The African Governance Crisis
Do Public Sector Reforms in Africa Actually Inhibit Economic Development?
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“Underlying the litany of Africa’s development problems is a crisis of governance.”
(Adamolekun 2005, p. 1)

1. Introduction
The underdevelopment of developing countries and the attempted overcome of the latter are at heart of international debates ever since development politics began gaining ground in world politics in the 1960ies. Today, African states receive special attention in regard to possibilities of an amelioration of their economic status quo. Core problems of these so-called Least Developed Countries (LDCs) are a highly restricted access to basic human needs such as food, water, energy resources or medicine (UN 2005, p. 5). Moreover “social services and infrastructure have largely collapsed owing to a lack of resources for their upkeep.” (ibid.). Although the Millennium Development Goal aiming at a worldwide reduction of extreme poverty by 50% is expected to be reached until 2015, this data must be enjoyed with caution in regard to Africa. While countries such as India or China, who are also target of the UN agenda do indeed face an incredible improvement of public wealth, sub-Saharan countries are at risk of being left behind irretrievably (GIGA 2007). More precisely, the UN today expects goals such as the reduction of extreme poverty to be reached in Africa no sooner than in 150 years (UN 2005, p. 5). This vicious circle of underdevelopment is well highlighted in the Human Development Index. From the 1980ies until the end of the millennium 13 of 22 countries that suffered large setbacks were African (ibid.). Among a great number of possible explanations for this economic disaster, one of the most plausible ones is the conviction that “governance and public administration weaknesses, [and] the failure to reflect poverty concerns in budget allocations…” (UN 2005, p. 5) trigger economic shortfalls. This work thus aims to demonstrate that so far weak governance institutions are one of the main causes for the above-depicted underdevelopment of some African countries.

But how exactly does the public administration system of sub-Saharan LDCs affect their (economic) development?
Numerous theories regarding the economic improvement of these poorest countries have been launched and abolished. Sub-Saharan Africa (SSA) has been at the receiving end of a myriad of developmental experiments ranging from modernization concepts to self-help and good governance approaches (Nohlen 2000, pp. 522; Thiel 1996, pp. 9). The core train of thought driving these, mostly Western models of development, has
been the ideal of market liberalization (Chaudhry 1993, p. 246) as a motor for development. But what is often forgotten when dealing with the approach of free markets is the vitality of strong governance institutions. Kiren Chaudhry and Peter Evans acknowledge that market building and state building must go hand in hand (Chaudhry 1993, p. 247; Evans 1995, pp. 140). More precisely, they hereby avert from the idea of a simple roll back of the state of New Public Management (NPM) reforms launched during the 1980ies (Goldsmith & Page 1998, p. 147). The UN General Assembly supports this with the following:

“With challenges of poverty and growing inequality (…) organized and constitutional Government becomes the only guarantee of personal and collective security.” (2005, p. 12).

Although development aid or development strategies in general may have fallen into disrepute during the last decades due to little trickle down effect and images of corrupt African leaders wasting Western money for their personal pleasure (Engelhard 2004, p.14), increased financial aid might be a sine qua non at this crucial time of development of African governance institutions. A lack of financial resources leads to dramatic human capital flight in the African public administration (UN 2005, p. 13). Further, NPM-like cuts in administrative resources in order to minimize the size of African public management could have led to a setback and to less development in the target countries.

The reforms of the civil sector in Africa so far have been mainly concerned with technicalities, such as the reduction of the size and the cost of the public sector (Olowu 1999, p. 2).

However, this approach fails- as shall be argued in the rest of this paper in more detail- to comprehend the crucial task of building lasting human and institutional capacities (ibid.).

This paper therefore aims to concentrate on the civil service sector of underdeveloped sub-Saharan countries with special regard to Ghana. Questions such as: ‘What kind of reforms were implemented?’ must be answered before diving into the complex task of evaluating the latter and discussing a different approach to possible improvement in the civil service, hence in the countries’ development. Thus, in a first step, this paper will focus on some major reforms in reform-committed African countries such as Ghana and underline the weakness of the attempts to change the system of public management (Adamolekun 2005, p. 6).
A second step will then be devoted to suggestions of a new direction for the handling of the African public administration.

In a last step, this work then aims to draw a conclusion and answer the initial question whether public sector reforms in Africa so far actually inhibit or support development.

