is gradually unfolding.

The dynamics of intergovernmental relations[4]

The emergence of the modern welfare state has made a complex web of intergovernmental relations inevitable. In Nigeria, some of these forms of interaction are formal and some informal.

National Electoral Commission

There are a number of formal structures in the political system aimed at enhancing intergovernmental relations. These federal-state institutions include the National Electoral Commission (NEC)[5] under the 1989 Constitution. Among its functions is the organisation of elections to all public offices, from local government to federal level. It has the additional function of monitoring the activities of the two political parties, and examining the funds of the parties. Under the 1979 Constitution, the states also had their own state electoral commissions to conduct elections to local government offices, but then the local governments were still creatures of state governments. The NEC is composed of a chairman and eight others elected by the President.

National Council of States

The National Council of States (NCS) is a top advisory body to the President as he exercises his powers under the constitution with regard to national population census, prerogatives of mercy, awarding national honours, the NEC and appointment of its members, the Federal Judicial Commission and the appointment of its members, and the maintenance of law and order. Members of the NCS include the incumbent President as Chairman, the Vice-President, all former presidents and former heads of government, all former chief justices of the federation who are Nigerians, the President of the Senate and the speaker of the House of Representatives, all governors of the states of the federation, and one person from the states appointed by the state Council of Chiefs. As an intergovernmental organ, this could be a very useful agency for national unity if properly utilised by the President.

Boundaries Commission

This Commission has the function of determining and intervening "in any boundary dispute that may arise between Nigeria and any of her neighbours or between any two states of the federation with a view to settling such disputes".[6] With the increase in the number of states from four in 1963 to 30 in 1991, there are many instances of boundary disputes. Again the membership of this Commission reflects the intergovernmental nature of its role. Its membership includes the Vice-President who is the Chairman, the Minister of Defence, the Inspector-General of Police, the Minister of Justice, the Ministers of External Affairs, Internal Affairs, Works and Housing, and National Planning, the Director-General of the National Intelligence Agency, the Governors of the States involved and two members appointed by the President from the public or private sector.

National Economic Council

The National Economic Council advises the President on the economic affairs to the federation and co-ordinates the efforts of the component units of the federation in planning and economic development. Its members include the Vice-President, who is the Chairman, the Governor of each State, the Governor of the Central Bank, the Chairman of the National Revenue Mobilization, Allocation and Fiscal Commission, and the Federal Minister of Economic Development.

National Population Commission

The National Population Commission (NPC) undertakes periodic enumeration, keeps a continuous register of births and deaths throughout the country, advises the President on population matters, and provides and publishes data and information on population for purposes of economic planning. The members of the

Commission consist of a chairman, and one person from each state of the federation.

National Revenue and Fiscal Commission

There is also the National Revenue Mobilisation, Allocation and Fiscal Commission which has the functions of "accruals and disbursement of revenue from the Federation Account", reviewing of the revenue allocation formula from time to time, advising federal, state and local governments on fiscal efficiency and methods of revenue generation, as well as fixing the salaries of public officers, such as the President, Vice-President, Governors, Deputy Governors, Ministers, Commissioners, and others. Its membership comprises a chairman and a member from each state of the federation.

National Council on Intergovernmental Relations

The National Council on Intergovernmental Relations (NCIR) was established on 20 July 1991 to "closely monitor the operation of the federal system, giving continuing attention to intergovernmental relations in the Nigerian federal system; study, conduct research and maintain data, recommend solutions to problems of intergovernmental relations and necessary forms of improvement; play mediatory roles in resolving conflicts, and establish contacts with other organisations with similar objectives".[7]

The membership of the Board of Governors is such that each tier of Government and each arm of Government at each tier of Government is represented. The membership includes a chairman, the Director-General and Chief Executive, three private citizens, four state governors, two federal ministers, two senators, two members of the House of Representatives, the Accountant-General of the Federation, two speakers of the state Houses of Assembly, two chairmen from local government, two councillors, and the Mayor of Abuja, the federal capital.

These institutions not only bring state and local officials together, they also help to smooth intergovernmental relations and encourage co-operation among the component units of the federation. However, there are other more informal institutions that are very useful in co-ordinating the activities of the component units of the federation. The various national councils, such as those on education, agriculture, finance, health, industry and others, help to bring state and federal political executives together to harmonise policies in particular areas of importance. Thus, for example, the Federal Minister of Education and his counterparts in the states (called commissioners) meet periodically to review educational programmes in the country and to harmonise their policies in the interests of the country. There are problems in carrying out these intergovernmental relations, but these informal structures contribute a great deal towards improving communication between states and the Federal Government.

Similarly, the informal meeting of the Association of Governors is very useful in getting them to compare notes. These meetings are, of course, more informal than the Australian Premier's conferences, but they are quite important in the Nigerian federal system. The Conference of the Chairmen of Local Governments serves the same purpose at the local level. Under military Government, the National Council of States serves as a forum for the states' administration/governors.

In addition to the above, there are some other provisions worth mentioning here. The Constitutions of 1979 and 1989 provide for a section called the "Fundamental Objectives and Directive Principles of State Policy" which enumerates the obligations of Government and each citizen.[8] The Constitutions also have a Fundamental Rights Section. Given Nigeria's peculiar environment and the need to ensure that no section of the country is excluded from Government, section 14 of the 1979, and section 15 of the 1989 Constitutions provide for what Nigerians refer to as "the federal character principle". It states that:

> "The composition of the Government of a State, a Local Government, and the conduct of the affairs of the governments or such agencies shall be carried out in such manner as to reflect the federal character of Nigeria and the need to promote national unity, and also to command national loyalty, thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in that Government or in any of its agencies".[9]

Challenges in centralisation/decentralisation: a futuristic perspective

One of the greatest challenges in the institutionalisation of intergovernmental relations in Nigeria is the constant punctuation of the democratic political process. Military interventions (albeit, often on the invitation of, and/or in conspiracy with, members of the civilian political class) have grossly rendered intergovernmental relations fragile. Any new military regime establishes its own modalities of interaction among component units of the federation. The democratic experience must last over a period of time to allow for the regularisation of processes of interaction among components units of the federation.

Cultural pluralism is not unique to Nigeria in the African continent. At independence, many African countries could have gone federal, but the political economy of federalism and the seeds of self-determination built into the federal principle. Kenya inherited a quasi-federal constitution under the "Majimbo" Constitution which gave some powers to the regional legislatures. However, Kenyatta and his party men believed that federalism had the capability for escalating inter-ethnic tensions and eroding the power of the centre. As Kenyatta

observed, the 1963 Constitution "was too rigid, expensive and unworkable".[10] The party then moved on to erode the regions of "any executive and legislative duties". It centralised administration and only devolved certain functions and power to them.

In its usual fashion, Britain wanted to hand over to Ghana a quasi-federal system similar to Kenya earlier on, but Nkrumah's Convention People's Party put a death knell to it. Uganda, another culturally plural state, inherited a constitution which was neither federal nor unitary it was both. Former President Obote gave the system the first shock in 1965-66, and General Idi Amin centralised political power under a unitary government in his 1974 administrative reorganisation. Cameroon started off on the federal path and abolished it in 1972. There is currently a secessionist move by anglophonic Cameroonians. Tanganyika and Zanzibar despite sub-nationalism is still hanging to its federal association.

Why did African rulers prefer unitary solutions to problems arising from their cultural pluralism? It would seem logical that given the cultural diversity in African states, the compromise offered by the federal system of government would have been embraced by their leaders. Why is there an overwhelming preference for a unitary system of government with its implications for centralisation/ decentralisation and intergovernmental relations? The fragility of central authority and the necessity to consolidate power and authority, meant that structures which were mobilisational became more advantageous than structures which exhorted inter-group reconciliation. A unitary system emphasises centralisation. Sub-national units must look up to the centre for their resources and power. The leaders were too preoccupied with consolidation, the power of the centre, that they were not ready to share powers and functions with sub-national units.

Furthermore, it was often feared that federalism crystallised sub-national identities and often sharply defined the parameters of operation and loyalty of component units. In doing so, federalism is seen as a crisis escalator rather than a crisis dampener. Inter-ethnic, religious, geopolitical and racial dichotomies become supposedly more pronounced under a federal system. In a way, the fears of the inheritance elites in Africa were genuine. After all, federalism is a paradoxical "elixir" to be purchased from any political market. If it provides for the security and survival of a nation (because of the very compromises it is capable of effecting) it also safeguards self-determination of parochial groups.

Essentially, federalism is a compromise between centripetal and centrifugal forces in the political system. All federal systems experience adjustments, at different points in time, between these two extreme pulls. But the extent to which a federal system survives very much depends on the ability of the political elites in a country to maintain a delicate balance between centrifugalism and centripetalism. Excessive pulls in favour of centrifugal forces may grossly weaken the centre and herald disintegration, as Nigeria found out.

The cost of maintaining federal and state legislatures, the executive and in some cases, local government councils and staff, is prohibitive. It is therefore not surprising that unitarism is the favourite of many African leaders. Perhaps the challenge of the future is how African leaders can adequately provide political access for people at the sub-national/grassroots level to participate in decisions which affect them, while at the same time protecting the integrity of the State. Each African state must find a conducive balance between centralisation and decentralisation in the light of its experiences.

Conclusion

Given Nigeria's multinational state, we have argued in this paper that the degree of centralisation and decentralisation is related to her peculiar circumstances. It depends on the political compromises struck between centripetal and centrifugal forces in the polity. Nigeria opted for a federal compromise, albeit, with some problems in the adjustment of the federal pendulum. Yet most Nigerians still believe that federalism has not lost its value as a device for managing conflicts.

Nigeria's federal compromise has important consequences for intergovernmental relations as the pendulum swung between centripetal and centrifugal forces – with embedded patterns of centralisation and decentralisation. It is also our argument that if the federal centre has given a verisimilitude of being "titanic", this owes a great deal to deliberate policies and actions by the military rulers who have ruled Nigeria for about a quarter of a century. The military's hierarchical superstructure on the polity favoured greater centralisation of powers, but not without the abhorrence of a repeat of Nigeria's tragic civil war.

On the other hand, the constant punctuation of the democratic process by the military has rendered intergovernmental relations epileptic and fragile. There needs to be a democratic base to Nigeria's federal compromise, if intergovernmental relations are expected to produce a relatively "efficient" and harmonious federation.

With greater demands by Africans generally for participation in decisions which affect their lives, the pressure in unitary systems for greater devolution will be on the increase; so also will be the pressure for greater autonomy by sub-national units in federations.

Notes

1. See for example: United Nations, Decentralisation for National and Local Development (New York: UN, 1962); Henry Maddick Democracy, Decentralisation and Development (London: Asia Publishing House, 1963); Dennis Rondinelli, Decentralisation of Development Administration in East Africa, (Nagrya, Japan: UN Centre for Regional Development, 1981); Jeremy White, Centralisation in Nigeria 1914-1948: The Problem of Polarity (Dublin: Irish Academy Press Cl, 1981); G. Shabbir Gheema and Dennis Rondinelli, Decentralisation and Development Policy Implementation in Developing Countries (Beverly Hills: Sage Publications, 1983); c.Lloyd Brown-John (ed.) Centralising and Decentralising Trends in Federal States (Lanham: University Press of America, 1988). Daphne A. Kenyon and John Kincaid (eds.) Competition Among States and Local Governments: Efficiency and Equity in American Federalism (Washington D.C.: The Urban Institute Press, 1991).

2. Charles T. Barber. "Democratisation in Federal Systems: Integration or Disintegration". Paper prepared for the XVIth World Congress of the IPSA, 20-25 August, Berlin, 1994.

3. John Lewis. "The Social Limits of Politically-Induced Change" in Morse et al. (eds.) *Modernization by Design* (Ithaca: Cornell University Press, 1965).

4. J. Isawa Elaigwu "Composition of Regional Institutions: The Nigerian Experience" in Bertus de Villiers and Jabu Sindane (eds.) *Regionalism: Problems and Prospects* (Pretoria: Human Sciences Research Council, 1993) pp 130-134.

5. Under the 1979 Constitution, it was called the Federal Electoral Commission (FEDECO), while state governments had their own electoral commissions for the conduct of local elections.

6. It should also be noted that with the creation of many local government areas, there are also boundary problems among local governments.

7. Decree No.89, 1992 establishing the Council also stipulated its many functions which for space constraints cannot be included here.

8. These are not justiciable but they are important obligations for the government and the citizen.

9. The NCIR plans to hold a conference soon to help work out the modalities to operationalising the federal character principle.

10. See Republic of Kenya, Official Report, House of Representatives, First Parliament, Second Session, Vol. 11, Part 11, 14 August, 1964, col 1707-1710, in Cherry Gertzl, M. Goldschmidt and Don Rothchild. Government and Politics in Kenya (East African Publishing House, 1972) p.913.

Centralisation and decentralisation: the challenge of reaching the citizens with better service delivery (Ghana)

Edited extracts from a presentation by Professor Moses N. Kiggundu, Professor of International Management and Public Administration, School of Business, Carleton University, Canada

Introduction

Decentralisation means different things to different people at different times and places. In the corporate world, it is equivalent to divisionalisation. In public administration, it often refers to devolution of responsibility – not necessarily authority – to local or sub-national structures. For economic reformists, as characterised by advocates of structural adjustment programmes, it includes various forms of privatisation from line ministries or state-owned enterprises to joint operations, special operating agencies, and private sector organisations. Yet, to others, it means popular participation through non-government organisations (NGOs), community-based organisations (CBOs), indigenous or traditional institutions, national conferences, workers' trade unions, women's organisations, and mass mobilisation aimed at people power or collective empowerment. To some, rural development is a form of decentralisation. More recently, it has taken on the connotation of good governance through institutions other than the central authority. As noted elsewhere (Kiggundu, 1989), decentralisation is not a unitary concept but a shorthand for various forms of institutional arrangements by which power, decision-making authority and other resources are distributed to facilitate good governance, policy formulation, programme implementation, and service delivery to various publics.

All these approaches are based on a common normative approach based on the belief that decentralisation is better than centralisation, and that both service to the public and the public interest are best and most effectively satisfied through the periphery rather than the central command post authority. In modern day parlance, we are told that hierarchy is dead and networking is in vogue.

Yet it is fair to say that throughout modern history, both in the public and private sectors, managers and administrators alike have tended to preach decentralisation while practising centralisation. The virtues of decentralisation have been easier to articulate than to put into sustainable administrative and managerial practice. There is and has always been a significant difference between espoused theories and theories in use. As well, cold war ideological competition permeated both public and private institutions and prevented genuine decentralisation or empowerment at sub-national levels. The need for central control was paramount, and superseded the desire to appease local needs and interests.

Thinking about centralisation and decentralisation

This framework is based on the idea that organisations perform two types of tasks – operational and strategic – and that centralisation/decentralisation involve alternative locations of centres of authority and responsibility within and among decentralising organisations. The Ghanaian example compares attempts by the Government and the institution of chieftaincy in reaching ordinary citizens and providing them with basic needs, and finds institutional difficulties in so doing.

Table I (Annex 1) provides an illustration of how to use this framework to think about centralisation and decentralisation. It begins by identifying two types of administrative functions which all organisations perform: policy formulation and programme implementation and service delivery. These functions can be categorised as strategic and operational respectively. Each of these functions or subsets thereof can be centralised or decentralised and performed either *within* a single organisation or institution, or *across* two or more organisations. Quadrants 2 and 6 relate to policy and operational decentralisation within a single organisation, such as a Ministry of Agriculture, while Quadrants 4 and 8 relate to decentralisation involving two or more separate or semi-autonomous organisations. Quadrants 2 and 6 illustrate the traditional approach to decentralisation whereby decision-making and/or programme implementation is pushed to lower levels of the hierarchy. The Ghana example described below illustrates this approach whereby line ministries, such as Health, Education, and central agencies, such as Finance, and the Office of the Head of the Civil Service delegate authority to the regional, district and local authorities. In this regard, decentralisation takes place only *within* government structural arrangements.

On the other hand, Quadrants 4 and 8 are different in that they take decentralisation *outside* the government and require the involvement and active participation of private sector agencies or corporations. In Quadrant 4, agencies outside government are involved in the policy formulation. Politicians and senior bureaucrats often object to this form of decentralisation because it appears to give the impression of central government abdication to govern and the erosion of sovereignty and independence. If the agency or agencies to which policy formulation has been decentralised is foreign or foreign controlled, it tends to arouse nationalist sentiments and cries of foreign domination.

Yet, strategic decentralisation of policy formulation outside government structures is not as rare as top-level institutional gatekeepers would like to lead us to believe. For example, private sector institutions, think-tanks, universities, donor agencies, non-governmental organisations (e.g. third-generation NGOs), and quangos (quasi-autonomous organisations) often influence government policy to the point where ministers or the Cabinet simply rubber stamp them. This happens especially if the central government is weak, depends on military rather than popular support for its survival and legitimacy, or if the bureaucracy is technically or

administratively lacking the capacity for effective policy formulation. Some people have argued that policy formulation associated with structural adjustment programmes (SAP) especially in the weak and vulnerable states, constituted a form of "foreign strategic decentralisation". Consequently, the resulting policies lacked the necessary sense of "home" ownership and commitment during implementation.

