

RATIONALE FOR DEVELOPING A POLICY ANALYSIS FRAMEWORK

The way policy intervention strategy is formulated and implemented is a reflection of the nature of the state, its class nature and composition, its main interests, points of strength and weaknesses. While there are certain political and economic limitations to the state's role of formulating an appropriate policy, there are equally some policy areas in which it has strength to develop and implement a strategic policy based on its capacity. By far the strongest policy instrument the post-colonial state has is its human and natural resources. It must be pointed out that its strength can also be the source of its weakness in cases where there are influential external forces that can manipulate the local policy development processes and procedures.

The strengths and weaknesses of a post-colonial state are illustrated by the way it manages its own economy and public service reforms in response to globalisation and by the manner in which it addresses issues of declining performance and productivity by its own human resources and state machineries such as ministers and public enterprises. We will discuss these issues and/or problems and relate them to the way in which reform policies have been conceptualised, resulting in the adoption of particular recommendations, the explanations of which are sometimes not clearly understood. It will be argued that the option taken by government is a reflection of either its weakness or limitation and strength. The examples will also indicate the reasons why certain governments have preferred one option as opposed to another and the mode of intervention without consulting stockholders.

(a) Globalisation and management of the economy

The process of globalisation, as already explained, has political, economic and social factors and forces which influence or sometimes dictate the co-ordination and directions under which change should occur. Globalisation as a process fundamentally assumes the emergence or strengthening of the market economy in the belief, rightly or wrongly, that the private sector is the engine for development.

The changing role of the state with the interested assumption that the government should be small, lean and should have a minimal role in development is another assumption. A case is usually made for a minimalist state, the extent of which is not normally explained or questioned but accepted as given. Critics of this assumption have posed the question of the degree or size of the desired minimalist state, i.e. should the state control 33% or 43% of the economy? The other assumption regarding the role of the state is that it should reduce its welfare programmes and adopt a more regulatory approach, leaving the market forces to

operate with the minimum of state influence. This results inevitably in the change of the philosophy of government, i.e.:

- a meaningful and effective response to the demands, needs and aspirations of the people. In this regard the state is expected to create a conducive environment in which the private sector plays a leading role in the development process. However, the demand generally connotes the dictation of the private sector interests. In its response to the needs of the private sector and civil society, the state is expected to be transparent as it attempts to deliver the services, thus promoting good governance and public accountability;
- structural changes are expected to be made in the economy in order to facilitate and promote the private enterprise. In many cases, increased trading is encouraged in order to allow more flow of external capital and the promotion of partnership with other organisations in the developed world. The increase in the flow of external capital is by far the most powerful instrument in influencing governments policies.

The structural changes in the economy according to this paradigm are meant to:

- achieve fiscal monetary discipline, reduce budget deficit, balance budget, remove subsidies, control money supply and inflation;
- achieve trade discipline through the removal of quantitative control quotas, free imports, free exports, providing direct incentives, no trade deficit etc.;
- achieve exchange rate discipline, remove black market in foreign exchange, devalue currency etc.;
- achieve industrial discipline, privatise public sector, strengthen private and financial sectors. Encourage investment, technology and management at home, reform the civil service and improve government/industry interface.

The key reforms advocated are managerialism, commercialisation, deregulation, corporatisation and privatisation. The bureaucracy has become the focal point for change seeking to achieve cost-effectiveness in all that it does; with the argument that traditional values such as job security are no longer affordable in a world dominated by chronic budget deficits and worrying public debts and asserting, as an act of faith, that anything the public sector does the private sector can do cheaper and better.¹²

These changes are supposed to be supported and strengthened by the changes in the legal and administrative systems. As a result of these changes, laws are made to

protect property rights, e.g. land and buildings, and individual rights such as recourse to take the government to court in cases of breach of contract.