2. The Consequences of 1980-Reforms on the African Civil Service

“Since the late 1980s, many African countries have been reforming their civil services (…) Unfortunately, these reforms have not been very successful because of faulty diagnosis and prognosis. They have failed to tackle the major problems confronting African civil services.” (Olowu 1999, p. 1)

Before the analysis of African public administration reforms can be undertaken, one must remember that the landscape of Africa’s civil service was not build from scratch. With its independence from British colonial rule, countries like Ghana inherited a system of public management that fulfilled tasks of “assuring the continuity of the state and maintaining law and order” (Adamolekun 2005, p. 1). However, the civil service was doomed to re-orientate after independence in order to follow national interests instead of the ones of former colonial rulers. The African Development Bank thus asserts that an enormous expansion of the civil service took place until the grave economic decline at the end of the 1970ies leading to a full-scale development crisis (ibid.). This is when reforms of the civil services this paper aims to concentrate on were launched. Ghana shall be utilized as a hands-on example in this work, because it may be identified as a reform-committed country (Adamolekun 2005, p. 6) that demonstrates strong efforts to rehabilitate its public service despite tremendous economic shortfalls. Therefore, a lack of commitment can be dismissed as a possible inhibiting factor to a successful development of Ghanaian public administration.

The goal of the following chapter is thus to properly understand why policies from the 1980ies aiming at the economic stabilization and development of African states such as Ghana have shown little success (Olowu 1999, p. 11). One of these policies is the liberalization African markets (Chaudhry 1993, p. 246). Taking this as the initial point of this work’s analysis, one is more likely to comprehend the nature of reforms launched during the 1980ies. The question whether the latter actually inhibited or actually reversed Ghanaian administrative, hence ultimately economic progress shall now be at focus.
2.1 NPM-Waves in Africa

Influenced by donor countries providing the necessary financial support for reforms (UN 2005, p. 7), the ideal of New Public Management began gaining ground as a leitmotif for reforms in Ghana and other SSA countries. In general one can follow Bamidele Olowu in asserting that “African civil services [were] originally modeled on their metropolitan precursors.” (1999, p. 4). Although New Public Management does not translate into the same dogmatically closed catalogue of instruments in every country (Schröter 2005, p. 63), in this work NPM shall be understood as a business interpretation of administrative action, hence a trend toward micro economic behavior in public management (ibid.).

According to Peter Evans, this phase of reforms in developing countries may be seen as market-centered (1995, p. 140). After decades of viewing the state as the ultimate instrument of development, reforms in the 1980ies were initiated under the sentiment of negative experiences with the central government, hence a thrive for a reduction of the state (ibid.).

As mentioned before, Ghana like many other African countries experienced a great expansion of the civil service sector after the 1960ies (Olowu 1999, 10). After the global oil crisis, African economic decline and the ideal of a business-oriented reform wave of the public administration, this growth of the state was to be ended (Adamolekun 2005, p. 1). Donor countries provided African states with the necessary financial aid for the cutback of civil services (UN 2005, p. 7). To make this more accessible, one must look at some exact data, in this case from Ghana.

The shrinking of the Ghanaian public administration was tackled through a myriad of reforms steps. The most important ones for the analysis in this paper are as follows. A grand movement of organizational restructuring led to a reorganization of government ministries eliminating four agencies during the reform efforts (Olowu 1999, pp. 4-5). Hence, seemingly unnecessary agencies were cut. Another method, which was very well received by donor countries, was Ghanaian retrenchment (ibid.). The core goal of this policy may be seen in the cutback of unneeded civil servants in order to shrink the countries’ public administration system. Therefore, Ghana reduced its civil servants from 131 089 in 1990 to 80 000 in 1995 (ibid.).

Despite the reduction of civil servants, the payment of the latter was to be increased. Therefore Ghana envisaged decompressing wages and providing higher salaries for public managers. While information on the actual increase varies depending on the
source, it is safe to say that actual salaries in Ghana did not rise significantly (ibid.).
Although still higher than for many African countries, the increase during the reforms in Ghana was modest (Adamolekun 2005, p. 7).
These three aspects of Ghanaian public sector reform are sufficient for the following line of argumentation. However it shall be noted that Ghana was also at the forefront in regard to privatization and decentralization of public services (Olowu 1999, pp. 4-5). Due to its British past and organizational influence, reforms like the latter were faster implemented than in other African countries (ibid.).

2.2 The Evaluation of the NPM Reforms in Africa
The crucial part now lies in the evaluation of the New Public Management reforms and their affect on policy-making capabilities of the African civil service.
As mentioned above, the size of the Ghanaian public administration was decreased in regard to the number of agencies as well as the number of employees. Donor countries favored this approach due to the conviction that a smaller public sector would work more efficiently as for instance experienced in the UK (Chaudhry 1993, p. 246). Moreover, the state’s involvement was seen as one of the core problems in developing countries after the 1970ies (Evans 1995, p. 139-140), thus the idea of a roll back of the state was widely popular (Goldsmith & Page 1998, p. 147).
However, the African civil service was never abnormally big in comparison to other regions (Olowu 1999, p. 10).

