FROM CRISIS TO RENEWAL

AFRICAN SOCIAL STUDIES SERIES

VOLUME V

BY

KEMPE RONALD HOPE Snr.

FROM CRISIS TO RENEWAL

TUTA SUB AEGIDE PALLAS · 1683 ·

FROM CRISIS TO RENEWAL

Development Policy and Management in Africa

BY

KEMPE RONALD HOPE Snr.

BRILL
LEIDEN · BOSTON · KÖLN
2002

This book is printed on acid-free paper.

Library of Congress Cataloging-in-Publication Data

Hope Snr., Kempe R.
From crisis to renewal : development policy and management in Africa / by Kempe Ronald Hope Snr.
p.cm. (African social studies series, ISSN 1568-1203; v.5)
Includes bibliographical references and index.
ISBN 9004125310 (alk. paper)
1. Botswana—Economic policy. 2. Public administration—Botswana. 3. Africa, Sub—Saharan—Economic policy. I. Title : Development policy and management in Africa. II. Title. II. Series.

HC930 .H68 2002
338.96883—dc21

2002073528

Die Deutsche Bibliothek – CIP-Einheitsaufnahme

Hope Snr., Kempe Ronald:
From crisis to renewal : development policy and management in Africa / by Kempe Ronald Hope Snr. – Leiden ; Boston ; Köln : Brill, 2002
(African Social Studies Series ; Vol. 5)
ISBN 90-04-12531-0

ISSN 1568-1203
ISBN 90 04 12531 0

PRINTED IN THE NETHERLANDS

To JR

CONTENTS

List of Figures and Tables		xi
Preface		xiii
Chapter One	Development Policy and Performance in Botswana: Lessons for the Transition Economies in Sub-Saharan Africa	1
	Development Policy and Performance in Botswana	1
	Lessons for the Transition Economies in Sub-Saharan Africa	9
	Conclusion	21
Chapter Two	Human Resource Management in the Botswana Public Sector: Approaches to Enhancing Productivity	22
	The Productivity Dilemma	23
	Enhancing Productivity	26
	An Assessment	36
	Conclusion	44
Chapter Three	Administrative and Financial Management of Parastatals in Botswana	45
	The Management Framework	47
	Assessing Performance	56
	Conclusion	59
Chapter Four	Decentralization and Local Governance: Theory and the Practice in Botswana	63
	The Conceptual Framework	63
	Benefits and Costs of Decentralization	67
	The Decentralization Process in Botswana	69
	Assessing Decentralization and Local Governance in Botswana	75
	Conclusion	81

Chapter Five The Political Economy of Policy Reform and Change in Africa: Challenge of the Transition from Statism to Liberalization 82
Leadership and Good Governance 84
Civil Society and Democratic Consolidation 87
Economic Liberalization and Development 93
Public Sector Reform 95
Environmental Management 97
Conclusion 99

Chapter Six Corruption, Ethics and Development in Africa 100
Nature of the Corruption Phenomenon 101
Major Causes 103
Consequences 111
Curbing Corruption 117
Conclusion 127

Chapter Seven Poverty and Environmental Management in Africa 129
The Poverty and Environment Nexus 129
Toward Policies for Managing and Reversing the Spiral 141
Conclusion 154

Chapter Eight The New Public Management, Decentralization and Public Sector Re-engineering in Africa 156
Basic Framework of the NPM Paradigm 157
Decentralization: African Examples 161
Linking Decentralization to Public Sector Re-engineering 166
Conclusion 169

Chapter Nine Development Prospects for Africa:
Structural Adjustment and Beyond 171
Impact of Structural Adjustment 171
Beyond Structural Adjustment:
Development Prospects 177
Conclusion 180

References 183
About the Author 200
Index 201

LIST OF FIGURES AND TABLES

Figure 2.1	The PMS Implementation Framework for the Botswana Public Service	35
Figure 2.2	Relationship of WITS and SWITS	43
Table 3.1	Parastatals in Botswana in 2000	46
Table 3.2	Operations of Non-Financial Parastatals, 1997–2000	56
Table 3.3	Selected Performance Indices of the Non-Financial Parastatals, 1997–2000	57
Table 7.1	Population Living on Less Than US$1 Per Day and Headcount Index in Developing and Transitional Economies, 1987–98	132
Table 9.1	Macroeconomic Indicators for Africa, 1990–2000	173

PREFACE

In this book I have collected some of my recent essays on African development policy and management. They have all been substantially revised, expanded, and compiled as a comprehensive text for students, practitioners, scholars, and researchers pursuing studies or other work on the broad spectrum of issues related to development policy and management in Africa. The objective of the book is to dig deep into, take stock of, and thoroughly analyze, the nature, impact, and future of development policy and management in Africa. It demonstrates the failure of post-independence policy and management in most of Africa, traces the emergence and results of reform measures, and advocates the lessons of success for the rest of Africa derived from Botswana's approach to sustainable development and its achievement of economic prosperity and the maintenance of political stability and good governance.

Behind the gloom and doom of Africa's dismal development performance lies a series of interconnected factors that are unique only to the continent. They include a bad post-independence beginning embracing statism, macroeconomic balance by direct control, private sector neglect, distorted relative prices, bad leadership, neo-patrimonialism, rampant corruption, environmental degradation, political instability, and an inefficient public service. Since the 1980s, truly significant attempts have been made by many of the countries toward political and economic liberalization. However, despite those efforts, much more needs to be done with respect to policy reform and management in order to consolidate the gains derived thus far and entrench a pattern which future leaders would find difficult to rescind.

The prospects for sustainable development are much better now than they have ever been before. The 21st century has been hailed as 'The African Century' — a period of renaissance bringing with it a durable peace and sustainable growth. Though somewhat fragile, Africa's economic recovery is very encouraging. Policy reforms have led to improved economic performance and better management choices. It is now up to Africa's leaders to provide the requisite leadership for a home-grown and self-reliant attempt at sustainable socio-economic development to make the 21st century a truly African one.

Acknowledgements

This book would not have been possible without the encouragement and/or assistance of many individuals. In particular, I would like to thank my former MPA students at the University of Botswana for recognizing the need for such a text and urging me to compile some of my work toward that goal. I also owe a special debt of gratitude to Bornwell Chikulo and Asfaw Kumssa for their useful criticisms and advice on various chapters. Of course, they are exonerated from any responsibility for the final contents contained herein. Last, but certainly not least, I am heavily indebted to Eva for wordprocessing all of the drafts of the entire manuscript within my demanding schedule.

I would also like to acknowledge, as is customary, the following original sources of appearance of the chapters from which respective permission was granted for their use here:

Chapter 1, *Journal of International Development* 10(4), 1998 (John Wiley and Sons); Chapter 2, *International Journal of Human Resource Management* 10(1), 1999 (Routledge); Chapter 3, *International Review of Administrative Sciences* 62(4), 1996 (Sage Publications); Chapter 4, *Development Southern Africa* 17(4), 2000 (Carfax Publishing); Chapter 5, *Regional Development Dialogue* 18(1), 1997 (United Nations Centre for Regional Development); Chapter 6, *Public Integrity* 1(3), 1999 (Westview Press); Chapter 7, *International Symposium on the Partnership Between the Public and Private Sectors for Social Development*, Beijing, China, 2000 (United Nations Department of Economic and Social Affairs); Chapter 8, *Public Management Review* 2(1), 2000 (previously *Public Management*) — co-authored with B.C. Chikulo (Routledge); and Chapter 9, *Review of Black Political Economy* 26(4), 1999 (Transaction Publishers).

Kempe Ronald Hope, Snr.

CHAPTER ONE

DEVELOPMENT POLICY AND PERFORMANCE IN BOTSWANA: LESSONS FOR THE TRANSITION ECONOMIES IN SUB-SAHARAN AFRICA

In whichever way measured, or determined, Botswana is one of Africa's star performers. The country has been a success story of sound development policy and impressive economic performance during the past two decades and more, despite being one of the poorest countries in the world when it achieved independence in 1966.

What is the nature of Botswana's economic success? What lessons can the transition economies of sub-Saharan Africa learn from that success? This chapter discusses and analyzes those two sets of issues and sets the stage for the rest of the discussions to follow with respect to development policy and management in Africa.

Development Policy and Performance in Botswana

Development policy and performance in Botswana has attracted considerable attention in recent years from the international community. Botswana is a success story of similar ranking to that found in the East Asian countries. Not surprisingly, the political and policy context of Botswana's development performance are similar, in many respects, to that of the East Asian tigers. The country, therefore, remains as an exceptional state in sub-Saharan Africa. It practices prudent economic management; it is a tolerant democracy with a penchant for good governance; it maintains an apolitical and generally effective bureaucracy; it boasts an environment that is conducive to private investment and promotes market-oriented sustainable development; and it engenders macroeconomic stability through, among other things, efficient management of foreign exchange resources and incentives to potential producers of foreign exchange.

Botswana has been transformed into the second richest economy in Southern Africa, with a 2000 per capita income of US$3,300 (just behind Mauritius whose per capita income in 2000 was US$3,800) and is now classified as an upper middle-income country (World

Bank, 2001a). For much of the post-independence period, Botswana was one of the fastest growing economies in the world, in sharp contrast to the economic stagnation and deterioration of most of Africa, and due, in large part, to the country's emergence as one of the world's largest producers of diamonds. Botswana has therefore been able to move from a pre-independence poverty-stricken economy, dependent primarily on the cattle industry and subsistence agriculture, to rapid growth with substantial increases in export earnings and government revenues (Hope, 1997a). However, it must also be pointed out here that, prior to the discovery of diamonds, the cattle industry and agriculture were predominantly owned and controlled by citizens and that both of those situations set the pattern of the capitalist development thrust that made the country an exception to the African pattern whereby state intervention and control became the framework of development policy (Tordoff, 1997; Tsie, 1996, 1998).

Except for 1993, when there was an economic downturn and negative growth, the economy of Botswana has been growing positively during the post-independence period. Real GDP, a measure of the output of the country, increased, on average, by more than 9 percent annually between 1975–76 and 1994–98, while real GDP per capita increased by almost 6 percent per year, on average, during the same period. During the more than three decades since independence, Botswana has been the fastest growing economy in the entire world with real per capita income growth averaging 8.2 percent per annum during 1966–96 and 11.4 percent during 1965–98 (Leith, 1999; World Bank, 2000). During the period 1998–00, real per capita income grew by 6 percent (Bank of Botswana, 2001). The primary source of growth is the mining sector which now accounts for more than one-third of GDP while the agricultural sector accounts for less than 3 percent.

Botswana has a very open economy. The country's outstanding export performance changed its large structural trade deficit in the 1960s to a visible trade surplus by the mid-1980s. With a surplus on the current account, in most years, combined with inflows of aid finance, the balance of payments has been in surplus since 1982. This favourable balance of payments position of Botswana is reflected in the country's substantial reserves of foreign currency which stood at US$2 billion in 2000 and provided for some 34 months of import cover for goods and services (Bank of Botswana, 2001). In the short to medium term, it is quite obvious that Botswana would not face a foreign exchange constraint and that state of affairs has also enabled the country to maintain an increasingly liberal exchange control regime. For example, in 1999, all exchange controls were abolished. Prior to that, commercial banks were permitted to open foreign currency accounts for both residents and non-residents; pension funds and related institutions were allowed to invest their assets outside of Botswana; and the limits on offshore borrowing by residents were doubled from approximately US$27,000 to US$54,000 for individuals and from approximately US$270,000 to US$540,000 for companies and other corporate bodies (Bank of Botswana, 1997, 2001; Hope, 2000).

Botswana's import pattern reflects both its close proximity to South Africa and its membership in the Southern African Customs Union (SACU) which permits duty-free imports from the more industrialized South Africa. The SACU was originally established in 1910 creating a customs union which now includes Botswana, Lesotho, Namibia, South Africa, and Swaziland. The SACU is regarded as one of the more operational and properly functioning customs unions in Africa (Hope, 1997a).

Currently, approximately 77 percent of Botswana's imports originate from the SACU area while only about seven percent comes from other African countries, primarily Zimbabwe. Another 8 percent of imports come from Europe, and the balance from the Rest of the World. During the 1990s, the major categories of imports were food, beverages and tobacco which accounted for approximately 15 percent of total imports, machinery and electrical equipment which accounted for 18 percent, and vehicles and transport equipment which accounted for 15 percent. With respect to exports, Europe is Botswana's largest market with a 65 percent share (of which the United Kingdom gets approximately 35 percent), and the SACU area gets 13 percent. The major categories of exports in the 1990s were diamonds which comprised approximately 73 percent of the total, vehicles and parts which accounted for 9 percent, and other mining which accounted for 6 percent.

Since most consumption expenditure in Botswana is on goods and services which have to be imported, it is arguable that the country's rate of inflation would be considerably influenced by that of South Africa because of the high proportion of traded goods, consumed in Botswana, which are imported from South Africa (Bank of Botswana, 1997). During the 1990s, the average annual rate of inflation declined slightly to 10.7 percent compared to the average of 10.8 percent during the 1980s. The inflation rates in Botswana and South Africa had converged at around 10 percent in the first six months of 1995 but have since diverged with occasionally lower rates prevailing in South Africa. In 2000, Botswana's annual average rate of inflation was 8.6 percent (Bank of Botswana, 2001).

The increase in the production and export of diamonds has given a tremendous boost to government revenues in Botswana. The government of Botswana collects between 75 percent and 80 percent of the profits of the diamond industry through a combination of royalty payments, profits tax, withholding tax on remitted dividends, and dividends received by virtue of its 50 percent shareholding in the diamond mining company Debswana. The two other important sources of government revenues are Bank of Botswana earnings and the country's entitlement from the customs, excise, and sales duty revenue pool of the SACU. Domestic taxes contribute only a relatively small proportion of government revenue. During the 1990s, mineral revenues accounted for 40 to 50 percent of total government revenue and grants, Bank of Botswana profits for approximately 20 percent, and the SACU pool earnings for approximately 16 percent. For the period 2000–01, mineral revenues are estimated to have contributed 58 percent to total government revenue and grants (Bank of Botswana, 2001).

As a consequence of good economic performance, the government of Botswana has also been able to increase its expenditures in all areas of social and economic infrastructure as well as services (Hope, 1997a). Government total expenditures increased from US$344 million in 1984–85 to US$2.5 billion in 1999–00. Since 1983 the government of Botswana has been running a budget surplus through its prudent fiscal policy which is designed to ensure that expenditures are consistent with development priorities and limits, rather than reaching too far too fast and risking the country becoming a victim of 'Dutch Disease' (Harvey and Lewis, 1990; Jefferis, 1998; Norberg and Blomstrom, 1993). However, the first budget deficit in sixteen years was recorded in 1998–99 in the amount of approximately US$300 million as a result of both increased expenditures and declining mineral revenue due to a depressed diamond market. The real growth in government spending was 5.4 percent for 1999–01 and the budget returned to its surplus state as of 1999–00 (Bank of Botswana, 2001).

Despite Botswana's considerable economic progress during the past three decades, there are not enough jobs for those seeking employment and, consequently, unemployment has become of some concern in the country (Hope, 1996a). After declining steadily from 1984 onwards, the unemployment rate began to increase in 1991 and stood at 20 percent by 1998. In 1998, the female unemployment rate was 24 percent compared to 17 percent for males (Republic of Botswana, 2000a). By 2000, the unemployment rate was estimated to have declined to 15.8 percent (Bank of Botswana, 2001).

Considerable unemployment has occurred in Botswana despite some remarkable growth in both formal and informal sector employment opportunities during the post-independence period. Formal sector employment grew from 116,800 in 1985 to 228,900 in 1991. This represented an average annual growth rate of 12.5 percent. By 1991, 49 percent of the labour force was employed in the formal sector. However, in 1992, formal sector employment declined to 224,800 reflecting a negative growth of 1.8 percent for the first time since 1972. This resulted from a downturn in economic activity which led, in turn, to widespread retrenchments, particularly in the construction and textile sectors.

Between September 1991 and March 1993, private sector employment declined from 144,600 to 131,800, a decrease of approximately 8.8 percent. However, over that same period, the total growth in employment in the public sector, in absolute terms, was almost enough to compensate for this. By the end of 1993 onwards formal sector employment growth was restored and over the four years from March 1991 to March 1995, total employment in the formal sector grew by 5.2 percent, indicating an average annual growth rate of 1.3 percent. Estimates indicate an 8.7 percent growth in formal sector employment between September 1995 and September 1999 (Republic of Botswana, 2000a) and, since 1997, the cumulative growth in formal sector employment has been 20.3 percent (Bank of Botswana, 2001).

Unemployment in Botswana tends to be high among the 15–24 age group and higher for females than for males. Overall, the female unemployment rate has tended to exceed that of males. However, over time the gap has been volatile. Between 1981 and 1994, for example, the ratio of female to male unemployment rates fell from

1.5 to 1.2 but, in the latter part of the 1990s, that ratio increased from 1.2 to 1.4.

When compared to men, women, who are employed, have a much lower representation in the formal sector and a greater representation in the informal sector. Women comprise approximately 36 percent of formal sector employees and 75 percent of informal sector employees. However, data on the informal sector is scarce and where they exist they should be treated with caution since there is no proper recording of statistics in this sector. Nonetheless, there are significant indications that informal sector employment in Botswana has increased during the past decade (Hope, 1996a; Republic of Botswana, 1997a). However, it should also be pointed out here that the high overall rates of unemployment in Botswana are primarily the result of high urban youth unemployment rates which, in turn, have resulted from a lack of educational attainment of the many school leavers (mostly aged 15–19) who therefore find themselves unable to be absorbed into the formal job market (Republic of Botswana, 1995a).

Despite Botswana's envious macroeconomic performance there is also growing concern with respect to poverty and inequality in the distribution of income and wealth between and within the urban and rural areas. More than half of the rural population, and a considerable proportion of the urban population, have incomes which are inadequate to meet basic needs.

The most recent official statistics estimate the number of households living in poverty to be 43 percent. The estimates for rural and urban areas are 55 percent and 30 percent, respectively. In terms of the distribution of disposable income, the 1993–94 Household Income and Expenditure Survey (HIES) indicates that the poorest 40 percent of households earned 11.6 percent of the total national income; the next 40 percent earned 29.1 percent of the national income; and the richest 20 percent earned 59.3 percent of the total income. The corresponding figures from the 1985–86 survey were 10.7 percent, 27.8 percent, and 61.5 percent, respectively, for the three categories. The Gini coefficient in 1993–94 was 0.537 compared to 0.556 in the 1985–86 HIES and indicates that income is unevenly distributed in Botswana (Republic of Botswana, 1995a).

According to the 1993–94 HIES, the average monthly median disposable cash income (the sum of all cash incomes less taxes and cash transfers out of the household) in the urban areas was US$278 and was more than 3.5 times that for the rural areas which was US$72.

For total disposable income (the sum of disposable cash income and income in kind net of goods transferred out of the household), the average monthly median was US$292 for the urban areas compared to US$157 for the rural areas. At the national level 63 percent of the households have incomes equal to or less than US$271 per month. In addition to the rural-urban comparisons there are also some significant differences related to gender. The average male-headed household has a monthly income that is a little more than two times that of female-headed households both at the national level and in the urban areas.

Poverty in Botswana can also be explained by the grossly-skewed distribution of wealth and the lack of potential for income generation. Poverty persists in Botswana for a number of reasons, primary among which is the fact that 32 percent of households have no family member in formal sector employment. Further, 57 percent of all households do not own cattle, which is the principal agricultural asset in the country, and 78 percent of the households own no more than 10 cattle. In addition, there is a direct correlation between the household head's education and disposable income.

Poverty restricts the development of human, social, and economic potential. In Botswana, the core of poverty lies in the rural areas. Rural poverty, in turn, is the major factor influencing urban poverty. Rural poverty leads to migration to the urban areas which, in turn, leads to higher rates of urban unemployment. One of the issues related to poverty in Botswana that is not discussed much in the literature is the feminization of poverty. The number of female-headed households increased slightly from 45 percent in 1981 to 46 percent by 1994. Forty-eight percent of rural households are female-headed compared to 36 percent in urban towns. Female-headed households also tend to have larger household sizes than males (Republic of Botswana, 1995a).

However, although it is necessary to point out the poverty and unemployment dilemma in the context of Botswana's outstanding economic performance, it is also necessary that the analysis be considered in a broader comparative context for it to be fully understood. No country, however wealthy, is immune to pockets of poverty. In the United States, for example, which now has 5 percent of the world's population and 30 percent of the world's wealth, 18 percent of the population was considered to be poor during the period 1989–97 (UNDP, 1997a, 2001). The incidence of poverty therefore has to be considered in relationship to other relevant socio-economic indices (Nteta, Hermans, and Jeskova, 1997). In that regard, a much more useful set of comparative indices of socio-economic development are those related to quality of life — growth of private consumption per capita; prevalence of child malnutrition; adult illiteracy rate; and access to health care, clean water, and sanitation services — in which Botswana outperforms most African countries.

Botswana has also, however, had to deal with a rampaging HIV/AIDS epidemic. The country has the highest HIV prevalence rate (36 percent) in the world (UNAIDS, 2000) and is struggling to come to grips with the development and implementation of an appropriate national response to mitigate the development impact of the disease. That development impact will be seriously felt in terms of declining productivity of the labour force; lower rates of GDP growth; higher government spending to support efforts to combat the disease; an acute shortage of educated and skilled people lost to the disease; an increase in the burden of poverty; an increase in the number of destitutes and orphans; higher enterprise employee costs associated with the disease; declining business profitability; and lower life expectancy (Hope, 2001a).