The changes have an impact on the restructuring of the state machinery, principally the public service. The restructuring is based on the assumption that the civil/public service is too big and is duplicative of other functions of the state. Consequently, according to this assumption, the size of the service must be reduced through various strategies such as redundancies; delayering (removing unnecessary administrative levels); decentralisation or devolution or de-concentration of powers and responsibilities from the centre; deregulation; and above all debureaucratisation.

In all these instances, there has been no research or study conducted to identify the nature of the problem. There is also an absence of thorough consideration given to the appropriateness of the proposed solutions to the identified problems. In essence, there is a lack of empirical evidence about the problems and their solutions. It would appear, therefore, that most of all these assertions are based on assumptions which have never been subjected to a rigorous scrutiny and verification. The problem is exacerbated by the fact that the normal processes and procedures of formulating policy are never pursued in the design of a new policy in order to address an emerging problem or issue.

(b) Problems of performance and productivity

The second problem area in which the nature of the state is identified is the way the issues of productivity and performance are addressed. The way the state handles performance management issues is a reflection of its commitment, will and direction. It also shows its weakness in dealing with issues and problems in which it has powers, despite the limitations imposed by the post-colonial state. The point to be emphasised here is that issues of efficiency and effectiveness of the state are just as important to a socialist or a capitalist state. However, variations are observed in the implementation process.

Since independence, many administrative, managerial and technical problems have been observed but very little has been done about them. While in some respects, questions of performance of the civil service have been studied through Commissions and other relevant internal organisations, the solutions have not been given serious attention. This raises questions about the effectiveness of the existing policy framework, if at all there is one. The following problems and policy issues have been identified:

- There has been a decline in performance since independence. Many commissions have been appointed to look into the decline of performance and recommendations have been made. It has taken some countries ten to twenty years to implement such recommendations. You may want to compare the

speed with which structural adjustment programmes have been implemented, and sometimes given a time-frame of five years, for example.

- The technological and knowledge base of management and administration has declined despite the increase in the number of qualified university graduates with skills and expertise to not only maintain continuity but also, and more importantly, to manage the complex reforms that are introduced in an environment which is not ready for the fundamental changes. The problem of the lack of human resources with suitable skills and expertise is exacerbated by the absence of the audit of skills and occupation before complex reforms are implemented. Some countries realised that they did not have the capacity to downsize or right-size the civil service after recommendations were in the implementation process. As a result, it took a long time to implement such reforms. In still other instances, the government relied very heavily on foreign consultants who had little knowledge of the local situation. It can be argued that most of the consultants came from the donor countries that recommended the economic reforms.
- Political interference in the appointment, promotion and discipline of civil service has been on the increase since gaining independence. In some countries, ethnic considerations have an overwhelming influence on appointments of civil servants to senior positions as well as to public enterprises in which government has a stake. One of the consequences of such political interference is that staff are appointed to inappropriate positions or may not have the right level of competence. This eventually affects the quality of performance of the individual and the delivery of services to the people.

The neutrality and objectivity of the civil service is certainly compromised in circumstances in which political considerations outweigh objective and professional criteria.

- Corruption is also on the increase, both among politicians and civil servants. In situations in which there are no checks and balances, corruption has negatively affected the delivery of service to those who need it most. However, some countries have appointed anti-corruption agencies, the ombudsman etc. in order to reduce the level of corruption. One of the aggravating factors in this regard is that corrupt officials are appointed to anti-corruption agencies, thus making it impossible to solve the problem. It should be mentioned that once corruption is institutionalised it is very difficult to eliminate it because it becomes a culture of the organisation and individuals working in them and is therefore deeply rooted in the administrative system.
- The independence of the Public Service Commissions or Civil Service Boards has been curtailed by many governments. Such independence of the Commission has been undermined through various measures such as making it purely advisory instead of being executive. The result is that people are

wrongly appointed or promoted or transferred and can therefore be highly misplaced even if they have appropriate qualifications.

