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Briefing

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Public Sector Reforms

1. Introduction

Public sector reforms in Botswana have gained increased attention over the last two decades, with several policies and strategies devised to implement them. The reforms are manifested through various macro-level initiatives undertaken by government, including decentralization, creation of institutions such as the Ombudsman, Directorate on Corruption and Economic Crime (DCEC) and the Public Enterprises Evaluation and Privatisation Agency (PEEPA). At the micro-level, there have been other initiatives such as Organisation and Methods (O&M) reviews, Job Evaluation, Work Improvement Teams (WITS) and the newly-introduced Performance Management Systems (PMS).

The reforms appear to have been influenced by the realisation that, in spite of the country's relative success in economic terms, its public sector performs poorly. Official statements, including the National Development Plans (NDPs), annual budget speeches¹ and the Vision 2016² document, identify low public sector productivity and weak implementation capacity as the major factors that constrain the realisation of public policies that are otherwise clear and comprehensive. It is imperative, therefore, to critically examine this perception, and to identify and analyse the causes of the problem.

2. Public Sector Reforms in the Developing Countries

Although reforms of public administration have existed since state systems were created, public sector reforms in the less developed countries date back to the immediate post-independence era.³ The reforms were administrative (structural and procedural) and political. Administrative reforms introduced new institutions and procedures, such as government departments for development planning and implementation, district councils, district development committees, institutions for capacity-building (universities and institutes of public administration), etc. Political reforms introduced processes of decentralisation and participatory or community development, as well as various forms of state direction of political, economic and social processes (including the introduction of one-party systems). The post-independence reforms were aimed at re-orienting colonially-bequeathed systems that were perceived to be inimical to the rapid political, economic and social development of the newly independent

states.⁴ The reforms gained momentum in the late 1970s, with the onset of crises of the state models that had been created after the post-war period.

Public sector reforms are driven by the quest for improved general performance (effectiveness and efficiency), as well as the desire to ensure the affordability and sustainability of the sector. They are also required to reduce excessive, overbearing, but inefficient state (bureaucratic) intervention in economic management, by streamlining the functions and size of public sector agencies. This trend influenced a paradigm shift from the bureaucratic model of public administration to results-oriented new public management (NPM).⁵

In the 1980s, most African countries were forced into economic structural adjustment reforms. These reforms were directed at redefining the role of government and reducing unsustainable public sector budget deficits. They concentrated on economic policy making, revenue collection, infrastructure provision, and the delivery of social services. Although the structural adjustment-related reform programmes have largely been unsuccessful, reform processes continue in much of Africa. Of late, the reforms have also been pursued to accommodate the democratic imperatives of good governance, to promote participatory forms of public policymaking, accountability, transparency and responsibility of public officials in the conduct of official functions.

3. Critical Areas for Public Sector Reforms in Botswana

Generally, public sector reforms involve all the major branches of government, that is, the Executive, Legislature, Judiciary and other oversight bodies, local government, as well as the economic-oriented parastatals, public enterprise utilities and development finance institutions. The public sector reforms cover specific components of governance, the commonest of which are: public administration, decentralization, parliamentary systems, electoral systems, the rule of law and privatization.

Public sector reforms in Botswana are broadly perceived to mean structural and procedural changes aimed at obtaining a more efficient and effective public service.⁶ Amongst the above-listed components of public sector reforms, Botswana has given most prominence to public administration, decentralisation and privatization. The

reforms have included streamlining (right sizing) of the public sector, productivity improvement programmes, control over inputs, transparency and accountability, performance management systems, commercialization, corporatisation and the anticipated privatization.

The following section briefly considers what appear to be the critical areas for immediate attention: reviewing the size and scope of the public sector, its structure and organization, improving systems for customer service provision and privatisation.

3.1 Size and Scope of the Public Sector

The possible over-extension of the functions, role and scope of the state is the first critical area that requires close examination. A 2000 report titled *Making Government Smaller and More Efficient: the Botswana Case*⁷ pointed out that the government's venture into provision of goods and services was problematic; it had over-extended implementation capacity and undermined quality in provision of basic public services, such as education and health. The *Privatisation Policy for Botswana* (2000)⁸ acknowledged that the public sector had grown too large and cumbersome for efficient management and required re-orientation towards facilitation and regulation, rather than direct provision. The situation has not changed in the short time since these reports were produced. There has not been significant reduction of the public sector. Notably, central government, local government and parastatal employment has remained constant at about 44 per cent of formal sector employment (with central government employment growing marginally), while private sector employment only grew by seven tenths of one per cent from 2001.⁹

The increased activities of PEEPA are testimony to the seriousness of the (perceived) problem of the predominance of the public sector. As a step towards privatisation, PEEPA recently (April 2004) held a national stakeholders' conference that was aimed at popularising privatisation, reviewing its status and examining the way forward. PEEPA has also advertised several consultancy projects to develop a public awareness strategy for the implementation of privatisation policy, to examine and advise on public utilities regulatory reforms, the privatisation of Botswana Post, the review of the operations and consideration of a merger of the National Development



Bank (NDB) and the Botswana Savings Bank (BSB).