Quadrant 8 illustrates the form of decentralisation most commonly promoted in most Commonwealth countries ranging from the privatisation of social services in the United Kingdom using quangos, telecommunications in New Zealand, Malaysia and Tanzania, and airports management and control in Canada. Here the focus is on the performance of operational tasks associated with programme implementation and delivery of services to the citizens using agencies outside government. This form of decentralisation tends to be popular with politicians and senior bureaucrats because government retains the functional responsibility for key policy decisions. One disadvantage though is that over a period of time, the government department or agency from which operational tasks are decentralised may lose its distinctive competencies and excellence in the performance of those tasks. For example, it has been argued that the excessive use of outside consultants by agencies, such as the Canadian International Development Agency (CIDA), has left them internally less competent to design and deliver effective international development programmes, and that they lose too much of the necessary corporate memory to outside agencies.

Decentralisation by commercialisation

While in the past most decentralisation involved devolution of decision-making authority to lower levels within the same government bureaucracy, today the emphasis is on decentralisation by commercialising government services and contracting them out usually to an outside agency. Accordingly, considerations of value for money are very important and if services can be provided cheaper by an outside agency without negative effects on other public interests (e.g. safety), then the public agency loses the exclusive right to deliver such services.

Table 2 (Annex 2) provides a summary of a few selected strategies of decentralisation by commercialisation and their respective characteristics. For example, in terms of governance, except for the special operating agencies (SOAs), all other forms require an independent board of directors. In terms of the ability to raise money on the open market, private corporations and NGOs enjoy the most freedom. Likewise, government influence is high for SOAs and Government-owned company-operated (GOCO) agencies, and lowest for NGOs, mixed enterprise corporations (MECOs), and private corporations. The Table provides a guide as to which decentralisation option should be used depending on the intended objectives. For example, if the objective is to reduce government influence or create opportunities for independent sources of capital, then decentralisation

should be achieved through the various forms of corporatisation rather than SOAs or GOCOs. If decentralisation by commercialisation is still in the experimental stages, or if critical national interests are at stake, it may be prudent to use Special Operating Agencies (SOAs) or other forms which leave residual powers in the hands of government senior bureaucrats and politicians.

Decentralisation in Ghana: reaching the ordinary citizen

Ghana's experience with decentralisation and alternative forms of local government spans several decades. Since 1957, there have been eleven Commissions of Enquiry on local government structures and functions and sixteen laws or decrees related to decentralisation. The most recent major structural changes are embodied in PNDC Law No. 207 of 1988 which gave rise to the existing 10 Regional Administrations and 110 District Authorities. Chapter 20 of the 1992 Constitution is devoted entirely to decentralisation and local government and states that "Ghana shall have a system of local government which shall, as far as practicable, be decentralised".

In spite of all these efforts, Ghana, like most African countries, remains highly centralised. By some measures, Ghana has been one of the most centralised countries in the world. A study completed in 1989 reported that, with respect to share of total government spending, Ghana ranked fifteenth among a sample of eighteen countries; excluding only Costa Rica, the Gambia and Sri Lanka.

In recent years, following the administrative reform programme associated with structural adjustment, local government revenue collection has improved but most of the money has gone into administration rather than delivery of services to the citizens. A USAID-funded project examining decentralisation in financial and project management concluded that although primary education has improved, "decentralisation in the Ghana health service has not produced hoped for efficiency and improvements in quality. The system continues to be hospital-based, curative care, urban-oriented, and centrally controlled. Decisions reflecting concerns and interests of officials at the centre – have created an expensive, vertical approach to health care" (1992:3).

Other services and infrastructure such as water, sewage, and sanitation as well as roads and drainage remain difficult to construct, operate, and maintain to the satisfaction of the majority of the citizens especially in the rural areas. For example, in a recent World Bank study, the Ghana Highway Authority estimated that 80 per cent of the 14,410 km of primary and secondary roads are classified as either fair or poor and therefore need reconstruction and/or rehabilitation. Of the estimated 21,300 km. of feeder roads, only 16 per cent were considered to be in good condition. Of the balance, 12,900 km or 60 per cent were in poor condition, and 5,100 km or 24 percent were considered to be fair.

The challenges, problems, and prospects for decentralisation in Ghana must be understood within the context of a *unitary* system of administration whereby all sub-national structures are subordinate and subject to the ultimate authority of the central Government. The inconsistency between *structure* and *policy* has been highlighted by several studies on decentralisation. For example, the same World Bank report observed that "there is a significant inconsistency between the current objectives of Ghana's decentralisation policy and the structure of authority in place for the performance of planning, financing, and personnel management functions... District Authorities (DAs) are not yet ready to assume the whole range of responsibilities assigned to them...weaknesses of many central Government ministries and agencies compound inadequate capacity at local levels". This is a most practical illustration of Chandler's (1962) hypothesis of the relationships between policy (strategy) and structure.

The Ghanaian chieftaincy system in its various forms, is deeply rooted in the social, cultural, religious, political and economic lives of the majority of the people. In spite of historical abuses and manipulations, the institution of chieftaincy has proved to be most resilient and is expected to survive current and future challenges. In spite of its limitations including lack of resources, it continues to provide a wide range of family and community services to the people. As well, the institution of chieftaincy and its structures is recognised and entrenched in the 1992 Constitution. Chapter 22 states that the "institution of chieftaincy, together with its traditional councils as established by customary law and usage, is hereby guaranteed" (1992:164).

Figure 1 (Annex 3) provides a comparison of the extent to which various institutional arrangements are structurally able to reach ordinary citizens at different levels of society. The Government of Ghana, through its central Government ministries and agencies, regional and district authorities as well as local councils, is most strategically structured to reach the citizens at the more *macro-levels* of society. This is most likely to be the case in the formal, highly organised, urban or semiurban groupings. Likewise, the vertical plane of the chieftaincy institution – made up of the National House of Chiefs in Kumasi, the 10 Regional Houses of Chiefs, and the 180 Traditional Councils – is most strategically structured to deal with Ghanaian society at the more macro-levels. On the other hand, the various forms of chieftaincy below the Traditional Area Councils are structurally represented at the more grassroots level of society. At the grassroots, chieftaincy is represented by the Odikro, family heads, functional chiefs or clan-based sub towns up through the Ohene, village chiefs or subdivisional and divisional chiefs. These in turn report to the Omahene, Yana or Paramount Chief and these offices carry a lot of respect and influence within their respective communities. However, as Figure 1 shows, these structures are not represented at the macro-levels of society except through the vertical plane and this makes it difficult for them to access central Government services and articulate their needs and concerns in a unitary system of government.

The hypothesis being advanced here is that decentralisation can most effectively be implemented and sustained in Ghana through a more creative use of existing structures as represented by the local government authorities and the institution of chieftaincy. Table 3 (see Annex 4) provides a partial list of some of the basic services and infrastructure which could be most effectively delivered in partnership with different parts of the institution of chieftaincy. For example, since water is a very grassroots basic need down to the level of the family, the construction, operation and maintenance of the water infrastructure (e.g. wells) should be done in *partnerships* with the village chiefs, their councils, and citizens. In fact, in some parts of Ghana, it is inconceivable to have a successful programme of poverty alleviation that does not accord the chief and other key leaders within the institution (e.g. Queen Mother) strategic roles in the fight against poverty in their respective communities. It has also been suggested that in those communities where law and order have been sustained for a long period of time, it may be cost-effective to experiment with community policing with the horizontal levels of the chieftaincy institution as the special operating agency (SOAs).

In advocating the use of the institution of chieftaincy to advance decentralisation, a number of cautions must be recognised. First, chieftaincy in Ghana is not a unitary concept. It varies across regions in terms of institutional strength, leadership, support of the people, resources, and emphasis on modernity (e.g. development) and tradition (e.g. rituals). Therefore, while in some regions such as the Ashanti, the institution could take on more decentralised functions, in the north Konkombas are in a state of conflict and open war with their neighbours. As well, even where chieftaincy structures are nominally in place, they may not have the capacity to function effectively. Accordingly, measures of institutional strengthening and capacity development may need to be undertaken first.

Summary and Conclusions

1. Decentralisation and its various structural forms can be an effective instrument of managing transitions both in terms of managing transitions in the traditional public administration services (e.g. through local government structures) as well as the more recent areas of deregulation, commercialisation, privatisation, corporatisation and restructuring. More experimentation and research is needed for the former form of decentralisation involving the transfer of policy formulation or service delivery across organisations and using commercial methods of doing business typically found in the private sector.

2. Reaching the ordinary citizens through central government structures continues to be a challenge even when such structures are ostensibly decentralised.

3. Available evidence seems to suggest that effective decentralisation calls for the central administrative structure (e.g. the central government) to establish some kind of strategic alliance with private sector or outside organisations (e.g. NGOs, quangos, traditional institutions, corporations) in order to develop the necessary capacity to reach the ordinary citizens, deliver services to them at affordable prices and mobilise them as a positive force for development.

4. The two case-studies discussed in the full conference paper show a genuine interest in decentralisation, but the efforts have not translated into better services to the ordinary citizens at the grassroots levels. In Ghana, Government services at the village level remain rudimentary, and in the Asian country studied, telecommunication services remain among the lowest in the world and are concentrated in urban centres largely for large business organisations.

5. One of the future challenges for public administration and management is the development of more effective systems and practices of decentralisation. The capacity for effective decentralisation must be developed in both directions. Individuals and institutions from which power, decision-making authority, or functions are being decentralised, and those receiving the decentralised authority must both be strengthened for their respective new roles. Effective decentralisation requires a strong central authority as well as competent local authorities or private sector corporations or agencies. When it comes to effective decentralisation, it takes two good ones to tangle.

Annex 1

Table 1: Thinking about Centralisation and Decentralisation

Types of Administrative Functions	Within or Across Organisations	Centralisation	Decentralisation
POLICY FORMULATION	Intraorganisational (within)	1 Ministry Head Office makes all policy decisions	2 Ministry local offices make all or some policy decisions
	Interorganisational (across)	3 Cabinet makes all Ministry and agency policy decisions	4 Agencies outside government make all or some policy decisions
PROGRAMME IMPLEMENTATION AND SERVICE DELIVERY	Intraorganisational (within)	5 Ministry Head Office implements programmes and provides services	6 Ministry local offices implement programmes and deliver services
	Interorganisational (across)	7 Cabinet implements policy programmes and provides services	8 Agencies (e.g. quangos) or corporations outside government mandated or contracted to deliver services

N.B. Quadrants 4 and 8 are of particular interest for discussing decentralisation for governments in transition

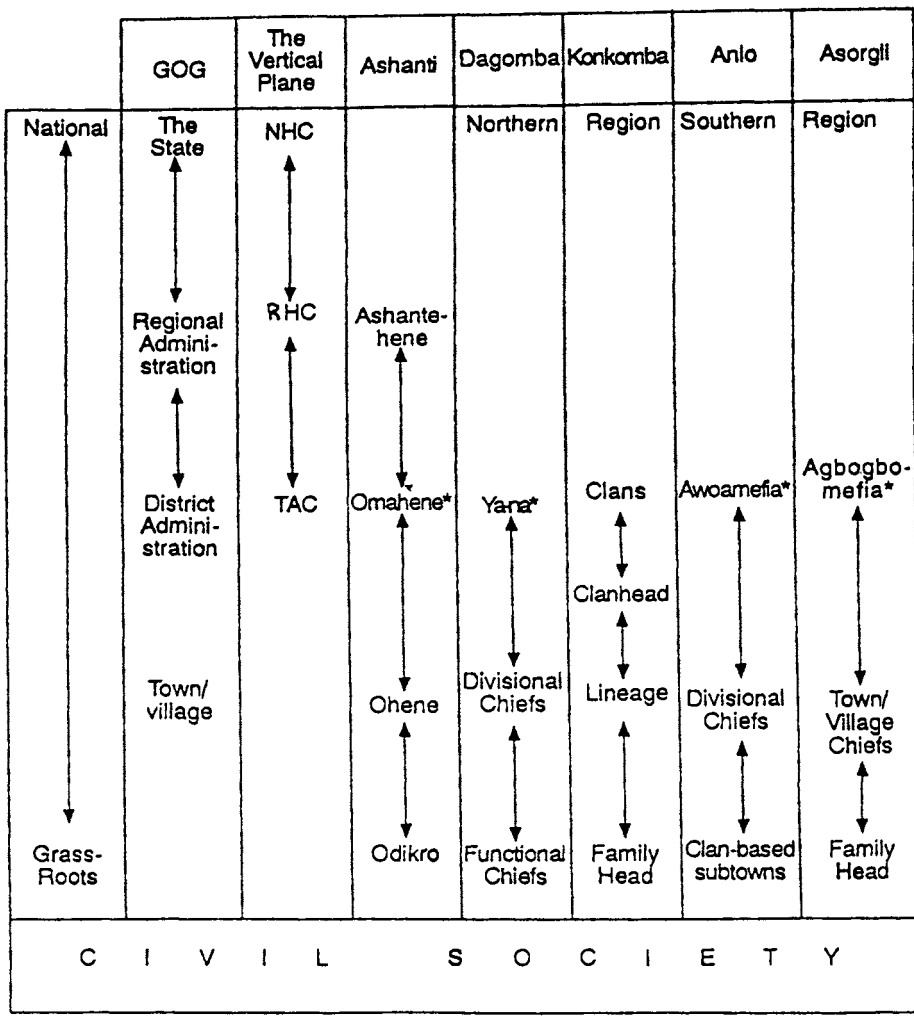
Annex 2

Table 2: Selected Strategies of Decentralisation by Commercialisation and their Characteristics

	Governance Board	Legal Requirements	Ability to Raise Capital Commercially	HRM Flexibility	Government Influence
1. Special Operating Agency (SOAs)	No legal requirements but board may be established	Not applicable	No	Public Service Regulations (PSR)	High
2. Government Owned Company Operated (GOCO)	Board required for company operations	Required for company operations	Govt.: No Co.: Yes	Govt.: PSR Co.: National Labour Laws	High
3. State owned Enterprise (SOE)	Board required	Financial Administration Act (Canada)	Subject to Government guidelines & authority	National Labour Laws	Medium
4. Mixed Enterprise Corporation (MECO)	Board required	Special legislation	Yes	National Labour Laws	Low
5. Private Corporation	Board required. Vested interests should be excluded	Act of Parliament	Yes	National Labour Laws	Low
6. Non-profit Corporation (NGO)	Board required	Act of Parliament	Yes	National Labour Laws	Low

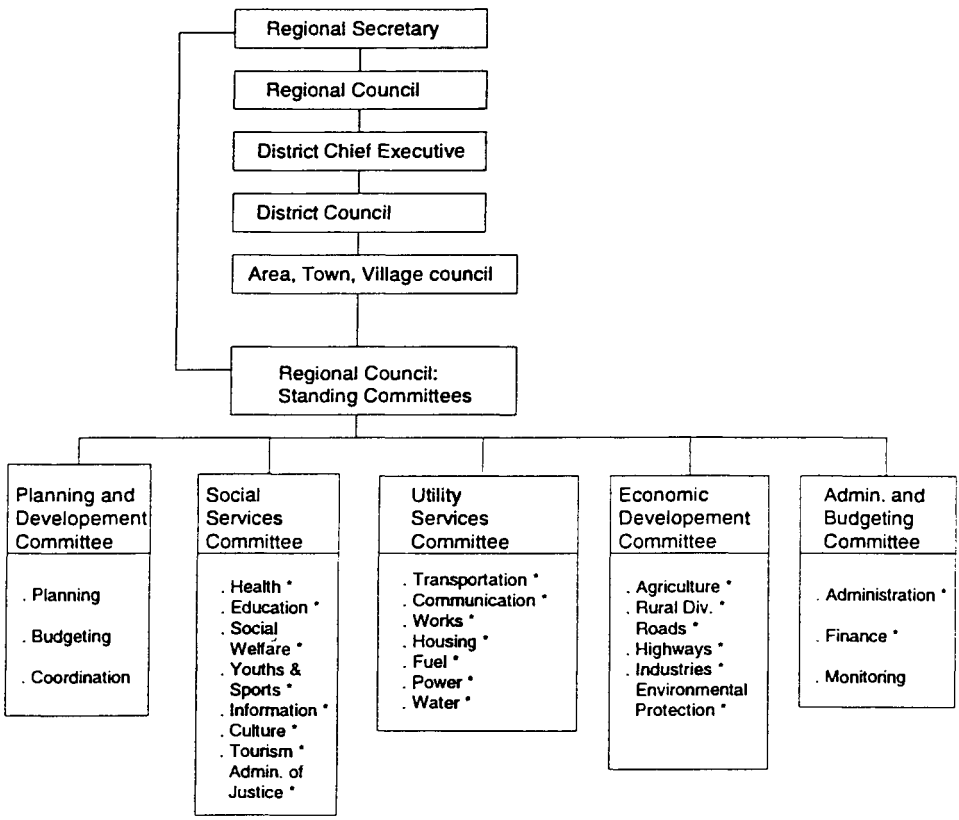
Source: Based on "Characteristics of Selected Commercialization Options: Guide" by Younge & Wiltshire, Management Consultants, prepared by Transport Canada, January 6, 1994.