- Management systems have broken down. Records and information systems may not be in the right place and therefore cannot be retrieved easily. In some countries, records have disappeared with the result that no decisions can be made. Some police officers are known to lose police dockets making it impossible to bring the culprits before the court and leading to miscarriages of justice. Performance appraisal systems have also broken down. Neither the supervisors nor the supervisees can be assessed for their performance at the end of the year. If the instruments for measuring performance are not in place, to what extent can we talk about achieving the goals of the state efficiently and effectively?

In those countries where the performance appraisals are still in place, the rating of performance by supervisors has become questionable. Most officers, for example, are rated the same. If everybody is rated average, it would be difficult to identify the high fliers and the poor performers. In still other circumstances, both the poor performers and the high-flyers are awarded similar rates of annual increments and bonuses. The morale of the civil servants is consequently affected, with the result that there is a decline in productivity.

- Among the most serious factors affecting good performance is the decline in standards and values of the civil service. Standards and values underpin the whole system of service delivery to consumers. The values of integrity, honesty, dependability, helpfulness, impartiality, courteous, fairness, consistency, efficiency and effectiveness are gradually disappearing from among the civil servants. This is made worse by the absence of any formal system that can reinforce such values. The disciplinary measures have equally been weakened to the extent that nobody wants to take responsibility as this brings many enemies, particularly in small states where everybody knows one other.

The breakdown in the management systems is further complicated by the way in which the budgets are administered for each ministry or department. In some countries, ministries run out of their votes of expenditure six months before the end of the financial year and some civil servants cannot do their work because there is no travelling subsistence allowance. In some extreme circumstances, there are no drugs in hospitals or clinics, no chalk in schools, and no equipment with which to deliver services, such as fertiliser and seed to farmers.

In all the above instances, the government has to take the full blame without apportioning it to external forces. The government has the power to allocate and distribute resources efficiently and equitably since it is in control of its own resources through its budgetary system and human resources that it employs.

The problems of performance and productivity constitute a weak capacity in policy analysis research, development and the management of the existing policies. The weakness in policy analysis and review contributes to the deterioration in the total performance of the civil service with the result that goals are not achieved and public service not delivered. Poor policy management leads to inefficiency and ineffectiveness of the public service machinery as this will be demonstrated in the case studies in this publication. Such problems reveal the absence of an effective policy framework within the state.

However, in Financial Management, policy analysis and development planning contributes to the budget cycle. This is possible when there exists a structured and formal relationship between the institutions involved in development planning and those involved in budgeting. This enables government to do the following:

- link policies, spending and monitoring;
- define sectoral goals, objectives, programmes and outputs;
- restructure expenditure within and between sectors in line with clearly identified priorities;
- provide a rational approach to resource allocation by identifying focus areas which will receive adequate funding and provide value for money;
- determine how policy decisions affect resource allocation and to assess the effects of future budget allocations;
- assess budget proposals in relation to key development strategies.

(c) The characteristics, form and type of reform

Many countries in the Commonwealth are implementing the economic and administrative reforms of one type or another. The implementation of these reforms exhibits peculiar features and characteristics that reflect on the nature of the state. The tactics and strategies that are used are a symptom of the strength and weakness of the state, reflect the dominance of external influence and in some cases show that the state is in control of its own resources. In analysing these reforms it is possible to differentiate between those countries that show a heavy dominance of external forces and those that determine their own policies. It also clearly distinguishes the countries that have been responsible in formulating their own policies from those in which policies for reform are imposed from external sources. The purpose of the reform, the strategies and instruments used, the pace and costs of the reform vary in accordance with the ownership of policy formulation, political will and commitment and the extent to which they control their own resources and are therefore not dependent on metropolitan countries. For the purpose of our analysis, comparisons are made between those countries whose reform programmes were dominated by economic considerations (A group) from those that put emphasis on human resources (B group).

