

# 11. Public Sector Reform in Small States: Cases from the Commonwealth Caribbean

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Paul Sutton

In the last two decades the role of the state in development has come under challenge. The reasons for this include the fiscal crises that hit most developing countries in the 1980s, weakening the ability of the state to fund development programmes; the stabilisation and structural adjustment policies that followed, which imposed reductions in the role and size of government and an increase in the scope and activities of the private sector; and the elaboration, from the beginning of the 1990s, of programmes of 'good governance' that aimed to build 'an effective state' through matching a state's role to its capability, which required a sharper focus on fundamentals, and raising state capability by reinvigorating public institutions. In the achievement of these last set of activities sweeping public sector reform was to be encouraged.

The impact of such programmes on the developing world has been the subject of much comment. In the case of small states<sup>1</sup> it raised particular difficulties. The public sector tends to be proportionately bigger and its responsibility for delivering services across a wide range of activities is greater than in many larger countries. There were thus serious questions about any proposal to reduce the role of the state. At the same time the need for public sector reform was acknowledged in many small states. Within the Commonwealth, for example, the majority of its small states (20 in a recent partial listing) implemented programmes of public sector reform (Ayeni, 2002). Among them are seven from the independent Commonwealth Caribbean – a region which has been undergoing public sector reform in many guises since the beginning of the 1990s (and in some cases earlier).

This chapter examines that experience in four of these – Barbados, Jamaica, St Lucia and Trinidad and Tobago. In order to do so, however, and to situate the analysis within the context of small states, it first sets out some characteristics of public administration in small states. It then considers the reasons behind and the shape of reform in the Commonwealth Caribbean in general before looking in more depth at the four coun-

tries. The final part returns to the question of public sector reform in small states, raising some issues for further research and consideration.

## **The administration of small states**

There is a small but growing literature on public administration in small states. It has identified certain characteristics that influence the structure and processes of government and shape the political culture and behaviour of their citizens. This review is not intended to be exhaustive of such features but rather considers some of the more important and formative ones.

The theory of public administration tends to assume that small states are 'scaled down' versions of larger states. The dominant way of thinking about public administration in larger states has therefore shaped the analysis of small state administrative behaviour. At its core has been the Weberian model of the modern public service 'characterised by a clearly defined division of labour, an impersonal authority structure, a hierarchy of offices, dependence on formal rules, employment based on merit, the availability of a career, and the distinct separation of members' organisational and personal lives' (Turner and Hulme, 1997, p.83). This pattern, in turn, has been buttressed by the process of decolonisation that have left many small developing states, and especially those in the Commonwealth, with a derived 'Westminster-Whitehall' model of government in which a clear distinction is drawn between the political and administrative dimensions of government. The function of the bureaucrat is to implement policy in a value-neutral way with due regard to political instructions.

The impact of this dominant Weberian model on the political behaviour of small states has been mapped in a number of studies. These have identified certain features that most small states have in common and which bear directly on their administrative behaviour. Four of them – exaggerated personalism, limited resources, inadequate service delivery, and donor dependence – appear to show that size does matter. They are drawn from several of the most recent studies of the public service in small states (Ghai, 1990; Baker, 1992; Warrington, 1994) and underpin earlier studies by UNITAR (1971) and Jacobs (1975).

### **Exaggerated personalism**

The importance of personality in politics is the most commonly cited attribute of small states. The individual takes on greater significance and their opinions are often known among a wide circle. Ministers and public servants may be more accessible to the public and open to informal contact. Within the public service the person often defines the post, rather than the reverse; senior administrators can dominate politicians (although the opposite is also cited); decisions tend to get taken by a few people or only one person at the top (and those who take the decisions are known); recruitment is often influenced by personal (or patronage) factors; and appraisal, promotion and disciplinary proceedings may be unduly influenced by personal considerations.

## **Limited resources**

There are limited manpower resources and problems of scale in administration and infrastructure. Sovereign states are expected to supply a range of public goods and services including central government, education, health and social services, a judicial system, foreign relations and security. The infrastructural costs of these are high when spread among a small population, especially when they have to be duplicated in remote islands of archipelagic states. Such facilities need to be staffed, making economies of scale in administration difficult to effect, particularly among less-developed countries where expatriates need to be employed to cover for services that cannot be provided by local staff. Staffing difficulties are often met by the creation of multiple portfolios among senior staff, leading to lack of specialisation, motivation, and career mobility. There are also problems in providing local training, especially at the higher levels of administration, with the result that staff will often be sent for training abroad which is not always appropriate (in particular the training will not necessarily prepare them to work in such a small state) and which can encourage subsequent 'brain drain', compounding the problem it is meant to resolve.