One study by MacFarlan and Sgherri (2001), for example, on the impact of HIV/AIDS on development in Botswana, suggests the following outcomes: (1) life expectancy will decline from 60 years in 1990 to under 30 by 2010; the death rate per thousand population will accelerate from 15 in 1990 to 45 by 2007 while, in the absence of AIDS, the normal death rate would have declined steadily to around 11 per thousand over this period; two children out of five would be orphans by 2010 — totaling more than 200,000 orphans; the rate of GDP growth in the non-mining sector could fall from a projected 5.5 percent per year without AIDS to between 1.5 and 2.5 percent a year on average with AIDS and, as a result, the economy would be 33–40 percent smaller than it would have been without AIDS; and public expenditures could rise by over 5 percent of GDP as a result of higher healthcare spending, together with increased social support and public sector employment costs. Of course, this impact scenario is based on the assumption that there currently exists no cure for AIDS.

Lessons for the Transition Economies in Sub-Saharan Africa

Development policy, and the resultant successful economic performance, in Botswana have been driven by a tradition of political and economic liberalization which, in turn, have unlocked the country's vast potential for prosperous sustainable development. The lessons, therefore, for the transition economies in sub-Saharan Africa are quite clear. Just as Botswana has been able to turn itself around from a poverty-stricken nation into a dynamic center of growth, political stability, and prosperity, without becoming a victim of 'Dutch Disease' (Aron, 1996; Hope, 1996a), the other sub-Saharan Africa countries need to face their own challenge of political and economic liberalization, employing their abundant resources, to realize sustainable development and economic progress. This section outlines a number of lessons on issues of development policy and management which are explored in much greater detail in subsequent chapters in this book. Before doing that, the concept of transitional economies is explained.

The concept of transitional economies refers to economies that are in transition from a planned/state dominated framework to a market-oriented framework. This transition includes liberalization and decentralization of the economy as well as democratization of the state. It therefore involves a complex process of institutional, structural, and behavioural change (de Melo, Denzier, and Gelb, 1996).

The concept of transitional economies emerged with the collapse of party and state domination of the economy and society of the former Soviet Union and other countries of Eastern Europe. Since that time, the need for, and the process of, transition has taken hold in other parts of the world including Africa. Many sub-Saharan Africa countries have embarked on the process of dismantling central planning while increasing their reliance on market forces for regulating their economies. However, as discussed in this chapter and in chapter five as well, that process has not been comprehensive. Indeed, there remain several persistent problems to be tackled which can be informed from the development policy and management experience of Botswana as explored in this and subsequent chapters.

In recent times a consensus has emerged in the development policy community about the causes of Africa's economic crisis and the need for the transition process to take hold. Despite some views to the contrary, the overwhelming point of view is that the crisis is the inevitable outcome primarily of the failure of post-independence development policy formulation and implementation in the majority of the sub-Saharan Africa countries (Hope and Kayira, 1997).

A brief summary of that consensus would suggest that domestic policies for economic development created a basis for stagnation and decline. Post-independence development policy was formulated through a statist ideological framework which was then implemented by experimentation. Moreover, some, if not all, of the countries had to contend with an adverse international economic environment. In the statist ideological framework, state planning became paramount and markets and choices were deliberately undermined. To maintain this system the patrimonial state emerged through a pervasive patrimonialization of power and authority structures by the political leadership (Berthélemy, 1995; Grindle, 1996; Hope, 1996b, 1997a; Hope and Kayira, 1997; Ndulu, van de Walle, and Contributors, 1996).

Essentially, as Aron (1996) so aptly and comprehensively argues, the type of African economy that emerged in the early decades after independence was influenced by various types of socialist theories; by an emphasis on Keynesian economics; by infant-industry protection and terms of trade arguments for growth; by government administered price controls and increasingly regulated labour, commodity, and financial markets; by increasing the share of the public sector in the economy through, among other things, appropriation and nationalization of private enterprises and financial institutions, as well as the creation of public monopolies for the marketing of agricultural products; by administratively allocating foreign exchange and credit (which primarily benefited the public enterprises and the political elite); and by a restrictive trade policy and an inward-looking import-substitution growth strategy. All of these anti-market interventionist policies rapidly over-extended the sub-Saharan Africa governments and gave birth to the region's economic crisis.

The first lesson of experience for the transition economies in sub-Saharan Africa relates to the importance of good governance and the acceptance and encouragement of positive civil society. By good governance we mean the existence of political accountability; bureaucratic transparency; the exercise of legitimate power; freedom of association and participation; freedom of information and expression; sound fiscal management and public financial accountability; respect for the rule of law; a predictable legal framework encompassing an independent and credible justice system; respect for human rights;

an active legislature; enhanced opportunities for the development of pluralistic forces, including civil society; and capacity building (Hope, 1997a).

Civil society can be regarded as a countervailing mechanism to state power while simultaneously engaging the state. It can be defined as "the realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or set of shared rules" (Diamond, 1994: 5). It is an intermediary entity which stands between the private arena and the state. It includes formal and informal associations whose interests may be economic, cultural, informational and educational, professional, developmental, intellectual, or civic (Diamond, 1994).

Countries that have deficient basic governance will not be able to undergo sustained economic growth. Likewise, good governance can only be consolidated when there exists a vibrant, dynamic, and pluralistic civil society. In Botswana, the fundamental pursuit of good governance has provided a favourable climate for the development of its civil society. That favourable climate has been found to include the formation of groups by interested members of the public and not at the request of a regime leader seeking support, as is the case in authoritarian African states; general freedom of assembly; a mass media free to report group activities; legitimately elected group leaders free of outside interference; and the complete independence of groups and their leaders to determine policy free from the influence of their financial supporters (Holm, Molutsi, and Somolekae, 1996).

Good governance and civil society in sub-Saharan Africa are currently weak, fragile, and need to be strengthened to boost the transition process in those countries. Botswana's experience generates several guiding principles that can be taken into account in that endeavour.

The second lesson, and one related to the first, is the need to control corruption and rent-seeking activities. To begin with, good governance, as defined above, checks corruption and incompetence. Widespread corruption, as practiced in Africa, is a symptom that the state is functioning poorly. Ineffective states can retard and misdirect economic growth (Hope, 1997a). Widespread corruption is of special concern in sub-Saharan Africa because graft and poverty tend to go hand in hand, and particularly so where civil society is weak and good governance is lacking. As further demonstrated in chapter six, corruption restricts investment and employment opportunities and also undermines programs designed specifically to assist the poor. Moreover, the poor are harmed by systemic corruption because they are unable to compete with those willing to pay bribes (UNDP, 1997b).

Corruption in sub-Saharan Africa is a pervasive and endemic pattern of behaviour that is incongruent with good governance, economic freedom, and competition — all three of which are significant elements of market-oriented economies. The control of corruption, as is currently emphasized by donor agencies and other aid partners, is a fundamental condition for the sustainable transition to a market-oriented economy.

The key lesson to be derived from Botswana, in the attempt to remove the pervasive stench of corruption in sub-Saharan Africa, is that corruption has to be made a high-risk activity — a high risk that kleptocrats and other perpetrators will be caught and severely punished. To that end, in 1994 the government of Botswana passed into law the Corruption and Economic Crime Bill which, among other things, established a Directorate on Corruption and Economic Crime (DCEC) as an independent anti-corruption agency. This law came into effect, it should be pointed out, not to deal with rampant corruption (there is no such problem in Botswana) but to respond to the emergence of bureaucratic corruption in the context of good governance and sound economic management. Botswana has not been plagued by the systemic corruption so prevalent elsewhere in Africa. Private individuals do not need to bribe government officials to facilitate routine business activities and public servants are paid a sufficient enough salary so they do not need to solicit or accept bribes to survive. This lack of systemic corruption, coupled with macroeconomic and political stability, have, in turn, earned Botswana the confidence of foreign investors. Botswana has the lowest 'political risk' factor of any nation in sub-Saharan Africa (UNDP, 1997b).

The DCEC is responsible for the investigation of alleged and suspected offenses of corruption and offenses against the fiscal laws of Botswana. It will assist any law enforcement agency of the government in the investigation of offenses involving dishonesty or cheating of the public revenue and it will assist the Attorney General in the prosecution of the offenders, including those instigating and abetting in such offenses.

In addition, the DCEC will examine the practices and procedures of public bodies, where necessary, in order to facilitate the discovery of corrupt practices and to secure the revision of methods of work or any procedures that are deemed to be conducive to corrupt practices; will instruct, advise, and assist any person requesting ways in which corrupt practices may be eliminated; will educate the public against the evils of corruption; and will enlist and foster public support in combating corruption. From its startup of operations in 1994 to the first quarter of 1996, the DCEC had recovered approximately US$2.5 million from fines, forfeitures, seizures, and the recovery of taxes (Hope, 1997a). However, from 1996 onwards, the DCEC case load has been steadily declining from 536 cases in 1996 to 524 in 1997 to 406 in 1998, for example (DCEC, 1999). Moreover, recent interviews, conducted with officials of DCEC, indicate even further declines in these case loads. This suggests that corruption, which was already at best a minor problem in Botswana, is reaching the point of near extinction.

Further evidence of Botswana's corruption-clean environment can be found in the indices compiled in the 2001 Corruption Perceptions Index of Transparency International. Among all African countries, Botswana had the best index score of 6 points which was just behind Portugal which had a score of 6.3. The score relates to perceptions of the degree of corruption as seen primarily by investors, risk analysts, and the general public. It ranges from 10 (highly clean) to zero (highly corrupt). By way of comparison, the scores for South Africa and Mauritius, for example, were 4.8 and 4.5, respectively, while for Nigeria it was 1.0, the second lowest score among all countries globally. The average score for all African countries included in the data set was 3.4 (Transparency International, 2001a).

The Botswana experience suggests that an independent anti-corruption agency can play a major role in the efforts to control corruption in sub-Saharan Africa. The establishment of meaningfully focused independent anti-corruption agencies can provide a very effective means of promoting integrity in public officials, building up a public service ethic, promoting probity in government, and protection of state income and expenditure, while at the same time offering the means for public redress (Doig, 1995; Hope, 1997a).

Another lesson is the importance of institutional development and capacity building. When institutions are weak, then there is limited implementation capacity. In such an environment, economic development also remains elusive. Sustainable development requires relatively stable rules of the game for regulating economic and political interactions. The lack of institutional capacity in sub-Saharan Africa translates into inability to regulate property rights, enforce contracts, maintain law and order, and control official acts of corruption and abuses of power, among other things (Grindle, 1996).

However, institutional change can be a complicated and lengthy process. Institutions typically change incrementally rather than in discontinuous fashion. Informal cultural constraints embodied in customs and traditions tend to be much more impervious to deliberate policies (North, 1990). Consequently, the relative success of institutional change would be a function of the environmental factors which the political leaders have been instrumental in setting in place.

In Africa, there is a degree of disconnection between the formal and informal institutions which largely explains problems in capacity building and institutional performance. As a result, economic and political achievements are generally not fully institutionalized with the required enforcement and incentive mechanisms to make them sustainable and they are therefore prone to reversal with changes of regime and leadership (Dia, 1996).

Nonetheless, institutional development and capacity building are central to African development. Capacity is the combination of human resources and institutions that permits countries to achieve their development goals. According to the World Bank (1996a: 5):

> It engenders self-reliance that comes with the ability of people to make choices and take actions to achieve the objectives they set themselves. This entails the ability to identify and analyze problems, formulate solutions and implement them.

Central to capacity are an effective bureaucratic machinery, skilled and committed leaders and officials, and ample financial resources. There are four dimensions of capacity. These are regulatory, administrative, technical, and extractive (Ndulu, van de Walle, and Contributors, 1996). Regulatory capacity involves the ability of the state to establish and enforce the rules that guide, or regulate, societal behaviour so as to eliminate mismanagement, inefficiency, pervasive corruption of the public sector, and political instability. Administrative capacity involves the routine ability to manage the personnel and resources of the state and to ensure accountability and efficiency in service delivery. It is a critical capacity because it affects the ability of private economic agents to achieve their goals, the availability of a well-trained and healthy workforce, and the satisfaction of basic societal needs (Grindle, 1996). Technical capacity includes the expertise and knowledge required to make and implement technical decisions as well as the policy tools and instruments necessary to implement those decisions effectively. Extractive capacity is the ability of the state to raise the revenues it needs to pay for the expenses of implementing its policies and goals.

Capacity is now widely recognized as the missing link in Africa's development thrust. Lacking capacity, neither government nor the private sector can adequately perform the tasks that make an economy function. The need for capacity exists in virtually all sectors and areas of African economies. Consequently, capacity building is important because, among other things, it generates the capability for those countries to develop indigenous and self-reliant development policies.

Moreover, the relevant skills would be developed without which sub-Saharan Africa would be unable to transform its agriculture, effectively link its industrialization with its natural resource base, and become scientifically and technologically advanced. In addition, a skills base would emerge for establishing linkages and complementarities among the production sectors, serving as an effective domestic catalyst for growth and socio-economic development, and following strategies that are most appropriate to the region's needs and realities (Hope, 1997a; Mbaku, 1997).

In Botswana, capacity building is vigorously pursued through national policies geared at human resource development and institutional change where necessary. National training and localization policies have been developed and are being methodically implemented and the necessary institutions have been created while institutional reform is an on-going process. Among the institutions the government recently created in 1993 and 1995, respectively, are the Botswana National Productivity Centre (BNPC) and the Botswana Institute for Development Policy Analysis (BIDPA). The former's mission is to work with both the public and private sectors in promoting productivity as a long-term strategy for the creation of employment opportunities, international competitiveness, and improvements in living standards, while the latter is an autonomous research institute which is charged with responsibility in the areas of development policy analysis for maintaining sound development management.

These two institutions, along with the University of Botswana, the Institute of Development Management (IDM), and the Botswana

Institute of Administration of Commerce (BIAC) are the primary institutions tasked with capacity building in Botswana. In addition, institutional reforms, such as the use of work improvement teams (WITS) and performance management systems (PMS) in the public service, as discussed in chapter two, are frequently implemented to boost institutional performance and improve macro-economic management. These robust and successful approaches to capacity building in Botswana can be easily imitated in the rest of sub-Saharan Africa as local initiatives for building capacity rather than depending on the donor community.

Yet another lesson is the need to control and manage external debt within the national capacity to service such debt. The external debt and debt-servicing obligations of Africa continue to pose a major threat to the sustainable development of the region. The total external debt stock of all of Africa was estimated at US$334 billion in 2000 (African Development Bank, 2001). As a ratio, this was equivalent to 183 percent of exports and 58 percent of GDP. Of the World Bank's list of 40 heavily indebted poor countries (HIPCs), 31 are African. Botswana, in contrast, had an external debt of US$0.5 billion in 2000 which was equivalent to 19 percent of exports and 10 percent of GDP (Bank of Botswana, 2001).

The capacity of African countries to service their debt has therefore not improved much despite major efforts at both scaling down their debt burden and reductions in the volume of arrears within the framework of existing debt re-organization and forgiveness measures. The debt service ratios of these African countries declined slightly from 22 percent of exports in 1990 to an estimated 21 percent in 2001 (African Development Bank, 2001). The debt situation of Africa has, therefore, still left the majority of those countries in a debt trap with substantial resources being siphoned away from supporting the transitional reform process. In this 21st century, the burden of external indebtedness in Africa remains high and is a serious impediment to the prospects for economic prosperity in many of the countries.

The need to control and manage external borrowing is therefore an obvious one. Debt ceilings should be observed and further debt relief should be provided to those countries making serious efforts to control expenditures and solve their debt overhang problem. In this regard, the World Bank and IMF have agreed to provide debt relief to highly indebted poor countries (HIPCs) undertaking serious economic reforms. As part of the package, the Paris Club of bilateral creditors will forgive up to 80 percent of the debt owed by eligible countries. In April 1997, Uganda was designated as the first sub-Saharan Africa country to benefit from the initiative.

Despite such initiatives, the challenge of external debt management will remain an urgent one for African countries. Consequently, as argued by Brigish (1995), and as practiced in Botswana (Maipose, Somolekae, and Johnston, 1996), African countries need to master five interrelated functions if their debt management is to be put on sound economic footing. These functions are policy, regulatory, operational, accounting, and statistical.

The policy function involves the coordination among all agencies responsible for formulating borrowing policies and debt strategies including clear and firm guidelines about the limits and responsibility for conducting the borrowing as well as the sustainability of the borrowing program over time. The regulatory function involves the establishment and implementation of firm regulations that govern borrowing including the reporting requirements covering loan receipts and repayments as well as the guarantee provisions where required. The operational function pertains to the choice made by governments with respect to either passive or active debt management. Passive debt management entails the registration of all loan activities and placing their implications into balance of payments calculations, while active debt management requires choices on market penetration and participation, instruments, currencies, and maturities to manage risk (Brigish, 1995).

The final two functions are primarily concerned with the capturing, storing, and generating of relevant debt data. The accounting function seeks to provide an appropriate accounting framework for defining debt and organizing it into categories that reflect the diversity of instruments, sources of capital, creditors, and so on. The statistical function is concerned with the storage and retrieval of debt data to produce timely and comprehensive reports for effective debt management and analysis (Brigish, 1995).

The penultimate lesson to be discussed is the importance of and requirement for higher rates of savings and investment. The achievement of sustainable development, particularly so in the context of free markets, requires high levels of national savings and private investment as amply demonstrated in the East Asian countries. In Botswana, both gross national savings and gross domestic investment, respectively, exceeded that for Africa when measured as a percentage of GDP (Hope, 1997b). By 2000, Botswana's gross national savings was 33 percent of GDP while gross domestic investment was 21 percent of GDP (African Development Bank, 2001).

However, in Africa, savings and investment have been both low and declining. There, the savings to GDP ratio fell from 22 percent in 1980 to 19 percent in 2000 while investment declined from 24 percent of GDP to less than 20 percent during the same period (African Development Bank, 2001). Historically, in sub-Saharan Africa, private savings have been low and foreign investment has been concentrated in natural resource industries, such as mining and oil, rather than in manufacturing. With low domestic savings, private investment has also been low. However, in the context of the transition to market economies, sub-Saharan Africa countries must move rapidly in the implementation of strategies to mobilize domestic savings and private investment and, particularly foreign direct investment, in the case of the latter.

Perhaps, one of the primary factors contributing to weak domestic savings and investment in sub-Saharan Africa is the inadequacy of the financial system. Indeed, it has been more positively stated that the deterioration in savings and investment ratios in Africa is clearly associated with a stagnant or declining performance of the formal financial sector as measured by the standard indicators of financial deepening such as the ratio of money and quasi-money to GDP, the ratio of deposit money to the money supply (M2), and the ratio of the banking system's claim on the private sector in relation to national income (Rwegasira, 1995).

In Botswana, there has been considerable financial liberalization since 1989. New financial institutions and instruments have emerged; there exists a growth-oriented stock market (The Botswana Stock Exchange); there has been a strengthening of market mechanisms; there has been much innovation in the provision of banking services; and there has been extensive liberalization of exchange controls (Bank of Botswana, 1997, 2001). In addition, government plans are at an advanced stage to make Botswana a viable and leading financial centre for the Southern African region.

On the other hand, the sub-Saharan Africa countries continue to suffer from the financial repression they incurred when, in the immediate period following independence, they moved to establish government control over their financial systems by replacing currency boards with the central banks and nationalizing the colonial commercial banks. These moves were primarily fuelled by an ideologically inspired distrust of market-oriented financial systems which led to the belief that private financial systems were subject to concentration of wealth and power (Cole and Duesenberry, 1994).

To effect government intervention, interest rate controls, for example, were consciously used as a method of credit allocation. These low or highly negative interest rates, in turn, drove savings into non-financial assets and led to the crowding out of the private sector in favour of the public sector. Consequently, since the post-independence period, the systems of financial and monetary management used in most sub-Saharan Africa countries have been associated with serious economic imbalances as reflected in high rates of inflation, capital flight, currency black markets, external debts that cannot be serviced, large public sector deficits, and bankrupt financial institutions (Cole and Duesenberry, 1994; Hope, 1997a).

However, financial liberalization and developed financial markets are absolute necessities for a sustainable transition to a market-oriented economy. Developed financial markets enable all individuals, no matter how limited their means, to share in the increased wealth provided by competitive private enterprise. At the same time, savings may increase, at any level of income, if the financial markets afforded greater opportunities for individuals to increase their future income by saving in the present. Moreover, foreign investor confidence is likely to be enhanced and the resilience of the economies and their financial systems, to external and internal shocks, will be increased.

Unfortunately, many of the countries in sub-Saharan Africa have not yet come to appreciate the role of the financial sector in economic development. Understandably, the depth and size of a country's financial system, as well as the extent to which it finances private activity rather than the government, are good predictors of future economic growth (GCA, 1997). However, it is also possible to agree with Cole and Slade (1997) that efficient financial markets and well-managed financial institutions, accompanied by competent monetary policy managers, cannot be achieved in a brief period especially in countries, such as those found in sub-Saharan Africa, with unstable political systems and limited human capital and physical infrastructure.

The final lesson pertains to the development and implementation of outward-looking economic diversification strategies. In Botswana, export promotion and economic diversification form the cornerstone of the government's development agenda. During the past decade, Botswana has been engaged in an aggressive strategy to move away from its economic dependence on diamonds. That strategy has borne fruit with an increase in the manufactured exports of such companies as Owens-Corning, for example, which have boosted the export share of non-mining products.

In the mid-1950s sub-Saharan Africa accounted for 3.1 percent of global exports. However, by the end of the 1990s, this share had fallen to about 2 percent. A major and extensive loss of Africa's international competitiveness played a key role in its decline in world trade. If sub-Saharan Africa had merely retained its 1960s market shares, its exports could have been 75 percent (US$11 billion) higher by the mid-1990s and some US$70 billion higher today (African Development Bank et al., 2000; Ng and Yeats, 1996). Trade restrictions and domestic policy interventions created a bias against tradeables, especially exports in the region. Import barriers in sub-Saharan Africa were far higher in the 1980s than in those developing countries that achieved the highest export growth rates, and appeared to be biased against potential export products. Consequently, if sub-Saharan Africa is to reverse its unfavourable export trends, the region must comprehensively embrace trade liberalization in order to enhance its international competitiveness as well as to permit its exporters to capitalize on opportunities in foreign markets (Hope, 1997a; Ng and Yeats, 1996). The lack of openness to trade has been too damaging for too long by resulting in considerably slower growth than would have prevailed in an atmosphere of openness to trade (Collier and Gunning, 1999a).