Figure 1: National-Grassroots Structural Linkages, Government of Ghana and the Institution of Chieftaincy



Note: GOG = Government of Ghana; NHC = National House of Chiefs;
RHC = Regional Houses of Chiefs; TAC = Traditional Area Council;
* = Paramountancy

Table 3: Government of Ghana Administrative Structure below the National Government: Functions Identified for Chieftaincy's Horizontal Plane



*Indicates services of functions which could be provided by the institution of chieftaincy, alone or in partnership with other institutions.

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Reform at the crossroads: efforts to implement an integrated strategy for renewal in the Canadian Federal Government

Edited extracts from a paper by Tim Plumptre, President, Institute On Governance, Canada

Introduction

Objectives

The purpose of this paper is to discuss "government reform" in Canada as an integrated strategy, to examine the recent history of such a strategy in Canada, and to reflect on the options facing the new Liberal Government which assumed office in late 1993. It is based upon a review of recent Canadian experience and also of approaches to reform in a number of other jurisdictions.

The phenomenon of Government reform

Like all large institutions, governments are always in a state of flux to some degree. Existing programmes are adjusted to meet evolving demands, fresh ones are implemented, new regulations and laws are framed to cope with emerging problems. Such ferment is a normal process of adaptation to social or economic needs.

However, from time to time, circumstances require governments, like other institutions, to undergo more profound changes which may be called transformational or strategic. Change of this kind is necessary when assumptions which have provided the foundation for existing strategy begin to crumble. Examples might be changes in thinking about the role of women in society, as has occurred in many industrialised countries in the last five years or so, or in beliefs about the role which the state should assume in economic activity as occurred in Russia in the early part of this century and again in the last few years.

In the private sector, strategic change typically occurs in response to basic shifts in patterns of demand, or in response to new possibilities for productivity improvement arising from technological developments, such as those presented in the last two decades or so by computerisation. In government, such change occurs for various reasons, among them the assumption of power by a new government with a different ideology or set of priorities or the build-up of financial pressures which make it necessary to make basic adjustments to programmes and policies.

Governments are less adaptable than businesses. They are more insulated from market forces and since they must respond to a wider array of interests, they are less prone to embark on major reforms which may appear to favour some groups

more than others. Nevertheless, for a variety of reasons the last quarter of this century has been quite unusual in that despite their natural resistance to change, many governments have embarked upon programmes of renewal or reform which have been government-wide in scope. Among the countries which have chosen this route are several of Canada's Commonwealth partners: Australia, Britain, New Zealand and Malaysia.

Most change programmes have been driven by international developments: globalisation, freer trade, the emergence of new trading blocs and new trading partners, higher levels of education and literacy, and advances in information technology which have enhanced productivity and made methods of administration possible which were unthinkable ten or fifteen years ago. Change has also been urged upon governments in some countries by citizens disenchanted with the quality of service received from government agencies. A particular force for change in recent years has been the deep-seated recession which has driven unemployment to levels approximating those of the Great Depression of the 1930s and led many governments deeper and deeper into deficit financing.

Pressures for change in government may well increase rather than diminish in future. For example, Paul Kennedy's best-seller, *Preparing for the Twenty-First Century,* argues that the population explosion which continues in developing countries, the revolution in financial markets and communications, environmental degradation, job redundancy, illegal immigration, the continuing increase in the importance of the role which women play in many societies and related pressures are all developments from which governments cannot hide, let alone escape. These developments and the impact of all this upon policies, spending priorities, even values and culture, are the subject of intense interest from France to Japan, from Kansas to Cairo. They explain at least in part the search for newer transnational and sub-national political structures ... the man and woman in the street know that their world is changing and worry about it. Above all, unease about present and impending changes is behind the widespread disenchantment with political leaderships in both the older and newer democracies, the demand for political responses to the new challenges is immense ... Clearly a society which desires to be better prepared for the twenty-first century will need to retool its national skills and infrastructure, challenge vested interests, alter many old habits and perhaps amend its governmental structures.[1]

Kennedy's view is that politicians above all are called upon to take a wider view of the sweep of forces affecting their country and their institutions, and to provide leadership which looks beyond the immediate difficulties of today's political agenda.

Reform in Canada

First effects at an integrated strategy

Although there have been many changes in the Government of Canada at the federal level in recent years, most of these have been part of the normal process of institutional ferment: adaptations here and there in the Government to specific problems and policy issues. However, in the late 1980s a step was taken towards a more comprehensive change in initiative through a programme called Public Service 2000 (PS 2000).

PS 2000 was announced by the then Prime Minister, Brian Mulroney, in the autumn of 1989. A co-ordinating secretariat was set up in the Privy Council Office, Canada's equivalent of the Cabinet Office in other countries. Ten task forces of top Government officials (Deputy Ministers) were established to look at various aspects of human resource management, such as staff relations, training, classification and the like, at other aspects of administration, such as common services, and at the broad issue of service to the public. By the fall of the next year, the task forces had reported and from their work, an overall policy document was assembled as a Government White Paper.

The themes of PS 2000 are ones which have become familiar in many other jurisdictions: the need to diminish red tape, to delegate more and empower staff, to manage people better, to enhance the quality of service to citizens, to consult more effectively, to improve accountablity for results, to encourage more innovation and risk-taking. Over the next three years implementation took place at three levels. First, certain amendments to the legislation governing the public service with a view to simplifying the personnel mangagement system and providing more flexibility in financial management. Second, new co-ordinating committees and structures were set up at the level of central agencies to encourage the dissemination of the ideas associated with PS 2000 while at the same time, efforts were made to increase delegation of authority to line departments and to simplify reporting relationships. Finally, within individual line departments, a wide variety of implementation initiatives were set in motion some of which were quite far-reaching in their scope and others which were more superficial.

There are many opinions about both the scope and the degree of this enterprise. Some observers saw it as a broad-ranging attempt to effect a fundamental change in the culture of the Public Service. The White Paper published in 1990 as the Government's statement of policy for reform characterised it as a major change in management which would leave Canada equiped to protect the interests of the country in an increasingly competitive international environment.

Other observers, however, perhaps focusing more upon how the programme took effect rather than its ambitions, saw PS 2000 as an initiative intended primarily to

improve the internal "plumbing" of the Public Service, which only gradually found a more outward focus in the theme of improving service to the public, for which there was little real political support and for which there was a lack of coherent follow-through at a system-wide level.

The Auditor General's Assessment

An assessment of PS 2000, undertaken by the Auditor General (AG) in his 1993 Annual Report, noted that considerable progress had been made in some areas but advanced several important criticisms, as follows:

- mixed messages and lack of clarity of purpose from the outset;
- poor management of communications and of expectation; and
- insufficient and unreliable commitment from the political level of Government and to some extent from the top levels of the bureaucracy too.

Comparing Canada's experience with that of other jurisdictions, the AG offered these comments. First, "to be successful, public service reform initiatives need to be integrated with the governments broader policy and budgetary agenda". Second, *"a more strategic approach to public management and public sector reform is needed"* [author's italics]. The AG noted that one of the important lessons which the Australian Government learned from its reform experience was the danger of underestimating the disruptive effect of change. He stressed the need for conscious strategies to assist people and agencies to put change into effect if reform is to succeed.

The report went on to emphasise the importance of ensuring that a guiding vision be developed which would indicate what is affordable (a financial framework of some kind) and "what role the public service is to play in the years ahead". This vision should also "provide the basis for developing management principles, organisational arrangements and administrative systems". The AG underlined the need to keep public servants abreast of the purposes of the directions of reform. He also noted the importance of accountability and raised the possibility of clearer performance "contracts" between the heads of Government departments and agencies and their ministers.[2]

The criticism in the AG's report raised the following issues: just where is reform "at" in Canada, five years after PS 2000; should there be a "more strategic approach" to reform; and if so what form should it assume?

PS 2000 in international perspective

Government reform is a term with many definitions. In some contexts it refers to a fundamental process of transformation with very broad national policy goals. In Malaysia, for example, "Vision 2020" is a country-wide initiative with a 30-year

time horizon led directly out of the Prime Minister's Office and that of the Malaysian equivalent of Canada's Clerk of the Privy Council. Its goal is nothing less than major advances in economic development, industrialisation and international competitiveness for the country based on a very close-working partnership between the Government and the private sector. The approach is disciplined, top-down, and multi-faceted; it pervades almost every aspect of Government policy and operations.

Another example of transformation on this scale is presented by New Zealand which, faced with the threat of foreclosure on its international financial obligations, instituted dramatic changes to Government policy and operations. This involved, inter alia, very substantial cuts to Government spending, elimination of many subsidies and other forms of financial assistance to individuals and corporations and a major reorganisation of the Public Service. Traditional departments were replaced with "executive agencies", headed not by permanent civil servants but by individuals hired by the Government through contracts intended to specify results to be achieved.

At the opposite end of the spectrum, there is a country such as the Philippines where some efforts have been made to mount a general reform strategy, but where, on the whole, "reform" has been restricted to selected improvements in personnel management. In still other countries, reform has been administrative in character, addressing questions such as decentralisation, deregulation and de-bureaucratisation, training or advances in the use of information technology.

Mostly, the Canadian PS 2000 initiative focused on administrative concerns; it stayed clear of the kinds of policy questions which were in play in countries like Malaysia or New Zealand. Although there was much good work at the front end of PS 2000 and tangible results were achieved in many areas, as the Auditor General indicated, it suffered in implementation. Although it was said to involve "ten per cent legislative change, 20 per cent change in central systems and processes and 70 per cent attitudinal change" at the system-wide level there was never a coherent strategy for the implementation for attitudinal or institutional change, the area which is generally recognised as the most difficult and challenging aspect of institutional renewal.

Indeed, somewhat predictably, the Government did best what it is best at: it got a White Paper published and new legislation passed. It did less well at what it is reputed to be less adept at: implementing cultural and operational changes. To some degree, PS 2000 may be said to have been victim of the very problem which it was expected to correct; Government's overly strong tendency to focus inward and upward on policy matters, to the detriment of improvements to service on the "front-line" where most citizens experience their interaction with the bureaucracy. The lack of commitment to long-term implementation found its most visible expression in the Government's decision (against the advice of those directly

involved) to empty the PS 2000 Secretariat of resources and transfer the shell organisation to the Canadian Centre for Management Development. Whether by accident or by intention, this sent a signal to the Public Service that the programme no longer enjoyed the patronage which it had previously from the nerve centre of the Government.

PS 2000 ran into several contextual difficulties during its first three years of operation: notably a Public Service wage freeze followed by a strike, and a political crisis (the "Al Mashat affair") which raised serious concerns about the principle of ministerial responsibility. It was widely perceived that Government actions in these contexts were not consistent with the declared values of reform; thus, although the principles of PS 2000 were generally viewed as laudable and important, the programme itself gradually became the object of cynicism in many quarters in the Public Service.

Implementation was further impeded by the resignation in 1993 of Prime Minister Mulroney. While Mr Mulroney had never been perceived as having much interest in the Programme, he had been persuaded to endorse it, and the appointment of a new Prime Minister, Kim Campbell, raised questions about the future. Soon after assuming office, Ms Campbell instituted a major reorganisation of the Public Service which was widely perceived to have been carried out in a way that was not consistent with many of the PS 2000 principles. Four months later, in October 1993, Ms Campbell's Government was defeated and a new Liberal Government under Jean Chrétien assumed office.

Reform under a Liberal Government

The Liberal Government's election platform contained a commitment to change which found expression in the party's "Red Book", *Creating Opportunity.* Though the election of the Liberals was generally seen as ushering in a more benign relationship between the political and administrative levels of Government, the Red Book did not accord much space to comment on the kinds of issues which are often associated with government reform (e.g. service quality questions, wider adoption of information technology, discouragement of public monopolies, encouragement of innovation, good human resource management, red tape reduction, use of executive agencies, privatisation, and regulatory reform).

The "Red Book" was mainly concerned with the Liberals' intentions with respect to policy change in a number of fields: foreign policy and defence, social policy, health, job creation, etc. Since the election, the Government has launched reviews in most of these fields and the results of their reviews have yet to be revealed. These reviews may have major consequences for the size of the Federal Public Service and its relations with other levels of Government.

The Liberals also accorded one of their new ministers, the Honourable Marcel Massé, special responsibility for "Public Service Reform". Since the election, Mr Massé has given several speeches in which he has endorsed the principals of PS 2000 and spoken of the need for government renewal on a much broader plane; rethinking the role of government in society, major expenditure reductions, new relationships with the provinces, and better service quality. In the 1994 Budget, the Minister was accorded responsibility for carrying out a review of all federal programmes with a view to eliminating waste, and ensuring that resources are allocated to the highest priority needs.

How the policy reviews and the kinds of ideas which have been advanced in Mr Massé's speech will play out over the next few years is very difficult to anticipate.

Summary and conclusions

In summary, the situation in Canada as of mid-1994 is as follows:

- The priority to be ascribed to the principles of PS 2000 has been reaffirmed.

- There are commendable activities going on in many departments in the Government (in areas such as delegation, training, new types of organisation, etc.) which are consistent with the principles of PS 2000, but there is no guiding framework of government-endorsed objectives for this activity of the kind recommended by the Auditor General.

- There are a number of major policy initiatives now being pursued by the Liberal Government which may have significant consequences for the Public Service, but these do not appear to be closely linked.

- The co-ordinating role which the Privy Council Office used to play has, for the time being declined; it is not clear whether this role will be renewed or permitted to fall into disuse.

Overall, the experience of PS 2000 and its aftermath help to illustrate that at some juncture, reform has to pass from being an administrative to a political and policy priority if it is to succeed at big things. In the early days of PS 2000, there was talk about the need to make Canada and its Public Service ready for the global competition of the 1990's and beyond, but as the programme advanced, this theme of competitive readiness became less audible. For PS 2000 to have succeeded on a wider plane than it did, it would have required a more coherently articulated set of goals at a policy level, a stronger political mandate and a more cogently developed strategy for implementation than it was able to secure.

Canada's experience over the last five years also illustrates the difficulty in maintaining an effective and coherent approach to renewal if the initiative does not enjoy strong leadership at the political level, dedicated support within the bureaucracy, and a consistent set of ideas which provide the dynamic to maintain direction through adversity. It also provides yet another example of how administrative reform is, in itself, lacking in political appeal.

It reminds us of the desirability of linking such reform activity to wider public policy purposes of the kind that will interest politicians and the public. This is facilitated to the degree that the Government in power has, itself, a coherent and consistent strategy if this is not the case, the centrifugal forces in a Cabinet system of Government are likely to lead to a splintering of reform into a number of disconnected initiatives. It seems likely that this will lead to a consequent loss of impact over the longer term.

Thus, as of mid-1994, the Canadian Government is at a kind of crossroads to respond to the forces for change pressing upon it. One option would be to find a way to "rekindle" or rebuild the kind of integrated approach to reform which PS 2000 tried to set in motion, learning from the lessons of experience and avoiding some of the difficulties which PS 2000 encountered. The alternative would appear to be to let the process of change evolve as it will with little guidance from the centre. The present Government has been in office for less than a year and it remains to be seen which road it will choose to follow.

Notes

1. Kennedy, op. cit., Harper-Collins, (London, 1993), pp. 344-347.

2. In this conection he alluded to the possible advantages to be derived from new structural models along the lines of the UK or New Zealand approaches where there were efforts to separate policy-making and operational or service delivery functions. (By and large, PS 2000 did not address the possibility of new structural options of this kind).

Human resource management: challenges and opportunities (Mauritius)

Edited extracts from a presentation by the Honourable Ashok Jugnauth, Minister of Civil Service Affairs and Employment, Mauritius

Introduction

The socio-political and economic framework within which governments and organisations operate are liable to rapid and far-reaching changes. With the liberalisation of economic systems, the globalisation of markets, the gradual removal of trade barriers and the on-going revolution in the field of communications and information technology, all countries, particularly those with an export-led economy like Mauritius, must face the challenges which the new international economic order poses. In the face of the on-going ruthless competition, there is a race, to produce more with less, to achieve higher productivity and, in this context, the human resources variable has taken an unprecedented dimension.

The profile of the human resources has, over the years, undergone some significant changes as well. With better education and easy access to information, people's expectations have gone up. Moreover, in many countries the workforce is ageing and the number of women seeking productive employment is fast increasing. All these factors and the growing recognition that man is at the centre of all development, have led to a drastic rethink of human resource management (HRM).

Human resources and the development process

As new management techniques and new technologies are accessible to nearly all nations or individual organisations, what makes the difference between success and failure is the quality of the human capital. Higher productivity, better quality goods and services and greater customer satisfaction are all heavily dependent on people. In his book "Human Resources as the Wealth of Nations", Frederick Harbison has aptly summed up the crucial role of human resources in the development process of a nation as follows:

> "Human resources – not capital nor income. nor material resources – constitute the ultimate basis for wealth of nations. Capital and natural resources are passive factors of production: human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organisation and carry forward national development. Clearly, a country which is unable to develop the skills and knowledge of its people and to utilise them effectively in the national economy will be unable to develop anything else".

Capital expenditure and acquisition of advanced technology, although important elements, may not on their own bring increases in productivity. Ross Perot once said "Brains and wit will beat capital spending ten times out of ten". Factors like work attitudes, skills upgrading, labour-management co-operation, positive management practices and efficient use of manpower contribute as much as 60 to 70 per cent of productivity increases. Productivity can best be achieved by and through people. We must always remember that our people are our greatest asset.