Purpose of Reform

A	B
Reduction of budget deficit and liberalisation of trade. Removal of controls. Encourage private enterprise. Privatised public enterprise. Achieve fiscal and monetary discipline, removal of subsidies. Elimination of black market. Less government.	Improve service delivery. Make services affordable, acceptable and available. Prompt responsiveness to the needs of the people. Better government.

Emphasis, Type and Characteristics of Reform

A	B
Costs reduction Downsize civil service Commercialisation programme Privatisation programme Deregulation Decentralisation	Human Resources Development Performance Management Systems Clarity of goals for reform Develop Citizens Charter Improve morale of Civil Servants Improve Delivery Systems Customer care

Assumptions of two Philosophies/Methodologies

A Supply Side	B Demand Side
Quantitative Statistical Control direction Structural Conditionality Time limit Externally-determined Profit-making	Qualitative People centred Process/Ownership Management Home-grown Own pace Internally-determined Improved knowledge and skills base Evaluation programmes

Instruments used

A	B
Budget control Redundancy schemes Accounting Instructions Joint Ventures/Partnership Legislation Directives Hierarchical structure	Performance Appraisals Systems Performance agreements Training Policy & Career Planning Reward Systems Develop code of conduct Procedures manual Records and Information Management Systems Improve conditions of civil servants

Behaviour Patterns for Manager (P/S)

A	B
impersonal distant inaccessible plan organise control administrator apex of pyramid master/directing	user-friendly proximity accessible communicative consultative participative leader/manager base of pyramid servant of people

In analysing the characteristics, purpose and assumptions of the economic and administrative reforms, it is possible to differentiate between those countries that own and control the reforms and those that do not. Another distinction is related to the origin, initiative or source of the reforms and whether it is externally or internally determined. The emphasis on certain characteristics of the reform is also a clear indication of the present and dominance of external forces.

Taking into account all these distinctions, it would be safe to generalise and make the following conclusion:

1. Most African countries south of the Sahara, with the exception of Botswana, have had their reforms initiated from external sources, and or are sometimes imposed. There is a heavy concentration on economic and financial reforms with less attention being paid to human resources management. According to this observation they are categorised in the

‘A’ group in which human resources management is considered as an afterthought or as a consequence of the financial and economic reforms but not as a priority. The type of reform imposes the choice of instruments to be used in the reform process, methodologies and the behavioural pattern of those who manage the reform.

2. In the region, Botswana stands out as one country that has initiated, owned and implemented reforms at its own pace without much external pressure. It has placed emphasis on the development and management of human resources while at the same time efficiently managing the economy. It has regarded the reform as a process of change and not as an event which is given a time-frame and other conditionalities.

Within the Commonwealth and outside the Southern African region, Malaysia and Singapore have placed a lot of emphasis on human resources while at the same time efficiently managing the economy. These two countries designed their own reforms and determined on their own the time-frame within which reforms have to be implemented. Essentially, they own the reform process.

3. In most developed countries of the Commonwealth such as Australia, Britain, Canada and New Zealand, due emphasis has simultaneously been placed on both the financial and human resources. The reforms have been determined and initiated from within rather than without. The reforms have been seen as a necessary process of change and are owned by the countries themselves.

(d) The evaluation studies on adjustment programmes

Considering the importance of these policy initiatives on Structural Adjustment Programmes, the impact they have on the lives of the citizens and the financial and social costs to the country, it is surprising to note that very few studies have been conducted to determine whether or not they achieve the desired results. Both the countries that have implemented the economic reforms as well as the donors that have recommended or imposed the conditionalities for reform, have not committed human and financial resources to evaluate the impact of the reforms since this should be an on-going exercise before further changes are made and funds committed for an extension of the programme.