One of the key trends in the market-oriented economies is the movement toward regional trading blocs. The European Union is expanding, the North American Free Trade Agreement (NAFTA) is being successfully implemented, and there are moves to establish a Pacific-countries trading bloc that will also include North and South American states. It is therefore in this type of global environment that African countries have to decide how they are to compete in the world economy.

However, sub-Saharan Africa countries do not appear to be pursuing regional cooperation and integration with the same vigour and commitment seen in the rest of the world despite the fact that there have been more regional integration and cooperation agreements consummated in Africa than on any other continent. Nonetheless, with the notable exception of the Southern African Customs Union (SACU), whose membership includes Botswana, these agreements have yielded disappointing results. They have not led to increased trade within the region, or between the countries of the region and the rest of the world and, except for the CFA franc-zone monetary union, they have had little success in actually integrating the economies of the member states (McCarthy, 1996). Instead, there are several regional integration and cooperation institutions with overlapping memberships, sometimes conflicting mandates and regulations, or duplicate organs.

The governments in sub-Saharan Africa therefore need to rationalize and streamline their regional integration and cooperation agreements and provide the new relevant inputs to eliminate the design, structural, and implementation weaknesses that currently plague such agreements. The quest for growth and economic prosperity demands nothing less.

Conclusion

Despite the problems they have to confront, the prospects for sustainable growth and development in sub-Saharan Africa countries are much better now, as discussed in chapter nine, than at any other time since the crisis of the 1980s. Most of the countries have signalled their intent, at least, to pursue the transition from statism to market-oriented development although many of the governments continue to be dysfunctional (Collier and Gunning, 1999b).

This chapter has amply demonstrated the market-oriented pattern of development policy and economic performance in Botswana and the lessons that can be derived therefrom for the rest of sub-Saharan Africa. As pointed out by Freeman and Lindauer (1999: 19), "Botswana stands as an important example of the possibility for economic success in sub-Saharan Africa and of the importance of good governance in overcoming the obstacles to sustained economic growth". It is indeed the derived view in this chapter that many of the policy elements and political economy factors that proved successful in Botswana appear to be applicable as the model to be followed in other sub-Saharan Africa countries. The rest of this book amplifies on the issues raised in this chapter.

CHAPTER TWO

HUMAN RESOURCE MANAGEMENT IN THE BOTSWANA PUBLIC SECTOR: APPROACHES TO ENHANCING PRODUCTIVITY

Productivity is the only secure way of increasing the standard of living, of improving a nation's balance of payments, of controlling inflation, and of providing more leisure time (Heap, 1992). It is an attitude that seeks the continuous improvement of what exists. It is a conviction that things can be done better today than yesterday. Consequently, it is, above all, a state of mind. Furthermore, it requires constant efforts to adapt economic activities to ever-changing conditions as well as the application of new theories and methods. It is a firm belief in the progress of humanity (EPA, 1959).

In recent times there has been a growing and serious concern over the declining levels of productivity in the Botswana public sector. This is frequently demonstrated through public pronouncements by government ministers and other senior officials. However, there continues to be a lack of in-depth empirical analyses on the subject and, certainly, a great deal of misunderstanding about how to measure productivity.

This chapter discusses and analyzes productivity in the Botswana public sector and the current approaches being employed to enhance it as an aspect of excellence in human resource management. As shown in chapter one, Botswana is a unique developing country, and more so in the context of Africa, for its generally successful economic management, its adherence to democratic principles, and its development policy emphasis on the need to continuously improve the performance of professional public servants as an aspect of maintaining good governance and high economic performance (Hope, 1995a). The public sector — which comprises a central government, local governments, and parastatal institutions — is the largest organization in the country in terms of breadth of services delivered; numbers of people served; regional distribution of services provided; and assets and expenditures under its management. The size and scope of Botswana's public sector and, hence its contribution to the national economy, renders it as an important target for on-going attempts at productivity enhancement.

Moreover, Botswana can no longer depend on its past economic performance to drive and sustain development. Living standards are beginning to decline for some members of the society, unemployment remains a problem for the unskilled, some goods and services are failing to meet the increasingly demanding requirements of international competition, and resource consumption is increasing (BNPC, 1996). Consequently, enhancing productivity is the only remaining mechanism to increase output and boost efficiency in the use of resources.

The Productivity Dilemma

Both the anecdotal and observed work habits in the Botswana public sector strongly suggest declining labour productivity. In addition, one Presidential Commission found no evidence to suggest that productivity, efficiency, and performance had improved in the public service during the 1980s and early 1990s, although there was some improvement in some of the crude indices of labour productivity during the period 1985–90 compared to the period 1980–85 (Republic of Botswana, 1992).

Although manpower is a major resource employed by the public sector, there are almost no checks on how well it is being used. On the other hand, money, another key resource, is subject to checks and controls by the Auditor General and the Ministry of Finance and Development Planning, for example. However, while political demands for increased productivity in the Botswana public sector have grown, there is still no firm agreement on how productivity should be measured (Hope, 1995b). Part of the reason for such a state of affairs is the fact that production in the public sector is difficult to evaluate, both in terms of its simple level and its efficiency.

In the private sector, productivity is usually expressed as a ratio of outputs over inputs. Final outputs (goods and/or services) are divided by resources used in production (such as labour, capital, and land) which then lead to calculations of total factor productivity growth. During the period 1974–75 to 1994–95, for example, the annual growth rate in total factor productivity in Botswana was 2.2 percent and was regarded as comparable to that in the East Asian countries (Bank of Botswana, 1996). However, applying such productivity measures in the public sector has failed, due primarily to two unique characteristics of public sector outputs.

The first is that most public goods and services are generally non-divisible and therefore no discrimination is possible in their distribution. Consequently, it is difficult to accurately price police outputs as opposed to a bottle of milk, for example. There are some public goods which, while valuable to the entire society, are difficult for individuals to pay for according to the amount used. Once provided for one, they are available for all. The example of police services falls into this category.

A second unique characteristic of public sector outputs is that they are likely to be consumed the moment they are produced. Consumption and production occur almost simultaneously. Many public goods are delivered as services to the public and, as such, are created and consumed usually at the same time and, generally, with no tangible evidence that a transaction with economic value had taken place.

These measurement difficulties aside, there are a sufficient number of possible measures and indices for public sector productivity to provide for effective analyses. In the case of Botswana, one approach would be to look at cost containment through the budgetary process and then relate public expenditure to public sector employment to derive an index of public expenditure per public sector employee (Hope, 1997a).

Being able to measure public sector productivity is an absolute prerequisite for not only determining current levels of productivity but also for assessing the impact of productivity enhancement measures. The instruments of such measurement must therefore be functional and temporal. The measurement of productivity gives the public sector the evidence it needs for identification of areas of improvement.

One common problem for productivity measurement is how to treat changes in quality of goods and services in the public sector. Yet, measurement is not the only challenge to be confronted. There is need also to solve the problem of combining knowledge about production and productivity with knowledge about improving quality (Halachmi and Bouckaert, 1995a).

There are four popular conceptualizations of quality that have been addressed in the general literature on productivity (Lukas and Maignan, 1996). The first is quality as a dimension of competitive strategy. Here the quality of goods and services is treated as one of a number of important competitive strategy variables. Quality is measured for each entity and is considered as one of several performance determinants rather than as the outcome of productive activities.

The second conceptualization regards quality as a functional strategy. In other words, quality is essentially related to the functional plans of a quality department in an organization. In this conceptualization, functional strategy decisions are concerned with the maximization of resource productivity through the coordination and integration of activities and the development of expertise within the functional area. This strategy therefore neglects large numbers of employees within an organization and, consequently, does not enable the achievement of the greatest quality standards in the production and delivery of goods and services.

The third conceptualization classifies quality as a single organizational strategy. In this framework, quality is the sole objective of the organization with little or no thought given to how to achieve it. As a result, an organization may produce a good or service which is technically perfect but for which there is very little or no demand.

The final conceptualization of quality relates to a customer (client) orientation strategy. In this context quality is seen in terms of attributes such as comfort, promptness, accuracy, safety, courtesy, reliability, and so on. This is so for both goods and services (Larsson, 1995). For example, a good postal service is one that is fast, accurate, and courteous while good educational counselling is correct, safe, and considerate of the client. The basic idea here is that there is a decision-maker (client) outside the producing agency that evaluates quality and takes decisions about allocations according to this evaluation.

Quality concerns and quality management techniques are, however, not yet in the mainstream of public sector reform policies in Botswana. The emphasis rather seems to be on a 'political' version of quality management. That is, procedures to ensure the quality of public service for people as citizens and not as customers of government agencies. This is a significant aspect of the productivity dilemma in Botswana. Achieving greater productivity is important not just for the sake of the mechanistic process of converting inputs to outputs but also for exploring the relationship between inputs and outputs in more human, social and organic terms.

To this end, the current thrust in thinking on human resource management suggests a need to rethink the role, functions, and capabilities of public sector employees. Many ideas and lessons can be shared between the advanced and developing countries (Uphoff, 1994). In both there is need for more effective and efficient use of human resources in the public sector; for better and less routine operations; and for more creative and less conservative governments which can reduce multiple economic, social, and political obstacles, so that private, individual, and collective action can be more effective (Mars, 1992). In other words, a revamping of the process through which human resources in public organizations operate in order to increase efficiency, effectiveness, and competitive ability — all of which are key elements of productivity.

Enhancing Productivity

The government of Botswana has identified the improvement of productivity in the public sector as a critical need and is now engaged in a campaign to enhance productivity nationally. In both *National Development Plan 7: 1991–1997* and *National Development Plan 8: 1997/98–2002/03*, productivity improvements in the public sector formed the core of the development strategy of the Directorate of Public Service Management (DPSM) — the agency vested with the responsibility for administering the public service in Botswana (Republic of Botswana, 1997b). To that end, it has, so far, embarked on three related strategies to address the problem more directly. These are the creation of the Botswana National Productivity Center (BNPC); the development and implementation of Work Improvement Teams (WITS); and the development and implementation of performance management systems.

The Botswana National Productivity Center

The Botswana National Productivity Center (BNPC) was created as a parastatal body in 1993. The mission of the BNPC is to work with both the public and private sectors in promoting productivity as a long-term strategy for the creation of employment opportunities, international competitiveness, and improvements in living standards. This is given effect through the "national productivity movement which is an on-going process that fosters productivity consciousness and, thereby, the will of everyone to be productive" (BNPC, 1994: ii).

The BNPC has a very impressive and ambitious set of objectives, which include stimulating and generating productivity consciousness in Botswana; promoting increased productivity in all sectors of the economy; improving standards of management; fostering good labour-management relations; promoting the concept of employer responsibility toward the welfare of employees; introducing suitable management practices and techniques; assisting organizations in identifying areas where there is a deficiency in skills, or where performance can be improved, and thereafter advising on how to deal with these; and facilitating equitable sharing of productivity gains among management, employees, and the client public.

The BNPC is attempting to accomplish its objectives through a number of functions which include developing and organizing productivity improvement and management programs, conferences, workshops, and seminars for personnel from all sectors of the economy; providing advisory and consultancy services for all sectors of the economy with the intent of increasing the levels of productivity and efficiency; undertaking productivity measurement exercises for the purpose of establishing and developing national performance standards; conducting studies, inquiries, and research in the fields of management development and productivity; serving as a base for collecting and disseminating information on productivity improvement and related techniques along with the publication of information in relation thereto; taking steps to promote good industrial relations through the formation of joint consultative councils; encouraging and assisting industrial establishments and trade unions to formulate and rationalize wage policies and wage systems; undertaking manpower and wage studies; and the training of employees and their representatives in measures designed to improve labour productivity.

In addition to creating a productivity vision for Botswana, BNPC has set itself productivity goals (BNPC, 1996). Improved productivity is regarded as, among other things, growth, improved quality, lower cost, quicker delivery, higher output, and better service. BNPC's core process is that of creating awareness of the need for productivity improvement in the Botswana workforce, promoting their active enrolment in the national productivity movement, and building a culture of enablement through the provision of performance improvement skills and knowledge.

The core process is driven by the Centre's four core divisions of Research and Information; Productivity Promotion; Training; and Consulting (BNPC, 1996). The purpose of the Research and Information division is to provide valuable insights into social issues, economic activities, and performance enhancing technologies with a view to causing actions to be taken that improve levels of productivity and quality in Botswana. The Productivity Promotion division is responsible for creating productivity awareness among members of the work force and enrolling them in becoming active members of the productivity movement. The major outreach mechanisms here include productivity awareness presentations, breakfast seminars, posters, flyers, newspaper and magazine articles, radio talk shows, and advertisements.

The Training division is responsible for providing public and inhouse training designed to help increase productivity and quality in Botswana. The current focus covers all levels of an organization and includes the provision of practical training with case studies and activities, helping individuals to draw up action plans and put into practice what they learn, and a modular approach to developmental programs which includes projects and follow-up. In addition, the division runs programs that are designed to address specific training needs in the areas of time management, customer service, and project management with customer satisfaction measured at the end of each program.

The Consulting division undertakes consulting assignments related to productivity and total quality management. These assignments have recently expanded beyond the borders of Botswana and are now regional in scope.

Undoubtedly, BNPC is the government's lead institution in the quest to enhance productivity in both the public and private sectors. BNPC is the custodian of the national productivity movement and is responsible for its promotion to the nation. Its task is to help individuals and organizations in Botswana to improve their performance continuously by providing productivity expertise and support (BNPC, 1996). BNPC was established with the full commitment of the government to ensure its success. It therefore possesses the necessary infrastructure and adequate resources to accomplish its goals.

Work Improvement Teams

The second direct and related strategy is the creation of Work Improvement Teams (WITS) in the public service. It is an initiative deliberately undertaken in order to address productivity related issues in the public service. WITS were approved in 1993 by the Permanent Secretary to the State President in his capacity as the Head of the civil service and Chairman of the Productivity Improvement Committee for the Civil Service (PIC-FORCE). WITS are adapted from the work improvement teams concept as implemented in Singapore, but their origins are linked to the Japanese framework of Quality Control Circles. All public officers are required to be members of WITS and their WITS should complete at least two projects per year.

WITS are defined as groups of public servants from the same work unit, irrespective of divisional status, who meet regularly to identify, examine, analyze, and solve problems pertaining to work in their department or work unit; identify and examine improvement opportunities and propose and implement improvement measures; help to adapt the work unit and, hence, the department to changing circumstances; discuss and conduct studies on how to improve their working environment, efficiency, effectiveness, quality of service, knowledge and skill, teamwork, work performance, use of resources, work goals, objectives and targets, systems, methods and procedures, and so on; develop problem-solving skills; and ensure job satisfaction (Republic of Botswana, 1993).

The underlying framework of the WITS strategy is influenced by the need to increase productivity in the public service by striving for an emphasis on people who are challenged, encouraged, developed and given the power to act and to use their judgement with the confidence that they can tackle virtually any challenge rather than occupy themselves with the risk of failure; participative leadership and teamwork, rather than authoritarian and coercive leadership, with a vision of an ideal organization with a defined purpose and goals which are articulated to foster commitment and collaboration; an innovative work style that seeks to solve problems creatively and independently rather than depending on control from an outside authority; a strong client orientation rather than an orientation toward serving a bureaucracy; and a mind-set that seeks optimum performance and which drives employees to seek improvement in the performance of their ministries, departments, or parastatals even in a changing environment (Republic of Botswana, 1993).

The objectives of WITS are to enhance team spirit and improve human relations; to develop a much more positive attitude toward work by employees; to create a free flow of communication between management and employees; to facilitate the provision of quality services; to develop problem-solving skills; and to ensure job satisfaction. As previously noted, the WITS concept is derived from the Japanese framework of Quality Control Circles and its philosophy is based on the belief that employees want to contribute constructively and be part of a team; that employees have self-esteem and desire recognition and do not work for bread alone; that productivity and quality are a consequence of human resource development; that employees can learn and that learning is a continuous process; that management should portray an attitude that brings out positive habits of employees and that builds an intrinsic motivation; and that the needs of employees and the needs of an organization can be integrated.

The WITS program can be seen as an integrated development program. It is aimed at moving from staff inertia into action, from just doing to doing and thinking, and changing and improving. The intent is to instill system, service, group, and quality consciousness into public servants, so that in time all public servants will continually seek improvements in the service they render and by addressing shortcomings such as absenteeism, lateness at work, poor public relations, and outright failure to implement government policies and programs. WITS can therefore be seen as playing six roles, all of which are interdependent and mutually reinforcing, and they include the following (Republic of Botswana, 1993).

The first is the development of teamwork and responsibility. Traditionally, in the public sector each employee has his or her own area of concern for which he or she is accountable to an immediate supervisor. There is little ownership of the problems of the work group. The development of teamwork improves organizational effectiveness by requiring individuals to accept responsibility for the effectiveness of the work group of which he or she is a part. People who work together on a common goal often tend to generate more ideas or better performance than they would alone.

The second role of WITS is that of developing the individual within the group and organizational contexts. The individual absorbs the problem-solving process, from identifying and defining problems, to analyzing and seeking causes and solutions. On-the-job training, through project work and training courses, is conducted to help the individual develop further. Through direct involvement people are able to make a personal contribution to their own development and the performance of the organization.

The third role is to improve quality, productivity, and organizational effectiveness. The emphasis here is on productivity outcome, quality of good or service outcomes, or quality of work life. If organizational effectiveness is a measure of how well an organization accomplishes its goals, then WITS can be said to have as its role, the improvement of organizational effectiveness since that is what improved productivity, quality, and employee fulfilment ultimately lead to.

The next role of WITS is to provide motivational models for the organization. Active successful WITS provide models for other employees of the importance or desirability of bringing about improvements and working seriously at forging teamwork and cooperation as previously discussed. Employees, who observe others get such satisfaction, will be motivated to behave in an improvement-seeking manner. This will then ripple through the entire organization, in an infectious manner, unleashing energy and higher productivity.

Yet another role of WITS is that of being an organizational development (OD) intervention mechanism so as to increase productivity and the quality of goods and services through direct employee involvement. Unlike other OD activities, the WITS approach simultaneously stresses both the instrumental or task-oriented nature of group activities and outputs as well as the expressive or process-oriented nature of problem-solving, solution formulation, and communications skills.

The final role of WITS is to provide clarity and transparency. Employees at all levels of the organization learn how to plan, collect data, and take action in a logical way. That process allows them to readily identify deviants and recognize lower or above average results. Consequently, WITS acts to diminish the prospect of unethical behaviour or corruption as employees would easily recognize wrong from right and make confident submissions on each. As such, the employees will themselves be the guardians and custodians of clarity and transparency in the public sector.

Ultimately, as pointed out by Ayeni and Yong (1998), the aim of the WITS initiative is to put the employee at the centre of the management process. However, the burden is upon management to provide a conducive setting for people to contribute their best and make full use of their potentials. Since the value placed on people is critical to the level of productivity of an organization, those people must be consciously developed and made to feel relevant to what the organization does. WITS is a management tool designed to make this happen. It is rooted in the fact that people want to contribute constructively to their organization. They have self-esteem and also desire recognition and, hence, do not ultimately work for 'bread' or tangible rewards alone. "They are equally motivated by intangible benefits and relish work that is meaningful and interesting" (Ayeni and Yong, 1998: 16).

The WITS hierarchical structure for improving productivity and the management of development policy in Botswana comprises a Productivity Improvement Committee for the Civil Service (PIC-FORCE) which, as already mentioned, is chaired by the Permanent Secretary to the State President; the Ministerial Productivity Improvement Committee for the Civil Service (MINI PIC-FORCE), which is chaired by the Permanent Secretary of the relevant Ministry; Departmental Productivity Improvement Committees (DPCs) comprising top management of departments; facilitators trained at the Botswana Institute of Administration and Commerce (BIAC) or BNPC; leaders who are usually chosen from the supervisory ranks; and members who are public servants of any rank.

The PIC-FORCE is the managing committee for productivity improvement in the overall public service. Its terms of reference include identifying and changing or removing procedures and practices that impede teamwork, productivity, and quality of work in the public service; initiating, examining, and recommending or introducing measures that would promote teamwork, pride in work, morale, and productivity in the public service; discussing ways of measuring or assessing productivity, morale, and teamwork in the public service; formulating strategies for the implementation of WITS; set overall guidelines for WITS operations; and allocate resources for the training, development, and promotion of WITS in the public service (Republic of Botswana, 1993).

A MINI PIC-FORCE is located in each Ministry. The mandate of the MINI PIC-FORCE is essentially the same as that of the PIC-FORCE except that it is limited to the level of the Ministry. In addition, the MINI PIC-FORCE selects and appoints WITS facilitators and reports on WITS activities to the PIC-FORCE. Similarly, the terms of reference of the DPCs are basically the same as those of the MINI PIC-FORCE except that they are restricted to the departmental level. The DPCs also select and appoint departmental facilitators and they report on departmental WITS activities to the MINI PIC-FORCE.

Facilitators are responsible for facilitating WITS activities and monitoring and reporting on those activities to the MINI PIC-FORCE. Leaders, who are trained and coached by the facilitators, train and coach members in problem-solving and group discussion. Members are required to cooperate with and assist and support the team leader as well as their fellow members. In addition, members are expected to be prepared to accept change, to share and contribute ideas, to reduce any self-centred behaviour, and to contribute to teamwork. By the end of 1996, a total of 102 facilitators (27 in Botswana and 75 in Singapore) and 529 team leaders (all in Botswana) had been trained, while 292 teams had been registered compared to the originally planned target of 150 (Republic of Botswana, 1997b). By the end of 1998 these numbers had increased significantly to 500 teams registered and 800 team leaders and 290 facilitators trained (Ayeni and Yong, 1998). Recent unpublished data also suggest further increases in the number of teams registered and leaders and facilitators trained.