## **Inadequate service delivery**

The combination of exaggerated personalism and limited resources influences the way the public service functions and affects the quality of service delivery. The public service is frequently the largest employer, especially in the very smallest states, and salary levels and productivity are often low. The lack of alternative employment and appropriate training mean innovation and entrepreneurship are not encouraged, instead there is a reliance on routine administration and compliance (following instructions) along with a proclivity for non-decision-making (buck passing) at middle management levels. Limits on opportunity means there is limited mobility, low job satisfaction, and frequent absenteeism. While the public sector is expected to achieve a great deal there is in reality a growing gap between demands on it and its capability to deliver, particularly in areas where there is inadequate or no spare capacity, indicating a low overall ability to adapt to changing conditions.

## **Donor dependence**

Many of the above problems were identified years ago. They have led to long-running programmes to redress them in the Commonwealth Secretariat supported by the Commonwealth Fund for Technical Co-operation (CFTC), which currently disburses some 60 per cent of its funds in favour of projects in Commonwealth small states. Bilateral donors have also been active in the Caribbean (UK and Canada) and the South Pacific (Australia and New Zealand) in support of public sector development, providing the basis for much of the higher per capita level of official development assistance (ODA) that small developing states receive compared to larger developing states. The result is a well-established and continuing metropolitan input into both the definition of the problem and the proposals for solution in small states, reinforcing the metropolitan

model of administration, metropolitan procedures (e.g. in budgeting and accounting), and metropolitan proposals for reform. In turn, this can lead to distorted development priorities, with an emphasis on what the donor is willing to provide rather than what is best for local development, stifling local initiative and adding to cost and inefficiencies through inappropriate programmes and projects.

The dominant discourse is thus clearly focused on the constraints that scale imposes on small states, particularly the smallest among them. While this is a question of resources it is also a question of the appropriate model of administration. In a much cited article, Murray (1981) contrasts the informal working methods he encountered in the South Pacific with conventional attempts to apply scaled-down standard prescriptions for effective development in such countries, pointing to the successes of the former compared to the inadequacies of the latter, thereby indicating the need for what he terms 'ordinary knowledge' in developing the public service. The same point has been reiterated more recently for small states in the North Atlantic area. Baldacchino and Greenwood (1998, pp.10-11, author's emphasis) distinguish between 'common sense - counsel dictated by established expertise and typically supported by international organisations, state bureaucrats, and policy makers' and 'good sense - often a haphazard collection of intuitive, home-grown, resilient, and environmentally proven and sustainable ideas' which takes a more imaginative approach to development in small states. The question of what is appropriate theory and practice for development administration is therefore an important issue for small states.

So also, and allied to it, is the question of reform. Most efforts in the past have been directed to overcoming resource constraint through ODA and some very limited restructuring. Little thought or attention has been given to more fundamental reform. At independence most (if not all) Commonwealth small states simply inherited (or on occasion adapted) existing public service departments in an ad hoc manner without consideration of the new demands that would be placed on them in an era of independence. Since then innovation has on the whole been relatively limited and the 'machinery of government' in small states has proved remarkably durable, with the most far-reaching departures from the 'Westminster-Whitehall' system to be found in the smallest states (Wettenhall, 1999). It can, of course, be argued that piecemeal change has been all that has been needed since most small states have weathered independence reasonably well. However, even if this is conceded, the demands now being placed on small states from the international environment are impelling change (Commonwealth Secretariat/World Bank Joint Task Force on Small States, 2000). There are also significant and mounting challenges to democracy in small states (Commonwealth Secretariat/Commonwealth Parliamentary Association 2000). The question before most small states is thus not whether change is desirable in itself, but the extent of change that is needed to compete in the international system and secure 'good governance'.