3.2 Structure and Organisation

Recent studies conducted by BIDPA, including institutional reviews of the implementation of the Rural Development Policy (RDP) (2001) and of the Remote Area Development Programme (RADP) (2003)¹⁰ reveal fundamental structural and organisational problems that constrain effective and efficient implementation of rural development. These include lack of clarity of functions, roles and responsibilities between central government and local government councils, ignorance of policy objectives, strategies and expected outcomes by line officers, and general lack of human capacity and skills. The report of the Second Presidential Commission on Local Government Structure in Botswana (2003)¹¹ confirms these observations. That report recommended the strengthening of local government structures and processes, as well as improvement of efficiency, coordination and capacity building.

A study of Botswana's decentralisation initiatives, conducted in 2003,¹² found that the absence of a comprehensive decentralisation policy and strategy compounded the organisational and implementation problems referred to above. The decentralisation process also appeared to be incomplete, especially in relation to local government councils' revenue generation, financial management and personnel administration. Significant centralising tendencies prevailed and these made government commitment to the decentralisation process rather questionable.

The recommendations made by BIDPA, in relation to structural relationships of central and local governments in rural development administration, were not implemented as government awaited the outcome of the Commission on Local Government Structure. But even the recommendations of that commission have yet to be implemented. There is yet no comprehensive policy and strategy for decentralisation. Local government councils are still constrained by dependence on central government subventions and centralised financial management. The local government human resources management system remains dominated by central government.

3.3 Customer Service Provision

The 2003 study on decentralisation initiatives also revealed the recipients' perceptions of low effectiveness, inefficiency and inadequacy of coverage of public services delivered by local government councils and land boards. Additionally, a customer satisfaction survey of the public service conducted in the last quarter of 2003 for the Directorate of Public Service Management (DPSM)¹³ identified

citizens' perceptions that the public sector in Botswana performs poorly in terms of effectiveness, efficiency and responsiveness to public demands.

These observations imply that the process interventions, such as Organisation and Methods, Work Improvement Teams and the more recent Performance Management Systems have not necessarily produced desired results in terms of improvement of public sector staff effectiveness, efficiency, responsiveness and perhaps morale too.

3.4 Privatisation

Encouragement of private sector activity in the economic development of the country has been a key aspect of public policy in Botswana. Botswana has deliberately pursued such policy, without duress from structural adjustment conditionality of the international financial institutions.

The Botswana Development Corporation (BDC), a 100 per cent public-owned financial institution, which was set up in 1970, pioneered privatisation by being the primary force behind divestiture of public sector enterprises. The BDC's policy has been to set up agricultural, commercial, industrial and real estate enterprises, and then divest from mature and successful ventures, with the aim of raising capital for future investment, encouraging competition, diversification and citizen participation in private business.¹⁴

The promulgation of the privatisation policy in 2000, and subsequent set-up of PEEPA in 2001 was due to the realisation that privatisation was not proceeding rapidly, even though the private and financial sectors had developed quite considerably and could be expected to provide some of the services that had been provided for a long time by the public sector. The privatisation policy aimed at redefining the government's role, which would be limited to facilitation and regulation of the operations of the private sector, rather than be a direct provider of services.¹⁵

However, PEEPA has existed for only three years; thus, it is premature to judge its track record. Nevertheless, it is evident that PEEPA's privatisation mandate has started off a shaky, non-institutionalised foundation. There is no enabling legislation to guide the implementation of the privatisation process. There are delays in approval of its Privatisation Master Plan. The *National Development Plan 9* also sets rather low expectations of privatisation (two public sector entities during the plan period of six years). Significantly, considerable resistance appears to emanate from the centralising tendencies inherent in government. The recent failure of the privatisation of Air Botswana, which was partly due to perceptions that there wasn't readiness because enabling legislation and regulatory frameworks had not yet been

clearly articulated, does not augur well for the future of privatisation.

4. Future Policy and Strategy Directions

The overall picture that emerges from this brief review is that public sector reform initiatives are not systematic and coordinated. Although various reform initiatives have been undertaken, Botswana's approach has not been comprehensive in terms of policy and strategy.