Performance Management Systems

Performance management systems (PMS) are being developed and implemented in the Botswana public service with a complete roll-out covering the entire public service expected to be in place by 2004 (Republic of Botswana, 2000a). The introduction of PMS in the public service is meant to bring about improvements in productivity as well as increase quality and efficiency in service delivery (Republic of Botswana, 1997b, 2000a). Commencement of the development and implementation of PMS occurred in 1999.

The PMS is designed as a holistic and integrated system for performance management which will be powerful enough to enable the government to enhance its capacity to manage at a higher level of productivity and service delivery accomplishment. The PMS is intended to be permanent, self-sustaining, and self-reinforcing. It is seen as an upward spiral of continuous learning, recycling, and upgrading toward increasingly higher levels of performance (Academy for Educational Development, 1996). It is regarded as a means of getting results from individuals, teams, and the organization at large within a given framework of planned goals, objectives, and standards (Kawambwa, 1999).

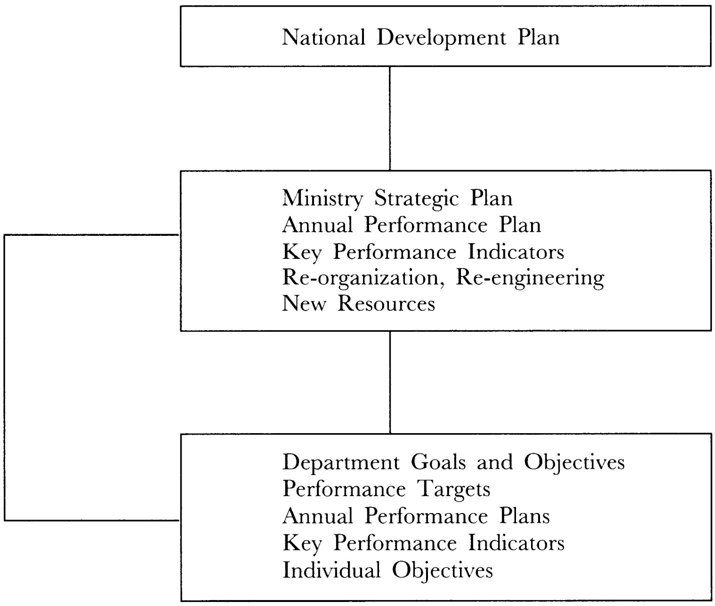
The principles around which the PMS in the Botswana public service are being implemented entail establishing a shared vision and mission to provide direction, translating these into a shared understanding of what is to be done through goal setting, establishing how the goals are to be achieved through the development of a strategy and operational plans, identifying the yardsticks that will be used to assess progress, and setting up a mechanism for reviewing achievements. It is noted as an approach to "managing organizations and people which increases the probability of achieving results and consequently boosts motivation and organizational effectiveness" (Kawambwa, 1999: 18). Basically, it aims at establishing a culture in which individuals and teams take responsibility for the continuous improvement of organizational performance through a shared vision.

One of the consulting groups at the forefront of the development and implementation of the PMS in the Botswana public service is the Academy for Educational Development (AED). The AED has proposed a set of main elements of the PMS, some of which have been approved and pilot tested in two ministries (Academy for Educational Development, 1996). The results of those tests were significantly encouraging and, ultimately, led to the PMS being adopted as government policy for improving the performance and productivity of the public service (BNPC, 1997). The proposed main elements are the following and as depicted in Figure 2.1:

- A 'second level' of strategic planning at the ministry level to supplement the national strategies contained in the National Development Plans.
- A more disciplined system of setting goals and objectives, and the options for selection of the most effective delivery mechanisms to achieve the highest program outcomes.
- Development of criteria for priority setting and identification of highest outcomes for each public program.
- Proposals for delegating more authority to ministries, including operational human resources activities, authority to reorganize and to conduct systems and procedures reforms, and independent authority to allocate positions and to transfer staff within the ministry.
- Proposals for the creation of larger and more effective staff offices serving the Permanent Secretary, including Office of Planning and Policy Analysis; Office of Budget and Finance; Office of Management; Office of Program Support; and Internal Auditor.

- Mandating the preparation of an Annual Performance Plan for all ministry departmental programs and objectives.
- Mandating the conduct of Quarterly Program Compliance Reviews in which the departments report to the Permanent Secretary the status of achievement against the terms of the Annual Performance Plan.
- The development of Key Performance Indicators and other measures of performance outputs or outcomes which enhance the ability of managers to determine how well they are achieving their planned objectives.
- The design of a new form of Individual Performance Appraisal system based on performance criteria and measures, rather than individual characteristics.

Figure 2.1: *The PMS Implementation Framework for the Botswana Public Service*



Source: BNPC (1997).

Among the key lessons learnt from the PMS pilot testing, as reported by BNPC (1997), were the following:

- The PMS is a tool with huge potential to improve productivity in the public service and it should be adopted by government because it works.
- The PMS helps in charting the future course of an organization, making it more focused through the formulation of short, medium, and long-term plans.
- Given its results-oriented nature, the PMS has helped in the formulation of goals, objectives and targets thus providing a benchmark for performance to be measured and remedial action to be taken.
- The PMS builds a spirit of teamwork and a sense of ownership in that each member of staff has a part to play in the realization of the organizational plan.
- Implementation of the PMS should begin at a ministry headquarters before it is decentralized to the departments.
- PMS Coordinators need to go through intense training to give proper guidance to departments.
- Proper budgeting for PMS implementation is critical to its success and planning needs to be aligned with the budgeting process.

The process towards the full roll-out of the PMS for the Botswana public service is in place. The government of Botswana has made it clear that the public service must match the aspirations of the people and be competitive enough to meet the challenges of the future. A competitive public service is regarded as one that is customer focused, results and mission driven, and where competition is injected into service delivery (BNPC, 1997). The ultimate aim is to improve efficiency and productivity as the Botswana public service moves from a relatively simple one to a more complex one. The PMS offers the potential for the development of suitable and comprehensive management systems which, over time, will push overall performance upward.

An Assessment

The concern over productivity in Botswana, and particularly so with respect to the public sector, gained recognizable attention in 1982 in submissions made to a Presidential Commission on Economic Opportunities. However, despite the subsequent production of other reports and the holding of workshops and a national seminar on labour productivity, it was not until 1993 that a comprehensive policy framework on public sector productivity was first implemented.

These three strategies being implemented thus far have, undoubtedly, been carefully crafted and strategically introduced to complement each other while at the same time attempting to enhance public sector productivity and the quality of public goods and services in the context of globalization and continued national economic prosperity. Indeed, a familiar theme in some recent government budget speeches and economic reports is that improved productivity is critical for Botswana to be successful in producing internationally competitive goods and services while also generating adequate employment opportunities to reduce poverty and inequality (Republic of Botswana, 1995b, 1996a).

However, there are a few areas which require some further consideration and others which require fine-tuning if the drive towards enhanced productivity in the public sector is to be sustainable over the longer term. First, there is still need for a much clearer focus on the measurement of public sector productivity, at regular intervals, and using state of the art techniques to generate useful indices for guiding policy implementation. For example, work improvement and productivity are inextricably linked. Hence, there must be an effort to ensure that productivity measurement techniques are incorporated within the WITS structure. Benchmarks should be established to allow productivity improvements to be monitored.

The WITS must be seen to produce some measurable impact beyond an employee's job satisfaction and personal fulfilment, which may or may not affect organizational effectiveness, depending on the nature of the organization and its work environment. It would seem, therefore, that the WITS process should have also provided for a framework for productivity measurement. This issue takes on even greater importance in light of research surveys which indicate that 88 percent of public sector employees themselves were found to express concern over declining levels of productivity among their colleagues (Moloi, 1996). Moreover, the success of productivity enhancement measures can only be confidently judged if a system for measuring productivity exists. Measurement is essential for targeting public sector productivity problems, identifying models of good governance, spotting trends, and judging the success of initiatives to improve productivity (Rosen, 1993).

Another significant issue, and one related to productivity measurement, is that of benchmarking as alluded to above. The correct benchmarks need to be used to prevent a situation where either productivity improvements are shown without effort or no significant improvements are recorded despite great efforts. Benchmarks allow comparisons between two points of time, between two organizations, or before and after the introduction of policy change (Halachmi, 1994/95). For Botswana, these benchmarks need careful consideration and analysis. The same benchmarks cannot be used for the driver's licence section of the Ministry of Works, Transportation and Communications and for the examinations section of the Ministry of Education, for example. In addition, to avoid pitfalls from unsuccessful benchmarking, four guidelines need to be followed. These are ensuring that: (1) the benchmarking process is actively supported by senior management; (2) it is a team activity; (3) it is an on-going process as part of an organization's strategy and development in the context of total quality management; and (4) it is organized, planned, and carefully managed in a structured manner (Meszaros and Owen, 1997).

This brings us then to the issue of the quality of public goods and services in Botswana. It is assumed here that the benchmarks will bear some relationship to the public (client) perception of the quality of goods and services. Quality and productivity are complementary. Superiority in one means superiority in the other. Superior quality results in client satisfaction and a positive perception of the public sector as efficient rather than as an out-of-control bureaucracy. One study has shown, for example, that public service managers in Botswana are overwhelmingly concerned about the quality of their relationship with their colleagues, and with internal interpersonal issues rather than their ministry's performance, its clients, and its external environment (Jones, Blunt, and Sharma, 1996). Consequently, in Botswana, there needs to be greater emphasis placed on quality as a customer orientation strategy. A customer orientation strategy fosters quality improvements as a reflection of customer needs. Botswana's print media frequently points out shortcomings in the quality of some public services such as the lengthy period of time and red tape involved in replacing a lost driver's licence, for example. Frequently, these records are lost or misplaced.

Surely then, there is considerable scope for a much more widespread and effective implementation of total quality management in the Botswana public sector which can be done within the framework of WITS. Top political leaders and government officials need to remind the public that public servants are not there for their own sake, but to serve and support the essential needs of the public. Without those services that only the public sector can provide, the Botswana economy would quickly deteriorate to the status of that found in the majority of the other African countries. On the other hand, Botswana can follow the lead of Malaysia's public service, for example, which has decisively and successfully oriented its activities toward meeting the needs of users through the implementation of a total quality management program which involves a methodical process for setting service targets, quality planning, and measurement performance. Accountability for results is also an on-going process and service delivery is measured within the context of such variables as timeliness, reliability, dependability, courteousness, and accessibility (Chiu, 1997).

One factor affecting quality and productivity in Botswana's public sector is the low level of technological adaptability. The positive performance of the public service in Botswana, compared to other African countries, is the direct result of the fact that it (the public sector) is staffed, for the most part, by men and women of both competence and integrity who are motivated to fulfil their duties honestly and effectively (Somolekae, 1993; Tsie, 1996). It is not the result of the interdependence between technology and tasks as defined by other researchers such as Rainey (1991) and Tehrani, Montanari, and Carson (1990), for example.

Technological adoption has not taken place to any serious degree as yet. What exists instead is a great degree of manual and time-consuming tasks with a sequential pattern of interdependence. One unit or department completes a task and passes the output along to another unit or department, which completes yet another phase of the work, and so on. There is therefore a great need for unit or departmental autonomy to allow for pooled interdependence, so as to pool together similar services and clients, as well as resources, using appropriate technology. This would enhance productivity while at the same time being more customer friendly as clients would no longer be herded from one unit or department to another to complete simple transactions, for example. Moreover, technology, especially information technology (IT), has a significant impact in the global economy in which Botswana aspires to be a competitive player both in terms of access to information and the speedy processing of other information.

The technology phenomenon is producing profound effects on the management of public services and productivity in particular. At the very root of globalization is a 'techno-economic' process, with a considerable range of new organizational possibilities facilitated by computer-related technology and contributing to a new techno-economic paradigm (Kakabadse, Kakabadse, and Myers, 1996). In terms of best practices which Botswana can emulate is Singapore's successful initiatives for improving productivity and service delivery in the public service through IT applications. Through the launching of the Civil Service Computerization Program in 1981 and IT 2000 (a master plan for adapting the civil service to the needs of the twenty-first century) in 1991, Singapore has dramatically improved public service productivity (Guan, 1997). Not surprisingly then, this island-state now has one of the highest levels of productivity in the world.

Information technology is the leading form of technological innovation available to the public sector. The advantages of IT arise from the capacity and speed of computers. The ability to store large amounts of information and to manipulate data quickly and accurately makes it valuable for many public purposes which can lead to improved efficiency and service delivery (Rosen, 1993). For Botswana, catching up to the IT imperative in the public sector should entail an accelerated attempt to provide an integrated IT environment able to meet the real-time operational needs of public servants and their clients.

Perhaps the need for greater task autonomy and public goods and services delivery can best be accomplished through the process of decentralization primarily in the form of deconcentration, devolution, and privatization. Consistent with the country's approach to good governance, Botswana has been engaged in limited but successful decentralization efforts since the 1960s as discussed in chapter four. However, those efforts now need to be expanded, particularly with respect to privatization, so as to derive, among other benefits, productivity. Through more extensive decentralization, the Botswana public sector can be disaggregated and responsibility passed down to meet customer needs. Quality improvement would be achieved through the deconcentration and devolution of responsibility, giving those closer to the point of service delivery responsibility for the standards and quality of service.

With respect to privatization, in Botswana many goods and services have been traditionally supplied by public monopolies. These include water, power, telecommunications, and tertiary education, for example, as discussed in chapter three. Removing such monopoly power would greatly increase both attention to customer concerns and productivity. What is essentially being argued here is that the problem is not the employees who work in the public sector but rather the systems within which they work. The privatization of public goods and services can be far more efficient than their supply by bureaus. Privatization leads to private sector business practice with a focus on quality, among other things, as measured by customer satisfaction. Such satisfaction hinges upon regarding the users of goods and services as consumers rather than just citizens (Boland and Silbergh, 1996; Myers and Lacey, 1996). Moreover, privatization reduces the costs of delivery of public goods and services; exposes problems in delivery mechanisms; reduces red tape, bureaucratic formalism, and response times; improves access to goods and services; and eliminates opportunities for rent-seeking.

In those circumstances where privatization is not an option, the government of Botswana may want to consider the use of Citizen's Charters. Such Charters have been successful, for example, in countries such as the United Kingdom, another Commonwealth nation state with a similar positive reputation to that of Botswana with respect to good governance and democratic principles. Citizen's Charters set out standards of service and what the public can do if those standards are not met. They encourage more transparency and openness, making providers of public goods and services more directly and personally responsible to their citizens. Public servants who deal directly with the public can therefore no longer practice anonymity. Consequently, Citizen's Charters enhance productivity as well as quality management in the public sector.

However, in fairness and objectivity, it must be pointed out here that the Directorate of Public Service Management has recently begun to make serious efforts at decentralizing some of its human resource management functions. Decentralization aims at improving decision-making and increasing responsibility and accountability at the ministerial level. Ministries are being given more powers over the management and control of their human resources including recruitment, selection, training, and general administration functions (Republic of Botswana, 2000a). Through decentralization, DPSM is changing its role from public administration and control to a more facilitative and direction-oriented public management approach (Corkey et al., 1998).

Another area which requires bold attention in the quest to enhance public sector productivity in Botswana is the need to reduce vacancies in the public service while also optimizing the size of the said public service. Data for 1996 (the most recent available) indicated a vacancy rate of 5 percent. Consistently large numbers of vacancies will, undoubtedly, constrain the performance of the public sector. In that regard, the government intends to reduce the vacancy rate to 2 percent by the year 2003 (Republic of Botswana, 1997b). Vacancies in the Botswana public sector occur primarily as a result of the shortage of certain skills in the labour market, major deficiencies in the recruitment process, and the now accepted fact that the conditions of service for many posts are not competitive with existing labour market conditions (Republic of Botswana, 1997b). This latter fact has been a major influence on the inability of the public sector to recruit high-level manpower some of whom are now opting for the lucrative South African and Namibian private sector labour market. It would seem, therefore, that established and on-going periodic reviews and adjustments of public sector pay and benefits are warranted in order to both recruit and retain appropriate levels of human resources for achieving productivity goals. At the moment, such reviews and adjustments are done on an ad hoc basis. These reviews ought to be done every three years at least.

The government of Botswana should also consider moving along a developmental path from work improvement teams to superior work improvement teams (SWITS). Superior work improvement teams belong to a higher level in the performance hierarchy than work improvement teams. Although they have the same functional and qualitative characteristics as work improvement teams, SWITS carry these characteristics to higher levels of development as shown in Figure 2.2. SWITS have special levels of consistency, intensity, and restless dissatisfaction (Kinlaw, 1991).

SWITS are consistent in their pursuit of excellence. Quality is not regarded as a momentary notion. There is, instead, a relentless pursuit of superior outputs with a measurably higher level of intensity and commitment to excellence which drives them to constantly question what more needs to be done. WITS, on the other hand, focus on the achievement of distinctive results from agreed upon projects.

Figure 2.2: *Relationship of WITS and SWITS*

Teams	*Functional Characteristics*	*Qualitative Characteristics*
WITS	Teamwork exists in most task performance and most areas of team management.	Teamwork is often characterized by consistency, intensity, and restless dissatisfaction.
SWITS	Teamwork exists in *all* task performance and areas of management.	Teamwork is *always* characterized by consistency, intensity, and restless dissatisfaction.

Source: Adapted from Kinlaw (1991).

Finally, a slight adjustment to the methodology for implementing the PMS also needs to be considered by the government of Botswana. Integrating the PMS into the entire public service environment will be a tremendous challenge despite the much heralded success of the pilot phase. The current approach maintains the public service culture of senior management first and the rest follow according to the hierarchical order in place. Senior management have been consulted, their views solicited, and they are being trained in the particulars of PMS. On the other hand, the junior management and lower staff cadres have not been consulted nor have their views been solicited. Yet, they are the very ones who will be required to accept and conform to the requirements of PMS implementation for improving their own productivity and, in turn, that of their organization.

The lessons of experience as well as the literature on change support the hypothesis that reforms will succeed if they are driven by the top echelons or leaders of an organization (Hope, 1997c). However, that success will only be sustainable if the stakeholders and established players are brought on board as partners and, ideally, at the inception. In the absence of such an approach here, there will be doubts and uncertainty about how the PMS initiative fits into the bigger picture. The consultative machinery on public service matters was established by the government of Botswana in the 1970s. Its membership includes the Botswana Civil Service Association (BCSA) — comprised of all professional and pensionable members of the civil service; the Botswana Teachers' Union (BTU); and the Botswana Unified Local Government Authorities Service Association (BULGASA). These organizations are partners in the formulation, implementation, and monitoring of reform policies and should therefore be afforded greater opportunities to consult with the government of Botswana on PMS matters, and more, to better inform their members and thereby create a greater climate of acceptance and cooperation by the said members.

Conclusion

Enhancing productivity in the public sector is an issue that is now squarely on the agenda in the global arena. In recent times, it has also emerged in the research and literature on human resource management as a significant aspect of the advocacy for re-engineering or re-inventing government, entrepreneurial government, quality management in the public sector, public sector efficiency, and so on. Moreover, globalization has forced many countries to rethink the performance of their public sectors to maintain or achieve a certain degree of competitiveness in the delivery of goods and services.

In the case of Botswana, commendable efforts have been made to enhance public sector productivity and maintain the country's international reputation for sound development management and thereby further foster an environment for enabling and enhancing private sector activities. However, over the longer term, there are a few areas, as advocated in this chapter, which require some policy development and implementation to make the public sector productivity drive a sustainable one within the imperative of maintaining high levels of economic growth and good governance.

CHAPTER THREE

ADMINISTRATIVE AND FINANCIAL MANAGEMENT OF PARASTATALS IN BOTSWANA

As noted in chapter two, parastatals represent one of the three elements comprising the public sector in Botswana. The other two are the central government and local governments. As part of the public sector, Botswana's parastatals play a major role in the management and implementation of the country's development policy. In fact, parastatals have been used as important instruments for a more efficient contribution to socio-economic development in Botswana. However, unlike most of the rest of Africa, parastatals in Botswana have been, generally, regarded as efficient organizations both in terms of their operational characteristics and their service/product delivery. This, in turn, has contributed to Botswana's prevalent reputation as a nation with overall sound development management (Hope, 1995a).

Since independence in 1966, the government of Botswana has created a substantial number of parastatals for a variety of purposes and under differing organizational arrangements. Each parastatal has its own statutory mandate, but all are owned by, and responsible to, government (Republic of Botswana, 1991). Each statute contains detailed information related to establishment, constitution, and membership of the board of directors; meetings and proceedings of the board; officers, employees, and agents of the parastatals; functions, powers, and duties of the parastatal, including the power of the minister to give directions; finances, including the fixing of tariffs, borrowing powers, and any tax liability obligations; and a general section concerning such things as annual reports, power to call for information, compensation for loss or damage, and so on. As seen in Table 3.1, there were 28 parastatals in Botswana by 2000 categorized as: (1) financial parastatals (seven); (2) non-financial parastatal enterprises (eleven); and (3) non-financial parastatal institutions (ten).