## Public sector reform in the Commonwealth Caribbean

The signal for change in the Commonwealth Caribbean first came with the stabilisation and structural adjustment programmes implemented in several states in the 1980s. It was strengthened in the 1990s with the report of the influential West Indian Commission, which recommended 'that Governments should become less and less involved in the direct production of goods and services, and should increasingly concentrate on catalytic, facilitating, supportive and regulatory functions. This means different government. It does not mean no government' (West Indian Commission, 1992, p.100); and in the CARICOM Ministerial Roundtable on Public Management in the Caribbean held in Jamaica in February 1992. In the Kingston Declaration on Public Management issued at the end of the conference Caribbean governments were urged, among other things, to promote the development of human resources; 'confront structural inefficiencies and determine the proper dimensions of their administrative machinery'; become more proactive in their approach to macroeconomic policy and financial management; and 'implement a new managerial orientation and strengthen the competencies in the public sector' to encourage responsiveness, efficiency and creativity in the delivery of public services (Kingston Declaration, 1992).

The broad guidelines on how to proceed were mapped out by a Working Group on Public Sector Reform and Administrative Restructuring established by the CARICOM Heads of Government in 1993 and reporting to them in 1995. This identified principles and practices under four heads:

- redefining the role of the state, during which 'those in authority [should] be prepared to examine all our institutions, procedures and systems of decision-making in the light of new paradigms and understanding of human behaviour and the need for personal satisfaction and creativity in the discharge of professional obligations';
- the primacy of human resource development, which would entail introducing into the public service the principles of promotion by merit not seniority, training at all levels, remuneration according to skills and responsibilities, and delegation of authority;
- greater dedication to service provision under which public employees would be customer focused and 'more responsive, timely and business-like in dealing with the public'; and
- a strong commitment by the political directorate and senior public servants to public sector reform in a clearly articulated public sector reform programme, institutionalised in government and involving as 'stakeholders' public employees at all levels and their staff associations and trade unions (CARICAD, 1995).

The Report was approved by the CARICOM Heads, signalling a major shift in the direction and priorities of public sector reform.

The proposals for reform were strongly influenced by the New Public Management (NPM) paradigm which had come to dominate management thinking on public ser-

vice reform in a number of advanced industrialised countries (including Australia, Canada, New Zealand, and the United Kingdom). Many of its principles were taken up by major bilateral donors in their programmes in support of 'good governance' in the developing world and by organisations such as the Commonwealth Association of Public Administration and Management (CAPAM). This was a professional association founded in 1994 with the aim of 'exchanging experiences in government reforms and working toward the practice of the new public administration' (CAPAM, 1999). The 'defining characteristics' of the NPM model have been summarised 'as its entrepreneurial dynamic, its reinstatement of the market as a potentially more proficient provider of services than the state, and its proclaimed intention to transform managerial behaviour' (Minogue, 2001, p.6). The Commonwealth version of NPM was developed in several major conferences and numerous workshops organised with the support and active participation of the Management Training and Services Division (MTSD) of the Commonwealth Secretariat. According to its then Director, Dr Mohan Kaul, its specific characteristics were as follows: it (1) redefines the role and functions of government (consistent with the idea of the catalytic, effective and facilitating state); (2) involves thinking differently about service users (consistent with the idea of the public as customers); (3) means thinking differently about administrative structures (consistent with the idea of distinguishing policymaking from policy implementation); (4) seeks to create synergy between the public and private sectors (consistent with the idea of introducing competition into the public service through internal and external markets); (5) improves financial planning and control systems (consistent with the idea of curbing corruption and ensuring value for money); and (6) harnesses information technology (consistent with the goals of efficiency and effectiveness) (Kaul, 1996; Kaul, 1997). Dr Kaul concluded that 'The broad objectives of such reform have been to shift the emphasis from developing plans to developing key strategic areas, to shift emphasis from inward-looking systems to developing partnerships, to shift emphasis from inputs and processes to outputs and outcomes, and to shift emphasis toward managing diversity within a unified public service' (Kaul, 1997, pp.25-26).

The NPM model has proved particularly influential in the Commonwealth Caribbean. Beginning with Trinidad and Tobago in 1991 it has informed the strategy for public sector reform in that country and in Jamaica, Barbados, St Lucia, Belize and Guyana. Other countries that have embarked on reform such as The Bahamas, Dominica and Grenada have also drawn on aspects of the model..