Figure 1: Government Employment as a Percentage of Population (various recent years)

As visible in the above chart, the central as well as the local government in sub-Saharan...
Africa is much smaller than the OECD average. While the observation that there was an enormous growth of the latter may very well be correct, this must be viewed as a post-colonial necessity. It seems rather logical that a growing economy must increase its public administration capacities. In regard to the number of public employees, the UN states the following:

“It [the African public administration] is significantly understaffed in professional and managerial areas, and perhaps overstaffed in semi-skilled and unskilled areas.” (1992, p. 19).

Therefore, one must conclude that a reduction of Ghana’s civil service at all levels was contra-intuitive and defeating the purpose of a more effective public administration.

The retrenchment in the civil service in general has proven to be more costly than expected in the beginning (Olowu 1999, p. 15). More precisely, the research on the proper identification of cost saving possibilities mostly exceeded the actual ex-post cost saving (ibid.).

Ghana is once again a perfect example for this miscalculation as the country actually encountered cumulative losses as a result from downsizing in the 1980ies (ibid.).

Although Ghana has been classified as a committed reformer, the former head of Ghanaian civil service, Robert Dodoo asserted his dissatisfaction in regard to the reform movement. According to him, the reason for the lack of improvement of the country’s development lay in the “donor time-tables, agendas and conditionalities” (Dodoo 1996, pp. 30). While external support was necessary and vital for an improvement of the African civil service the provision of money came with unreasonably short-term expectancies. It does not seem surprising that a country in danger of losing all monetary support decides to hustle through a reform and risk less successful implementation instead of the loss of crucial financial aid.

There are two core weaknesses to be identified after this ex-post evaluation of the first part of African civil service reforms:

I. The way reform was embarked upon as well as

II. The goal of the reform

The first point has been made quite clear with the previous statements of Mr. Robert Dodoo. The pressure for success coming from donor countries was in no way beneficial for the improvement of the Ghanaian civil service. As one of many, Ghana had agreed to reduce the cost of the public sector and implement questionable structural adjustment
programs: “This was an explicit condition for financial support from the International
Monetary Fund and the World Bank.” (Adamolekun 2005, p. 7). Although the size of
the civil service was reduced, the results in cost saving were modest (ibid.).

But why reduce the African public administration at all? As demonstrated with the
graph, the African civil service was in no way bigger than ones from many other states.
While it was indeed expanding after the colonial rulers granted independence, this was a
vital step toward a functioning economy and a sustainable development of countries like
Ghana. State and market building are mutually dependent, hence a strong state in
combination with a functioning market could be seen as the more adequate policy for
Africa at this delicate time (Chaudhry 1993, p. 247).

The World Bank itself asserts:

'An effective state is vital for the provision of the goods and services - and the rules and
institutions - that allow markets to flourish and people to lead healthier, happier lives. Without
sustainable development, both economic and social is impossible.' (World Bank 1997)

The problem of the 1980ies believe that effectiveness would be achieved through
downsizing is made clear in the above. However, it now becomes tangible that the
effects of the 1980ies reforms may very well have resulted in lacking capabilities to
implement crucial policies for the countries’ development, i.e. the liberalization of
markets. If there are too few agencies and employees to oversee the realization of
liberalization, this process is doomed to fail.

The third reform step that shall be evaluated here is the alteration of salaries in the civil
service. While there was indeed some increase in the salaries of civil servants in Ghana,
they are still stunningly low (Olowu 1999, pp. 4-5). When being confronted with
unattractive employment opportunities, the reaction of workers is universally
comparable. High-qualified human capital either leaves the country in order to find
better-paid jobs or the employee opens him- or herself to corruption. A study by the
IMF shows a strong correlation between wages in public administration relative to
wages in manufacturing: “It is estimated that government wages needed to be 2x8 (...) times higher to make corruption negligible.” (The Economist 1997. Reasons to be
Venal.).

Corruption is another major weakness of African public administration and must be
seen as another NPM-influenced repercussion (Olowu 1999, p 13). Peter Evans asserts
in this regard that methods of personalism and plundering at the top levels of African
civil service destroy all possibilities of rule-governed behavior in the lower levels of
public administration (Evans 1995, pp. 150-151). More precisely, in order to make a living less qualified officials go along the example set at the top.

Another fatal repercussion of corruption for these countries is not only the waste of financial resources, but also the cancelation of international aid programmes as a punishment (ibid.). Weak public administration with corrupt officials therefore results in a vicious circle for the whole country.