Botswana's parastatals are predominantly active in the economic sphere. They represent the government of Botswana's active participation in the process of economic development beyond the provision of guidelines and the creation of an environment conducive to

Table 3.1: *Parastatals in Botswana in 2000*

Financial Institutions
Bank of Botswana (BOB)
Botswana Development Corporation (BDC)
National Development Bank (NDB)
Botswana Building Society (BBS)
Botswana Savings Bank (BSB)
Botswana Export Credit Insurance (BECI)
Botswana Motor Vehicles Accidents Fund (BMVAF)
Non-Financial Parastatal Enterprises
Botswana Power Corporation (BPC)
Water Utilities Corporation (WUC)
Botswana Telecommunications Corporation (BTC)
Botswana Railways (BR)
Air Botswana (AB)
Botswana Housing Corporation (BHC)
Botswana Meat Commission (BMC)
Botswana Post (BP)
Botswana Agricultural Marketing Board (BAMB)
Botswana Livestock Development Corporation (BLDC)
Banyana Pty Ltd
Non-Financial Parastatal Institutions
Botswana College of Agriculture (BCA)
Botswana National Productivity Centre (BNPC)
Botswana Technology Centre (BOTEC)
Institute of Development Management (IDM)
Rural Industries Promotion Company (RIPCO)
University of Botswana (UB)
Botswana Accountancy College (BAC)
Botswana Vaccine Institute (BVI)
Botswana Bureau of Standards (BBOS)
Botswana Export Development and Investment Authority (BEDIA)

Source: Republic of Botswana (2000b).

private sector activity. Indeed, it is the government's stated policy that, with the exception of the non-financial parastatal institutions, all of the parastatals should be managed and made to perform as commercial entities (Republic of Botswana, 1991). Also, two of the parastatals — Botswana Railways and the Botswana Post — are technically commercial arms of government as they do not have an independent corporate existence but they sell their services and have their own accounts. However, they have a management structure like a true parastatal but they remain part of government so as to make them eligible for certain tax advantages within the Southern African Customs Union (SACU) (Republic of Botswana, 1991). In the 1990s, Botswana's parastatals employed an average of 13,300 people compared to 7,600 in 1985. Their share of formal sector employment was 5.2 percent and their assets exceeded US$9 billion. By 2000, these parastatals had more than 16,000 employees (Bank of Botswana, 2001).

In this chapter, the focus is on the administrative and financial management of the parastatals in Botswana with an assessment and conclusions on how those two aspects of management have influenced the performance of the said parastatals. However, although the discussion and analysis are primarily restricted to the administrative and financial management of the parastatals, they also have some relevance to the management of the government's interests in joint venture enterprises.

In addition to its investments in parastatals, the government of Botswana has an active participation in joint ventures with foreign private investors in several mining and other related enterprises. The financial obligations and rewards of these enterprises are shared under their respective agreements with the private partners, who exercise managerial responsibility under the supervision of government appointed board members (Republic of Botswana, 1991). Also, the government of Botswana has acquired equity in a number of domestic enterprises through the venture capital investment activities of one of its parastatals — the Botswana Development Corporation (BDC). However, in recent years, the BDC has been disposing of some of its investments in order to reduce its dependence on government for development finance and rely more on its retained earnings for future strategic investments (BDC, 1995).

The Management Framework

In the literature on public enterprises, it is generally argued that the nature of their performance is related to the nature of their administrative and financial management. Basically, there is a direct relationship between managerial autonomy and good performance (Hope, 1982). In Botswana, one of the primary reasons for establishing parastatals as separate entities, outside the regular bureaucracy of government, is so that they can be provided with the management capacity suited to the efficient and effective performance of their distinctive tasks.

This capacity consists, for the most part, of three elements: (1) financial flexibility; (2) personnel control; and (3) freedom from political interference. These three elements are more popularly known as managerial autonomy. However, the degree of managerial autonomy accorded to the parastatals in Botswana differs depending on their activities and their ability to generate net revenues rather than relying on government financing (Republic of Botswana, 1991).

The Administrative Aspect

As shown in the first section, parastatals in Botswana are categorized according to function and sectoral activity. Each parastatal is also linked with one or more parent ministry through its board of directors. The financial parastatals are all linked to the Ministry of Finance and Development Planning; the public utility corporations are linked to the Ministry of Works, Transport and Communications or the Ministry of Mineral Resources, Energy and Water Affairs; the sectoral policy implementation agencies are linked to the Ministry of Agriculture; the training/research institutions are linked to the Ministry of Education; and the other commercially-oriented enterprises are linked by activity to the relevant ministry. For example, the Botswana Meat Commission and the Botswana Vaccine Institute are closely linked to the Ministry of Agriculture. Some cross-linkages were also in place in the past. For example, the National Development Bank was linked to both the Ministry of Finance and Development Planning as a financial institution and to the Ministry of Agriculture for its agricultural lending.

Botswana's parastatals are governed by their respective boards of directors. Each board, including its chairperson, is appointed by the minister responsible for the parastatal after consultations with the ministerial cabinet. Most of these boards are chaired by senior public servants such as permanent secretaries or deputy permanent secretaries of the relevant ministries. Each parastatal is headed by a chief executive officer (holding the title of Executive Chairman, Managing Director, Director, and so on) who is responsible for the daily operations of the entity and who also provides leadership and advice to the board of directors, through its chairperson, on matters relating to policy design and implementation. Board members, including the chairperson, can be removed from the board by the minister responsible for the parastatal after due consultations with the ministerial cabinet.

Through the authority and direction of the respective board of directors, each chief executive officer is assisted by a staff for the day to day operations of the enterprise and, despite the fact that Botswana suffers generally from a lack of highly trained manpower, the employees at the country's parastatals are usually of a very high calibre. This is due primarily to the significantly better terms of service and remuneration packages at the parastatals, compared to the civil service, which attract the more highly skilled candidates for employment.

One central characteristic of the administrative management of parastatals in Botswana is the visible presence of public servants on their boards of directors. This has served to enhance both their better management and public accountability. In other words, the composition of these boards has, for the most part, facilitated productive, efficient, profitable, and effective enterprise operations. Through the various boards of directors, the policies of the parastatals are put in place to implement sound operations that are consistent with market principles and government policy. By statutory authority, and when necessary, government policy, as it relates to any of the parastatals, can be articulated by formal directives from the responsible minister to the relevant board of directors or chief executive officer for rapid implementation. Such directives may be of a general or specific character but they cannot be inconsistent with the contractual, legal, or statutory obligations of the affected parastatal.

Elsewhere, it has been argued that, whatever the role of the board, the board's chairperson is critically important to it due to the fact that the effectiveness of an organization can be affected by the capacity and ability of the chairperson to establish and maintain good relations with persons in power positions relevant to the enterprise (Corkery and Wettenhall, 1990). In the case of Botswana, the practice of good governance has contributed to the understanding of the critical importance of the chairperson of the various boards and, hence, these chairpersons tend to be senior public servants.

The presence of senior public servants on parastatal boards in developing countries have been generally regarded as bad practice. Indeed, the failure of some public enterprises in the developing world has been partly attributed to the lack of sufficient oversight by those boards which were composed primarily of fellow public servants and political appointees. In Tanzania, for example, that type of board structure lent itself to political interference in the day to day operations of the parastatals and culminated in the establishment of elaborate control mechanisms whose organizational chart looked like a bowl of sphagetti. This ultimately made the parastatals ineffective and led to the collapse of the economy (Mukandala, 1994).

Similar negative effects were found in Ghana and Sierra Leone where the participation of civil servants on the public enterprise boards was assessed as contributing to: (1) bureaucratic tendencies leading to staleness and the pursuit of seemingly trivial detail at board meetings; (2) a stance more inclined to be protective of the role of the sector/supervisory ministries; (3) relatively frequent absences from meetings and unsystematic delegation of responsibilities to inexperienced junior officers which, in turn, result in a lack of continuity and impair board effectiveness; and (4) conflict of interests where issues before the board may affect the parent ministry (Corkery, O'Nualláin, and Wettenhall, 1994).

However, in Botswana, there is an apolitical public service where public servants are held accountable. Botswana is a unique African country in this respect. For the most part, it has a competent, well-motivated, disciplined, dedicated, autonomous, and honest bureaucracy (Hope, 1995b). The government recognizes the important role that public servants play as partners in the management of the public sector. Consequently, and contrary to conventional thinking, in Botswana the bureaucracy, and not the political leadership, has been the dominant actor in policy-making and implementation (Somolekae, 1993).

In addition, there is considerable transparency in the functioning of the parastatals and their boards. For example, the chairperson of each parastatal board and the relevant chief executive officer are mandated by statute to appear before the Public Accounts Committee of the National Assembly and, as stated before, each parastatal in Botswana is responsible to a minister and, in the statute establishing it, there is a requirement that the minister must present its Annual Report and Accounts to the National Assembly as part of the process of public accountability and control, and through the availability to elected representatives of adequate and timely information.

In theory then, parastatals in Botswana are accountable to the sovereign parliament and, through it, to the people. Generally, there are three primary aspects of accountability that are of concern to any parliament. They are: (1) financial/commercial; (2) economic; and (3) social aspects of the operations of public enterprises (Kanesalingam, Ansari, and Ekanayake, 1982). That is to say, parliament ought to be concerned with financial/commercial viability and the proper use of public funds provided to the public enterprises; with the contributions of the public enterprises to national economic goals; and with the social responsiveness of the public enterprises.

However, in Botswana, the elected members of the National Assembly have generally taken very little interest in the operations of the parastatals. There are exceptions though. For example, a much more active interest is shown in the management of the Botswana Meat Commission (BMC). This is so because almost all of the parliamentarians are cattle owners and are personally affected by the performance of the BMC (Sharma, 1994). To put this in further perspective, it is worthwhile to note here that cattle ownership in Botswana is not only a primary source of wealth but it also confers tremendous social status (Hope and Edge, 1996).

One of the strategies used by Botswana's parastatals to enhance their administrative management capacity is that of contracting the services of expatriates. The expatriates play a much greater role in the administration of development policy in Botswana than they do in any other country in Africa. However, national policy dictates that localization must occur. That is to say, expatriates are to be replaced by Botswana nationals as soon as suitable candidates are identified.

Expatriates accounted for approximately 4 percent of the total number of parastatal employees in the 1990s compared to 4.9 percent in 1987. This suggests that the process of localization was moving at a very slow pace. Such a situation vividly demonstrates the condition that the demand for highly trained and skilled manpower continues to exceed supply in Botswana and, hence, the need for expatriate manpower. However, there are perhaps too many expatriate employees in the parastatals (many of whom have long since passed the retirement age in their own countries much more in Botswana) and such a state of affairs is not politically sustainable in the long-term. Indeed, there have recently been mild-mannered utterances by some of Botswana's academic and political élite expressing concern about the 'recolonization' of some of the country's parastatals.

To expedite the localization process, most of Botswana's parastatals have vigorously embarked on education and training programs so as to allow their citizen employees to acquire the necessary skills and expertise to assume positions currently held by expatriates. Also, the localization drive through these education and training efforts is intended to maximize the employment of Botswana citizens as rapidly as possible and to maintain the competitiveness of the country *vis-à-vis* the market place by reducing production costs related to high-cost non-citizen employees (Republic of Botswana, 1988).

Training, whether done by parastatals or by other entities, is a growth industry in Botswana. In the parastatals, like the rest of the public sector, training plans are usually developed on an annual basis. The plans, as well as the practice of training, emphasize both the particular and the general and embrace the development of attitudes as well as the acquisition of knowledge together with skills (Hope, 1995a). The parastatals have also committed adequate resources to this endeavour. All employees who request training, or are considered by management to be in need of training, are trained. Such training is now pursued with an emphasis on the use of local training institutions which offer a variety of programs related to vocational, technical, and academic skills.

The Financial Aspect

One of the fundamental needs of public enterprises is access to funds and freedom to expend them as required for operational purposes as well as for expansion and investment. In Botswana, the parastatals have, in the past, received privileged treatment in the provision of finance (Jefferis, 1994). Botswana's parastatals function under the legal requirement to have their borrowing approved by the Minister of Finance and Development Planning. However, substantial financial resources have been allocated by the government to the parastatals either in the form of annual budgetary appropriations, loans from the Public Debt Service Fund/Revenue Stabilization Fund/Development Fund (PDSF/RSF/DF), or external loans guaranteed by government and further supported under the 'foreign exchange risk-sharing scheme' (Republic of Botswana, 1991).

With respect to budgetary appropriations, during the National Development Plan 6, covering the period 1985–1991, the parastatals received a total of US$361 million directly and some parastatals also received annual subventions through the recurrent budget. During the National Development Plan 7, covering the period 1991–1997, the parastatals were expected to receive approximately US$386 million directly (Republic of Botswana, 1991). However, it is difficult to determine the cumulative amount of the annual subventions since such funding has been intermingled with ministerial allocations under various programs. Nonetheless, in terms of the development budget the parastatals received approximately US$398 million during 1985–90 and approximately US$427 million during the 1990s. The bulk of the development expenditure was allocated to the public utilities (63 percent) and the financial institutions (19 percent) during 1985–90, while the public utilities and the training/research institutions received the greater share (58 and 24 percent, respectively) during the 1990s. For the 2000–01 budget year, the parastatals were allocated US$43 million for development expenditure.

Botswana's parastatals have also been able to benefit from loans through the PDSF/RSF/DF. Over the years, these funds expanded and they now bear little relationship to their original purposes. The PDSF was originally established to finance future public debt obligations of the government. However, PDSF assets are currently substantially in excess of Botswana's debt obligations and are now a source of credit to the parastatals and other public sector entities. The RSF was established to serve as a general revenue reserve to supplement recurrent revenue in future years in case a need arose. Through these two funds the government of Botswana became the largest lender in the economy. This lending made the government the largest single component of the financial sector (Bank of Botswana, 1994).

The outstanding PDSF/RSF/DF loans to parastatals increased from US$117 million at the end of 1984 to approximately US$506 million by the end of the 1990s. The interest rates on PDSF loans have been moving closer to real international market rates in recent years. In the 1990s, the rate of interest applying to financial parastatals was increased to approximately 12.1 percent and 14.6 percent for the financial and non-financial parastatals, respectively.

However, the Central Bank of Botswana (BOB) has been very critical of the PDSF lending to parastatals and has referred to such lending as being "technically contrary to the Public Service Fund Order" (Bank of Botswana, 1994: 24). Moreover, the BOB has claimed that, since the PDSF rate does not adjust during any given year in the manner of prime rates and the fact that the rate on PDSF loans remains fixed for the life of the loan (usually 25 years), the PDSF loans are a poor match for financing the needs of both financial and non-financial parastatals particularly because the finance needs of those parastatals are for loans of much shorter periods than 25 years (Bank of Botswana, 1994).

The logical conclusion to the above criticism by the BOB is that parastatals should seek their financing through the market place and pay market rates. However, that suggestion would be much more useful in economies where the majority of the public enterprises are a drain on the public treasury and where commercial principles of enterprise operation are seriously lacking. That is not the case in Botswana. However, what was suggested was that the PDSF would be gradually withdrawn and managed in the future much more like a revolving fund by making new investments mainly out of its interest and principal repayments. The implications of this change for the parastatals is that if they require new funds to expand or improve their services, "they will have to depend, to an increasing extent, upon surpluses which they generate themselves or upon funds which they can raise from the domestic capital market" (Republic of Botswana, 1996a: 9).

Currently, the position of the government of Botswana is that the terms upon which finance will be made available will more closely resemble terms offered by private capital markets as reliance upon the PDSF will decline and the PDSF terms of lending themselves will become less concessionary. The soundest of the parastatals will be encouraged to issue bonds or other financial instruments on the strength of their own balance sheets (Republic of Botswana, 1997b).

One important aspect of the financial management of parastatals in Botswana is their pricing policy. Pricing policy is determined by each board of directors in consultation with the Ministry of Finance and Development Planning. Prices are expected to be sufficiently high to cover the costs of an efficient producer and to show a reasonable return or fair value of the capital employed (Republic of Botswana, 1996a). Indeed, Botswana's parastatals have won international praise for their pricing of their goods and services with economic efficiency in mind. For example, the *World Development Report 1994* (World Bank, 1994) singles out Botswana's Water Utility Corporation (WUC) as an example of the right way to run a public utility. The WUC charges commercially-oriented tariffs appropriate for the urban conditions in the country and tariffs are increased when necessary. Consumers are billed monthly and given thirty days to pay. Failure to pay within that period results in the cut off of the water supply and there are penalty charges for reconnection.

Under such stringent commercial principles, the WUC's accounts receivable are estimated to be less than 2 percent of the total amounts collectible. All consumers are treated alike. For example, unlike in some other African countries where government agencies owe substantial sums to public enterprises for goods and services they have consumed, in Botswana there is the 'one-check' system for government users. The Ministry of Finance and Development Planning meets all monthly charges for the government users and deducts them from the cash allocations of each ministry or department. This practice avoids the accumulation of arrears by government users that is prevalent elsewhere and most especially in sub-Saharan Africa.

Undoubtedly, the pricing of the goods and services of Botswana's parastatals on a commercial basis has provided reliable revenue sources for those entities and enhanced their financial autonomy. Costs are recovered and the potential for improved profitability is maintained. However, there has recently been considerable discussion in the media of the expensiveness of utility services. One media report quoted the Chief Executive of the Botswana Power Corporation as confirming that power tariffs in Botswana were much higher than in neighbouring countries but that they were set to ensure that sufficient revenues were recovered to service loans as well as to meet other requirements to be a commercially viable entity (*The Botswana Guardian*, 1994).

Indeed, the reliable and plentiful utilities in Botswana are very expensive by regional standards. For example, power and telecommunications costs are twice as high as those in Zimbabwe and South Africa, while water costs are roughly ten times those in Zimbabwe, and more than twice those of South Africa (IMF, 1995). This pricing policy has made the water, power, and telecommunications corporations some of the most profitable parastatals in Botswana. However, it has also been noted by the Head of the Public Enterprises Monitoring Unit, in the Ministry of Finance and Development Planning, that "there are one or two parastatals that have arguably been making excessive profits" (*Mmegi/The Reporter*, 1995: 9). Subsequent to that statement, the power, telecommunications, and water utilities reduced their tariffs by 10 percent. However, tariffs for some utilities have increased noticeably again since then.

Assessing Performance

Botswana's parastatals have generally performed well and they play a major role in the economic success of the country by their contributions to national income. They generate positive flows of net value added through their surplus value added (profits). These recorded profits indicate that total revenues were able to cover total expenses including any debt-service obligations. However, not all of the parastatals have consistently been recording profits. A few of the parastatals have, in the past, been plagued with some problems related either to technical inefficiency, under-utilization of expensive assets, and/or high non-operating expenses.

The Non-Financial Parastatals

The non-financial parastatals account for approximately 6 percent of GDP and their share of total investment exceeds 15 percent (Republic of Botswana, 2000b). Table 3.2 and Table 3.3 provide detailed information on the performance of the non-financial parastatals covering the period 1997–2000. Table 3.2 gives the operational statistics while Table 3.3 sets out selected indices of performance related to: (1) return on capital employed; (2) return on equity; (3) net profit to sales; and (4) debt to equity.

Table 3.2: *Operations of Non-Financial Parastatals, 1997–2000**
(US$ Million)

Item	*1997*	*1998*	*1999*	*2000*
Operating Revenue	332	352	337	317
Net Profit/Loss	54	75	82	85
Long-Term Debt Outstanding	494	431	478	411
Equity	750	814	671	863
Capital Employed	1,118	1,148	1,281	1,200
Fixed Assets	959	846	1,141	1,087

Source: Bank of Botswana (2001).

Notes: * Excludes Banyana Pty Ltd, BLDC, and the non-financial parastatal institutions.

Table 3.3: *Selected Performance Indices of the Non-Financial Parastatals, 1997–2000**

Indices	*1997*	*1998*	*1999*	*2000*
Return on Capital Employed[a]	6.4	12.0	7.1	3.3
Return on Equity[a]	3.2	9.2	8.9	3.5
Net Profit to Sales[a]	8.0	17.0	20.7	17.6
Debt to Equity[b]	0.7	0.5	0.7	0.5

Source: Bank of Botswana (2001); and author's calculations.

Notes: * Excludes Banyana Pty Ltd, BLDC, and the non-financial parastatal institutions.
[a] Average percentage.
[b] Ratio.

The return on capital employed reached a high of 12 percent in 1998 and then declined to less than 5 percent by 2000. Similarly, the return on equity peaked at 9.2 percent in 1998 before declining to 3.5 percent by 2000. Both of these indices provide some indication to the owners of the return on their investment. The net profit to sales index demonstrates a measure of profitability. It shows the proportion of net profit derived from sales revenue. It moved from 8 percent in 1997 to double digits in 1998 and exceeded 15 percent by 2000 reflecting quite a satisfactory performance for parastatals in a developing country setting. Finally, the debt to equity index indicates the equity strength of an enterprise at a given point in time. For the non-financial parastatals, it currently stands at a ratio of only 0.7 to 1, indicating that they are very well positioned to meet their long-term obligations.

The Financial Parastatals

The financial parastatals also play a very important role in the economy of Botswana, particularly with respect to their activities as development finance institutions either by contributing to government revenues or by providing funds for investments that may be too risky for commercial banks and/or may have significant benefits for the economy beyond the return that may be directly appropriated by the borrower (Bank of Botswana, 1994). Below we discuss the performance of the five key financial parastatals in Botswana.

Perhaps the most significant of the financial parastatals is the Bank of Botswana (BOB). The BOB has been one of the major players in what has been described elsewhere as Botswana's economic miracle during the past three decades (Harvey, 1992; Harvey and Lewis, 1990). This is so not only in terms of its prudent management of national monetary and financial institutions policy but also through its contributions to government revenue from its profits. The BOB's total assets have been steadily increasing from US$474 million in 1984 to US$6.7 billion in 2000 while the total international reserves portion of those assets increased from US$472 million in 1984 to approximately US$6.6 billion in 2000. The government's share (95 percent) of the BOB's profits from its management of the international reserves increased from US$24 million in 1984 to approximately US$447 million by the latter part of the 1990s. As a consequence, the BOB is now the second largest contributor to government revenues, after mineral revenues, with a proportion that exceeded 20 percent by the latter part of the 1990s.