## **Jamaica**

The Jamaican government has been pursuing public sector reform through various initiatives since 1984. The current phase began in 1996 and has focused on the Public Service Modernisation Project (PSMP), which is jointly funded by the government, World Bank, European Union and the UK's Department for International Development (DFID). The PSMP is directed by the Cabinet Office and located in the Office of the Prime Minister. It is therefore directly driven by senior members of the government and constitutes, in the view of Dr Carlton Davis, the Cabinet Secretary charged with

implementing the programme, the most sweeping change introduced in the public sector since independence (Government of Jamaica, 2001).

The various elements of the programme are difficult to summarise but most importantly include: the establishment of Executive Agencies on the UK model; emphasis on improved customer service by selected public agencies, including the introduction of citizen's charters; a financial management and improvement programme involving extensive computerisation of records and service delivery; improved efficiency, value-for-money and transparency in government procurement and contracting; the implementation of a performance management system for permanent secretaries; the close monitoring of public expenditure to reduce costs; and the general reform of the public service through human resource development programmes, the introduction of strategic planning, and decentralisation of decision-making and service delivery (Government of Jamaica, 1999/2000; Government of Jamaica, 2000/2001). The general objectives of such reform has been to create a small, effective, efficient and accountable public sector capable of providing high quality service.

The element of reform which has attracted the most attention inside and outside the region is the creation of Executive Agencies. To date nine have been established. The primary aim of such Agencies is to improve service quality and achieve cost effectiveness by introducing business principles into their organisation and operation. The Agencies operates at arms length from government under the direction of a Chief Executive Officer (CEO) to whom substantial authority is given to manage its affairs on a contractual basis. The CEO agrees performance targets with the appropriate ministry and he/she has control over both finance and personnel. Any savings generated from the efficient use of resources can be retained and used to provide bonuses or benefits and/or improve working conditions. The quality of services given is regularly monitored. The introduction of such Agencies is a substantial departure from the traditional operation of the Westminster-Whitehall system of public administration in Jamaica and required specific legislation (the Executive Agencies Act 2002). Importantly, however, they are seen as a success and have won cross-party support from the Opposition, ensuring their continuation in the future if there is a change of government.

The other main elements of the PSMP have included the modernisation of selected ministries, in part along lines already pioneered by the Executive Agencies; the continued rationalisation of the public sector through specific privatisation measures; strengthening government procurement procedures to improve efficiency, accountability, transparency and value for money; and improving the quality of financial and personnel management through computerised information systems. To date, the indications are that the PSMP is delivering better quality services in the reformed sector. The government therefore remains committed to further public sector reform. In June 2002 a national consultation on public sector reform was held subsequent to which a comprehensive Ministry Paper was approved, mapping the course of future reform (Government of Jamaica, 2002). This set out the strategic priorities for reform, which built on the existing strategy, and promised accelerated 'agencification' and further modernisation

of key ministries, along with a continued focus on customer service, information technology, human resource development and financial management systems. It also created a Permanent Reform Unit in the Cabinet Office with the mission of 'driving forward the implementation of the agenda for modernising government, improving the quality, coherence and responsiveness of public services, and for promoting a strong and professionally well-managed Public Sector, capable of enabling and facilitating the achievement of the national goals' (Government of Jamaica, 2002, p.12). In all, the Ministry Paper confirms the 'institutionalisation' of the reform process in Jamaica, overcoming some of the problems associated with earlier reform efforts that were essentially 'short term'. It also points to the continued importance of the public sector in delivering sustainable development and 'good governance', which the Paper identifies as core national goals.

### **Trinidad and Tobago**

In December 1991 a new government was elected in Trinidad and Tobago. It soon embarked on an ambitious programme of public sector reform under the overall direction of Gordon Draper<sup>2</sup> as Minister in the Office of the Prime Minister with responsibility for Public Administration and Public Information. The programme drew directly on the NPM paradigm and sought to deliver decentralised management, improved morale and productivity, improved human resource management, improved quality of service and delivery, and improved budgeting and accounting systems (Draper, 1995, pp.87-98). The details of the programme were set out in detail in a publication of the MTSD as *A Profile of the Public Service of Trinidad and Tobago* (Commonwealth Secretariat, 1995a). It covered seven areas, three of which were elaborated in some detail. The first was 'making the most of staff' through training and development, the establishment of 'change teams' within ministries to lead reform, new systems of performance appraisal, and improving work performance by upgrading accommodation and developing an employee assistance programme. The second focused on 'making government more efficient' through the introduction of strategic planning, improving productivity via computerisation, contracting out services, redundancy management, and conducting comprehensive audits. The third area, 'improving policy analysis and co-ordination', was to be achieved by creating standing committees of Cabinet in vital areas for national economic development, improving policy presentation in the media, and creating more mechanisms for public consultation on national development. The other areas addressed the quality of public services, partnerships with the private sector and non-government organisations, effective management and the management of finance.