Despite this seeming lack of commitment for evaluation of these fundamental economic and administrative programmes, a few studies have been conducted by the United Nations Development Programme, the European Centre for Development Policy Management¹³ and Public Policy at the University of Birmingham,¹⁴ have revealed the following weaknesses which demonstrate the lack of interest by the state in the use of the available policy framework:

- The envisaged costs savings on downsizing the civil service fell far short of expectations. In some cases, the costs escalated thereby leaving the major problem unresolved.
- There was an absence of institutional provision for co-operation between the two major ministries responsible for reform, i.e. the Ministry of Finance and the Ministry of the Public Service. In still other instances, the Ministry of Finance reached an agreement with the International Financial Institutions without the knowledge of, or consultation with, the ministry responsible for personnel, even in matters of redundancy and administrative reforms. There was great emphasis on saving financial costs at the expense of human costs.
- The reform process was very much dependent on top-down direction and external stimuli. In some countries, the external forces dominated the form of change which was not well understood by those who were to implement the reform programme. The absence of a team approach in managing the reform left a vacuum in which the donor could effectively influence the pace and direction of the change process.
- There was an absence of a training policy which would facilitate and equip the human resources with adequate skills and knowledge to implement a new programme which had never been experienced before and in which they did not participate in formulating. The budget for reform did not include training. In the few instances where training was mentioned in the policy reform document, it was not made relevant to meeting the needs of the civil servants, management and those who were to supervise the change process. It was assumed that once policy was formulated the civil servants would simply obey the instructions and implement the policy whether they understood it or not. This is a traditional approach to policy development which is incapable of meeting the current demands and needs of highly politicised people.
- The management development training institutions were not involved in the policy formulation and were equally ignored in both the implementation of the programme and in training the service in preparation for such a fundamental and structural change in society.
- The reduction of costs and size of the civil service alone did not result in the automatic achievement of efficiency, effectiveness, responsiveness and increase in productivity. Consequently, the reduced civil service and budgetary allocations did not improve the delivery of services such as health, education, agriculture and overall performance in administration. With reduced budgetary allocations, the agricultural extension services were severely curtailed as there was limited allocation for staff to travel to deliver the relevant agricultural inputs necessary to increase food production. The same can be said about teachers, nurses, etc.

- The structural adjustment programme envisaged to make savings from cut costing measures. The savings were expected to be ploughed back into the system to improve the wages for civil servants. However, the new systems of incentives and employee motivation were not consolidated into the reform as adjustment conditions and budgetary restrictions constrain improvement in salaries/wages and incentives. Since there were no savings, some countries proceeded to freeze the salaries of the civil servants, thereby reducing their morale and performance. This was done without negotiation or consultation. One of the consequences of such a freeze in wages was the strained relationship between the state and the Public Service Staff Association. This often resulted in strikes or other forms of industrial action being taken by the loyal civil service. Further, the staff association in their negotiations with the state on wage increases, did not use the costs savings as a criterion but rather the increase in the cost of living and the devaluation of the currency which resulted in the decline of their purchasing power.
- Economic and administrative reforms were introduced at a time when there was a noticeable decline in the performance of the civil service and when the weak capacities of the state administrative capacities had been observed. Various commissions which had been set up to improve performance of the civil service, prior to the economic reforms, had indicated many weaknesses of the different ministries in the delivery of service to the people. Critics of the reform programme have wondered why the state would expect a weak administrative system to implement very complex and fundamental reforms in which it did not have the capacity, know-how and commitment.
- The environment of political instability, social unrest, political interference in the civil service administration, economic mismanagement and highly institutionalised corruption, largely contributed to a degeneration of the entire public service system. Such a system could not be expected to reform itself with success.
- The weaknesses and ineffectiveness of the policy implementation on structural adjustment programmes in many countries of the sub-region reveal the lack of appropriate approaches and strategies to policy development and management. They also demonstrate the lack of involvement of stakeholders, the absence of thorough studies on the nature of the problem to be addressed by the policy measures, the absence of capacity to manage the policy and, above all, the lack of skills in the policy management process. In more general terms, the policy measures have lacked ownership of the policy by the state, thereby giving an impression that the policies were imposed by external forces and that the countries were desperate in accepting the conditionalities of assistance from donors. The conditionalities have exhibited an ideological bias and are exactly identical¹⁵ whether in a small or a large state or in a poor or rich country, giving rise to the belief that they emanate from one source even if the countries themselves claim that such policies are home-grown.¹⁶