Consequently, the formulation and implementation of an effective HRM system assumes critical importance. There is a need to constantly improve the way we develop and manage this essential resource for greater efficiency and effectiveness. Human resource management must, through positive policies and practices, in such areas as training and development and performance, reward and quality management, and support strategic objectives to achieve desired results. The focus of HRM is now on:

- facilitating and managing the change process;
- creating the right environment for greater involvement and commitment of employees;
- introducing a work culture which emphasises participation, empowerment and flexibility; and
- initiating and managing quality and productivity improvement programmes.

Development is essentially man-made. To survive in this world of intense competition, we must ensure the availability of the right people with the right skills and a mindset for doing things right. A judicious and rational human resource allocation is consequently called for. Human resources must be channelled towards the productive sectors of the economy and a symbiosis between the public and private sectors is essential. In Mauritius, the element of mistrust which, in the past, characterised relations between these two sectors has given way to genuine co-operation and understanding. There is now greater mobility of staff and interaction between these two sectors. Although the private sector is the motive force behind economic development, its success depends on the enabling environment which the public sector creates. The public sector acts as both catalyst and facilitator for economic growth and development.

Human resource management in the public sector

Constraints

The challenges of HRM in the public sector differ from country to country depending on the political and economic philosophies, the level of education and health facilities available, the structure of the population and the adaptability of the workforce. Although HRM is high on the reform agenda of governments, there is a limit to what can be achieved given the specificity of the public service. Public sector organisations, especially those based on the Westminster model, are, by the very nature of their structure, subject to certain constraints, institutional and political, which often hinder the effective management of people. Essential HRM functions, such as recruitment, promotion, discipline and pay determination are constitutionally vested in independent institutions (e.g. service commissions or pay research organisations) and are consequently outside the remit of human resource managers. The political system, the sheer size of the public sector and the staff mobility within, are further constraints to effective human resource management.

Since the government operates with public funds, its actions are exposed to public scrutiny. Notions like uniformity of treatment, accountability, transparency and public interest inhibit to some extent individual initiatives in the field of human resource management. Managers are often subject to conflicting signals from various sources, e.g. the government, the legislature, interest groups, municipal councils, etc., and this inevitably curtails their freedom of action and creativity.

A well-informed and professional approach is therefore required to minimise the effects of these constraints since we have a duty to enhance HRM in the public sector. Failure to do so will be tantamount to braking the development process itself.

Reform measures

In Mauritius, after sensitising the Public Service on its crucial role in the economy, we have taken a series of measures to usher in a new management culture based on commitment to excellence. Positive changes both at institutional levels and in the attitudes of public officers can already be noticed. A process of management reform and renewal, with HRM as one of its main components, is well under way. Our multi-pronged reform programme includes:

- professionalistion of the HRM function and capacity-building at senior and middle-management level;
- improvement of the work environment;
- introduction of a performance management system; and
- promotion of staff welfare.

There is strong commitment to the provision of training facilities, both locally and overseas, to enable public sector employees to develop their knowledge, skills and aptitudes. Funds are put at the disposal of every organisation to cater for the training needs of its employees and to create opportunities for their self-development. Besides training programmes run by our local institutions, seminars and workshops are frequently organised with the contribution of leading consultants from abroad. To develop further our local training capacity, we are launching next year the Mauritius Institute of Public Administration and Management (MIPAM) which will concentrate on supervisory and management training. We expect MIPAM to add a new dimension to our training and development efforts in the public sector.

In the interest of efficiency, the structure and operations of ministries/departments and parastatal organisations are also being reviewed. As a result, some organisations are closing down, others are being converted into state-owned companies and selected activities are being contracted out to the private sector. We are also streamlining cumbersome work methods and practices, bureaucratic processes and procedures. The work environment is being improved with the provision of better accommodation, modern office equipment and better communications facilities. A programme for the computerisation of the Public Service is underway. We are hoping that these measures, along with the introduction of a new performance-management system based on employee participation, customer-oriented quality service and a new performance appraisal system, will lead to higher efficiency and productivity.

Finally, we have realised, rather belatedly I must confess, that effective HRM is intrinsically linked with the welfare of employees. The Government has set up a Public Officers' Welfare Council (POWC) to operate welfare schemes for the benefit of public officers and their families. This year, for the first time, the budgetary allocation of every Ministry/Department includes provision for staff welfare. As a consequence, organised facilities are being offered to public sector employees to participate in sports, recreational, cultural and social activities. We expect such activities to develop latent talents, promote healthy lifestyles, reduce stress and generate greater productivity. The POWC is also committed to the creation of an "esprit de corps" in the Service.

The enhancement of HRM functions generally, and in particular the raising of the involvement and commitment of top management, remain the real challenge for us. Given the resistance to change characteristic of all bureaucracies, the inherent reluctance to adopt and adapt to new technologies and the conservatism of the trade unions, the task of reforming the public sector will, no doubt, be an uphill one.

Responsibility for initiating and implementing reforms rests mainly with top officials. There is need, however, for Ministers who have, inter-alia, to co-ordinate the activities of the Government, to give their support to the reform measures. Strong political will and commitment, which fortunately we have in Mauritius, is consequently also required for the successful implementation of any reform programme in the public sector.

Major issues

Race and gender

It is the legitimate expectation of people all over the world to be treated fairly and equitably irrespective of their origins, sex, colour or religion. With the on-going struggle for the protection of human rights, for equal opportunities and even for positive discrimination in favour of historically underprivileged groups in society, governments are paying keener attention to issues of race (or ethnicity) and gender. HRM, whether at macro- or micro-level, has to grapple with such issues, particularly in developing countries like Mauritius where the population is multi-ethnic and pluri-cultural and where ancestral values are strong.

In Mauritius, fundamental rights and freedoms are protected under the Constitution. Discrimination on grounds of race, sex, political opinion or religion is prohibited. Every citizen is equal before the law. The principles of equality of opportunities in education and employment and equal pay for equal work are well entrenched in the society. Traditional or attitudinal barriers whereby women are expected to assume a secondary role are gradually disappearing.

In the public sector, although the Service Commissions have to comply with all legal requirements in the discharge of their functions, discrimination or unfair treatment arising from communal or cultural differences unfortunately exists in reality in the day to day management of human resources. A major challenge of HRM is to ensure that there is no such discrimination and all public officers are given:

- equal opportunity to perform their tasks and to acquire experience;
- equal opportunity for training and development and advancement; and
- equality of treatment in such matters as benefits, transfers, postings, discipline and access to information.

Although women constitute some 52 per cent of the population in Mauritius, they make up only some 35 per cent of the workforce, with the majority of them operating in the manufacturing sector. The increasing role of women in sustaining economic development led to the establishment in 1982 of a Ministry of Women's Rights, Child Development and Family Welfare. Through that Ministry, a number

of measures have been taken to raise the status of women in society and to increase their potential. In view of our full employment situation, it is imperative that we mobilise all capabilities and talents and cater for the various needs, physiological, psychological and social, that may arise through gender difference.

The number of women working in the public sector is relatively small as it is still a man's world. For decades, women have occupied junior- and middle-level positions only. In recent years, they have started to go into areas which previously were the preserves of men, such as the Post Office, the Special Mobile Force and the Printing Department. Many more women are now joining professions like medicine, law, accountancy etc. Generally speaking however, the progression of women towards top positions is still slow, presumably because of constraints imposed by their multiple roles.

The role of the HR manager is also to correct gender imbalances both quantitatively and qualitatively and to provide the right environment to allow women to perform their work in dignity and self-respect. Communalism, nepotism and harassment of various kinds should, as far as possible, be eliminated.

A proper handling of these issues is absolutely necessary in view of the delicate fabric of the Mauritian society. The concept of meritocracy is generally accepted, but underpinning it is the need, equally important in our context and no doubt in other plural societies also, to engineer a certain equilibrium amongst the various groups of the society in the interest of peace and harmony.

Corruption

The Mauritian Public Service, like all big organisations, is not exempt from various forms of malpractice. Corruption is one problem which is perceived to have reached considerable disquieting proportions in some areas. It has a negative effect on performance and on the development process generally. To remedy the situation, the following measures have been taken:

- an Ombudsman's Office exists to which members of the public can have recourse for the redress of their grievances;

- an Anti-Corruption Tribunal has been set up recently to deal with cases of fraud and corruption;

- a code of ethics to promote "responsible behaviour" within the Service is under preparation; and

- a Public Complaints Bureau will be set up to examine complaints from members of the public.

We are also tightening the system of internal control to reduce the opportunities for corruption. To make corruption less attractive, public officers are being better remunerated and efforts are being undertaken to instil in them a sense of disinterested service. We hope to make corruption a "high risk, low-reward" activity as in Singapore.

The challenge of HRM, therefore, is to educate public officers so that they do not use their public office for personal or private gains.

Conclusion

Strategies and policies regarding human resource management must take into consideration the socio-economic changes taking place in the world. Useful lessons may be drawn from the experience of others – their successes as well as their failures.

If we wish to survive and progress, we must take a fresh look at our organisational structures, work methods and practices to ensure that they are easily adaptable, flexible and geared to make the most of the opportunities that change brings in its wake. We must also take advantage of new technologies to create, notwithstanding constraints, the requisite environment for greater efficiency and effectiveness. But most important, we must invest in and develop the centrepiece of all this edifice – our human capital. Our success or failure will depend on the quality of our human resources and this quality can only be achieved and sustained through judicious recruitment and continuous training and empowerment. HRM has indeed become an integral part of the overall strategy of any organisation, be it public or private.

Human resource management: challenges and opportunities (Zimbabwe)

Edited extracts from a presentation by Dr Mario Marioyawanda Nzuwah, Chairman, Public Service Commission, Zimbabwe

Zimbabwe is a developing nation, part of the so-called Third World, with goals, aspirations and ambitions of by-passing the Second World, if one exists, to join the First World – the developed nations, in the shortest time possible. Although it is endowed with a reasonable material and human resource base, it has constraints in developing a sustainable capital base.

As a nation, its most important asset, however, is its human resources. It is, therefore, the capacity and ability to mobilise and develop this most important asset in order to exploit its vast natural resources that is the key to jumping from the Third World to the First World.

A free Zimbabwe was born on 18 April 1980 out of a protracted and violent struggle for freedom and democracy lasting over two decades. It was the ability of the Zimbabwe African nationalist leadership to mobilise, train and manage the men, women and children in the rural and urban areas that was the key to the success of the liberation struggle. Thousands lost their lives, were wounded or maimed. To date, we do not know how many. Notwithstanding the superiority of the colonial regime's military machinery and technology, through the sheer ability to mobilise and effectively utilise the vast human resources – a free nation was born.

The black majority Government of Zimbabwe inherited a Civil Service dominated by whites who were hostile to political power being taken over by blacks. The Public Service had been designed to serve the privileged in the urban, industrial and white commercial farming community and had neither the capacity nor interest in spearheading development or providing basic infrastructure to over 85 per cent of the population residing in rural/communal areas. A small but predominantly white private sector community had neither the capacity nor interest to invest or expand services in communal areas.

It was therefore incumbent upon the black majority Government to correct and redress these imbalances The policy of the ZANU (PF) Government was to bring about economic and social justice. Therefore, the public services had to reflect a national character in both its composition, development policies and programmes. Government became a developer of infrastructure and provider of services in the rural and urban communities as the private sector was neither capable nor willing to take the initiative.

This thrust of Government into infrastructural development activities vastly expanded public services and administration. At the same time, those white civil servants who found it repugnant to work under a black government or as some of them called it – a terrorist government – resigned from the service.

The prediction that many experienced white civil servants would leave the service rather than serve under a black Government especially "an ex-terrorist and a socialist one", for that matter, was largely confirmed as thousands of whites resigned to join the private sector or leave the country altogether. Indeed, in February 1980, just before independence, there were 10,570 established officers in the Public Service. Of these, 7,202 were white and only 3,368 were non-white. By July 1981, barely 15 months after independence, 1,995 white civil servants had left, leaving 5,207.

The major characteristics of the pre-independence Public Service were that :

- It was composed predominantly of white civil servants. The few blacks to be found in the Public Service were, for the most part, those carrying out such menial tasks as cleaning government buildings, messenger work, minor clerical tasks i.e. generally the unskilled tasks.

- It was designed to service white settlers' social, economic and political interests, locally referred to as "white privileges".

- The Public Service machinery's primary objective was to regulate and control the lives of the black majority i.e. maintain law and order.

The combined effect of these factors overstretched the capabilities of the post-independence Public Service and its management. Strong central control of both economic planning and public expenditure became inevitable and to a degree, necessary. Today, however, it undermines rather than raises standards of performance.

To rectify this situation, the Government issued a Presidential directive in May 1980. The Directive provided the following directions of policy to the Public Service Commission:

- The major tasks of the Government in resettlement, education, reconstruction and development will make demands on the Public Service. It will be necessary to expand the service to discharge this growing range of tasks, and the African people of Zimbabwe must be afforded increasing opportunities of playing their full part in these developments.

- At present, the great majority of senior posts in the Public Service are filled by white officers. The Government continues to need the services of these officers to ensure a high standard of efficiency in carrying out these new and expanding programmes. The Government wants to assure all white officers that it will continue to protect their terms of service and support the Public Service Commission in its statutory duties, that it will maintain the integrity of the service, and that it is confident that the impending expansion of the Service will offer them continuing prospects of satisfying careers.

- To achieve full African involvement in these developments by orderly steps, the following general direction of policy is given to the Public Service Commission under section 75 (2) of the Constitution of Zimbabwe:

  "to recruit staff to all grades of the Public Service in such a manner as will bring about the balanced representation of the various elements which make up the population of Zimbabwe".

Whereas at independence there were no black Permanent Secretaries, after four successive years of the implementation of the President's directive, the Public Service had been transformed and Africans now dominate every category of the service including professional, technical and senior administrative fields. Table 1 shows the results :

Table 1: Numbers of whites and Africans by category of service

Category of service	Whites		Africans	
	1981	1984	1981	1984
Permanent Secretaries	17	4	13	24
Senior management*	143	60	129	109
Professional (established officers)	792	409	116	1,057
Technical	714	181	371	1,181
Established Officers	7,202	3,047	3,368	28,142

* Under-Secretaries and above

Women also made gains as a result of the President's directive. For example, in 1980, 3,242 or 30.67 per cent of the total 10,570 established officers were women. By 1984, out of a total of 25,861 established officers, 11,312 or 43.7 per cent were women. Their representation at the levels of assistant secretary and above had also increased from less than 1 per cent in 1980 to 9 per cent in 1984.

Women representation at senior management level in Government was still not satisfactory. In 1990, the Public Service Commission set a target of 30 per cent female representation at all levels. By May 1993, the results remained disappointing.

These achievements had been made without displacing serving white civil servants, except a very few who had difficulty coping with the new order.

What was achieved through the President's directive was commendable. Four years after Independence, the Zimbabwe Government had recruited or retrained 21,000 black established officers who had three years or more of Government experience. They dominated every category of the Service.

As at August 1994, all 20 Government ministries are headed by black Zimbabweans, with high academic qualifications and with over 12 years management experience in Government. Of the approximately 200 deputy heads of ministries, only 17 managers are of European or Asiatic origins. This excludes professional and technical fields.

The Civil Service Reform, 1990-1995

The need to develop the historically deprived rural areas and to expand the economy so that the majority of Zimbabweans are active participants in the economy has necessitated the growth in the size of the Civil Service from about 10,570 in 1980 to some 176,000 by 1991.

The Civil Service had changed from a regulatory administrative army of pre-independence to a development administration machine. Between 1980 and 1991, using the direct labour force of civil servants, a vast network of roads and bridges, schools, clinics and hospitals, primary water supplies and sanitation facilities, electricity and telecommunication services, industrial and commercial growth nodes, have been and continue to be built in rural/communal areas where some 75 per cent of the 10 million population resides.

The results of this rural development thrust are apparent in that at least 65 per cent of staple food in Zimbabwe is now produced by the peasant farmers and the majority of the population has access to social services within easy reach.

Investment and development of the industrial sector has however lagged behind. The growing unemployment in urban areas and the consequential social problems have necessitated a review of development policies by Government. The objective is to accelerate industrial development by attracting investment, both domestic and

external, increasing the productive capacity of the country, increasing exports, thus reducing unemployment.

Accordingly, in 1990 Zimbabwe embarked on an Economic Structural Adjustment Programme to transform the hitherto managed economy to a market economy. The Economic Structural Adjustment Programme has necessitated the implementation of a Civil Service Reform Programme whose main objective is to transform the Civil Service from a development administration-oriented machine to a facilitator of a market economy and a promoter of individual initiatives.

In order to ensure the success of the Economic Reform Programme, it is considered necessary to divest current Government activities, particularly those of a commercial nature. It is also necessary to review present Government structures so that they are responsive to the new market-oriented economy. This will result in the downsizing of the Civil Service and the commercialisation or privatisation of some of the functions performed by civil servants.

The reform is also aimed at the creation of target or mission-oriented culture within the Civil Service and the introduction of performance management. The objective is to improve the efficiency and effectiveness of the public services. Zimbabwe is also implementing the civil service reforms adopted by the Commonwealth Heads of Government.