It was a comprehensive vision and some of the ideas, mechanisms and procedures set forth in it have since been adopted by other Caribbean countries in their programmes of reform. In Trinidad and Tobago, however, it ran into difficulties. One was over the powers and responsibilities of the Public Service Commission (PSC). The reforms proposed reducing and rationalising these powers and responsibilities, with many of them being exercised by ministries and other public agencies in accordance with the

more decentralised management principles of NPM. This was resisted by the PSC, which claimed that the government was unfairly blaming them for failures in the public service. They also questioned the introduction of private sector values into the very different ethos of the public service (Government of Trinidad and Tobago, 1995). Another was the proposal to establish human resource units in ministries, which would have seriously weakened the Personnel Department. A number of ministries submitted plans but there was much delay in implementation, reducing the effectiveness of the reform. Other changes in this area, such as performance appraisal, also met employee resistance, suggesting a strong cultural resistance to change. In a major survey of public servants conducted at the time (*ibid*), this was both confirmed and denied. On the one hand, public servants supported change which was beneficial to them 'such as training, pay increases, systems of career path planning and enhanced opportunities' (Bissessar, p.149). On the other, they were 'afraid of change' which was in any way radical, rather than incremental, since they equated it with 'retrenchment and downsizing' (*ibid*, p.148) which would threaten their jobs and erode their tenure. In such circumstances it is not surprising that many were 'openly hostile to suggestions for further reform' (*ibid*, p.149). In the face of such opposition, and also a lessening of commitment to micro-manage change by the political leadership, the reform programme slowly ground to a halt.

Was it then a failure? In 2000 Dr Roland Baptiste of the University of the West Indies in Trinidad published a short study using the checklist for sustainable public sector reform developed by the MTSD (see Commonwealth Secretariat, 1995, p.14). His conclusion was that 'the reform effort in Trinidad and Tobago between 1992 and 1995 more or less satisfied the Commonwealth Secretariat's nine point 'best practices' list in so far as methodology is concerned. However, it is difficult to identify any concrete outputs of the programme' (Baptiste, 2000, p.73). At the same time, he points out that when there was a change of government in November 1995 the incoming government did not depart radically from the programme and initiatives already undertaken. Indeed, in some ways it was an even greater adherent of NPM as was very evident in its development of a policy agenda for the public service in the policy document *Towards a New Public Administration* (Government of Trinidad and Tobago, 1997) that directly drew on, and deepened the theory and practices of, the previous government. Other continuities were the continuation of the job classification exercise, the extension of the new performance and appraisal system, the introduction of regional health authorities, and modest legal amendments strengthening parliamentary oversight of the PSC. Beyond this, however, no really new initiatives were introduced and in December 2000 a decision was taken to disband the Ministry of Public Administration. Although it was reconstituted in December 2001 under yet another new government the drive for reform had by then been truly blunted. The aims now were to be modest, and they focused on modernising the human resource management function, improving public management systems, creating value for money initiatives, and promoting a results-based management culture (Government of Trinidad and Tobago, 2002). Expectations were also lower, with the realisation now that reform would be a long slow process requiring carefully crafted incremental change.

## Barbados

The imperative of public service reform was raised by the winning political party in the general elections of September 1994 and set out in detail in the *Draft White Paper on Public Sector Reform* published the following year (Barbados, 1995). It essentially presented a case for modernisation, arguing that the structure and the organisational culture inherited at independence (based on the Weberian model) held back development and limited operational efficiency. In common with experiences elsewhere it therefore sought a different type of public service, one focused 'less on procedures...and more on outcomes or outputs consistent with the policy intentions of government. A management style of getting results rather than consistency in following traditional procedures...' (ibid, p.33). In order to achieve this it was proposed to develop: a vision to which all subscribe; mission statements for all government departments; strategic planning at ministry and agency level; organisational review and restructuring as appropriate; decentralisation and devolution to encourage greater autonomy in the management of ministries and departments; new systems of human resource management involving rationalisation and review of institutions, new performance appraisal systems, and new emphasis on training and development; improved financial management; and raising the standard of performance with a focus on the public as customer through citizen's charters and better information management systems (ibid, pp.45-100). In line with the new thinking on development, the paper envisages a different role for government than in the past – as catalyst and facilitator – implying review and rationalisation of the role and functioning of statutory boards (ibid, pp.101-3) and the greater engagement of the private sector in the delivery of services (ibid, p.104). It also comments on the role of trade unions and staff associations in the process of change and suggests the need for legal reform in the shape of a Public Service Act (ibid, pp.105-8). Lastly, it proposes the creation of a Public Sector Reform Unit (PSRU) to provide advice and assistance to the internal reform teams that were to be established in each ministry, department and agency as the 'drivers' of reform.