After evaluating the three vital reforms in Ghana, the downsizing of the public sector as well as an insufficient rise of civil servant salaries, in the following, this paper aims at observing some of the latest reform movements. By doing so, the goal is to make a recommendation as to where the development of the Ghanaian and African civil service should be headed in order to guarantee more capable ways of implementing policies for an improvement of the countries’ development.

3. The Second Wave of African Civil Service Reforms – an Improvement?

The prevailing problems of public sector ineffectiveness due to misguided reform movements leading to a shrinking instead of a strengthening of the system and the ongoing danger of corrupt public officials give reason to speculate about more successful policies for the reinvention of the African public administration. In order to do so, public service ministers came together in Stellenbosch, South Africa in 2003 to respond to “unfolding challenges” in African public administration (African Press Organization 2008. Conference of African Ministers of Public Service Opening Remarks.)

In accordance with some reform approaches of the late 1990ies, the aim of new reforms is to switch to home-grown and demand driven methods directed at specific problems and challenges instead of the donor-pressured goals of broad downsizing and cost-cutting (ibid.). While the UN observes that contemporary reform methods do still aim to improve business and customer satisfaction techniques –“a carry-over from the early days of New Public Management” (ibid.), intangible reform topics such as the implementation of norms and values as well as public service ethics and accountability play a vital role.

Since African countries like Ghana do not possess the financial assets necessary for a much needed rise of public servant salaries, it seems crucial to at least stabilize the
employees feeling of normative obligations. Despite negative experiences citizens have encountered with corrupt public officials so far, the latter must still be expected to have a special awareness for accountability since they belong to the directly elected government of the country (Solinski 1993, p. 32). Von Maravic argues that ethics in public management influence the quality of decisions made in public administration as well as the trust the citizen has in the system. (von Maravic 2009, p. 3). Hence, if one could ensure the ethical comportment of public officials, African, more precisely Ghanaian public administration could highly improve. However, at this point another problem must be faced: the lack of resources. The UN states: “In many countries, public administration remains weak largely owing to a shortage of human resources and to deficiencies in staff training and motivation.“ (UN 2005, p. 13). When speaking about the amelioration of African public services, one must be cautious not to attempt to apply the same public sector reform logic to all African countries. The differentiation of Adamolekun provides a possible classification of African states, that has been mentioned before when referring to Ghana as a reform-committed country.

Figure 2: Classification of Countries by Level of Civil Service Rehabilitation Efforts

<table>
<thead>
<tr>
<th>A. Advanced Reformers (&quot;virtuous cycle&quot;)</th>
<th>B. Committed Reformers</th>
<th>C. Hesitant Reformers</th>
<th>D. Beginners and Non-starters (&quot;vicious cycle&quot;)</th>
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<tbody>
<tr>
<td>Botswana</td>
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<td>Côte d’Ivoire</td>
<td>Democratic Republic of Congo</td>
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<td>Mauritius</td>
<td>Burkina Faso</td>
<td>Gabon</td>
<td>Burundi</td>
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<td>Ethiopia</td>
<td>Guinea</td>
<td>Central Africa Republic</td>
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<td>South Africa</td>
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The above table or a similar one could be used in order to ensure a sustainable improvement of African public administration systems. In regard to this, the UN highlights the necessity of information sharing among reforming African states (UN 2005, p. 10). Implementing the homegrown, but still NPM influenced methods of public...
sector reform in combination with the support of ethical and accountable changes in countries of the “virtuous circle” could be a first step (Adamolekun 2005, p. 6). While the public service ministers all attempt to work on similar criteria they must accept countries like Botswana, Namibia or South Africa as a primus inter pares and a focal point of orientation. Moreover, it is apparent that foreign investments are still necessary, however one must not repeat the mistakes of the 1980ies and let donor schedules pressure the implementation of reforms.

4. Conclusion: Do Reforms Inhibit or Support African Development?

After the analysis of decades of public sector reform in Africa with special focus on Ghana, one can draw the conclusion that the external support during the 1980ies has been vital, but to some degree harmful due to a “faulty diagnosis and prognosis” (Olowu 1999, p. 1). The African public sector during that time cannot be described as too big, but as expanding (Olowu 1999, p. 10). This growth was a direct result from the new-won independence and was therefore a necessary step of taking control. In order to overcome the economic decline in the 1980ies African states were dependent on foreign investments. While the IMF, the World Bank and individual donors did provide the money, the also set unfitting goals and an unrealistic time schedules. Instead of strengthening the existing system of public administration, Western NPM methods of downsizing, retrenchment and cost cutting were introduced (ibid.). As has been stated in the above, African states did not have an oversupply of qualified civil servants, but a demand for the latter. Instead of ensuring their loyalty and providing a better education for them, many positions were cut and the crucial increase of salaries was implemented half-heartedly (Adamolekun 2005, p. 7).