Conclusion

Zimbabwe is proud of its achievements during the past years of independence. Now it is faced with a daunting task of introducing and managing the market-oriented economy. This requires an active business-oriented civil service capable of quick response to the requirements of individuals and the business community. While Government is deregulating the economy, it is equally important to deregulate the minds and attitudes of the civil servants.

Human resource management: challenges and opportunities (Australia)

Edited extracts from a presentation by Mr Denis Ives, Public Service Commissioner, Australia

This paper focuses substantially on Australian practice in human resource management but seeks to identify basic approaches and concepts which may be of use to other countries, as part of the search for best practice.

In the past decade the Australian Public Service has experienced major reforms which have had a significant impact on the work of public servants. The demands placed on public servants are now greater than ever before, standards expected are higher and roles more complex. There is a focus on management and professionalism in place of administration and bureaucracy.

In addition there are now more sophisticated expectations in the Australian community about the ongoing nature and purpose of public sector activities at the Commonwealth level. These expectations assume that:

- All Australians will have equal access to the services of the Commonwealth*, and will receive the same high standard of treatment.

- The Australian Public Service will provide a uniform and high standard of efficiency and effectiveness right across Australia in the delivery of its services.

- The Australian Public Service will reflect the broad values of the Australian community; in particular, it will provide a model of effectiveness and equality in the management of its staff and it will focus strongly on achieving results.

These expectations, added to the reforms of the past decade, bring complexity to the nature of work and management pressures in the Australian Public Service.

The reforms have gone to the very heart of what is the role of the Public Service and have raised many questions, including questions about the nature of government, the scope of its functions, the way in which these functions are best performed and means of paying for them.

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* Editor's note: "Commonwealth" in Australian terms refers to the federation of states in the country.

Central to these reforms have been concepts of efficiency, effectiveness, devolution and accountability leading to a new focus on results and on improvement in the quality of services to the public.

Management reforms

It has been recognised in Australia that public sector management is an important, indeed critical, issue and that national objectives will not be achieved without a substantial upgrading of public sector management skills and performance. In this context, the key objectives of the Management Reform agenda pursued have been to develop a Public Service that:

- is more responsive and accountable to Ministers and Parliament;
- is more efficient, effective and equitable, with more rational means for the distribution of resources to priorities and giving managers greater flexibility in managing those resources; and
- has more streamlined, flexible staffing policies which allow managers to recruit the best staff possible and achieve quality outcomes.

Major elements of the reform framework have included:

- restructuring of departments and agencies into fewer larger portfolios;
- major reforms in budgetary processes, including ongoing forward estimates;
- a Financial Management Improvement Programme;
- various commercial reforms and corporatisation of major activities;
- the devolution of decision-making from central agencies to line departments; and from central corporate services areas to line managers – that is bringing them closer to those immediately responsible for the delivery of services;
- reform of classification structures and working arrangements;
- more streamlined and flexible staffing policies, including a range of personnel management reforms based on devolution of responsibilities; and

- an increased focus on performance and accountability of individual managers.

Initial reforms focused on structural, financial and industrial matters but increasingly a more integrated approach is being adopted, which recognises that added to these must be other essential elements – culture and people management practices.

The focus in the Australian Public Service is now turning to the challenges and opportunities offered by human resource management in maintaining the momentum of the Government's reform agenda. There is a growing appreciation that an essential priority of contemporary public sector management is people management.

It is being recognised that the achievement of corporate or programme goals relies not only on strategic management and improved financial management but also on clear human resource management strategies. These include establishing a culture accepting of new directions, such as better teamwork, as well as allowing for individual creativity and contribution, rewarding high performance and managing poor performance, ensuring there is good communication within the organisation as well as with clients, and appropriate training and development.

While the pace and extent of change is increasing, the issue for a career service is to shift from a service based on ongoing structural certainties to one based on an agreed culture and ongoing values and principles. This requires a more strategic approach to human resource management based on clarity of objectives and values. I am sure this will hold true in other public services generally.

An evaluation of management reform

In the Australian Public Service, current strategic directions in people management reflect the findings of a major evaluation of a decade of management reform in the Public Service undertaken on behalf of the Management Advisory Board (MAB).[1] The evaluation report *The Public Service Reformed* reached a number of broad conclusions about the progress made in implementing management reforms in the last decade. It found:

> "that the reform programme has been well directed and accepted to the point where financial, human resource and industrial relations frameworks operating in the Service can reasonably be said to approach best international practice, and in some cases to be ahead of best practice. There is however an urgent need to press home changes and to embed them more firmly in the working culture of the Public Service."
> (Foreword – *Building a Better Public Service*)

The report noted that the major factor in determining how successful an organisation would be in achieving its objective was the contribution made by staff and the biggest gains in productivity, at this stage of the reform process, would be realised through better people management. Put simply, its message is that good public sector management requires good systems, good management and good people.

In launching the report, the Prime Minister noted:

> "The performance of our Public Service and its values are basic to our national well-being. The quality of our system of government depends heavily upon the integrity, professionalism and dedication of the Public Service".

Building a better Public Service

The results of the evaluation have been used to develop a report entitled *Building a Better Public Service* which presents a strategic direction for the Public Service for the future. It identifies the continuing challenge to improve performance and captures the nature of further integration of the reforms into the culture of the Public Service through three key elements:

- making performance count;
- improving leadership; and
- promoting a culture of continuous improvement.

While there are many components of management contributing to improved performance – and we cannot afford to neglect any of them – the emphasis in our Service is moving to people management.

According to the Management Advisory Board:

> "Since the Public Service is a service industry, its greatest assets will always be the knowledge, skills and capabilities of its people".

and significantly:

> "This especially is an area where change cannot be simply mandated and where the attitudes and behaviour of staff and the culture of organisations may have powerful effects".

In setting the direction for the future, the Management Advisory Board contends that:

> "The primary means for achieving further improvement will be through developing the main resource of the Service, its people. The strong positive attitudes and commitment which public servants have to building a better Public Service need to be brought more closely to the forefront and used to underpin a real culture of continuous improvement."

A policy-oriented strategic approach to HRM

Having recognised the value of and opportunities presented by good people management the challenge presented is how to fully integrate people management reforms into Public Service culture and how to transmit the messages of the Report to those in the Service.

It is here that the Public Service Commission, as the agency with responsibility for human resource management policies across the Australian Public Service, plays a major role in meeting the challenges presented by the Reform Agenda. It does this by articulating the values and principles of a modern, professional public service through developing policy frameworks for fair and equitable staffing practices, based on merit, and by developing and assisting agencies to implement good practices in people management.

The Public Service Commissions sees good people management as comprised of three ingredients:

- a culture that is supportive of a focus on people and their performance;
- well-integrated people management policies, articulated within a clear framework; and
- good people management skills.

A key issue for the Commission has been how to carry out its role in relation to policy and strategic management in a way which will help achieve the benefits of devolution while avoiding major problems which could arise from fragmentation. A "policy cycle" approach has been adopted.

The Commission's general approach to its policy development role is as follows:

- setting an appropriate framework (in the form of a policy statement, guidelines or broad instructions), usually after consultation;
- communicating and promoting that framework;
- monitoring and obtaining feedback on implementation of the framework;
- identifying and communicating best practice, where this is appropriate and productive;
- undertaking evaluation or promoting evaluation methodologies; and
- revising policy where necessary and recommencing the cycle.

The Commission's focus is on working through people and linking improved performance to a strategic approach to people management. Strategic human resource management is a concept that seeks to integrate human resource values and practices within corporate objectives.

Professionalism and values

In promoting a strategic approach to people management issues the Commission is also focusing more strongly on the place of public service values in establishing our modern ethos and culture.

These values for the Australian Public Service are seen as:

- responsiveness to governments;
- a close focus on results;
- merit as the basis for staffing;
- the highest standards of probity, integrity and conduct;
- a strong commitment to accountability; and
- continuous improvement through teams and individuals.

While *Building a Better Public Service* places emphasis on what might be seen as newer values – the need for responsiveness to Governments, managing for results and improving accountability – this does not represent "any retreat from traditional values. Rather, the new and the old should reinforce each other".

Consistent with this approach, the Public Service Commission has been promoting a concept of the "New Professionalism" as a means of focusing on what it means to be a public servant today, taking into account the rapid process of change, management challenges and traditional public service values.

Put simply, "New Professionalism" is a concept which aims to integrate the best parts of the improved management practices with the best parts of the more traditional Australian Public Service values. It recognises and encompasses new approaches to management culture which contribute to continuous improvement. It recognises the centrality of people management and the importance of valuing people and their potential. It helps create an environment in which that potential can be realised.

It also provides a logical transitional connection between the "old" public service concepts and those that are needed in today's environment and for the future. This transitional concept has been useful in helping public servants feel more comfortable with the nature and process of change.

Building a Better Public Service and the concept of the "New Professionalism" provide a consistent strategic direction and conceptual framework for furthering the Government's reform agenda for the Public Service.

These new approaches recognise that the performance of organisations, of individuals and of teams of individuals are interrelated. They also recognise that the performance of organisations cannot improve without fostering and managing the performance of individuals and teams and drawing the links between their performance and the achievement of organisational goals. This interdependence and interconnection now has to be seen as the key means of embedding recent reforms more deeply in the culture of the Public Service.

In order to assist staff to meet the challenges and take advantage of the opportunities available through good people management, the Public Service Commission has adopted a range of strategies to integrate these values into everyday work.

Among these are a range of guidelines and management frameworks which provide advice and good practice examples and make explicit the uniform and high standards of conduct and behaviour expected of all staff. A challenge for the Commission is how best to provide less formal, more user-friendly guidance on people management issues in an accessible format.

The HRM framework

One such tool is the Commission's *Framework For Human Resource Management in the Australian Public Service.* It has been developed to promote better people management across the Service and is specifically designed to assist individual managers better understand their roles and responsibilities. It provides a consistent, strategic approach to people management identifying six key areas of people management:

- Human Resources Planning;
- Staffing Practices;
- Working Conditions;
- Performance Management;
- Human Resource Development; and
- Staffing Relations.

For the manager, the HRM Framework provides an explanation of how the components of people management fit together in an integrated framework. It also encourages all managers to think more about their roles as effective people managers, by bringing together the current principles, policies and practices in managing people in the Australian Public Service in an integrated form.

In an environment where departments and agencies have greater flexibility and greater responsibilities to manage their resources to meet corporate goals this framework provides a conceptual and communications tool to help managers manage their people more efficiently. It is not directive in character but encourages reference to best practice and bench-marking between agencies.

By setting out human resource management values, policies and best practice in a strategic and integrated fashion, the Framework helps managers improve performance and commitment at all levels, and thus ultimately better serve the Australian community.

Review of legislation

New initiatives along these lines are hard to put in place however if the fundamental personnel legislation applicable to public servants is itself in need of overhaul and modernisation. Older legislation is usually based on more rigid models of bureaucracy and employment conditions, with little scope of flexibility of the kind commonly required in today's world.

This is the situation we face and the Government has recently announced a major review of the Federal Public Service Act. The emphasis in the terms of reference is clearly on seeking a principles driven approach, together with greater flexibility in employment practices. Of course, such an ambitious combination has important implications for, and may involve a redefinition of, the concept of a "career service". The overall aim is to establish a legislative framework which is modern, flexible and maintains the reforms of the last decade, as well as the core values of merit and independence.

Workplace bargaining

Another important current issue of reform is the introduction of workplace or enterprise bargaining. This is one of the new tools or instruments by which change is negotiated and implemented in individual departments and agencies. It is, in Australia, the new cutting edge of labour relations.

Workplace bargaining allows management and unions in individual departments to negotiate variations in remuneration and working conditions, in the interests of boosting productivity, efficiency and flexibility in the organisation concerned.

An integrated public service is maintained by applying any productivity-based pay and improvements in working conditions under agency agreements on top of a continuing common core of standardised pay and other conditions of employment. This approach maintains essential standards of employment conditions while allowing new flexibility in detailed work practices. Productivity pay increases are to be self-funded from savings made.

Workplace bargaining in the Australian Public Service is part of a strategy to further develop a culture that delivers results and supports continuing improvement. It is part of the Government's framework for bringing public administration more in tune with contemporary needs and as such it provides an opportunity for departments and agencies to examine how things are done in terms of structures and people. In itself it represents a substantial move away from centralised industrial relations.

In the speech on "Workplace Bargaining in the Australian Public Service" by Mr S. T. Sedgwick, Secretary of the Department of Finance, to the DIR Conference on 7 July 1993:

> "As with most other public sector reforms it provides managers with more flexibility, but in the context of more defined accountability mechanisms and a greater focus on bottom-line outcomes. If workplace bargaining is implemented effectively, it should focus our attention on the fact that the most important resource we have in the public sector is our people. The major way in which we will be able to continuously improve will be by tapping the full potential and creativity of our people. Workplace bargaining is therefore a classic illustration of the convergence of the financial, industrial and people management aspects of the reform agenda".

Workplace bargaining has raised new issues about employment concepts and work practices and the extent of gains in work practices, improved productivity and better service to the public are still to be assessed towards the end of 1994. It is, however, seen as a critical step in making devolution work more effectively.

Mobility, transfers and redeployment

Another HRM practice which is producing good results in Australia is mobility. This refers to the practice of both permitting and encouraging officers to move between departments on promotion or transfer. The career service is seen as being Australian Public Service-wide and not just limited to the department joined at career entry.

Departmental secretaries and their deputies have usually worked in two or more departments during their careers. Senior Executive Service (SES) officers – representing executive management across the Public Service – are generally appointed on the basis of having skills which are transferable across the Service, and this is increasingly happening in practice.

Interestingly, this practice of mobility is spreading through middle management and lower levels. One recent survey noted that agencies are increasingly filling middle-management vacancies by external transfer, i.e. by recruitment of senior officers from outside their own agency by way of transfer at level. To some extent this represents an outcome of demographic factors as officers seek better career paths in the face of growing competition but such movement is encouraged and represents an additional effective means of applying the merit principle to the filling of vacancies. In 1992-93, in a selected survey group, external transfers were used to fill 20 per cent of notified vacancies, and total external filling (including promotions) was over 30 per cent.

This practice is reported here with some emphasis because its extent appears to be unique to Australia and it is believed that it is yielding up substantial gains in terms of versatility, career paths, professionalism and succession planning.

A further new development is a newly-funded programme concerned with redeployment of excess staff across the Australian Public Service. Restructuring of the Australian Public Service has resulted in potentially surplus staff in the range two to three per cent of total employment, with actual redundancies in recent years running at the lower end of the range.

To assist surplus staff find new positions, a Labour Market Adjustment Programme has been established to provide job-bridging, redeployment and counselling services. Such staff are encouraged to seek positions through job applications to other agencies. They are advised on vacancies, job application procedures and in some circumstances they may be eligible for preferential consideration. If a suitable position cannot be found then, after specified time periods, employment termination procedures may be activated. The Programme has had modest success to date and concerns about transferability of skills remain an important issue.

Training and skills development

Demand for higher levels of skill has led to careful consideration being given to the importance of training and development in meeting corporate objectives. The Government's commitment to a programme of reform of vocational training at a national level has provided an opportunity to develop a consistent Service-wide approach to training and development tailored to specifically meet the skills needs

of the Australian Public Service as well as enhancing the career opportunities for the individual.

To this end Competency-Based Training (CBT)[2] is being developed and introduced in the Australian Public Service as the principal mechanism for achieving these objectives. This approach forms an integral part of human resource management in the Service.

The advantages of this approach to training and development are its focus on the skills and knowledge required in the workplace at the appropriate level and the scope it provides for aligning training and development more closely with corporate goals and the strategic objectives of the Australian Public Service.

Training is also the key element in achieving continuous improvement of performance as it provides public servants with the skills required to carry out their responsibilities and to improve their work performance.

The Australian Public Service, through the work of the Joint Australian Public Service Training Council (JAPSTC), which brings together management, unions and the education sector, has taken a leading role in developing a service-wide approach to training revolving around core competencies which have been identified for the various classifications and levels employed in the Service.

The advantage of the competency approach being pursued comes from the close link to the workplace, the focus on the acquisition of skills required to perform on the job and the capacity to incorporate aspects of the government's reform agenda and thereby to reinforce the policies and values promoted in *Building a Better Public Service.*

As one of the major thrusts in training and development, it is envisaged that those undertaking this form of training will be better prepared to meet the challenges confronting public servants and will be better able to meet their individual responsibilities and corporate objectives.

In the near future, all junior-level entrants to the Australian Public Service will be expected to undertake a formal training programme as part of the entry conditions for the Public Service.

At middle-management levels a variety of training options are available, including access to the Public Sector Management Course. This is a course designed for middle managers, in a co-operative project between Commonwealth and State Governments. It is available on a national basis and more than 1,200 Commonwealth and State officials have already taken up this training.

At the executive management level, the Public Service Commission now provides an integrated suite of higher-level training opportunities for the Senior Executive Service. These are all short-term programmes.

Training and development has become, in today's Public Service, a career-long process and the view is being taken that no public servant can aspire to the highest levels of the Service in the future if he or she does not take up the opportunities which are now being presented for specialised training and development.

The EEO Strategic Plan

Equal Employment Opportunity: A Strategic Plan for the Australian Public Service for the 1990s, released in 1993, provides a framework for further progressing human resource management by addressing equity and merit issues in the Australian Public Service.