The size of the public sector and scope of its activities have not significantly changed. The public sector remains a dominant actor in service provision and formal employment. Privatisation has not attained critical momentum; the process has actually stalled. The legal and regulatory frameworks to facilitate privatisation appear to be incomplete. Although some restructuring has been done at the National Development Bank and the Botswana Telecommunications Corporation (BTC), there lacks momentum for reform of other state-owned entities. There has not been significant structural and organisational reform of both the central government and local government spheres. The effects of process reforms aimed at improving the effectiveness and efficiency of customer service provision have yet to be determined.

There does not seem to be a comprehensive policy and mechanism for coordination of the public sector reforms. Consequently, the reforms appear to be piecemeal, incremental, fragmented and rather haphazard. Overall, significant effort is required to rationalise the policy, strategy, planning and implementation of public sector reforms.

There are four specific areas that could form the basis for a comprehensive and coordinated approach to public sector reforms. These are grouped under the components of public administration, decentralisation, privatisation and institutional and corporate governance issues. The first three are already the focus of national attention and take up a considerable amount of public sector reform activity. Institutional governance issues are not that pronounced, but need to be emphasized too.

4.1 Public Administration

At the top of public administration reforms could be the systems of formulation and coordination of public policies and strategies. As pointed out above, central policies appear to be well designed, but field staffs are unaware or ignorant of policy objectives, strategies and expected outcomes, and this contributes to the failure of implementation. There is significant room for policy training in terms of formulation, planning and implementation for staff at all levels (at the central/ministerial, district field



office and local government council, as well as sub-district/village and community levels). This type of training could be incorporated through ongoing initiatives for capacity building for public servants. This would require the re-orientation of capacity development programmes of the Botswana Institute for Administration and Commerce (BIAC), the Institute of Development Management (IDM), the Botswana National Productivity Centre (BNPC) and the University of Botswana (UB).

Administrative reform programmes could also benefit from the revision of internal rules and regulations, work improvement and performance management systems. So far there has not been much attention to the revision of rules, regulations and procedures. This is rather surprising, considering that novel operational processes and systems (for example computerisation and PMS) are introduced and are expected to succeed, without a corresponding introduction of new norms of conduct and procedures. Although other operational processes, such as O&M reviews and WITS have been implemented for some time, no comprehensive evaluation has been made of their effects. The PMS is relatively new and is still being rolled out. It is, therefore, impossible to determine the impact of these process reforms on public sector effectiveness and efficiency.

Another reform area should be the development and/or strengthening of anti-corruption and accountability mechanisms for civil servants. The recent DCEC request for submission of a proposal to design codes of conduct for the public sector, private sector and politicians is a move in the right direction. There is definitely a need for the development of clear department-wide policies and procedures and institutionalisation of processes to operationalise them.

Lastly, there is a need to develop and popularise government policy and strategy in the use of information technology (IT). The development of government information systems, intranet and internet requires further strengthening. It would also be desirable to seriously consider introducing e-government solutions for services, such as licensing, registration of births and deaths, and gathering of customer satisfaction feedback on the provision of public services.

4.2 Decentralisation

Strengthening public participation in the development process is required to broaden access to public services and strengthen democratic processes for the benefit of the majority of citizens. This requires formulation of a comprehensive decentralisation policy and implementation guidelines. This should be accompanied by relevant legislation on budgetary and fiscal

decentralisation, as well as human resources management. There is also a strong case for the overall strengthening of local government councils and other decentralised public agencies (such as the land boards).

Capacity building is required for decentralization in central government and the local authorities. It is vital to determine the human resources requirements for staff of the field units of government departments, local government councils and other decentralized public agencies. This should be done by (first of all) taking stock of the strategic skills, competencies and capabilities that are required for public sector staff, then tailoring training programmes to fill the capacity gaps.

On the other hand, the capacity building for local councillors is also required to better prepare them for increased functions and enhanced roles in the political and development processes. As for the citizens, there is need to develop policies and strategies for dissemination of information and relevant documentation to raise their awareness of rights, duties and responsibilities vis-à-vis the local authorities and decentralised public agencies.

Lastly, effective decentralisation requires the improvement and promotion of coordination among local authorities, for better regional and national development.