The detailed proposals on how to implement public sector reform were discussed and approved at the highest level in August 1996. They drew directly on the White Paper and set an ambitious agenda for comprehensive and thorough reform over the next three years (Government of Barbados, 1996). The Office of Public Sector Reform (OPSR) was established in 1997. In September 2000 it drew up a report of its activities for consideration by Cabinet (Government of Barbados, 2000). The results of reform were judged as disappointing. It identified substantial difficulties in strategic planning and organisational review, with a reluctance by ministries and departments to go beyond the review process; very limited progress in the adoption and promotion of customers' charters (only three had been launched); and the failure of many of the internal reform committees to sustain activities (while 52 had been created most were regarded as 'dormant'). It also pointed to the lack of support given to reforms, including by senior managers, and to the existence of 'a public service culture that condones behaviours, attitudes, practices and values that are negative, non-productive and anti-reform'.

The situation toward the end of 2000 was thus one where ownership of the reform process was limited and implementation at best piecemeal. It was also clear that the political commitment to reform had weakened. In the face of such difficulties the emphasis changed from fundamental reform to specific improvement - doing things a bit smarter. An example of this is the continued computerisation of financial and personnel records. The programme also became more focused on human resource development and management. To this end a job evaluation exercise was begun at the end of 2000 and a performance review and development system launched in 2001. A relatively generous budget was also set aside for training and staff development, including provision for education in business administration. The OPSR also continues to promote reform through various activities and publications. However, it is clear that the process now lacks any meaningful central direction or co-ordination. The most telling example here is the failure to date of the government to provide for a new Public Service Act, which was called for in the White Paper, and around which a measure of consensus has been reached with 'stakeholders' regarding it as import for the modernisation of the public services (Government of Barbados, 2002).

### **St Lucia**

Public sector reform was one of the main priorities of the new government elected in 1997. Shortly after taking office it established the Office of Public Sector Reform and later in the year a Public Service Reform Commission. In 1999 a Green Paper on Public Sector Reform was published. This set out the rationale and philosophy guiding public sector reform as well as some of the strategies to achieve it. In so doing it contrasted previous attempts at reform with the current attempt. Earlier reforms, it noted, were largely directed at restructuring and reclassifying the service and strengthening skills and financial management, i.e. were relatively limited in scope. This initiative was to be much broader and high profile: 'The Government plans to take the process further and at a quicker pace by taking a more embracing approach to Public Sector Reform and has therefore placed Public Sector Reform as one of its many objectives to be attained during its term of office' (Government of St Lucia, 1999, p.3).

The Green Paper was released for public consultation in August 1999 and in April 2000 a White Paper was completed, developing the arguments and setting out in detail the reform process as outlined in the Green Paper. The philosophy guiding reform was one where the state continued to fulfil important functions and would remain a key player in some economic areas. At the same time, and reflecting the growth of the private sector and civil society, the state would relinquish some functions to these sectors but would do so only in the context of 'the political, social and economic realities confronting St Lucia' (Government of St Lucia, 2000, p.12). This suggested more than a minimal state and was in line with previous thinking by the Prime Minister on this subject where he indicated that while a reduced state was desirable it was not always politically feasible and should not be at the expense of social justice (Anthony, 1998). The White Paper also extolled the virtue of a neutral and impartial public

service and set out four principles that would guide it: professionalism, accountability, impartiality and efficiency.