It picks up on one of the Government's key management reforms which introduced measures to combat discrimination and to promote equal employment opportunity (EEO) in the Australian Public Service.

A range of policies and measures which benefit designated EEO groups – women, people with disabilities, Aboriginal and Torres Strait Islander people and people of a non-English background – have subsequently been introduced. There is an emphasis on fair and equitable staffing practices which aim to ensure that the skills and talents of all staff are recognised, utilised and their potential is realised.

The Strategic Plan addresses the expectation that the Public Service will reflect the composition and values of the Australian community, and in particular that it will provide a model of effectiveness and equity in the management of its people by integrating EEO principles into people management practices. This concept is sometimes generally referred to now as "mainstreaming" to try to make it clear that EEO is not an afterthought but a central principle.

Equal Employment has come to be seen as an indispensable element in quality management of people in the workplace. It is a major component of the key human resource management principles of merit and equity – as noted in the *Human Resource Management Framework:*

> "An objective appreciation of individual worth and talent is central to the effective operation of the merit principle and to the efficient and affective deployment of people in support of corporate planning and agency goals. A uniform commitment of fairness and non-discrimination is central to the maintenance of Service-wide standards of equity, ethical conduct and accountability."

On top of these are challenges of managing an increasingly diverse workforce. The diversity comes not only from the multicultural nature of the Australian workforce but also from new demands by groups like workers with family responsibilities and from changed and flexible work patterns.

Equal Employment has required staffing policies and practices to be examined and changed if there were barriers to equal employment opportunity. More flexible and family-oriented working arrangements have been put in place – in part because of analysis undertaken for EEO purposes. Such policies include parental leave, permanent part-time work, flexi-time, and re-entry measures which have made the working conditions more attractive and enhanced motivation.

In setting this direction, Equal Employment is recognised as an important element contributing to the reshaping of cultural practices in the Service by providing guidance on practices which will enhance work environment and utilise the skills and talents of all workers, leading to greater efficiency, effectiveness and productivity.

This diversity places increased demands on managers to value difference, to recognise and accommodate the needs of individuals and specific groups and to take action to create a productive, safe and harmonious workplace.

Some concluding comments

This paper has tried to set out logically the way in which public sector reforms have been introduced in Australia, focusing on human resource management.

There have certainly been challenges and scope for conflict in pursuing the reform agenda. Change makes many people uncomfortable and apprehension may be accentuated in the Public Service where past principles of bureaucracy (and tenure) have been built on a concept of permanency. Change can appear very daunting – and even unnecessary – to someone brought up on the proposition that employment concepts and work practices are permanently enshrined.

But of course the demand for change in Public Service activities cannot be resisted for long in a modern democracy. The pressures are irresistible. How much better then to recognise the emerging pressures as new opportunities and try to design a modern reform process which is strategic in nature and aims to meet the fundamental objective of better service to the community.

Peter Drucker observed in *Managing in Turbulent Time:*

> "A time of turbulence is also one of great opportunity for those who can understand, accept and exploit the new realities. It is above all, a time of opportunity for leadership".

This observation certainly seems to hold true for the challenges and opportunities in human resource management.

Notes

1. The Management Advisory Board (MAB) is charged under the Public Service Act with advising the Commonwealth Government, through the Prime Minister, on significant issues on the management of the Australian Public Service.

2. Competency is defined as the ability to perform activities within an occupation or function to the standard expected in employment. It reflects the relevant combination of skills and knowledge needed to carry out the functions required.

Managing towards equity in staffing policies (Swaziland)

Edited extracts from a presentation by Ms Adelaide Phindile Mkhonza, Principal Secretary, Ministry of Commerce and Industry, Swaziland

Introduction

The theme of this Inaugural Conference could not have been a better choice, for within the last decade tremendous change has taken place in the governance of nations. During this time, we have witnessed drastic movements from authoritarian to democratic governments, for example in Eastern Europe, particularly the former Soviet Union, Namibia, and most recently the Republic of South Africa and Malawi. Some of these changes have not unfortunately brought about enviable freedom, as people turn against each other and as old coalitions drop because of religious affiliations or even racism.

There has also been another shift as more democratic governments came to power and moved from interventionist and centrally-controlled economies to market systems. In Africa, we have not only had our share of democratic elections taking place, but we have seen more and more countries in the continent moving either voluntarily, or without choice through structural adjustment programmes, to jump-start market economies.

We shall, as societies, be going through some form of transformation for some time. Naturally this demands a shift also in the management of public affairs. In some countries, like Australia and New Zealand, the top civil servants are on contracts which are performance-based. This may turn out to be the norm in future as government management becomes more efficiency-oriented.

Lesotho is trying it for some top civil servants who have had to be seconded from the private and parastatal bodies into the Public Service, under the new Government. In some cases, for example in the United Kingdom during the Thatcher premiership, some top civil servants were hand-picked and others moved out sideways, which was a departure from the norm.

One thing is obvious, all modern organisations, government or private, need efficient management by an efficient public service (public meaning both the civil service and parastatal bodies). To be effective, such a need should translate into policies that encourage the best person to be recruited, irrespective of race, physical disabilities, social standing and gender.

Today, Commonwealth countries still mirror the traditional characteristics of the British Government, not only in office organisation, but also in the demeanour of the civil service. Highly ascriptive in nature (based on class and status) and highly

hierarchical, it is an elitist system with recruits (boys) drawn from elitist schools and universities where adolescent socialisation was completed in preparation for managing society. As the British Empire expanded, there were insufficient numbers of recruits within the elite class so the number of working-class candidates increased. On graduation and recruitment, these appointees not only adopted the elite social values but were uncomfortable in exercising authority over the upper-class public and cohorts, thus giving rise to the dubious requirement of long years of experience to be able to deal with people cautiously and tactfully.

Since the Second World War, governments have on the whole employed more women in proportion to men. The disconcerting factor however is that they predominantly occupy lower-level jobs and do not administrate core government business. They become socialised in anticipation for promotion to better and significant decision-making positions, but somehow never get there.

The routes through which people reach managerial positions in government does not assure us that we get conscientious and competent people occupying these posts. Non-merit considerations like personal trust, loyalty and homogeneity of values, greatly influence decisions. It is who you know, not what you know that is the basis for promotion. It is person specific and consequently rules out potentially suitable and qualified candidates, particularly women. Most times, women are considered unreliable candidates as they will get married and move to join their husbands or have children. Both their job and family demand 100 per cent of their time.

As a consequence, most women are relegated to the conventional path of working their way patiently, diligently and effectively, in the hope that they will be "noticed" and "rewarded" for their hard work. The "glass" ceiling is indeed very difficult to break through. Generally, more women are promoted less often than men in their career in the public service, especially if they have young children. Thus, women tend to have jobs rather than careers.[1]

When it comes to pay, the view still lingers on that women are the "weaker sex" who should be protected and taken care of. On the other hand, men are still seen as supporting their families and therefore entitled to a "decent" wage. Female workers are viewed as dependants of men who work mainly to earn "pin money" for luxuries for the family that cannot be met from the husband's pay. If a woman is single with no dependants, she is not considered to need much money as her obligations are limited. Moreover, if a woman is single with children, it is assumed that she has alimony to support the children and herself. Consequently, women draw only a proportion of the male salary even if they occupy a similar position elsewhere in the organisation, possess the same education and skills, and had the same experience.

Policies in support of equal opportunities

Economic and social pressures brought reforms to the UK and other members of the Commonwealth. Legislation addressing Civil Rights, Equal Opportunities, Sex Discrimination and Affirmative Action Programmes came on stream to redress inequalities that had reached alarming proportions.

However, in spite of legislation having been put up in the United States 20 years ago as protective measures against inequitable treatment, the workplace, concludes Mary Guy, in 1992, is still marked by vertical sex segregation with women still confined to the lower positions and men dominating the higher paid ones.[2] Again, this cuts across the national bounds. In the UK, according to Anna Eckersley, 15 years since the promulgation of the Sex Discrimination Act, women were still dismissed from some occupations based on pregnancy, for example.[3]

Within the Southern Africa region, Zambia had gender equality as a deliberate national policy at independence. As a result, there was a policy to ascertain equality, but the results reflect that there is still discrimination. Four years after independence, Swaziland finally phased out the "five-sixths" rule whereby women were paid five-sixths of the male salary for similar functions.[4] Other countries in the region also have equality issues embedded in their National Development Plans, but there are not specific policies as to how these should be attained. As a result, there are inequalities in staffing, promotion and renumeration in the public service in some countries. At lower levels, women make more strides than men, but as a result they hit the ceiling much faster and do not progress thereafter at the same rate as the men. This also applies to developed countries.

The former British protectorates of Botswana, Lesotho and Swaziland have interesting characteristics, the most distinctive being migratory labour of young men to the mines in the Republic of South Africa. Consequently, family obligations, including food production and processing, were left in the hands of women. From an early age, more girls went to school, while boys looked after livestock and quickly graduated as young recruits for mine work. As a result, for the newly-independent countries in the late 1960s, more girls graduated from high school and, through government scholarship programmes, from university. Further, women graduates benefited more in postgraduate training through donor policies with quota requirements for women.

To conclude, although legislation where available has been of some help to redress inequalities, it has however on the whole been more words than action. Equal opportunity policies have led to many legal wrangles. Consequently, women feel unprotected by the very laws that were launched to protect them. Where discrimination cases arise, they are too complex to be attempted without costly legal advice. Cases are drawn out requiring more than courage to pursue. The emphasis on equality and its association with the legal process could be a recipe for

confrontation. As a result, women have to be fully aware of the possibilities and the limitations of what it is achievable from equality laws.

The way forward

As mentioned in the Introduction, governments have been undergoing change. This is bound to increase with the successful conclusion of the Uruguay Round. Trade and investment will be liberalised as early as next year, if ratification of the Final Act of the Round is achieved. This will have far-reaching effects on all spheres of life.

The rank and file style of management will give way to the knowledge specialist. The new manager will be responsible for applying knowledge, described as information that is effective in action and result-driven, to life situations. Knowledge will be *the* resource.

In terms of public management, such changes and stress on knowledge is already evident in development policies pursued by the newly-industrialising countries of East Asia. They experimented with development policy and, if things did not work, governments had the courage to change. In India, the Government took advantage of technological developments in telecommunications and drew routine data coding jobs away from the developed countries, and in some cases other developing countries, into India at a fraction of the cost. The Government went further and invested in a teleport to facilitate access by any other firms wishing to take this advantage. Governments, particularly in developing countries, will have to be competitive, based on knowledge possessed rather than by fiscal incentives.

They have to specialise in issues where they have particular economic advantages. They have to be prepared to solicit the best minds to cross-fertilise and develop their own. What is evident also is that public mangers will have to make quick decisions on investment processes, otherwise their governments stand to lose. One thing is certain, those countries that invested and continue to invest in technological and scientific education stand to benefit more and to reap the fruits of their investment.

Equal opportunities in a world that is highly computerised and connected via powerful satellites and other modes, have limitations. The educated person is no longer relevant; the knowledge person is. With more and more young skilled and technologically-exposed people coming into the workforce, cultural values will undergo change as more men shift their interest increasingly to their families and more women work for economic reasons. The basic rigid workday is already under pressure as work hours depend on individuals finishing their allocated batch of work earlier in a day so as to have more time for other private pursuits. As more

families afford modern technology like computers, the more they will want to work at home.

There is no doubt that the focus is shifting from groups to individuals and that systems will have to respond to the needs and aspirations of individuals. Differences are welcome because this increases the potential for creative problem-solving within organisations.

Conclusions and recommendations

Survival through excellence is going to be the order of the day. Application of knowledge to work is what will determine progress. Public managers like all other organisational managers will have to use information to focus on outcomes, given their limited financial and knowledge resources. However, they have to entertain uncertainty and be sensitive to situations on hand.

Governments have to review their education and training policies and to empower the workforce with the necessary attributes needed to fully integrate it into the global economy. Investment in science and in the educational system will encourage growth in research and development, which will steer countries of tomorrow forward. The best deals will be stuck by nations that have not only the courage to change and innovate, but also that have efficient judicial systems, open investment policies, functional and responsive financial institutions. For such learning to take place, nutrition and health care, though not part of the reflection above, will assume increasing proportions.

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Challenges and opportunities for small states (Seychelles)

Edited extracts from a presentation by the Honourable Simone de Comarmond Minister of Tourism and Transport, Seychelles

The characteristics of small island states

It is difficult to come up with one clear-cut definition of a small island state. Small has many dimensions and a country which is small on one criterion is not necessarily small on another. In general, the three main dimensions in assessing a small island state are the size of its population, its geographic area, and the size of its GNP. Although population size, geographic areas and size of GNP vary greatly all small island states have a set of common characteristics and peculiar vulnerabilities. These include:

- a narrow range of resources, which forces small island states to specialise and rely excessively on international trade, thus increasing their vulnerabilities to changes in their export markets;

- openness of their economy, with adverse terms of trade, very often leaves island states with a huge balance-of-payments deficit;

- high population growth and density increase pressure on already limited resources thus leading to overuse and premature depletion of resources;

- isolation and distances result in high transport costs including high transport insurance costs and, transport and communications being lifelines of the small island states, very often these costs have to be borne by them; and

- vulnerability to natural disasters: many small island states suffer from disastrous damage caused by cyclones and hurricanes with entire crops being wiped-out, leading to island states being classified as high risk entities. As a result, insurance and reinsurance is unavailable or only available at a high cost which in turn has adverse effects on investment and production costs.

Expenditure on government administration is disproportionately high in small island states. Certain jobs have to be done whether the country is large or small, namely the operation of ministries, maintenance of the police force and establishment of the legal system.

Most small states because of their size and closeness to each other have developed a sense of belonging, which makes islanders very proud of their natural assets – the

island environment. In small island states, like the Seychelles, most of administrative and survey tasks are more easily achieved than in larger countries. For example, a survey on the state of the health of the population of Seychelles was carried out on a sample of two per cent of the population. This cannot be easily attained in a bigger country.

Most small island countries are fortunately endowed with natural assets that are the bedrock for the development of a rich tourist industry. Seychelles, for example, is endowed with oceans, rich marine resources and beautiful natural beaches, which make the islands an attractive tourist destination.

The tourist industry being the mainstay of the economy has spin-offs for the economic and social life of the country. We have so carefully and successfully managed our environment, that, we can be part of the international effort in preserving the natural heritage. However, there are many challenges and opportunities which are yet to be accomplished in the tourist industry.

The small size of society also has its politico-social benefits. Close interaction between policy-makers and the people leads to a system of direct democracy. Alienation and anonymity of a larger society are virtually unknown to us islanders. Social cohesion is easier to achieve thus avoiding the undesirable phenomena of depersonalised societies, namely crime and anti-social behaviour.

The opportunities for development

The development and economic objectives of the Seychelles are similar to those of larger countries. Policy-makers aspire to a prosperous economy and a harmonious and stable society, expanded access to world trade and financing as well as to improve the standard of living and quality of life of the people and to achieve a more equitable distribution of income. In order to achieve these objectives, the avenues open to Seychelles and other island states are limited.

Seychelles, having a small land area of 455 sq. km., is made up of small islands scattered over a vast area of 1,000,000 sq. km. and has a small population of 70,000 people. The only feasible development strategy lies in the export-oriented service industry of tourism and to some extent in fishing. Tourism is one of the pillars of the economy. The direct contribution of the tourism sector to GNP was 17 per cent in 1992. However, the share of tourism in GNP is much higher if we take into account its multiplier effect generated through its inter-relationship with other sectors. Tourism is the most important single foreign exchange earner in the country accounting for 60 to 70 per cent of total foreign exchange earnings. The health of the economy is linked to a considerable extent to the future of the tourist trade.

Nonetheless, the challenges facing the tourist sector are enormous. The right balance has to be struck between tourism development and the preservation of the environment and cultural heritage. The fragility and interdependence of coastal zones and the unspoilt areas on which tourism depends calls for careful management. The distinctiveness of the islanders "culture" is a special tourist attraction. Unfortunately the tourist trade very often has detrimental effects on the culture, the values, the way of life and the environment. The drug problem is greatly attributable to the tourist industry.

After more than two decades of tourism development, our experience has so far been positive. Tourism, rather than having adversely effected the environment, has served to strengthen our resolution to protect our natural resources. But our determination to increase tourist arrivals and revenue is ever present. Moreover, the fragility of our tourism industry cannot be disregarded. Tourism depends on a number of factors that are beyond the control of Seychelles. For example, the outbreak of the Gulf War was a hard blow to our tourist industry – highlighting again our fragility and vulnerability. Also the global economic recession has seriously affected the tourist industry in terms of tourist arrivals, and revenue earned per tourist night spent has decreased. In 1994, it is expected to decrease by a further 10 per cent.

Developing the human resources

One of the most important resources of an island state is its human resources. The emphasis has rightly been placed by the United Nations Conference on Small Island States:

> "Development initiatives in small islands should be seen in relation to the needs of the human beings, their families, their values and their unique social, religious and cultural heritage".