The results of these reforms of the public administration of the 1980ies in Ghana and other countries were modest to say the least (ibid.). From a different point of view, one could even assert that they were modest from a short-term perspective, but fatal in a long-term perspective, because they focused on technicalities in order to save money, that actually weakened the civil service (Olowu 1999, p 15) and ignored the core aspects of successful public sectors. While it might make great sense to concentrate on cost-cutting and downsizing of the public administration in Western countries like the UK or Germany, where a certain “Beamtenethos” may be attributed to the public officials because of centuries of institutionalized rules and norms, African bureaucracies were nowhere near this point of development. If one observes the economic progress of
Asian tiger states whose economies greatly strengthened during the past decades, one is also able to attribute this success to strong systems of public administration (Evans 1995, p. 155).

As there is no such history in African public management, it seems obvious that an emphasis has to be laid on the establishment of civil service ethics and accountability. One could conclude, that the reforms of the 1980ies in Africa skipped one step, because they aimed at shrinking something that wasn’t even stable to begin with. Only technicalities were at focus. Therefore, one is drawn to argue that reforms from this time period inhibited the development of committed reformers in Africa.

Of course, this statement must be handled with care, as one does not have the possibility of comparison with an African country that did not follow the NPM reforms at all. However, cutting costs at the wrong places led to the “unfolding challenges” (UN 2005, p. 5) African countries encountered during the 1990ies and even in the new millennium.

While techniques for more ethical behavior and accountability are decided on, their implementation must be coordinated among the African states. Instead of relying on external help, the more successful countries have to set an example and support the weak links.

Dealing with these problems, the UN concludes:

“For poor, resource-constrained countries, the reform challenges are daunting, not because the countries do not know what to do, but because they lack the resources to initiate and sustain a comprehensive programme of change.” (2005, p. 13)

Financial aid is thus still vital today. But instead of forcing these different systems to adapt Western ideals of public administration reforms, the support should be directed at the education of civil servants, hence human capacity building and training. In combination with a rise of public official salaries, the two core weaknesses identified in this work would be tackled. While the downsizing of the public sector has already taken place, one could attempt to stabilize this system now. Therefore, the current trend of African civil service reform can no longer in any way be attributed with an inhibition of the countries’ development.

On the whole, it has been clear that the reforms of the NPM-wave during the 1980ies did little to promote sustainable development in African public sectors and consequently in the countries’ economies (Olowu 1999, p. 15; Adamolekun 2005, p. 12-16). Despite these negative experiences and the sentiment of wasted money, external support is a sine qua non in Africa now. The necessary strategies can only be
implemented after the application of sophisticated analyses and diagnoses and with the involvement of all stakeholders, especially the civil servants in regard to more ethical behavior (Adamolekun 2005, p. 13).

Only by doing so, can policies such as the liberalization of markets vital for a more successful participation in global trade be implemented.

In order to highlight the difficulties encountered by Ghana and other African states in establishing an efficient and sustainable civil service resulting in a stronger economic development, this paper concentrated on the introduced governance crisis (Adamolekun 2005, p. 1). However, there are of course great interdependencies between the public administration and the central government of a country. The best governance system would only get so far without a stable, organized and constitutional government (UN 2005, p. 12). It would be interesting to analyze these realities for African states, as it seems logical that weak governments are another trigger for underdevelopment.

On the whole, one can conclude that reforms of the 1980ies were not customizes for African developing countries and most probably inhibited a quicker economic development. The second wave of reforms however, is much more focused on the involvement and training of civil servants, which is –as seen in the cases of Developed Countries and Tiger States- crucial for a stable public administration and economic growth. If provided with the necessary financial aid, reform-committed African states like Ghana could indeed face an overcome of economic underdevelopment.
5. Bibliography


Ehrenwörtliche Erklärung

Ich erkläre hiermit ehrenwörtlich, dass ich die vorliegende Hausarbeit mit dem Thema:

„The African Governance Crisis - Do Public Sector Reforms in Africa Actually Inhibit Economic Development?“

selbstständig und ohne fremde Hilfe angefertigt habe.


Ich bin mir bewusst, dass eine falsche Erklärung rechtliche Folgen haben wird.

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Berlin, den 06.06.2010
Unterschrift
Nikolina-Romana Milunovic
Ort, Datum

Unterschrift