The Botswana Development Corporation (BDC) was established as a venture capital investment institution and it has had quite a satisfactory track record to date. It has recorded strong profits to the extent that a primary source of its own financing has been retained earnings. It has a considerable portfolio of investments and has played a major role in the development of the financial sector. It recorded operating profits of approximately US$7 million at the end of the 1990s and had accumulated retained profits of US$37.6 million for the same period. In 2000, the BDC had total assets/liabilities of US$146 million (Bank of Botswana, 2001).

One of the financial parastatals that has not performed consistently well is the National Development Bank (NDB). The NDB had been plagued with poor management until the government hired a team of consultants in 1992 from Ireland to restructure and reorganize the institution. The prior poor management resulted in a crisis situation where more than one-third of the total loan balances were in arrears with the majority of those arrears being for periods exceeding six months. It is hoped that the restructuring and reorganization process now taking hold would resuscitate the institution for it to play its important role in the economy of Botswana. Some evidence of that is provided by the NDB's record profits at the end of the 1990s, which were approximately US$12.2 million compared to losses of US$14 million accumulated during 1991–93. Also, the total assets of the NDB were approximately US$58 million in mid-2000 compared to US$28 million in 1984 with cash and deposits increasing from US$0.9 million in 1984 to US$9 million in mid-

2000 (Bank of Botswana, 1996, 1999, 2001). The NDB therefore now seems poised to be transformed from a totally insolvent institution to an organization with increasing net worth and appropriate accumulated profits.

The Botswana Building Society (BBS) is the only financial institution in Botswana that specializes in housing finance. The BBS has relied heavily on PDSF loans to finance its activities. Such loans accounted for 38 percent of the institution's total liabilities at the end of the 1990s (Bank of Botswana, 1999). The BBS remains commercially viable with total assets increasing from US$17 million in 1984 to US$83 million in 2000. However, one area of concern has been the impact of the cumulative effect of the rising incidence of defaulters (Bank of Botswana, 1995). This problem was exacerbated by the declining market values of property which impacted negatively on the securities held against the loans (Republic of Botswana, 1996b). This is likely to progressively erode the society's capital base at a time when the government is disengaging from major lending to the parastatals. However, this state of affairs is likely to be reversed in the near future given the current buoyancy of the property market (Bank of Botswana, 2001).

The Botswana Savings Bank (BSB) was restructured in 1992 to function as a commercial bank. It mobilizes small scale savings particularly in the remote areas where there is virtually no access to the regular types of financial institutions. It makes use of post offices as its branches. Its total assets increased from US$10.1 million in 1984 to approximately US$31 million in 2000. The majority of its assets in 2000 (48 percent) were loans and advances while deposits and investments were 32 percent (Bank of Botswana, 1996, 1999, 2001).

Conclusion

As shown in this chapter, Botswana's parastatals have generally performed well. Undoubtedly, the solid performance of these parastatals is directly related to the efficient administrative and financial management framework that they have in place as well as the environment of good governance in the country which dissuades the pursuit of individual and/or very narrow and shallow parochial interests.

This efficient administrative and financial management, unlike the rest of sub-Saharan Africa, has prevented Botswana's parastatals from becoming a major drag either on the fiscal budget, the banking sector, or other quasi-fiscal sources of revenue. The returns on public capital invested in these enterprises are, from an overall perspective, very satisfactory and they are functioning in an environment that is very friendly to private enterprises.

However, despite this laudable state of affairs, the government of Botswana has decided to implement several measures to increase parastatal management standards even further as necessitated by a maturing national economy. This effort, which is being coordinated by the Ministry of Finance and Development Planning, is being constantly updated as measures are implemented and new areas of government concern emerge.

The measures include: (1) the closer monitoring of the relationship between the investment programs of the public utility corporations and their user charges with a view to improve the allocation of the costs of continued growth between current and future users of the services, to control inflationary pressures from increasing user charges, and to protect the international competitiveness of Botswana's cost structure; (2) the monitoring of the costs per student/trainees of the training/research institutions while also requiring the research institutions to seek ways of improving the recovery of costs from their clients; and (3) the much more careful delineation between any social welfare and economic efficiency objectives of the parastatals, with the former being supported from explicit budgetary provisions and the latter being pursued in a strictly business-like manner. In this latter measure, the government also tends to eliminate cross-subsidization, whereby one set of consumers pay tariffs well above the cost of service provision in order to subsidize on social grounds the provision of services to a different set of consumers (Republic of Botswana, 1997b).

The development and implementation of the foregoing measures further demonstrates the phenomenon of good governance in Botswana. However, given the government of Botswana's often-repeated policy position that the private sector is to be the engine of growth for the economy and coupled with the fact that Botswana has graduated to upper-middle-income status which means, among other things, that the economy has passed the growth take-off stage and no longer requires any significant participation by the government in such activities as enterprise ownership and development, then the parastatals should now be rapidly privatized and their monopoly status terminated through the promulgation of legislation which encourages competition. Indeed, this seems to be the frame of mind of the government at least with respect to the utilities. In an interview published in *The Courier* (1995: 21), the Honourable Festus Mogae (then Vice President and Minister of Finance and Development Planning) stated that on the utilities — water, power, telecommunications — initially "there was nobody in the private sector that would do it. Now that these enterprises are up and running, however, opportunities have arisen to start getting rid of them".

In a further specific interview statement on the rationalization of Botswana's parastatals, Mr. Mogae said, as quoted in *Business Focus* (1996: 6):

> rationalization involves asking ourselves which activities really need to be undertaken by the state, and which are best left to private enterprise. Rationalization also involves ensuring that those enterprises which remain in commercial ownership conduct their affairs along efficient commercial and cost effective lines.

Undoubtedly, privatization would further contribute to a strengthening of the Botswana economy by: (1) increasing government revenues through the proceeds of the sales of the parastatals and future tax receipts from what would then be private enterprises; (2) eliminating the need for any type of government loans to the former parastatals; (3) eliminating the need for government transfers and subsidies to any unprofitable parastatals; and (4) the freeing of government revenues for more direct development expenditure in priority areas such as rural and social development. In addition, consumers are likely to benefit from lower tariffs and prices. Moreover, privatization would be an excellent mechanism for Botswana to decentralize its public sector and encourage further private investment with all of its multiplier effects on growth, employment, economic diversification, and so on.

To that end, the government of Botswana has accelerated the process toward privatization. Parliament considered and approved a White Paper on the issue in early 2000 which included institutional mechanisms, competition law, and the regulatory framework to effectively drive the privatization program forward in a speedy, transparent, and consistent manner. Botswana's position with respect to privatization is very different from that of most countries in sub-Saharan Africa. Privatization policy reflects the government's commitment to reduce the degree of its presence in the economy and allow market forces to govern the economic activities of the nation.

The impetus for privatization in Botswana has therefore come from a desire to improve efficiency in the delivery of services, to raise the country's growth potential by securing stronger flows of foreign direct investment and technology transfer, and also from the need to create further opportunities for the development and growth of the country's business sector (Republic of Botswana, 2000b). This is yet another example of good governance and sound development policy and management.

In most of the countries in sub-Saharan Africa, on the other hand, privatization has been prompted by economic necessity as a result of the proliferation, failure, and corrupted characteristics of their public enterprises or, as they were more appropriately called, 'state-owned enterprises'. These enterprises, whatever they were or are called, became the conduit through which graft, embezzlement, and outright theft were commonly practiced leading to economic decline and crisis, as discussed in chapter six, and the inevitable obligation to enter into stabilization or structural adjustment programs with the international financial institutions that included a demand to embark upon privatization.

CHAPTER FOUR

DECENTRALIZATION AND LOCAL GOVERNANCE: THEORY AND THE PRACTICE IN BOTSWANA

The practice of decentralization raises questions not simply of local management but in the wider sense of local governance. Decentralization, as an aspect of local governance, helps to shift thinking away from state-centred perspectives to include elements which are often considered to be outside the public policy process. They include, for example, privatization and cost recovery. Decentralization therefore allows for the reconsideration of local government as more than just a technical or administrative extension of the central government and/or a bureaucratic structure with new autonomous powers and functions (McCarney, 1996).

The notion of local governance can, accordingly, be regarded as an attempt to come to grips with the limitations of state-centred local management. The adoption of the notion of local governance therefore leads to a move away from statist perspectives which tend to concentrate on such factors as administration, management, and even local government in its bureaucratic form (McCarney, Halfani, and Rodriguez, 1995). It encompasses other factors such as the private sector, civil society, and social systems such as education and health. In other words, local governance not only includes the activities of governments but also the many other channels through which 'commands' flow in the form of goals framed, directives issued, and policies pursued (Rosenau, 1995).

This chapter examines and analyzes the concept and impact of decentralization, as an aspect of local governance, from its theoretical perspective and as implemented in Botswana in practical ways as an element of the process of development policy and management.

The Conceptual Framework

Many African countries, including Botswana, after they gained independence initially emphasized efforts to build a nation-state. That, in turn, had a highly centralizing effect and negative impacts on the efficient delivery of public services and local governance. The movement toward decentralization is an attempt to, among other things, improve the delivery of public services and local governance in a cost-efficient manner as well as increase the administrative capacity and productivity of the public sector (Cohen and Peterson, 1999; Hope, 1997a).

Decentralization can be defined as the transfer of power, authority, or responsibility for decision-making, planning, management, or resource allocation from any level of government to its field units, district administrative units, other levels of governments, regional or functional authorities, semi-autonomous public authorities, parastatal organizations, private entities, and non-governmental private or voluntary organizations (Hope, 1997a; Rondinelli, Nellis, and Cheema, 1983). Decentralization has not occurred unless a country "contains autonomous elected subnational governments capable of taking binding decisions in . . . some policy areas" (World Bank, 1999a: 108).

Decentralization can also be defined from a public choice perspective. The standard public choice literature provides both ex-ante and ex-post arguments for decentralization. However, the generally basic definition in the public choice literature is that decentralization can be regarded as a situation in which public goods and services are provided primarily through the revealed preferences of individuals by market mechanisms (Rondinelli, McCullough, and Johnson, 1989). Decentralized governments are regarded as having better knowledge of local or grassroots preferences, either in the sense of having access to information denied to them, or in the sense of observing preferences with less noise (Cremer, Estache, and Seabright, 1994).

The primary objectives of decentralization include, but are not limited to, overcoming the indifference of government bureaucrats to satisfying the needs of the public; improving the responsiveness of governments to public concerns; and increasing the quality of services provided (Rondinelli, Nellis, and Cheema, 1983). Much of the decentralization that has taken place in the last decade has been motivated by the political rationale that good governments are those closer to the people (Hope, 1997a). In Africa, for example, the spread of multiparty political systems is creating demand for more local voice in decision-making. In countries, such as Ethiopia, for example, decentralization has been implemented in response to pressures from regional or ethnic groups for more control or participation in the political and economic process. Political changes have therefore given voice to local demands and the need to bring economic and political systems closer to local communities (Litvack, Ahmed, and Bird, 1998).

In addition, decentralization is seen as the means: (1) for governments to provide high-quality services that citizens value; (2) for increasing managerial autonomy, particularly by reducing central administrative controls; (3) for demanding, measuring, and rewarding both organizational and individual performance; (4) for enabling managers to acquire human and technological resources to meet performance targets; (5) for creating a receptiveness to competition and an open-mindedness about which public purposes should be performed by public servants as opposed to the private sector (Borins, 1994); (6) for empowering citizens through their enhanced participation in decision-making and development planning and management; (7) for improving economic and managerial efficiency or effectiveness; (8) for enhancing better local governance (Silverman, 1992); (9) for obtaining more accurate and less suspect information about local conditions; and (10) for reducing overload and congestion in the channels of communication within a given government machinery (Kotze, 1997).

Decentralization can be either horizontal or vertical. Horizontal decentralization disperses power among institutions at the same level while vertical decentralization, which is more useful, allows some of the powers of a government to be delegated downward to lower tiers of authority (UNDP, 1993). Decentralization can be further differentiated into six types: deconcentration, delegation, devolution, privatization, top-down principal agency, and bottom-up principal agency.

Deconcentration is the passing down of selective administrative functions to lower levels or subnational units within government agencies or departments. Deconcentration is the least extensive form of decentralization. Although it does result in some dispersal of power, few decisions can be taken without reference back to the original center (UNDP, 1993).

Delegation is the transfer of specific authority and decision-making powers to organizations that are outside the regular bureaucratic structure and that are only indirectly controlled by a government, such as regional development corporations, parastatals, and semi-autonomous agencies, for example. In this type of decentralization the government in question retains the right to overturn decisions and can, at any time, take these powers back.

Devolution is the granting of decision-making powers to lower authorities and allowing them to take full responsibility without reference back to the authorizing government. This includes financial power as well as the authority to design and execute local development projects and programs (UNDP, 1993). The essence of devolution is discretionary authority. To the extent that lower levels of government have discretionary authority, they can do essentially what they decide to do subject only to broad policy guidelines; their own financial, human, and material capacities; and the physical environment within which they must operate (Silverman, 1992).

Privatization refers here to the transfer of operational control and responsibility for government functions and services to the private sector — private voluntary organizations or private enterprises. From a broader perspective, privatization encompasses a wide range of policies to encourage private sector participation in public service provision and that eliminate or modify the monopoly status of public enterprises (Rondinelli and Kasarda, 1993).

In the top-down principal agency model of decentralization, local authorities exercise responsibility on behalf of higher levels of governments or, in some instances, parastatals under the direction and supervision of central government agencies (Silverman, 1992). In this situation, as principal agents, local authorities do so under the control and supervision of higher level government agencies or ministries. The latter is also responsible for the financing of the expenditures associated with the process. Depending on the degree of autonomy local authorities have with respect to their other functions, they can act as principal agents in two ways. They can do so in their entirety and be no more than complete principal agents of higher levels of governments or they can serve as principal agents in parallel with their performance of other responsibilities (Silverman, 1992).

The bottom-up type of principal agency is quite the opposite of the top-down model. In this situation, various levels of government or parastatals act as agents of lower levels of government or directly as agents of the consuming public. The source of the discretionary authority is reversed (Silverman, 1992). Consequently, a local authority department may contract with a local or central government for the provision of a public good or service with payment being made by the local authority, for example. As is the case with the top-down principal agency model, the fundamental characteristics of the bottom-up principal agency model also do not depend on the extent to which local authorities are, or are not, subordinate to higher levels of government with respect to other functions they might perform (Silverman, 1992).

Benefits and Costs of Decentralization

In recent times there has been a growing concern over cost consciousness and efficiency, and more public pressure on all levels of governments for responsiveness and accountability in service delivery. Reducing the size of the public sector whilst maintaining its effectiveness is therefore a challenging exercise which can best be accomplished through decentralization policies. Moreover, there is a growing body of evidence indicating that the decentralization of government services can be far more efficient than their supply by bureaus. These methods have been shown to, among other things, reduce the total cost of government, increase the level and quality of public services, and eliminate opportunities for rent-seeking behaviour (Hope, 1997a).

Decentralization enables much greater variety of choice while also serving to reduce costs. Highly centralized forms of governance also generate administrative pathologies including communication overload, long response times, filtering and distortion of information, a failure to grasp spatial connections in sectoral programming, and so on. Moreover, centralized states tend to be unresponsive to local needs as well as to the needs of the disempowered in particular (Friedmann, 1992). Restructuring the delivery of public services by decentralizing central functions and resources and decentralizing governance represent the best means of promoting participation and efficiency.

Another important benefit of decentralization is that of improved access to administrative agencies (Smith, 1993). Decentralization to officials responsible for the delivery of public services to target groups in local communities should make it easier for claimants to gain access to goods and services to which they are entitled. Decentralization leads to more efficient delivery of public services by reducing costs, exposing problems in delivery mechanisms, and generating more sympathetic attitudes towards government programs (Tanzi, 1996). Decentralization has the value of reducing red-tape and bureaucratic formalism. It greatly facilitates the access of the people to policy and decision-makers by rendering them more visible and making the loci of power easier to identify (Rondinelli, Nellis, and Cheema, 1983; Smith, 1993). By so doing, more decisions are made at the local level, closer to the voters, resulting in more responsive and efficient local governance (World Bank, 1999a). In essence, decentralization tends strongly to enhance the speed, quantity, and quality of responses from government institutions (Manor, 1999).

Decentralization can also soften resistance to the changes which policy implementation entails. Participation in local institutions should help overcome the indifference, pessimism, and passivity of the populace. Local governance can ease the process of change by providing local leadership to win support for change by involvement. Local governments can act as channels of communication between national governments and local communities and thereby facilitate understanding of the aims and objectives of the policy efforts (Smith, 1993).

Another major benefit of decentralization is its ability to contribute to unity and stability. There is a persistent belief that local democracy is necessary for national unity. In countries with great social diversity and regional disparities, it is felt necessary to satisfy the legitimate political aspirations of sub-groups. Decentralization can therefore be designed to satisfy the demands for recognition of communal identity or to defuse civil strife or even civil war (Smith, 1993; World Bank, 1999a).

Lastly, a great deal of significance is attached to the beneficial consequences of improved coordination as a result of decentralization. Activities can be better coordinated at the regional or local levels in order to reduce duplication between agencies, make project planning easier when more than one agency is involved, make it easier to produce integrated plans for specific areas, and increase the efficiency and flexibility with which resources are used. Decentralization is therefore commonly regarded as providing an opportunity for improved coordination between closely related areas of administrative responsibility to ensure consistency among the policies of different agencies, to prevent wastage and duplication of effort, and to ensure integration when a program requires inputs from a number of agencies as is often the case in urban development activities, for example (Smith, 1993).

With respect to the costs of decentralization, there continues to be a debate about what exactly these costs are. Prud'homme (1995) has argued about the dangers of decentralization and advocates the case for the joint provision of services by various levels of government. However, the overwhelming view in the literature is that, when properly applied, the conventional theory of decentralization can help improve the enactment and execution of government policy.

It will presumably always be the case that some of the costs will be deemed to be worth bearing because of associated benefits. But it is far from settled how to decide whether a perceived benefit outweighs a perceived cost. However, there will always be political costs to those at the centre — politicians and bureaucrats — in the loss of control over local leaders and initiatives. There also exists the danger that decentralized institutions, especially when endowed with significant resources and powers, can fall captive to local elites (Conyers, 1983; Smith, 1993).

The Decentralization Process in Botswana

Decentralization in Botswana has been the subject of substantial governmental review and some academic review also. More than two decades ago Tordoff (1974: 302) noted that:

> The growth of strong district councils is being encouraged [by the Botswana government] and it is intended that they will increasingly become the focal point . . . responsible for promoting the general well-being and economic development . . .

The government of Botswana has been consistent in its support for decentralization. To that end, donor assistance, particularly through the Swedish International Development Agency (SIDA), has also been provided during the period 1979–97 with the following objectives:

(1) To promote further decentralization of responsibilities from central to local government, and in particular, to the District Councils;
(2) To contribute to a more even distribution of economic and social resources among the people; and
(3) To facilitate and enhance the implementation capacity of the District Councils and other local authorities at district level with regard to the provision of services and the execution of development projects (SIDA, 1993).

The decentralization policy of the government of Botswana is accomplished and implemented primarily through devolution to three types of local authorities. These are: (1) City/District/Town Councils; (2) Land Boards; and (3) Tribal Administrations. There exists two City

Councils (Gaborone and Francistown), three Town Councils, and one Township Authority (amounting to six urban councils); nine District Councils; twelve Land Boards; and twelve Tribal Administrations. In addition, there are ten District Administrations. These District Administrations are deconcentrated agencies of the Ministry of Local Government and, as such, they cannot technically be considered as local authorities. However, they play a major role in project coordination and management at the district level.

All local authorities in Botswana exist by virtue of ordinary Acts of parliament and, at least in theory, any of them could be abolished at any time by parliament. Local authorities are not included in the Constitution of Botswana and, consequently, they have no inherent competence derived from that constitution. That makes Botswana a unitary state with parliament having sovereign power with full competence in all areas of jurisdiction (du Toit, 1995). Legislative authority is vested in parliament, which consists of the National Assembly, the House of Chiefs, and the President. Prior to 1965 the local authorities were Tribal Administrations which were ruled by a Tribal Chief who allocated land, raised revenue, held court, hired the teachers, ran the schools, and repaired roads in his area (Egner, 1978).

District Councils were established in Botswana through the Local Government (District Councils) Act of 1965. Parallel legislation, the Townships Act of 1965, created urban councils. District and Urban Councils (DUCs) have been vested with both legislative and executive authority. These DUCs are responsible for:

(1) Overall district development, including support of productive activity and social development;
(2) Initiation and implementation of programs of local infrastructure and services;
(3) Preparation of district development plans and budgets for district operations, including the contributions of the decentralized departments of the central ministries; and
(4) Coordination and supervision of the non-decentralized arms of the central ministries at the district level.

Within the above responsibilities there are five major statutory functions of DUCs. These are related to the provision of primary education, primary health care, rural village water supply, social and community development, and construction and maintenance of tertiary roads. In addition, there are some other permitted functions which DUCs can undertake if they have the resources. They include, for example, development of markets, administration of stray cattle, provision of street lights, and the building of recreational facilities. District Councillors are democratically elected for five year terms. However, some councillors may be nominated by the Minister of Local Government.

Land Boards were created by the Tribal Land Act of 1970. Through this Act, communal land is vested in the Land Boards. These Land Boards have the power to make grants of land under customary or common-law tenure for residential, commercial, industrial, arable or grazing purposes; to cancel grants of land rights under certain conditions; to impose restrictions on the use of land; and to hear disputes from subordinate Land Boards. In order to assist the Land Boards and make them accessible to the people, each Land Board has a number of subordinate Land Boards. By the latter part of the 1990s, there were thirty-seven subordinate Land Boards in Botswana. While some members of Land Boards are elected representatives, others are nominated by the Minister of Lands and Housing. This is to ensure that there are a sufficient number of members who are knowledgeable about land administration matters. Land Board members serve for periods of 3–4 years (Republic of Botswana, 1997b).