The greater part of the White Paper was directed to consideration of the strategies and means by which reform would be delivered. The main areas covered were planning, monitoring, budgeting and evaluation; organisational review; human resource management and development; values and cultural change; and supporting processes. The final part set out a plan of action. At the top were the Cabinet, which provided guidance and leadership, and the Committee of Permanent Secretaries, which 'will serve as a consultative forum for discussions on reform initiatives which call for common action and solutions' (Government of St Lucia, 2000, p.119). The Ministry of the Public Service and the Office of Public Sector Reform were given various oversight and co-ordination roles, although they were not to be the prime agents for implementation. This was to be the responsibility of internal reform committees that would be 'broad based' and established in every ministry. External assistance would be sought from the Commonwealth Secretariat, CARICAD and DFID.

The White Paper is both comprehensive and ambitious. It provides a detailed blueprint for action and it reflects the theory and practice of good public sector management, drawing especially on the NPM paradigm. Of particular value was its identification of many of the weaknesses of the public sector in St Lucia. It did not, however, provide any rationale as to why some strategies and actions were recommended and it appears to give little credence to issues of small size and the ability of the public service to implement and sustain such a sweeping programme of reform. These omissions were later to have an important bearing on the progress of reform.

This has been hesitant and spasmodic at best. For example, while the White Paper was approved by Cabinet in October 2000 it was not published until 2002. Similarly, the retreat of ministers and permanent secretaries listed in the White Paper to take place in May 2000 was delayed until May 2002. The Public Sector Reform Unit was also disbanded immediately the White Paper was completed and not re-established for a year. The Prime Minister gave several reasons for procrastination in his 'address' at the retreat on public sector reform: the novelty of government for a party out of office for 15 years requiring a period of 'getting to know the public service' and 'understanding the ways of public officers/public servants and decision-makers generally'; the difficulty of determining how to deal with difficulties inherent in the Westminster-Whitehall model of government, such as the proper role and responsibilities of ministers and permanent secretaries and the concept of neutrality for the public service in the face of demands for open, transparent and accountable government; and the confusion in the mind of the public between the operations of government and the delivery of public services, which were in practice distinct but not perceived as such (Anthony, 2002). In short, he implied that precipitate comprehensive reform could have met with substantial problems, not to say opposition, and that the government needed to tread warily to avoid unnecessary political costs.

Nevertheless, some reform has been initiated. Several examples can be given. The first was a pilot project at the Post Office implemented with the support of DFID in 2000. This included the appointment of a change team and a diagnostic review that focused on customer service. The second is the experience of the Ministry of Education, Human Resources Development, Youth and Sport, which has been engaged with aspects of reform at the micro-level since the late 1990s. A plan involving island-wide consultation has been developed, a mission statement drafted, the ministry restructured, a new appraisal system adopted, and strategic planning introduced in schools along with various novel measures to encourage extra-curricular activities and motivate staff and students. Another is the convening in December 2003 of a workshop for senior policy officials on policy research, design and analysis, which indicates that the reform process is still under way. However, it is difficult to avoid the conclusion that the overall thrust of reform is much diminished, requiring major commitments in political direction and resource allocation if it is to be successful.

## **The Caribbean Experience of Reform: Some Conclusions for Small States**

The Commonwealth Caribbean clearly has a mixed record of reform, with some successes but also many problems of implementation and of sustained political commitment. In itself, this is not unusual in the developing world. The study on public sector reform in Commonwealth developing states (covering 40 jurisdictions) reports a similar conclusion: 'The outcome of reform has been mixed at best: limited and often scattered successes; several pockets of uncertainties; and persistent economic and governance crises. The best success stories remain those countries that had made appreciable strides in any case before the current swell of reforms' (Ayeni, 2002, pp.5-6). The last sentence would also stand for the Caribbean where Jamaica is the example.

Beyond these generalisations, however, there is the more particular question of what the Caribbean experience provides for other small states. Taking as a guideline the characteristics set out at the beginning, the following points appear relevant.

### **Political leadership**

In all the cases given above political leadership has been the key element in both introducing reform and sustaining it. When it has waned reform has slowed down and when it has lapsed reform has all but come to a halt. The commitment of top political leaders is therefore essential to successful public sector reform in small states. Delegation downwards, for example to public sector reform units, is understandable, but unless they have the explicit and continuing support of the top leadership their prospect of leading public sector reform is diminished. Similarly, internal reform committees, consisting largely of middle- and junior-level management, may have many good ideas but will lack credibility. None of this is to suggest that reform cannot be attempted without such explicit support, but where it has been done it is by exceptional

individuals and on further examination it is seen that they often have very close links to the political leadership.