It is very often said that, human resources development and educational needs of a small country are not as challenging as those of a bigger state. But the very smallness and vulnerability of small island states necessitates special attention and their problems are far more complex and severe than bigger countries. Seychelles is faced with the problem of high emigration and brain drain. For example, emigration of five doctors may have catastrophic dimensions in Seychelles; a hospital may have to be closed. However, such an emigration would have no effect whatsoever on a larger country. Skills required in specific areas are lacking and very often we have to resort to the recruitment of foreign consultants, who are expensive and frequently paid from national budgets. They may also lack the cultural understanding or appreciation of the country or may not be familiar with detailed intricacies of small societies and the personalities involved. On the other hand, if we do not have recourse to foreign labour, some work may not be done.

However, human resources development and national education are high priorities for the Government which came up with the National Manpower and Resources Development Plan in 1994.

Very often it is also said that educational planning in small island states is less of a challenge than in large countries. However, the Seychellois experience indicates otherwise. High costs of curriculum development, the critical shortage of qualified teachers, the remoteness and isolation of small communities poses problems that are unique to island states and the management and planning of education is made even more difficult. Fifty per cent of the population is under the age of 20 years making management of education even more difficult.

It would be a serious omission on my part if I didn't say a few words on women in island states. Although the burdens faced by women, in particular, as bread-earners and housewives are the same throughout the world, challenges faced by Seychellois women are far greater. They contribute to a large extent to the family budget. At present, data on women's contribution to the household budget are not available, but I would not be surprised if their contribution exceeded by far the men's share in the family budget. In fact, women in employment in Seychelles account for 48 per cent of the total active working population and in certain sections there is a predominance of women. For example, in the service sector, women in employment account for 47 per cent of the total employment in this sector.

Seychelloise women are also very active entrepreneurs and acute businesswomen. Fifty-eight per cent of total loans are given by the Seychelles Credit Union in 1993 benefited the Seychellois. Similarly, 20 per cent of loans granted by the Development Bank of Seychelles in 1993 went to women entrepreneurs. The total land ownership pattern also indicates that women own 42 per cent of the total number of rural properties. Out of eleven Ministers in the Seychelles Government, three are women.

Although these statistics may comfort many feminists, the problems and challenges faced by the Seychelloise women are many and varied. Divorces are on the rise, with the ensuing social problems and disruption of family life. The number of women-headed households is increasing.

However, our Government is determined to protect the rights of women, children and the family welfare. Payment of alimony is strictly enforced and the social security services provide for single-parent children. The number of single-parent families is increasing.

International competition

The Seychelles, not having paid a leading role in the negotiations of the GATT agreement, is at present assessing the impact of the agreement on the country's economic development. Will the benefits exceed the costs? No doubt benefits will include cheaper imports for an open economy like ours. However, on the other hand, reduction in import tariffs could lead to a significant reduction of Government revenue, and thus adversely affect Government spending on sectors like health and education. The Seychelles is also concerned about infant industries, like the tuna canning factory which is highly dependent on EEC special quotas. Can the Seychelles compete with larger American and Asian producers? All these are challenges facing the country in the near future and need to be addressed.

The challenges for the public service

Since this forum includes senior officials from all parts of the Commonwealth, I would like to say a few words on the crucial role of public administrators of small island states. It may be thought that management of smaller countries poses lesser problems than bigger ones. This may be true in general. Staff and personnel relations may be intimate as "everyone knows everyone else". However, this very intimacy can be a source of problems. Social relationships in small countries are described by sociologists as "multiplex" – meaning every relationship serves many interests. Decisions and choices of individuals are influenced by their relations with other individuals. Thus, it may be difficult to take disciplinary actions against an inefficient employee on the grounds of inefficiency alone because he may be a relative or family friend. Impersonal standards of efficiency, performance and integrity are modified by the many relationships connecting individuals. I would not say the above example is typical of the Seychellois life. But these are realities that have to be faced by more administrators of smaller countries than those of bigger ones.

Another aspect of island life is that people learn to get along and compromise with people for the sake of stability and not to hurt others feelings. This may appear to be a positive attitude, however by constantly adopting this attitude islanders become expert at muting hostility, deferring their views and avoiding disputes even at the expense of administrative efficiency. This is in fact one of the unfortunate realities of small islands.

Moreover, decisions taken by an administrator are known to everyone. The level of transparency is so much so that public administrators very often are hesitant to take decisions that may be viewed to be unpopular. Thus, as can be observed from the above discussion, the task of a public administrator in a small island is far more complex and demanding than that of a bigger country.

Conclusion

Having elaborated on the problems and challenges facing small island economies, I would like to conclude on a note of optimism. With proper (not over centralised) strategic planning, small island states can achieve remarkable rates of growth. In the case of Seychelles, the average growth rate throughout the last decade averaged 10 per cent. This may sound a high level of growth but the processes of planning, decision-making and implementation are easier and results readily evaluated and monitored in small island states than in large countries.

The small island states like other countries require capital inflow, both private and official, and if judicious use is made of aid, it can have very positive impacts on the economy of small island states. For example, in the past, the Seychelles has made excellent use of aid put at its disposal and very often is quoted as a reference point for the efficient utilisation of foreign aid.

Finally, investments in education and health are long-term investments in human capital. A small island state's only resources are very often its human capital. I feel that all efforts should be made by small island states to invest in their human capital and positive dividends will be earned in the future from such investment.

Challenges and opportunities for small states (Singapore)

Edited extracts from a presentation by Mrs Jaya Mohideen, Senior Consultant, Economic Development Board (EDB) Consulting Group, Singapore

During the Cold War, the military capabilities of the superpowers had an overwhelming influence on other countries. In this post Cold War era, whilst there remain militarily powerful countries, they either do not want or are not in a position to exert power militarily over other nations. The emphasis has shifted to smaller nations, particularly those which achieved reasonable political stability and economic success. The Newly Industrialising Economies (NIEs) are in this category. Being smaller and later developers, the learning curve was telescoped into a shorter period. Enriched by experience, they have a role to play by sharing this knowledge with other countries. John Naisbitt in his "Global Paradox" postulates that "the bigger the world economy, the more powerful are its smaller players". Naisbitt states that "Singapore's success says a great deal about how a country with virtually no natural resources can create economic advantages with influence far beyond its region". Singapore's firm belief and practice is that national prosperity can be created and not necessarily be inherited. A country's disadvantages in size and natural resources can drive it to convert factor disadvantages into competitive advantages.

I would like to share with you the experiences of Singapore, a small Commonwealth country, which faced numerous challenges in its 29 years of independence and how it created opportunities to meet these challenges. These experiences are particularly pertinent to small states but there are lessons also for our larger fellow Commonwealth members. I shall speak about how Singapore developed into a model for economic growth, its development goals and strategies, the role of the Government, Singapore's new directions and how we can share our development experience.

Singapore as a model for economic growth

In the early 1960s when Singapore was in the throes of independence, the odds were against its very survival as a nation state and any prospects of economic success. With a land area of 640 sq. kms. and no natural resources, its only natural advantage is its strategic geographical location in the Straits of Malacca straddling a key East-West shipping route. In the early 1960s its population was 1.6 million with unemployment at 14 per cent. Strikes and rampant labour unrest, communal violence, lack of housing, limited educational and health facilities, and the real threat of a Communist take-over prevailed. Singapore faced a bleak future as it lacked capital, infrastructure, technology and capabilities. Its GNP per capita was

US$435 in 1960. Singapore's economic structure was weak, based mainly on entrepot trade and low-end commercial activities. These were daunting challenges.

Three decades later, in 1993, its GNP had grown from US$0.7 billion to US$55.8 billion, GNP per capita from US$435 to US$17,133 (up 39 times), total trade increased from USS2.5 billion to US$159 billion and unemployment fell from 14 per cent to 2.7 per cent. Overall balance of payments was US$7.5 billion in 1993 compared to US$0.05 billion in 1960. Population had less than doubled at 2.8 million (up from 1.6 million in 1960) and the quality and standard of living had made a quantum leap. Over 80 per cent of Singaporeans own their homes accompanied by high standards of health care and educational facilities. Singapore has the world's biggest container port, third largest oil refinery centre and is the leading exporter of disk drives. John Naisbitt describes Singapore as Asia's dream country. He says that "Singapore is the smallest of what are referred to as Asia's four "Little Dragons" – South Korea, Taiwan and Hong Kong are the other three – but in many ways it is the most successful".

How did this phenomenal growth occur despite all odds. In 1965, Singapore was thrust into independence. Its economic policies were then predicated on entrepot trade and in providing for an internal market within Malaysia. Having lost its hinterland, Singapore shifted radically from import substitution to an export-driven labour-intensive industrialisation strategy to solve its problem of high unemployment.

The development model of Singapore and the other highly dynamic economies of Asia has had a significant effect on other developing countries. Many are now more export driven, have encouraged multinational corporation (MNC) investments, and have begun a process of deregulation, liberalisation, reform and privatisation. Singapore has become a catalyst for change in its region as the benefits are visible of its development strategies.

Development goals and strategies

The first development goal adopted in 1965 was to choose the free market economy as the most efficient means to allocate and organise resources.

The second policy goal was to plug Singapore into the global economic system by promoting foreign investment. Since Singapore lacked natural resources, had a tiny domestic market, negligible industrial capital or manufacturing base, the solution was to tap investments from MNCs. These came with a ready package of technology, expertise, access to world markets and created instant jobs. Singapore then had a dire need to create jobs to meet the basic needs of the people and to avert social disorder.

The third goal was to institutionalise a meritocratic system that motivated and rewarded hard work and excellence. Singaporeans had equal opportunity of access to education and jobs. This was related to the fourth goal of a clean environment. High standards of integrity were set in the Public Service and a Corrupt Practices Investigation Bureau was established directly under the Prime Minister's Office. The physical environment was made safe and clean.

In the 1960s, Singapore sought labour-intensive industries as wage costs were low and there was a need to create large-scale employment. Singapore attracted and developed a co-operative, symbiotic and non-antagonistic business relationship with MNCs. Singapore proved that MNCs could be of major benefit to developing countries regardless of size of the host country. To stay competitive, the MNCs transferred relevant product lines and technology to Singapore. Singapore's policy of export-oriented industrialisation ran in tandem with the technological and growth paths of MNCs particularly in electronics and oil/petrochemicals. The Shell Company is a model MNC which grew with Singapore. MNC leaders in specific industries were attracted to Singapore and they brought with them their latest technology and expanding markets. Their competitive edge and urge to excel also honed Singapore's competitiveness. For these MNCs to stay competitive, Singapore had to provide a modern infrastructure with a state of the art communications system, transportation, a highly skilled and professional workforce and a supportive environment. Foreign investors were allowed 100 per cent foreign equity ownership with freedom to repatriate profits. A tripartite co-operative relationship was forged among the Government, employers and labour to foster a congenial environment for business. The tripartite system provided for consensus and not the traditional confrontation between labour and employers. There are now over 3000 MNCs in Singapore with high returns on investments.

After full employment was achieved, the next phase in the 1970s shifted from quantity to quality. Labour-intensive industries now placed a downward pressure on wages. To maintain regular wage increases, skills development was emphasised. The Government spearheaded the establishment of joint industrial training centres with other Governments (France, Germany and Japan) and with large foreign corporations (Philips and Tata). A young workforce was trained in critical skills which consolidated the choice of Singapore as an excellent location for high technology investments. This facilitated the second wave of investments in the electronics industry with their commensurate demand for parts and components. The experience obtained from the first wave of mass manufacturing production to world standards of quality had established the base for this wave of high technology investment. The second wave spawned local supporting industries through backward linkages in supplies of parts and components to MNCs. It also generated a new breed of Singapore entrepreneurs who would be a key factor in the regionalisation thrust of the 1990s.

The third wave of electronics investments in the 1980s was led by computer and computer-peripheral industries which established their manufacturing operations in Singapore. They competed in the high-growth information technology, leading to more intelligent products such as disk drives and computers. Telecommunications leaders, such as Motorola and AT & T, drew from Singapore's technological base in the electronics industry to develop and manufacture advanced telecommunications equipment. The electronics industry has been transformed into one that is capital-intensive and highly skilled. With each wave, fundamentals were improved to meet the challenges which led to new opportunities which were harnessed and built on again. The Government made major investments in upgrading and modernising the infrastructure including the airport, seaports, telecommunications. the services sectors and workforce. New industries, such as aerospace, developed to take advantage of Singapore's competitive edge in electronics and communications.

New challenges were posed in the 1990s as competition became keener. The recession of the mid-1980s had proven that Singapore's competitiveness had been eroded when costs had increased and also from an over-dependence on the semiconductor industry which took a global downturn. Singapore braced itself for the 1990s by taking tough decisions in 1980s to reduce costs including wage cuts. There was a need to make a paradigm shift to a second "S" curve. The first "S" curve had been completed when the output potential had been reached in the mid-1980s. The second "S" curve challenged Singapore to initiate new strategies for development.

Role of the Government and Public Administration

In Singapore, the Government takes a proactive approach in dealing with policy issues for economic development in the context of a free-market economy. It provides the institutional and regulatory framework and an administratively competent bureaucracy. Capital-intensive projects are undertaken by it to develop an efficient infrastructure. In the early phase of Singapore's economic development, the Government hived off salient Government departments to convert them into statutory boards e.g. telecommunications, civil aviation, port facilities, public utilities, trade development and urban redevelopment. The next stage was to privatise a number of the statutory boards and other service providers and list them on the Singapore Stock Exchange e.g. Singapore Airlines, Singapore Telecom, Keppel Shipyard and Sembawang Shipyard. In the absence of local entrepreneurs with the capacity to make massive investments, the Government took the initiative to establish these entities and, when viable, transferred their ownership to the private sector and moved on to promote other areas.

Great emphasis is placed on human resource development, technology, research and development. The economic agencies of the Government, particularly the

Economic Development Board, spearheaded factor creation and enhanced the business environment. The Government established and implemented the National Information Technology Plan and national electronic data interchange networks. It computerised the entire Civil Service and introduced a S$2 billion National Technology Plan to propel Singapore into the major league of world-class innovation-driven economies and to be a global intelligent city.

New directions

Singapore has mapped out the next lap of its development strategy. Like the"S" curve of a product life-cycle, Singapore has begun a second "S" curve for continued growth. Singapore will further develop its role as an international business hub in the 21st century and play an integrated role globally. Its competitive advantage lies in its highly developed transportation system, including a world class port and airports, its modern communications and telecommunications system, banking and financial infrastructure, and highly skilled and educated workforce. The environment is being provided for total business capabilities in design, production, marketing, and distribution with a major expansion of its services sector. Singapore will function as the global business architect through international and regional business linkages. Singapore has recognised that the "borderless" age has arrived. Manufacturing, markets, manpower and goods move across borders easily. Production has become more integrated with interdependent linkages. Components are manufactured in different countries and assembled elsewhere, based on comparative strengths and competitive advantages.

In its new directions, Singapore is promoting regionalisation. MNCs are increasingly using Singapore as their beachhead into the Asia-Pacific region. To assist companies from the US and Europe which seek to invest in the Asia-Pacific region, Singapore will expand its functions as the "global knowledge arbitrator" providing information and advice to foreign companies on investments in the region. On a government-to-government basis, Singapore has developed the growth triangle with Johore (Malaysia) and the Riau Islands (Indonesia). It represents collective competitiveness and a partnership which transcends Singapore's limited production space and labour into the region. This concept has triggered off other growth triangles and even a growth quadrangle in the region. The objective of such regional co-operation is to increase transnational economic co-operation, spearheaded and assisted by governments but operationalised by private business.

The Economic Development Board has a key role in the development of industrial parks in the Indonesian Riau Islands of Batam, Bintan and Karimun, Bangalore IT Park in India, and Wuxi Industrial Park and Suzhou Township in the People's Republic of China. These industrial parks provide the physical and fiscal infrastructure, manufacturing environment, factor creation and investments.

Naisbitt calls this a model for economic growth into the 21st Century with the creation of win-win situations in which countries assume the economic tasks for which they are best suited.

Most of the larger investments in Southeast Asia and China are no longer from the US and Europe but from Japan and the NIEs including Singapore. The pace and scope of NIEs' direct investment into the region is accelerated by the deregulation and liberalisation of the recipient countries which are eager to receive these investments. Significantly influencing these regional investments are factors such as geographical proximity and cultural/linguistic affinities. Indigenous entrepreneurs are forging ahead on their own, in partnership with other Asian entrepreneurs or with foreign companies.

Apart from developing an external wing to the domestic economy, Singapore will concurrently promote inward investments vigorously into Singapore for higher-end technology and in developing world class industry clusters in Singapore. Cluster development will be a core component of the new directions. Using a total systems approach, Singapore will develop industry clusters in manufacturing emphasising electronics and chemicals, information technology and the International Business Hub 2000. These new directions are governed by the holistic "Singapore Unlimited" approach.

Sharing Singapore's development experience

Enriched with experience and having a sound track record, Singapore is now able to share and export its services abroad. Singaporean companies are beginning to be involved in infrastructure and other megaprojects in the Asia-Pacific region and beyond.

Singapore has been invited by several governments to advise on their development strategies. Whilst Singapore does not have all relevant experience or expertise, we have moved up the learning curve relatively quickly and have gained solid experience which we are happy to share with fellow Commonwealth countries in programmes funded by the Commonwealth Secretariat, World Bank, UNDP or other organisations.