Tribal Administrations are colonial institutions which were retained but with reduced powers. Tribal Administrations are headed by a Chief with responsibility for general Tribal Administration matters, customary courts, the local police, and village development matters. Some Chiefs also frequently hold office as District/Urban Council and Land Board Chairmen and, of course, they all hold constitutional office as members of the House of Chiefs. In the villages of Botswana, Tribal Administrations retain tremendous popular support and they are said to be understood and appreciated much more than any other national institution by rural residents (Reilly, 1981). This is so because, in Tribal Administrations, the *lekgotla* meetings (assemblies of the tribe) generally serve as an immediate public forum where grievances are aired, public consent sought and conferred, and consensus molded on matters of public policy (du Toit, 1995). Consequently, Tribal Administrations play an important role both in Botswana rural society and in the process of national development.

The process of decentralization in Botswana has been evolving since 1965 with the creation of the DUCs. In 1970, after a power struggle between the Ministry of Finance and Development Planning and the then combined Ministry of Local Government, Lands and Housing on the utility and cost-effectiveness of the council system, a compromise was struck to create district development committees (DDCs). These DDCs were mandated as district-level clearing houses for rural development activities. Their primary functions were to supervise and coordinate the work of all central government departments, local authorities, and non-governmental agencies.

The creation of DDCs was coupled with the strengthening of the District and Urban Councils as providers of essential services through delegation of responsibility and vast increases in capital expenditure budgets (SIDA, 1993). These policy moves once again exhibited the tradition of good governance in Botswana as the central government realized both the importance of and the need for a further swift movement down the road of decentralization. However, despite the now accepted functional utility of the DDCs in the decentralization process in Botswana, at their inception DDCs were regarded by some as an unnecessary intrusion which would weaken the authority of the DUCs. Some District and Urban Council members and staff even put forward the view that the DDCs had become the senior district-level institution and that District Councils had been reduced to the status of an advisory body with less influence than traditional authorities (Picard, 1987).

However, during the 1970s the DUCs were delegated increasing responsibilities which they efficiently administered and that, in turn, led to a better relationship between the DDCs and the District and Urban Councils as the confidence of both DUC staff and the elected District and Urban Councillors was enhanced (SIDA, 1993). Despite the efficiency with which the DUCs discharged their enhanced responsibilities, they continued to be plagued with staffing problems which led to some administrative weaknesses. For example, quite frequently DUC staff did not act on their Council resolutions or implement projects, financial records were improperly kept, and routine office tasks were neglected (Picard, 1987). This state of affairs led the central government to take control over local personnel matters through the creation of the Unified Local Government Service (ULGS) and the Unified Teaching Service (UTS).

The ULGS, now administered by the Directorate of Local Government Services Management (DLGSM), was established in 1973 through the Unified Local Government Service Act. It is a centralized authority located in the Ministry of Local Government. It is tasked with responsibilities for human resource management functions related to local authorities (Republic of Botswana, 1997b). However, some human resource management functions have been decentralized to the local authorities. Those functions are: (1) appointments of temporary and industrial employees; (2) internal postings and deployment arrangements; (3) leave administration; (4) supervision and conduct of officers; (5) disciplinary matters for industrial employees; (6) authorization and payment of all of the approved establishment; (7) specific recommendations on most other personnel management issues; (8) consultations on staff welfare; (9) salary administration; (10) vacancy monitoring; (11) training needs assessment and preparation of training plans; and (12) in-house training.

In addition, there are some human resource management functions which are shared between the DLGSM and the local authorities. These are: (1) performance monitoring and appraisal; (2) disciplinary matters; (3) manpower budgeting; and (4) training (in-service and institutional) and selection (SIDA, 1993). It is the view of the government of Botswana that the DLGSM is necessary to ensure an equitable distribution of personnel among the local authorities and, as such, it remains an important instrument of nation-building. In other words, human resource development and management still has an important centralized dimension. Similarly, through the Unified Teaching Service Act of 1975, the Ministry of Education, among other things, assumed responsibilities for the recruitment and equitable distribution of teachers throughout Botswana. The Unified Teaching Service is now known as Teaching Service Management.

In 1975, the government of Botswana addressed the deteriorating situation in the country's grazing lands by announcing the implementation of the Tribal Grazing Land Policy (TGLP). The TGLP reorganized the tribal system of land holding in the grazing areas in terms of the need to reverse an accelerating degradation of the range caused by overgrazing while at the same time improving the system of livestock husbandry. A new land tenure system was put in place which rezoned the tribal grazing lands into three types — commercial, communal, and reserved areas. In addition, the responsibilities of the Land Boards broadened to include the zoning and allocation of grazing land. This task was to be accomplished through the assistance of land-use policy advisory groups and relevant central government departments (Republic of Botswana, 1975).

Although the legal restructuring of land rights provided under the

TGLP was a radical reform measure, it was far from surprising because their lineaments could be seen emerging during the previous three to four decades (Peters, 1994). Nonetheless, the introduction of the TGLP established a new set of bureaucratic procedures over land classification and allocation as well as with respect to adjudication of land disputes. These new bureaucratic procedures placed considerable strain on the capacity of the Land Boards to handle their tasks and bearing that in mind, along with the growing awareness that the system of land allocation as defined in the Tribal Land Act of 1968 had not been working satisfactorily, the government of Botswana appointed an inter-ministerial committee in August 1977 to review Land Board operations and to submit recommendations as to how the Land Boards can better accomplish their work.

The inter-ministerial committee completed its work in November 1977 and the report was published in February 1978. However, the report was politely shelved by the government of Botswana on the grounds that Land Board reform entailed far-reaching implications for other local government institutions that were beyond the committee's terms of reference (Picard, 1987). Consequently, a much more sweeping assessment of the local authorities was required. In that regard, the government of Botswana created a Presidential Local Government Structure Commission (LGSC) in September 1978.

The LGSC released its report in the latter part of 1979 and a government White Paper in response to the report was published in September 1981. That White Paper accepted the LGSC's overall policy goal but none of the major recommendations designed to implement it. Some analysts, such as Picard (1987), have argued that the rejection of the recommendations of the LGSC by the government of Botswana was a significant setback for those forces in Botswana committed to genuine decentralization. However, other analysts, such as SIDA (1993), have concluded that the LGSC report marked a watershed for decentralization in Botswana. Although the report did not advocate that further substantial devolution take place, it also did not recommend the abolition of any of the local authorities. Instead, the focus of the report was on increased deconcentration of responsibilities through enhanced mechanisms of capacity building of the District and Urban Councils, Land Boards, and Tribal Administrations through greatly increased financial and human resources.

Perhaps the LGSC report was somewhat premature for the politics of the day. However, since the 1980s, the local authorities in

Botswana have experienced significant growth in their budgets and they have also been given additional responsibilities. Moreover, the commitment of the government of Botswana to decentralization remains unwavering. In the National Development Plan 7, covering the period 1991–1997, the policy on decentralization was stated as "delegating greater responsibility for development planning, finance and implementation to the local authorities, while increasing their capacity to manage these responsibilities" (Republic of Botswana, 1991: 463). In the *Keynote Policy Paper for National Development Plan 8: 1997–2003* it is stated that for the first time the preparation of the District Development Plans and the Urban Development Plans will run concurrently with the National Development Plan covering the same time period to allow for effective and coordinated planning at both the local and national levels (Republic of Botswana, 1995b). This has indeed now occurred effective with the planning period covering 1997–2003 and will be the case for subsequent planning periods.

Furthermore, the view of the government of Botswana is that "the on-going steps towards financial decentralization and increased autonomy to local authority financing will go a long way in enhancing the bottom-up planning process" (Republic of Botswana, 1995b: 14). Through the bottom-up approach to planning, the problems of poverty and unemployment in the rural areas will continue to be addressed. In addition, the government of Botswana's commitment to the widening of the effective power and accountability of local authorities is regarded not only as a principle of good governance in a democracy, but also as an effective way of distributing the benefits of development to the majority of the people (Republic of Botswana, 1995b).

Assessing Decentralization and Local Governance in Botswana

From the foregoing presentation, it should be clear that Botswana has benefited in rather unique ways from the process of decentralization it has embarked upon. The decentralization process has, for example, championed representative local government which has resulted in many urban councils being dominated by councillors from the opposition national political parties at various points in time. These opposition parties in the National Assembly, draw their support primarily from the urban areas and have been in the majority, in one form or the other, in the Gaborone (capital) City Council since 1984, for example.

Decentralization has boosted the relevant awareness of the importance of good local governance in Botswana given the country's rapid population growth. As the growth of the population proceeds, the governance of the local development processes has become increasingly important for the governance and development of the country as a whole. As local areas grow and their economies take on greater importance in the national economy, so too does the framework for local governance.

Decentralization has also considerably improved local accountability in Botswana. Local accountability is taken here to mean accountability to local voters. According to Crook and Manor (1995), accountability is a key factor in the promotion of popular participation. Local residents have been able to provide significant input into the governance of their communities and, through their elected councillors, their concerns and policy preferences have also been articulated and implemented. The councillors of the District and Urban Councils are among the most vocal critics of the central government, for example. The political awareness and activism of the local authorities in Botswana is a further testament to the openness of the political system and culture in Botswana. Undoubtedly, local authorities represent the most active voice in the realm of civil society in Botswana. As Lekorwe (1998a: 95–96) stated:

> Though interest groups are weak, Botswana offers another option in which political elites employ existing political structures . . . to encourage political participation. Using this approach, Botswana has built a strong democracy whilst its civil society remains weak.

The foregoing clearly demonstrates that local authorities in Botswana are strong and confident. Further evidence of this assertion has also been provided by Lekorwe (1998b) and Reilly (1997), for example. From a comparative perspective, Botswana is already more decentralized than most developing countries and particularly those in Africa. Monoheng (1999: 5), for example, noted that with the attainment of independence, a general move away from representative local government took place in Africa. However, "a notable exception in this regard is Botswana where District Councils were a product of the post-colonial and not the colonial era". Tordoff (1988: 183) also observed that:

> Representative local government has survived for over 20 years in Botswana and has even prospered within the country's multi-party framework. This is no mean achievement if Botswana's record is compared with that of the great majority of other Commonwealth African states which draw upon the English local government tradition.

That process of representative local government has gained further momentum during the past decade with opposition councillors using their council privileges as a natural opportunity to criticize the central government, as mentioned before, and shore up support for their party counterparts in the National Assembly where they are less well represented. The democratic traditions in Botswana allows for such criticism to be tolerated, a situation that is not found in most African states. Indeed, in Botswana, the state is seen as neutral and the legitimacy of the state, the government, the constitution, and the parliamentary system is enhanced through representative politics. The democratic political system can therefore function within tolerable bounds of strain which ensure that respect for open discussion is upheld. At the local level, these norms help to nurture tolerance, which is a major ingredient in the continued practice of competitive party politics (du Toit, 1995). That, in turn, maintains Botswana as a strong state with good governance.

One area where there has been some criticism of Botswana's decentralization process is that related to autonomy. A few analysts such as du Toit (1995), Gasper (1990), and Picard (1987), for example, have argued that local governance in Botswana has been negatively impacted due to the lack of sufficient autonomy particularly in the financial arena. The fundamental argument has been that the local authorities are starved of resources and have very little ability to control their own budgets with their considerable dependence on the central government for the great majority of their revenues. Essentially, what is being advocated is greater fiscal decentralization.

However, as mentioned before, the government of Botswana has frequently stated its commitment to greater financial autonomy for the local authorities and a reference group is in place to determine and examine ongoing proposals on local government finance and budgeting. Furthermore, in the *National Development Plan 8: 1997/98–2002/03*, the government of Botswana reiterated its concern that the financial dependence of local authorities upon the center places a considerable constraint on decentralization for it breeds an unhealthy reliance upon central government, forcing the local authorities to look to the central government for advice and direction on even the smallest matters. The government further said (Republic of Botswana, 1997b: 467), that such financial dependence:

> reverses the desirable direction of accountability, making Local Authorities less responsive to the needs of their constituents. Decreasing the financial dependence of Local Authorities upon Central Government, and thereby increasing their autonomy and accountability to their own constituents, is a primary policy goal . . .

Such a state of affairs not withstanding, the majority of local authorities in Botswana would benefit from fiscal decentralization primarily on the expenditure side since revenues that are independently collected would be inadequate to meet budgetary requirements. But, the decentralization of spending responsibilities, without an appropriate base from which to raise corresponding revenues, will fuel the trend toward greater regional inequality as discussed by Hope and Edge (1996). Consequently, these imbalances between own revenues and expenditures would maintain a need for central government transfers — both to close the fiscal gap at local levels and to ensure minimum levels of public services across local authorities. That, in turn, is more than likely to be accompanied by some form of control.

Understandably, from the point of view of the central government, local authorities are potential agents for the management of the former's own resources. National subventions are, therefore, much more likely to be channelled to those projects that conform to national policy. Independent planning and action are not valued as ends in themselves, particularly if they lead to new demands on central government resources or to a questioning of national policy. The contradiction here is clear. Local authorities in Botswana are seeking greater financial autonomy yet at the same time maintaining a dependence on the central government for the majority of their financial resources. These financial resources are, at the same time, prudently controlled at the center for national rather than regional political interests.

Nonetheless, in March 1994 the government of Botswana approved a new system of formula-determined Revenue Support Grants as the foundation for reforming the financing of local authorities. This system was first implemented during the financial year 1996/97. The formula provides for a specific level of support from the central government to local authorities. The intention of the new system is to change the financial incentives that local authorities face, forcing them to finance incremental expenditure from increased revenue from their own sources or, else, from cost savings. During the period 1995–97, for example, the annual growth rate for Revenue Support Grants was 10 percent for District Councils and Land Boards and 6 percent for Town/City Councils (Republic of Botswana, 1997b). Between 1997–00, these essential deficit grants to all local authorities increased by more than 11 percent from US$155 million to US$172 million. However, in terms of local currency, the increase was more than 54 percent.

This formula initiative to empower the local authorities toward greater financial autonomy has been further augmented by three central government measures which will have a profound effect upon both the finances of local authorities and the relationship between the local authorities and the central government (Republic of Botswana, 1997b; Somolekae, 1998a).

The first measure is the development of a costing manual for the services of local authorities. This manual is intended to allow the local authorities to calculate the real costs of the services they provide which, in turn, will enable them to make sound decisions about the appropriate level of fees toward cost recovery, in part or in whole, for those same services.

The second measure is the entrenchment of by-laws for user charges by local authorities. These by-laws are to allow the local authorities to set the levels of the user fees they charge for their particular services. Only where there is a compelling national policy interest (such as health clinic fees) will the authority to set the level of the fee remain with the central government.

The final measure is the development and phasing-in of new potential sources of revenue for the local authorities. These potential sources include: (1) the re-introduction of the local government tax that was abolished in 1988; (2) extension of property rates to District Council areas; (3) a hotel occupancy tax; (4) petroleum fuels tax; and (5) a retail turn-over tax. The final mix of these sources of revenue is still to be determined but it is the intention of the central government to do so early in this 21st century (Republic of Botswana, 1997b).

Another factor which has been regarded as militating against rapid decentralization and strong local governance in Botswana is the low level of education and training of the councillors (Lekorwe, 1995). For decentralization and local governance to be effective, there is need for individuals who are not only knowledgeable about the running of local governments but who must also be available to undertake such tasks. However, in Botswana most educated individuals are already gainfully employed with the central government or otherwise. By law, those individuals who work for the central government are not allowed to simultaneously engage in political activities. This, in turn, leaves a small pool of sufficiently educated individuals who are available to stand as councillors in the local authorities.

However, it is the view of this author that this issue has been blown out of proportion. Local representative democracy has prospered in Botswana in spite of the fact that many councillors did not even acquire secondary schooling. The level and effect of their representation is consistent with, and proportional to, the needs of the communities they serve. Moreover, these councillors were elected because they were regarded as the best candidates to represent the interests of their respective communities. In addition, the political parties themselves are now engaged in education and training projects for their current and future potential councillors. Also, it should be again noted here, as mentioned in chapter three, that, in Botswana, there is an apolitical public service where public servants are held accountable and, contrary to conventional thinking, it is these public servants, and not the political leadership, who are the dominant actors in policy-making and implementation (Somolekae, 1993, 1998b).

Finally, in Botswana, decentralization echoes the philosophy of community development where local governance is encouraged and supported as part of the national psyche of maintaining good governance and democratic traditions. Botswana's decentralization process has reaped tremendous benefits to the extent, for example, that realistic planning programs, which fit the local situation, have been implemented. Local governance has also been enhanced as further administrative deconcentration has occurred over the years. In Botswana, local governance, through decentralization, fits the model of sustainable local democracy espoused by Smith (1996). Local governance has increased the stability of democracy in the country by contributing to more effective government which, in turn, has strengthened the legitimacy of democratic government.

Conclusion

As an aspect of local governance, decentralization helps to shift thinking away from state-centered perspectives and contributes to greater local autonomy and accountability. As shown in this work, in the case of Botswana, the decentralization and local governance nexus has promoted representative local democracy in a much more far-reaching way than in any other African country in the post-independence era.

Moreover, many of the efforts at decentralization have yielded the desired results. As demonstrated by the international consultants who were actively involved in the process, among other things, local authorities are now equipped with more capable and well informed staff; the delegation of responsibilities to local authorities in the area of personnel administration functions well; local authorities are now able to produce their final accounts on time and to a large degree without the assistance of expatriate staff; new budget systems have been well received and implemented with a significant amount of onward decentralization to the sectional and sub-district/land board levels; many local authorities now have capable chief executives; and the concept of quality in local public service delivery has been well accepted and is being implemented (SIPU International, 1997).

However, the success of that process can be further enhanced by the implementation of complementary empowerment programs to promote more informed participation. When carefully crafted, such programs can make local residents more effective both administratively and politically. That, in turn, produces even better local governance.

The commitment of the government of Botswana to the decentralization process is a commendable one which, based on current policy statements and measures, seems destined to be sustained as an instrument of national politico-economic development policy. The entrenchment of the notion and practice of local governance therefore seems secure for the continued promotion of sustainable local democracy in Botswana.

CHAPTER FIVE

THE POLITICAL ECONOMY OF POLICY REFORM AND CHANGE IN AFRICA: CHALLENGE OF THE TRANSITION FROM STATISM TO LIBERALIZATION

Beginning in the mid-1970s, Africa has been experiencing a crisis of development which intensified in the 1980s and led to a significant deterioration in the performance of the economies of most of the region's countries and further leading to considerable hardships for their populaces. This economic deterioration led to the 1980s being classified as Africa's lost decade and one analyst went even further in claiming that the first three decades of African independence have been an economic, political, and social disaster (Landell-Mills, 1992). Others have demonstrated that Africa is a lost continent mired in steaming squalor, misery, deprivation, and chaos despite its resource abundance and potential (Ayittey, 1998).

As discussed in chapter one, Africa's development crisis emerged primarily from the post-independence statist policy framework which put considerable faith in the role of government to plan and allocate resources for social and economic development. Although such external factors as fluctuations in the terms of trade did also have some influence on the resultant economic crisis, it is the statist internal policy framework that played the much more crucial role in the birth and growth of the development crisis in Africa (Hope, 1997a).

When Africa gained its independence from colonial rule in the 1960s, there was considerable and infectious euphoria with political leaders vowing to demolish colonial structures and erect in their place a veritable paradise (Ayittey, 1998). Consequently, the post-independence statist policy framework was a reaction of the political leadership to their perception of the ills of colonialism. As such, the historical origins of Africa's statist and anti-market development orientation can be traced to the erroneous views that the open trade and foreign investment activities under colonialism were exploitative and should therefore be regarded as a threat to national sovereignty (Sachs, 1996). The resultant reaction included calls for self-sufficiency which were formulated under such banners as 'Ujamaa Socialism' in Tanzania, for example, and state ownership of enterprises became the norm and by nationalization if necessary. This was then followed by a tendency towards the personalization or patrimonialization of power and authority structures which, through systematic patronage and clientelism, led to the emergence of predatory and centralized states (Ayittey, 1998; Fatton, 1992; Hope, 1997a).

By the early 1980s, it was becoming apparent that the statist development strategy had been a grand failure which, in turn, had plunged the region into a development crisis of catastrophic proportions. Among other things, poverty and socio-economic inequalities increased, the external debt burden became heavier, the brain drain intensified, capital flight deepened, the balance of payments weakened, the physical infrastructure deteriorated, unemployment and crime escalated, famine and malnutrition became more pronounced, budget deficits soared, agricultural productivity declined, urbanization burgeoned, environmental degradation expanded, political and civil strife worsened, and corruption became much more rampant.

This African development crisis consequently provided the imperative for policy reform and change in the region. Policy reform encompasses changes in government policy, institutional structures, and administrative procedures that are designed to alter and improve economic performance and political development. In this chapter, the analysis is centred around those reform and change policies which are designed to ultimately lead to the demise of statism and the entrenchment of economic and political liberalization as the new development path in Africa. However, before moving on to a discussion of that challenge for Africa, it is first necessary to indicate that not all African countries have been victims of statism. There are countries, such as Botswana (as discussed in chapter one) and Mauritius, which are models of successful economic and political liberalization for the rest to emulate. Also, several other countries, like Ghana, for example, have begun to make the transition from the lost decade of the 1980s to the promise of the 21st century. Some countries, such as Uganda, have even made significant progress toward economic liberalization and democratization. The challenge is therefore one of spreading and sustaining these gains, through the transition from statism to liberalization, throughout the continent. The primary components of that challenge are discussed below.

Leadership and Good Governance

Much of what ails Africa stems from the failure of leadership or from bad leadership. Yes, it can be successfully argued that much has changed during the past two decades to the extent that multi-party politics now exists in many countries that were ruled exclusively by dictators and despots. Nonetheless, the ongoing civil wars and cross-border conflicts, for example, that continue to rage in some parts of Africa are directly attributable to the lack of inspirational and moral political leadership that can be found in the countries involved. Legum (1999: 59) has quoted the late former President of Tanzania, Julius Nyerere, reflecting on leadership thus: "democracy is a habit.... good habits can be learned slower or faster depending on the example set... by the leaders of society".