4.3 Privatisation

The most urgent requirement for public sector reform is the need to elaborate and consolidate the policy of privatisation and adopt a strategy for implementation, within a clear framework of enabling legislation. The institutional development and improvement of the processes and arrangements for implementation, such as divestiture, regulation, and the formation of public-private partnerships, are prerequisites for fulfilling the requirements. There must, necessarily, be careful assessment of the environment, challenges and constraints of implementation of privatisation. This would involve reviewing existing structural and regulatory frameworks, identification of required reforms, recommendation of appropriate policy, legislative and structural reforms, as well as assessment of the feasibility of the proposed arrangements and preparation of implementation plans and strategies. It is critically important to formulate and develop appropriate legislation to guide the privatisation process.

4.4 Institutional Governance Issues

The nature and practice of governance has a significant effect on policy and institutional performance and the resultant political, economic and social development. The nature of governance significantly influences policy processes and their outcomes. A critically important factor is

whether a country experiences good governance. Governments are meant to serve their citizens and people are supposed to be the object or target of public policies and actions. People are also the instruments through which public actions are implemented.

Good governance assumes the existence of participatory forms of public policymaking, accountability, transparency and responsibility of public officials in the conduct of official functions. It also presupposes empowerment of the poor by expanding their opportunities through improving the outreach, coverage, efficiency and sustainability of basic services; providing economic opportunities by increasing their access to credit and markets; and providing security from economic shocks, corruption, crime and violence.¹⁶

The issue of people's participation needs critical examination because it is central to good governance. BIDPA's institutional reviews of the Rural Development Policy and the Remote Area Development Programme, as well as the workshops on Capacity Development for Delivery of Remote Area Dweller Programmes,¹⁷ revealed that there are significant problems that constrain effective popular participation in the development process. Although public consultation is supposed to happen in the national development planning processes (through the village and district development committees), policy determination is centralized and the manner of consultation is essentially dissemination of information of what government intends to do by government bureaucrats. The principal institution for consultation, the *kgotla*, is not well attended. Community-based organizations are weak and, like the non-governmental organizations, are not influential in policy formulation, planning and determination of strategies of implementation.¹⁸ Briefly, communities have limited participation in the development process; they do not influence the nature and direction of development. Both policy determination and implementation are bureaucratically-determined and top-down.

Improvement of opportunities is also a critical aspect of governance. Citizens are supposed to benefit from their government's policies. Botswana has over the years formulated and designed various policies and programmes that targeted the poor. But due to implementation problems, the intended target groups and beneficiaries did not necessarily benefit from these. This is evident in the prevailing high incidence of unemployment and lack of diversification of livelihood systems, which imply significant dependence on social welfare handouts provided by the government.¹⁹ Divestiture of enterprises,²⁰ and other policies and programmes such as the Financial



Assistance Policy (FAP), the Tribal Grazing Land Policy (TGLP), the Arable Land Development Programme (ALDEP), as well as the activities of the Citizen Entrepreneurship Development Agency (CEDA) and the National Development Bank, have appeared as if they benefit only a few people who belong to the middle and upper classes. Therefore, economic empowerment for the majority is problematic.

The ineffectiveness and inefficiency of public service provision, which were revealed in the reports on decentralisation and the public service customer satisfaction survey,²¹ also suggest that public institutional governance requires improvement. Public servants' failure to effectively and efficiently serve the public denies the beneficiaries full enjoyment of the services that they are entitled to. In other words, poor service delivery undermines good governance. This implies that it is important to examine reform measures that would ensure good public institutional governance.

5. Key Policy and Strategy Concerns

In conclusion, it is vitally important to clarify the major policy and strategy guidelines, which should inform a comprehensive and coordinated approach to public sector reforms. Deliberate efforts are required in the following areas:

- Defining the meaning and implications of public sector reforms in Botswana.
- Determining the policy framework and institutional context for public sector reform.
- Determining the scope, content or substance of public sector reform. That is, what it will involve and the changes it is expected to bring about.
- Identifying the likely and probable challenges and constraints that will be faced in the implementation of public sector reforms.
- Determining the way forward, in terms of new or enhanced policy reforms, organisational and procedural changes in the principal components of public administration, decentralisation, privatisation and institutional/corporate governance issues.

Notes

¹See, for example, Republic of Botswana, Ministry of Finance and Development Planning, *National Development Plan 8, 1997/98-2002/3 and National Development Plan 9, 2003/04-2008/09* (Gaborone: Government Printer); Republic of Botswana, Budget Speech 2004, Delivered to the National Assembly on the 9th February 2004 by the Minister of Finance and Development Planning.

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This edition of BIDPA Briefing was written by Jonathan Mayuyuka Kaunda
(e-mail: kaundajm@bidpa.bw).
Published by BIDPA, Private Bag BR 29, Gaborone, Botswana

Tel: (+267) 3971750 Fax: (+267)3971748. Website: <http://www.bidpa.bw>
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