### **Resource issues**

All the reform programmes have been ambitious. They have attempted to fundamentally change the way the public service operates. To this end they initially set out sweeping programmes of reform. In practice, however, these are very costly to implement, in both time and money, which resource-poor small states can ill afford. In some cases external funding has been sought, which has provided useful support, but even then important questions of capacity can arise. Overworked senior administrators have little time for training or familiarising themselves in any depth with new ways of delivering effective and efficient management. The private sector is no substitute and may be even more ineffective and inefficient, or even incapable, of taking over the provision of services from government. All this suggests that a careful and deliberately incremental strategy of reform is more likely to succeed. In reality, this is what has happened in all the cases above, but in only one of them was it a deliberate element of the reform process, in the other cases it has been more of a 'fall-back position' occasioned by difficulties encountered once the reform process has begun.

### **Service delivery**

The provision of better public services has been at the heart of all reform. In some cases this has resulted in genuine innovation – as in the creation of agencies and the development of citizen/customer charters. But the most favoured approach to reform has been through human resource development strategies. These have focused on various forms of decentralised management, performance appraisal, employee assistance programmes, training programmes and information technology. They thus directly address the commonplace observation on small states that human resources are the greatest resource possessed by such countries, with the associated conclusion that their full development is essential to any successful reform. At the same time, they also point to another and more entrenched problem of the culture of the public service. In all cases there has been resistance to change, which in some cases has slowed down or stalled reforms. Such opposition is not unreasonable given the limited opportunities for employment in small states, so it will be difficult to overcome. It will require a patient and innovative approach in which employee opportunity becomes recognised as the most likely outcome of reform rather than immobility or loss of relative income and/or secure employment.

### **Foreign models**

All the reforms have drawn on NPM for theory, inspiration and example. In some cases the process has been more selective than in others, but the provenance of most of the reforms can easily be authenticated. In this Caribbean small states are no different from many other developing countries, but it has led to a deepening of dependence,

especially when major international donors and their consultants have been actively engaged in various forms of 'policy transfer'. In itself, this would not matter if 'policy transfer' is sympathetic to local conditions. The evidence is that by design, accident or oversight it is not. The issue here is the distinction between 'common sense' and 'good sense' identified earlier. The argument is that small states should favour the latter and be more innovative in reform programme design and implementation. Of course, this does not stop small states from borrowing from the NPM menu or adapting it for their purpose. There are good examples of it in the Commonwealth Caribbean – but they should be better known in the region (and outside) and should be the norm in the reform process as a whole.

The Commonwealth Caribbean needs a modern, efficient and effective public service. It has recognised the need for public sector reform and is in the process of implementing it in nearly every state. There are many lessons that can be learnt from the experience so far. One of the most important is the need to take small size more fully on board. The literature on small state public sector reform in developing countries is sparse and scattered and comparative evaluation practically non-existent, even within regions.<sup>3</sup> This omission now needs to be rectified for two reasons. The first is theoretical, although with practical consequences. The existing literature on small state administration has concluded whether size is an independent variable in its own right or simply an important qualifying feature that has a bearing on the governance of small states. If it is the former then clearly more care must be taken than has been the practice so far in fashioning reform in small states. The second is practical. Public sector reform is expensive and carries substantial economic, social and political costs if it fails. The political culture of most small states tends to be conservative and considerable weight is placed on continuity in administrative practice. The difficulties of successfully introducing reform must not be underestimated. The policy environment is no less complex than in larger states. What works in one small state may not work in another. In these conditions the management of change is not simply a technical matter but one that requires a full appreciation of the cultural, historical and socio-political context peculiar to each small state. In short, a better understanding of what produces success. Only then will the political leadership of small states be persuaded to undertake and stay with the public sector reforms they need for 'good governance' and development.

## Notes

1. There are 43 independent developing countries with a population of 1.5 million or less, of which 27 are in the Commonwealth. The Commonwealth also includes as small states five developing countries with a population above this figure.
2. Gordon Draper had played an important role in furthering public sector reform in the Commonwealth and the Caribbean as an academic, consultant, minister and official. He was closely associated with CAPAM in its early years.
3. Draper makes the point that up until 2001 there had 'generally been no systematic attempt to evaluate the results of reform' in the Caribbean (2001). That remains the case.

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