- The lack of understanding of the implications of the policy by policy-makers. The lack of skills and experience in designing policies of such magnitude and the absence of precedents from which to learn and share experiences demonstrate the need to examine some policy models that have been effective in other countries or in other sectors of the economy. The emerging best practices in policy management are also drawn from the most experienced and successful policy-makers and managers within Commonwealth countries which have the same public service corporate culture.

The implementation of the structural adjustment programmes in the region has demonstrated at least four key issues and problems that are experienced in policy development and management. These were also identified by top and senior officials who attended a regional workshop in Kenya in May 1997. The issues were that:

1. African policy-makers do not seem to understand or appreciate their policy environments and the kinds of problems they generate. This is attributed to the social distance between the policy-makers and the rest of the population.
2. Policy-makers seem to be making choices without adequate information because of the poor articulation of differences between political and administrative roles in the policy process. Often politicians would like to seize the initiative in making certain policies and tend to do so without adequate knowledge of the consequences, a problem that could have been avoided if they had listened to experts.
3. The inability to mobilise adequate resources and the inability to effectively utilise available capacity, render policy-making a symbol exercise. Many interest groups are not always aware of the content of the policy until the implementation process begins.
4. The policy evaluation mechanism is sometimes deliberately weakened. Policy-makers in the region appear not to like to hear that their policies are performing poorly. Hence, previous mistakes remain undetected and uncorrected. At the same time, no meaningful lessons can be learnt from past experience within this milieu.¹⁷

The policy development and management processes often address major problems at the expense of signs and symptoms which include:

- increasing poverty in the midst of natural and human resources;
- varying levels of state integration;
- increasing levels of economic, social and technological under-development;

- abdication of strategic policy analysis and policy-making to external agents such as the international financial institutions, donors and international development agencies;
- short-term v long-term view of events – reactive (for crisis) v proactive policy stance;
- institutional decline as evidenced by:
 - (a) inability to attract and retain skilled personnel in the civil service;
 - (b) inability to generate, store and disseminate information about the civil service itself, the economy and society;
 - (c) inability to respond adequately to challenges from the environment, e.g. new economic blocks, globalisation effects etc.

From this discussion it would appear that there is a need for the development of an effective framework for policy development and management capable of analysing problems, formulation of intervention strategies and evaluation of policy outcomes and impact. The framework that is developed should be institutionalised and strengthened within the state machinery such as cabinet, legislature, ministries and departments and other agencies of government such as public enterprises and local governments.

The policy framework which focuses on the public sector is an important instrument that facilitates the analysis of the problem or issue to be addressed and identifies key issues and practices that should be considered when developing and managing a policy. It also should assist in improving decision-making at all levels in government and should provide an evaluation mechanism which is result-oriented and which provides a feedback on the efficiency, effectiveness and performance of public policies and can be critical to policy improvement and innovation. In essence, it contributes to accountable government.

The evaluation aspect of the framework is an analytical assessment addressing the results of the public policies, organisations and programmes that emphasise reliability and usefulness of the findings. Its role is to reduce uncertainty and improve information flow and gathering. Its main objective is to improve decision-making, resource allocation and accountability, through informing the public, informing key decision-making processes and encouraging on-going organisational learning. Consequently, evaluation forms an important part of a wider performance management framework. A successful framework is one that is based on collaboration between key participants such as consumers of public policy and other relevant stakeholders.

A framework should be credible and have the capacity and capability of being used by interested parties. To this extent it should not show bias or any preference to a particular social group in society and should not be subjected to manipulation or control by any one person since it addresses the needs of society.

It should be mentioned that frameworks vary from one country to the other and depend very much on the political, economic and social conditions which often interact in complex and unforeseen ways in any one country.