Regime change and bureaucratic response: Hong Kong in transition

Edited extracts from a presentation by Professor Ian Scott, Head, Department of Politics and Public Administration, University of Hong Kong

Hong Kong is sometimes held up as an example of an ideal relationship between a bureaucracy and an economy. Two decades ago, the supposed advantages of this relationship were seen in expressly ideological terms.[1] A bureaucracy, such as that in Hong Kong, which intervened only minimally in the economy was believed to be conducive to rapid economic growth; by contrast, the heavy hand of socialism and the welfare state was seen to require a large bureaucracy supported by a high level of taxation which drained resources and initiatives from the private sector. It should be emphasised that this dichotomy was at once both simplistic and inaccurate. It was simplistic because the relationship between a bureaucracy and an economy does not hang on the single uni-dimensional thread of greater or lesser intervention. And it was inaccurate because, as some senior Hong Kong civil servants were at pains to point out, the Hong Kong Government did intervene in such fields as the provision of public housing when it saw the need to do so. Nonetheless, there is in Hong Kong today, as there was two decades ago, strong sentiment among the business class that bureaucratic intervention, perhaps powered by greater democratisation, leads down an inevitable slippery slope to the welfare state and higher levels of taxation.

Historically, however, the Hong Kong Government has never been able to afford the luxury of an ideological response to questions of governance. Its concerns have been essentially pragmatic, focusing on the difficulties of maintaining the legitimacy of a colonial regime, concentrating on very narrowly-defined goals. The extent to which it had a vision of the future is summed up in the oft-repeated, but seldom defined, phrase, "stability and prosperity". Reactive governments of this kind take on curious shapes if they are viewed from a longer-term perspective.

Economy and efficiency

For much of its history, until the riots of 1966-67, the Hong Kong Government was a classical, unreformed colonial bureaucracy, small in size, limited in function and dominated by expatriates.[2] In the 1970s, largely in an attempt to maintain political stability, the Government expanded the delivery of social services and, in doing so, changed its own character. More professionals were recruited and locals gradually began to move into positions of greater responsibility in the hierarchy. In 1949, the establishment of the Civil Service was 17,500; by 1975, it had risen to 110,000.[3] After 1984, with the signing of the Sino-British Agreement, a further sea change took place. The Hong Kong Government, increasingly nervous about developments

after 1997, put caps on expansion, limited structural change within the Civil Srvice and sought to deal with the anxieties of its own staff. The formal size of the Civil Service has remained steady at about 180,000 although this masks a further quasi-governmental sector of about 120,000 personnel paid from public funds.

While these changes represent important, and very different, responses to the tasks of government, there are two critical values which have been consistently maintained since the civil administration was first established by despatch from the Colonial Office in June 1943.[4] The first of these values is frugality. The origins of this incessant concern with "value for money" lies in the British Government's insistence that colonies, as far as possible, should be self-sustaining. But the business community has maintained that pressure, seeking to restrict expenditure, to keep taxes low, to check Civil Service expansion and to make sure that the Government balances its budget. These objectives have become ingrained in financial practices. That is not to say that the Hong Kong Government does not, on occasions, spend money needlessly or that it does not seek to increase the size of the Civil Service. But, when it does, the Financial Committee of the Legislative Council and the Director of Audit are quick to point out its transgressions or to question the wisdom of rapid public sector expansion. The Finance Branch controls the overall direction of fiscal policy and uses the power of the purse to regulate spending. Even small improvements in the quality of departmental services often require elaborate internal justification and are rejected more often than not. "Value for money" means frugality and the Government very often budgets conservatively and usually ends up with a substantial surplus. What may be a private virtue, however, is sometimes a public vice. Balanced budgets, or surpluses, mean that some goods and services are either not being provided or are not meeting quantitative or qualitative demand. For a people who have often suffered relative or absolute shortages – from housing, to tertiary education, to basic medical services – Government's fiscal constraint may often seem excessive and at the expense of their welfare. Nonetheless, only overt substantial political pressure or a perceived threat to stability has traditionally been seen as a reason to loosen the purse-strings.

Linked to the concern with frugality is an abiding concern with a second value, efficiency. It has been argued that the emphasis on efficiency stems from the difficult political problem of legitimating a colonial regime.[5] If the normal means of legitimation are not feasible, so the argument runs, a colonial regime might well seek to persuade its subjects that it is the most efficient government possible and one which, in consequence, contributes considerably to rising economic prosperity. A further consequence of the stress on efficiency as a primordial value is that it concentrates the efforts of government on the means and narrowly-defined goals rather than the ends and tend to promote pragmatic rather than ideological responses to situations. In this respect, Hong Kong practice has long mirrored the precepts of new public management, although it must be said that this is not an entirely unmixed blessing, reflecting, as it does, inadequate consideration of longer-term goals. Nonetheless, the emphasis on efficiency has been maintained

despite changing political circumstances. In the Hong Kong context, efficiency means more output for less input but it is also associated with the notion that, to achieve this objective, repeated attention must be paid to improving the hierarchy.

Strong hierarchies

The Hong Kong Government has always been a highly centralised government. Decisions taken at the apex of the organisational pyramid are expected to be carried out quickly, efficiently and effectively at the base of the pyramid. Successive Government re-organisations have all been premised on the implicit value of making the hierarchy work better. The stress on hierarchy has meant that departments within the Government have enjoyed a good deal of autonomy in their day-to-day operations but have been controlled at the macro-policy-making level and in budgetary matters by the Government Secretariat. Because Hong Kong is a small place and inter-departmental communication is very easy, because strong hierarchies accord with the social values of civil servants and because the functions of Government have traditionally been limited, implementation has generally been very effective. The greatest disadvantage has been that the strong emphasis on the importance of hierarchy has tended to be detrimental to lateral co-ordination between departments necessary for achieving social policy goals.[6]

The concern with hierarchy and line implementation has also had some effect on the quality of policy-making. Policy-making in Hong Kong is officially, and rather restrictively, the prerogative of the administrative grade which was composed of about 400 officers in 1994. The grade, which is a British inheritance, reflects the belief that policy should be made by generalists and then executed by specialists and departmental line officers. Administrative officers are recruited from among bright and articulate university graduates from all disciplines but they are not given any specific training in policy analysis. In addition, because their numbers are so small – a by-product of the emphasis on hierarchy and line implementation – they are overworked and unable to devote sufficient attention to forward planning. Until the 1970s, the reliance on generalists did not create any great strains on the system. With the introduction of expanded social policies, however, professionals and specialists were recruited in greater numbers. They resented their exclusion from final decision-making on policy and also felt that their promotion opportunities were adversely affected because the administrative grade held such a large proportion of the most senior positions in the Civil Service. Attempts to maintain the artificial distinction between generalists and specialists seem increasingly dubious in the face of the complex policy questions which Hong Kong now faces.

The purpose of this brief sketch of the principal features of the Hong Kong Government is to set them against the major difficulties the Civil Service faces in the transition to Chinese sovereignty and to ask if more general conclusions may be drawn for small states and bureaucracies which are subject to an anticipated regime

change. Such changes almost invariably have effects on the nature of policy, and the way in which it is implemented, and on the composition, structure and morale of the civil service itself.

Policy change

In times of great political turbulence preceding a regime change, it is understandable that policy-makers should seek to introduce policies which they believe will promote political stability. Such policies usually involve increasing the supply of prized public goods in social policy areas. In the last years of colonial rule in Africa, for example, the British Government expanded the provision of education, ostensibly for the purpose of preparing the country for independence but also with the hidden aim of providing support for a shaky government. In Hong Kong, somewhat similar measures have been adopted. In 1985, immediately after signing of the agreement on Hong Kong, for example, the Government announced that it would build a third university.[7] A few years later, after the Tiananmen Square massacre, the number of places was further expanded, a Bill of Rights was introduced to attempt to assuage the fears of the people about civil liberties, 50,000 British passports were granted to Hong Kong citizens and plans were drawn up to build a new airport.[8] The objective of these policies, it was stated, was to build confidence in the future and to create support for what was increasingly seen to be a lame-duck Government. None of these policies has worked and it is interesting to speculate why.

The first, and most obvious, culprit is the Chinese Government which has been somewhat less than helpful. It has said, for example, that it will dismantle the Bill of Rights, together with the rest of the political system, after 1997. It denounced the nationality scheme and has created endless problems over the funding and building of the new airport.[9] When the airport is finally built, the financial and psychic costs will have been excessive. The reasons for Chinese objections to these policies is that the British and Hong Kong Governments declared them unilaterally. The Chinese Government believes that it should have a right of veto over all matters spanning 1997 since, it claims, this is inherent in the resumption of sovereignty which gives it the right, in the interim, to speak for the government of the future Special Administrative Region. The effect of this is that, for both the British and the Chinese sides, 1997 is a cut-off date with little attention being given to the development of future policies.

If the attitude of the Chinese Government is a principal reason for the failure of these policies, it should also be noted that in some instances they have failed because they run contrary to the underlying values of the Civil Service. Higher education in Hong Kong falls under the jurisdiction of the University and Polytechnic Grants Committee (UPGC), a quasi-government organisation which receives its funds from the Government. When the decision was taken to expand

higher education, the Committee had little by way of expertise in planning for future numbers or maintaining cost controls over large projects. One consequence of this was that the Committee was partly to blame for the cost overruns of more than HK$1 billion on the construction of the campus of the third university.[10] A further consequence has been that its planning targets for student numbers have been inaccurate, requiring the Committee to ask the universities and polytechnics to return funds.[11] At the same time, a decision was taken to turn all four polytechnics and tertiary-level colleges into de facto universities with resultant great diseconomies of scale. Finally, the Committee allowed itself to be caught up in the rhetoric of new public management and required the tertiary-level institutions to conduct research assessment exercises which were badly conceived, badly implemented, enormously time-consuming and resulted in morale problems in some institutions.

The UPGC is not alone in experiencing difficulties in the transition. The problem arises when, for political reasons in times of anticipated regime change, government agencies are asked to take on tasks for which they do not have the capacity. Never having invested very much in human or other resources for policy-making, the Hong Kong Government suddenly required some of its departments to take on tasks for which they were not suited. The Government in effect abandoned its own implicit dictum that structure and resources should be appropriate for the tasks required; that frugality should be observed at all times; and that the hierarchy should be so constructed to maintain control over implementation. The reason why it abandoned its traditional values in these instances is that it felt that there were overriding political values which needed attention. The effect, however, in some cases, has been to increase administrative disruption and to create further anxieties.

Composition structure and morale

Regime changes – especially these which are known well in advance – result in great uncertainty within the Public Service. In Hong Kong, a survey of senior civil servants conducted in 1989 found that some 90 per cent of these sampled were mistrustful of British and Chinese intentions towards the territory.[12] Since most also regarded security of tenure as the principal reason for taking up a career in the Civil Service, it would be surprising if they did not view the future with some trepidation. Some grades are particularly vulnerable to the change of sovereignty in 1997. For example, there could be very large changes in the roles of the administrative grade and the police force after 1997. And it seems probable that both will undergo some changes in the transitional period. The administrative grade identifies itself as an elite which provides political direction for the Hong Kong Government. The Chinese Government is amply aware of its role and might very well decide to keep the grade and simply implant some loyal party cadres to ensure compliance with Beijing. Alternatively, it might decide to eliminate the grade, provide political direction from elsewhere and disperse the policy-making

function more widely throughout the Service. Whatever happens, it is unlikely that the grade will have the same composition in 1997 as it has to-day.

Two factors are likely to be of critical importance. The age structure of the grade is such that approximately 18 per cent of its present strength will have retired by 1997. Of this, more than half are expatriates. By 1997, assuming that no other expatriate resigns or takes early retirement, there will only be 79 expatriates left in the administrative grade; the likelihood, is that there will hardly be any left at all. The administrative grade will be composed almost entirely of local officers in 1997, however, many of them will be young and inexperienced. The grade is already suffering difficulties in recruiting the best graduates, many of whom have joined the private sector or have continued with further studies in the hope of obtaining foreign passports. It is possible that the grade could be supplemented by increasing its intake from other grades but this simply postpones reckoning with the problem that the grade is not attracting the best qualified graduates.

A second factor is likely to exacerbate the problem. The British nationality package contains provisions that every administrative officer with five years service by 1997 will be offered a passport. The package is intended to persuade key people to stay in Hong Kong. However, since it is not recognised by the Chinese Government, it could have precisely the opposite effect. By 1997, the administrative grade could have lost its pre-eminent position simply because wastage rates have become so high. This would have a considerable impact on policy-making, devolving much more to the departments and losing central co-ordination one of the advantages of the present system. It could also perhaps mean that the Civil Service and finance branches would have less authority in controlling the departments.

These examples are illustrative of wider problems of structure and morale in the Civil Service. The Hong Kong Government has sought to answer its difficulties by offering generous conditions of service and by assurances, contained in the Sino-British Agreement and the Basic Law, that the change of sovereignty will not mean more detrimental working conditions. The Chinese Government, for its part, has declined so far to specify what kind of policies it will adopt except to say that it expects all civil servants to serve the Government loyally.

Conclusions

If there are lessons to be drawn from Hong Kong's experience, they may relate as much to questions of regime change and to questions of resource allocation as they do to small states as such. However, since some small states do face regime changes and, since all governments face problems of how to allocate resources within government to strengthen capability, these concluding observations may have some relevance.

First, the Hong Kong experience, in the first century or so of the colony's existence, was very much a question of basic survival with limited resources. Under these circumstances, large-scale goals and visionary ends are unlikely to be achieved and, probably, should not even be conceived since they raise unattainable expectations. Hong Kong was fortunate in that its Government was usually congruent with the state of economic development and that it faced only occasional major political pressures to increase the amount of service delivery. The concentration on means rather than ends made for efficient Government at the expense perhaps of an agreed set of future social values, of the kind of society which Hong Kong should become. The society has paid for that particular trade-off in such areas, for example, as poor curriculum development, poor pollution control, inadequate housing and limited medical facilities and planning capabilities.

Second, these trade-offs occur also within the bureaucracy. It was appropriate, given its view of its role, that the Hong Kong Government should concentrate its limited resources on line implementation even if this was at the expense sometimes of imaginative policy-making responsive to complex problems. These decisions relating to allocating human resources within bureaucracies are very often implicit consequences of past historical circumstances which have not changed over time. Even to-day the Hong Kong Government is probably inadequately provided for in terms of professionals given the objectives it wishes to pursue. Governments rarely go beyond the level of devising inventories of the human resources they possess to the more difficult task of relating them to their capabilities and objectives.

Finally, it is not entirely clear that traditional increases in social policy outputs do in fact answer the problem of the anxieties and uncertainties caused by anticipated regime change. In many cases, in Hong Kong and other former colonies, it may be a matter of too little, too late. The new social policies may simply create inequities between generations leading to different forms of instability. They may also place demands on the capabilities of the bureaucracy which had not previously been experienced with the result that outputs do not meet targets and thus fail to achieve the desired objective of greater political stability and less turbulence. Some of these concerns are germane to small states but they also have relevance in a wider context. The search for solutions to the problem of political turbulence is unlikely to be assisted by inadvertently creating administrative disruption and may require more attention to establishing congruence between bureaucratic responsiveness and the prevailing situation rather than trying to anticipate an uncertain future.

Notes

1. Milton Freidman, *Free to Choose* (Penguin: Harmondsworth, 1980).

2. See Ian Scott, "Administration in a small capitalist state: the Hong Kong experience" in Randall Baker (ed.), *Public Administration in Small and Island States* (West Hartford, Connecticut, : Kumarian Press, 1992).

3. Hong Kong Government, Report on the Organisation, Methods and Staff Survey (Hong Kong: Colonial Secretariat, Legislative Council Sessional Paper, 1949); Civil Service Personnel Statistics 1982 (Hong Kong: Civil Service Branch, Government Secretariat, 1982), p.1.

4. See G.B. Endacott, *An Eastern Entrepot: A Collection of Documents Illustrating the History of Hong Kong* (London: HMSO, 1964), pp.255-259.

5. Terry T. Lui, "Efficiency as a political concept: issues and problems" in John P. Burns (ed.) *Asian Civil Service Systems: Improving Efficiency and Productivity* (Singapore: Times Academic Press, 1904).

6. Ian Scott, "Policy implementation in Hong Kong", South-East Asia Journal of Social Science, Vol.15, No.2 (1987).

7. Address by the Governor, Sir Edward Youde, at the opening of the Legislative Council 30 October 1985 (Hong Kong: Government Printer, 1985).

8. Ironically, these proposals were formulated because it was thought that they would not meet with opposition from the Chinese.

9. Attempts to resolve these differences in 1991 in a memorandum of understanding came to nothing. See Memorandum of Understanding concerning the construction of the new airport in Hong Kong and related questions (mimeo, 4 July 1991) and Brent Hannan, "An expensive mistake?" Asia Inc. Vol.1, No.6 (November 1992).

10. The matter was discussed at length by the Director of Audit and in the Legislative Council with the Government and the Jockey Club which funded the project, both being blamed for the overrun.

11. University and Polytechnic Grants Committee of Hong Kong, Higher Education 1991-2001: An Interim Report (Hong Kong: Government Printer, November, 1993).

12. Terry L. Cooper and Terry T. Lui, "Democracy and the administrative state: the case of Hong Kong", Public Administration Review, Vol.50, No.3 (May/June 1990).