Bad leadership breeds bad governance and, perhaps, the single most influential factor contributing to bad leadership in Africa was the entrenchment of neo-patrimonial rule. This entails individual rule by virtue of personal prestige and power; personalized authority, determined by the preferences of the ruler rather than the laws of the land; attempts to ensure the political stability of the regime and personal political survival by providing a zone of security in an unstable or uncertain environment; and the selective distribution of favours and material benefits to loyal followers who are regarded and treated as clients (Bratton and van de Walle, 1997; Callaghy, 1986; Hope, 1997a).

Although neo-patrimonial tendencies can be found in all polities, it is practiced with flair in Africa and is the core feature of politics in most of Africa irrespective of whether power was obtained legitimately through the ballot box or by other illegitimate means. Whereas personal authority and relationships occur on the margins of all bureaucratic systems, they represent the very foundation and superstructure of political institutions in Africa (Bratton and van de Walle, 1997).

The evolution of five modal variants of African post-colonial regimes that embrace neo-patrimonial rule have been identified by Bratton and van de Walle (1997). The first is the plebiscitary one-party system which allowed extremely limited competition but encouraged a high degree of political participation. Mass participation was orchestrated and channelled through symbolic rituals of support for the personal ruler and voters were mobilized and controlled through one-party plebiscites which also included elections and regime sponsored rallies and political demonstrations. By the end of the 1980s, the plebiscitary one-party system had become the most common type of neo-patrimonial regime in Africa (Bratton and van de Walle, 1997).

The second modal variant of neo-patrimonial rule to emerge in Africa was the military oligarchy. In this regime type, exclusion was the overriding characteristic. Elections were either few or not held at all and all decisions were made by a small elite usually behind closed doors. Although there was generally a visible leader, power tended to be in the hands of a junta, committee, cabinet, or revolutionary council that included military officers, technocrats, and other civilian advisers. Military oligarchies were fashionable in the 1970s and 1980s in such countries as Ghana, Sudan, and Nigeria, for example (Bratton and van de Walle, 1997).

The next modal variant to emerge was the competitive one-party system. This type of neo-patrimonial regime tolerated limited political competition where voters were given restricted electoral choices. However, such regimes were also relatively stable and resisted military intervention. Some amount of pluralism was also tolerated and opposition to the regime was allowed on the fringes of the party and among civil society. During the 1980s, examples included Cameroon and Tanzania (Bratton and van de Walle, 1997).

The fourth modal variant of neo-patrimonial regimes to emerge in Africa was the settler oligarchy. Settler oligarchies practiced exclusionary democracy whereby the politically dominant racial group used the instruments of law to deny political rights to ethnic majorities through a combination of restrictive electoral franchise and coercive state of emergency measures. However, the settler oligarchy concurrently maintained the trappings of democracy within their own limited enclaves by such practices as leadership change through elections and a semblance of independent courts and press freedoms. Consequently, while political competition and political participation were permitted for a privileged minority, they were denied to the majority. The best examples of the settler oligarchy were South Africa and Namibia through to the early 1990s (Bratton and van de Walle, 1997).

The final modal variant to evolve was the multi-party system. They are characterized by relatively high levels of both political participation and political competition, guarantees of a universal franchise for voters, enforceable equality before the law, and the existence of several political parties that are free to contest elections that are generally fair. Since 1990 many African countries have moved toward multi-party systems to become members of the previously small group of countries, including Botswana and Mauritius, for example, that have consistently been multi-party democracies. However, many of the African multi-party systems suffer from such shortcomings as weak opposition parties and limited leadership turnover. Consequently, these multi-party systems are regarded as hybrid regimes in which the formal rules of electoral democracy compete with informal personal ties of patrimonial leaders to influence the actual practice of politics (Bratton and van de Walle, 1997).

The foregoing five variants of neo-patrimonial rule in Africa are in sharp contrast to the prevailing situation in the 1960s and early 1970s when the quality of leadership was seen as a major ingredient in Africa's political progress and a key determinant in the improvements in socio-economic conditions (Sirleaf, 1996). The deterioration in the quality of African leadership, which began in the early 1970s, resulted in the replacement of long-term objectives, strategies, and programs with myopic and short-term policies exemplified by large public sector deficits to support politically determined projects, overvaluation of currencies, inefficient regulation of domestic and foreign trade, and foreign exchange controls, for example. On the political side, partisanship, tribal allegiance, and nepotism replaced inclusion and compromises, ultimately degenerating into a concentration of power and outright dictatorship, many times of a violent and repressive military nature (Sirleaf, 1996).

Fundamental to the transition to good leadership is the quest for good governance. The latter was defined in chapter one and entails a situation wherein public resources and problems are managed effectively, efficiently, fairly, and in response to critical needs of society. Effective democratic forms of governance rely on public participation, accountability, and transparency (UNDP, 1997c). Taken further, good governance basically amounts to getting politics right to maintain legitimate responsibility, accountability, and civic peace in all their aspects (Hyden, 1998).

According to Hyden (1998), accountability refers to the rules that shape the extent to which citizens can hold public officials, elected or appointed, responsible for their actions and decisions. Responsibility refers to those rules that influence the behaviour of public officials in ways that predispose them to be responsive to public demands and act in the interest of citizens. Civic peace pertains to the rules that set the mood for the relationship among disparate religious and ethnic groups in society.

The patrimonial nature of African leadership has considerably undermined good governance in the region and continues to do so despite the gains made in political liberalization during the 1980s and 1990s. Personalistic rule, for example, is characterized by incumbents using national resources, which of course they control, to purchase loyalty and thus maintain a monopoly on power and the supply of legislation (Mbaku, 1997). Absolutely no distinction is made between personal and public property. As a matter of fact, public resources are openly used to ensure loyalty and regime and personal survival.

Moving toward good governance is a fundamental requirement of the quest for political and economic liberalization. Patronage, personalistic rule, nepotism, clientelism, and the like are alien and inimical to good governance. In other words, the practice of neo-patrimonialism entrenches bad governance rather than facilitate good governance. Amoako (1996), for example, has argued that good governance is a key element in the process of achieving broad-based social and economic growth. Among other things, good governance ensures the most efficient utilization of already scarce resources in the promotion of development; promotes the rule of law; and enhances participation, responsibility, and accountability. Achieving good governance must be a priority for African leaders, sooner rather than later, in this new millennium.

Consequently, good leadership and good governance are imperatives in Africa because they would provide the means and represent the realm through which good policies can be implemented in the national interest. Bad leadership, by definition, will not, and has never been, in the national interest. On the contrary, it tends to be self-serving and corrupt and blatantly displays a disrespect for political competition, participatory processes, and all of the other elements that contribute to an environment of good governance and, ultimately, the promotion of social cohesion and sustainable development which, in turn, contribute to the mitigation of poverty — which remains a very serious problem in Africa.

Civil Society and Democratic Consolidation

The concept of civil society was defined in chapter one. It is considered distinct from general society to the extent that it involves citizens acting collectively in the public arena to express their interests, views, preferences, as well as ideas and to "exchange information, to achieve collective goals, to make demands on the state, to improve the structure and functioning of the state, and to hold state officials accountable" (Diamond, 1999: 221). The consolidation of democracy requires, among other things, the existence of a political system in which government can be held accountable to the people and where preferences and interests can be registered to influence policy, and to examine and check the exercise of state power (Diamond, 1999). That dimension is the realm of what is termed civil society. However, it must also be pointed out here that democratic development and consolidation requires that civil society not only monitor, scrutinize, and criticize the state apparatus and ruling regime but also provide them with loyalty and positive support when they are individually or collectively demonstrating adherence to democratic principles (Diamond, 1997).

In Africa, civil society is weak and constrained. This was found to be the case even in Botswana (Edge and Lekorwe, 1998), which is one of the very few liberal democracies in Africa. There exists both an indifference by the masses and a bold stifling of civil associations by ruling regimes. Some analysts have argued that the latter has given rise to the former in the sense that African peoples show relatively little interest in politics largely because many social groups are denied access to the benefits of political change (Monga, 1999). Moreover, it is a risky affair to attempt to invoke civil rights to exercise civil society functions. In Zimbabwe, for example, under the regime of President Robert Mugabe, journalists have allegedly been frequently arrested and tortured for reporting on matters the regime deems to be out-of-bounds. That is, anything which the regime does not want to be made public or considers embarrassing.

As a matter of fact, throughout the African continent, civil society organizations are struggling against great odds to maintain the hope of democracy; to counteract the power of the ruling regime; to inform society and move it toward higher levels of political and economic participation; and to counteract some of the worst abuses of ruling regimes including human rights violations, rampant corruption, and the lack of respect for judicial decisions and the rule of law (Diamond, 1999; Hope, 1997a). Zimbabwe, under President Robert Mugabe, is a classic example of a regime that frequently demonstrates authoritarian tendencies and disrespect for the rule of law including ignoring court decisions with which it disagrees.

On the whole, the vast majority of Africans have been excluded from participation in matters related to national affairs since the patrimonial state rendered any form of associational activities as impractical and improbable. Indeed, through coercion, manipulation, and control, the components of civil society have been denied the necessary autonomy to be effective as a countervailing mechanism to state power. Due to the weakness of restraining institutions in African patrimonial states, there is little chance of stopping a political leader's use of coercion, manipulation, and control of the forces of civil society (Cartwright, 1983). Beyond that, there is also the contention that civil society does not always embrace the peaceful harmony of associational pluralism (Lemarchand, 1992). It is argued by Fatton (1995: 73), for example, that:

> Civil society in Africa is conflict-ridden and prone to Hobbesian wars of all against all. It is the prime repository of "invented" ethnic hierarchies, conflicting class visions, patriarchal domination and irredentist identities fuelling deadly conflicts in many areas of the continent.

Nonetheless, to the extent that a well-organized and vibrant civil society is able to check the power of government, hold the leadership accountable, and promote a strong sense of citizenship among the public, the challenge now is to promote the development and sustainability of African civil societies as a key aspect of the attempt to consolidate democracy in the region. Already, in those countries where the transition to democracy is relatively advanced, civil societies are keeping themselves busy in the service of democratic consolidation (Gyimah-Boadi, 1999). In South Africa, for example, human rights groups have been challenging the national government's crackdown and brutal response to the perceived problem of increasing numbers of refugees and illegal immigrants. In Zimbabwe, there was a chorus of criticism from the media, opposition groups, and human rights groups against the statement allegedly made by President Robert Mugabe regarding his intent to eliminate his opponents after the referendum vote on his draft constitution failed in February 2000.

Apart from being constrained by the state, there are three other key areas of weakness which need to be tackled by African civil societies if they are to emerge as serious players in the process of democratic consolidation. The first relates to the need for them to be seen and regarded as indigenous entities serving local or national interests rather than as mouthpieces for outside or foreign agendas. For

African civil societies to have legitimacy and be taken seriously, they must have a membership and management structure that is entirely African and they must develop programs of action and areas of interest that fit the needs of their respective constituencies as opposed to those of external players. Much too frequently, ruling regimes dismiss the concerns and actions of civil society groups by declaring them (the civil society groups) as puppets of outside interests. Though such a charge may not be true in most cases, if it is true in just one instance, both the credibility and popular support for such a group will suffer.

African civil societies must therefore be born out of a specific need or purpose arising from local or national issues of concern. Of course, many civil associations, such as churches and human rights groups, are affiliated to a global or international body. However, as long as such affiliations do not dictate local policy and courses of action in the interest of the said local or national civic space, such civil associations would be in a position to effectively undertake their mandate and garner much local support.

The second key area of weakness which needs to be tackled, and has some bearing on the first, is that of the severe material and financial deficiencies of the majority of the civil associations in Africa. Most of the NGOs, for example, depend almost exclusively on foreign donor assistance. In many instances, such assistance comes with conditionalities which both dictates and constrains the recipient civil societies to specific areas and methods of operation. Very frequently also, when the funding is terminated, the beneficiary civil associations tend to become moribund.

Undoubtedly, African civil societies need to pursue internal sources of funding to, in turn, pursue their work. However, given the economic circumstances faced by the citizenry of many of those countries, it will be virtually impossible for the civil associations to raise all of their required funds from indigenous sources. Nonetheless, the NGOs, and other civil associations need to make a greater effort to raise funds internally rather than externally. Charity certainly begins at home and the ownership and benefits stemming from democratic consolidation must be forcefully conveyed to the citizenry and the private sector to convince them to donate funds toward that effort. Perhaps, one alternative that needs to be considered is for those civil society organizations, engaged in similar types of activities, to consolidate themselves and form umbrella groups through which they can pool their resources and more cost-effectively organize their work.

However, it is too easy to argue that civil associations should be independent and financially supported from within their own borders. Rather, this work agrees with and summarizes the view expressed by Diamond (1997) that many of the most important and democratically promising civil society organizations in Africa — such as those engaged in election and human rights monitoring, political empowerment of women, and campaigns on behalf of the poor and voiceless — could not exist today without funding from foreign donors, and many of these organizations will continue to be dependent on such funding for some time to come.

Certainly, foreign assistance to civil society organizations in Africa, and elsewhere, poses considerable predicaments which can be ameliorated if: (1) such organizations have total autonomy and the freedom to plan and conduct activities as they see fit; (2) funding renewals are based on thorough reviews and evaluation conducted by independent consultants to assess the work of the organizations — at least two assessments should be done by a group of consultants each respectively commissioned by the funders and the organizations concerned and working independently and separately from each other; (3) a period of time is specified beyond which a given donor will not provide funding, thereby lessening dependence; and (4) organizations actively seek funding from a wide array of foreign donor sources to prevent any single donor from dominating and trying to influence their work (Diamond, 1997; Hope, 1997a).

The final key area of weakness pertains to the personnel turnover in the organizations which severely affects their ability to mount activities and campaigns in a sustainable manner. Many leaders use the civil society organizations as stepping stones to other jobs (including parliamentary or Cabinet appointments) in newly elected governments, to high profile leadership appointments in opposition political parties, or to posts in international organizations. Other leaders have left civil society organizations because those organizations degenerated into entities that were dominated by factions split either along ethnic or gender lines, rural-urban status, or loyalty to the ruling or opposition political parties. Still, some others have left because their very organization that was championing the cause of democratic consolidation had itself become undemocratic and captured by charismatic leaders and leading to public distrust in the said organization. Gyimah-Boadi (1999) has pointed out, for example, how the credibility of civil society was ruined by religious fundamentalism in Algeria and ethnic genocide in Rwanda and Burundi. In other instances, some civic organizations have disbanded altogether.

Despite the weakness of civil society in Africa, beginning in the 1990s, democratic transition and consolidation began to take hold. In 1990, there were only three countries in Africa that were continuously democratic since they achieved independence — Botswana, the Gambia, and Mauritius. The ascendance of democratic ideals during the 1990s to the present left few countries untouched and signalled that Africa was finally accepting "the universal validity of democracy and the political reality of the post-Cold-War period" (Ottaway, 1999: 6). Contributing to the transformation is the failure of most African governments to put in place viable political systems as well as the increasing discontent of the citizenry with their quality of life (Ottaway, 1999).

However, despite the democratic transition occurring in Africa, there is pause for some concern about the prospects for democratic consolidation on the continent. This concern has been well addressed by Joseph (1999) in his exploration of Africa's *abertura* (a Portuguese term for political opening) to closure in the 1990s. He persuasively demonstrates that Africa's democratic transition has resulted in the emergence of 'virtual democracy' regimes. These types of regimes (also termed pseudo-democratic) continue the illusion that they are governed by democratic institutions and practices in order "to satisfy prevailing international norms of presentability" (Joseph, 1999: 4). In other words, the emphasis of these regimes is on symbols, ritual, and appearance rather than a commitment to democratic ideals.

In countries where competitive multi-party elections did usher in democracy, many of the leaders elected degraded fundamental aspects of the democratic process through which they themselves were able to ascend to power. These rulers lapsed back into manipulating political rules in order to consolidate their personal hold on power. Consequently, what emerged is what Bratton and van de Walle (1997: 233) called "big-man democracy, in which the formal trappings of democracy coexist with neo-patrimonial political practice". This retreat away from democracy toward declining political competitiveness and the entrenchment of ruling parties and presidents is well represented by many African cases where sitting governments write rules to their advantage and their leaders continue to be less than fully transparent about their intentions on fundamental democratic principles (Bratton and Posner, 1999). Harbeson (1999), for example, has argued that the literature on democratic transitions puts too much emphasis on elections. He suggests that establishing the fundamental rules of the game is just as important. The lesson here is that the process of democratic consolidation in Africa now needs to move beyond just elections to behaviour and actions which demonstrate an acceptance of, and the creation of an enabling environment for, institutions and other constitutional instruments to function and prevail.

To be sure, an example can be found in the many more leaders in Africa who are now voluntarily vacating their offices and observing constitutional time limits, *albeit*, in some instances, through significant pressures from domestic civil society and the international community. In the 1990s, there were 9 retirements of African leaders compared to 8 in the previous three decades. Undoubtedly, this aspect of democratic consolidation has also influenced the rate of military takeovers in Africa which has declined steadily, falling from 0.087 per country year in the 1960s to 0.046 per country year in the 1990s (African Development Bank, 2001; Goldsmith, 2000). Consequently, the region-wide probability of an African leader being overthrown is currently one-half what it was in earlier years. Not surprisingly, leaders in the 'most free' countries, such as Botswana, were the least likely to be overthrown, killed, arrested, or exiled while leaders in the mostly unfree and repressive states had a higher rate of negative fates (Goldsmith, 2000).

Economic Liberalization and Development

Compared to most countries in other regions of the world, African countries are distinctive not just for their political characteristics but also with respect to their poor economic performance and dependence on foreign assistance (Bratton and van de Walle, 1997). Since there is overwhelming evidence of a positive correlation between economic liberalization and development (Hope, 1997a; Lal, 1994; Sachs and Warner, 1997), the challenge for African countries is to unshackle their economic markets to further the process of liberalization and create the environment required for development to be sustained. This challenge takes on even greater importance in the context of economic globalization which refers to a world in which national economies, producers, and investors increasingly behave as if the world economy is borderless and consists of a single market and production area with regional or national subsectors, rather than a set of national economies linked by trade, investment, and financial flows.

As previously mentioned, Africa's dismal economic performance and crisis have been the direct result of state intervention or, as President Museveni of Uganda prefers to call it, "economic strangulation by the state" (Museveni, 2001). Under the best of circumstances, state intervention has been found to retard economic growth, restrict economic development, and often result in famine, starvation, malnutrition, and general deterioration in the quality of life. The poor have become poorer than they would have been in the absence of the intervention (Osterfeld, 1992). Consequently, statist policies have not produced the desired development and modernization in Africa.

On the contrary, what emerged was mismanagement, corruption, poverty, and economic stagnation. Moreover, state intervention in Africa seldom took place for the benefit of the nation state. More commonly, such intervention has been used by political elites to enrich themselves and their cronies at the expense of the poor and to the detriment of sustained socio-economic development. State intervention in economic affairs is incongruent with the efficient allocation of resources and discourages financial flows to those economies actively pursuing such policies instead of harnessing market forces. Without market allocation of resources, economic development became elusive in Africa since the state lacked the ability to redistribute its limited resources (that which was not looted) to efficient and optimal use. The inevitable result was, among other things, the crumbling and decay of infrastructure, price distortions, retreat of private foreign investment, and the amassing of heavy external debt. The state, in turn, became the problem in Africa and the enemy of development (Ayittey, 1994).

As discussed in chapter nine, beginning in the 1980s, and in concert with democratic openings, many African countries embarked on structural adjustment programs (SAPs) as the policy framework to reorient and liberalize their economies. Encouraged and assisted by World Bank and IMF policy advice and lending, SAPs were applied in a 'big bang' approach to come to grips with the economic decline and failure of the African countries. By so doing, African countries began to disengage from their statist frameworks and achieved satisfactory success in doing so. The counterfactual here is that African economies would have been worse off today in the absence of SAPs or some similarly destined alternative.

For the immediate future and beyond, African economies need to build on the SAPs model. Preferably, such policy reform should be home-grown with an emphasis on self-reliance. The basic economic principles are now clear and African policy-makers and their advisers need only to get the mix right. In addition, a wall of separation must be created between the political and economic realm to dissuade the political elite from manipulating markets for their personal gain (Osterfeld, 1992). Markets are not perfect. However, when they are free of distortions, they are the most efficient mechanism for promoting sustainable socio-economic development and reducing poverty.

Public Sector Reform

Beyond political leaders, regimes, and civil society, the role of the public bureaucracy looms large in the transition from statism to liberalization in Africa. Currently, the public bureaucracy in most African countries is characterized by a combination of some or all of the following elements: insufficiently productive; poorly motivated; too large; more costly than be afforded; contains many who are superfluous; lacking in required skills and expertise; improperly remunerated; ill-equipped and poorly structured; overextended (containing too many ministries, agencies, or departments); lacking appropriate accountability; inherently weak on policy capacity; suffers from patrimonial and ethical distortions; and prone to procrastination and service delivery delays.

In other words, the public bureaucracy in most of Africa is still dysfunctional and currently incapable of the minimum level of functioning and quality service performance and delivery required to effectively contribute to the transition from statism to liberalization. It should be noted here that many of the characteristics of the African public bureaucracy enumerated above can also be found in other developing countries and regions. However, all of these characteristics, or the majority of them at least, were not present in the immediate period following independence. They emerged and became serious impediments to sustainable growth and development in the

1970s post-colonial era when successor regimes hijacked state institutions and emphasized and exercised the centrality of state power and control, dominated by patrimonialism, at the expense of serving the needs of the public. And, despite some attempts to roll back the dominance of the state in economic affairs and reform the public bureaucracy under SAPs, there is still much that remains to be done with the African public bureaucracy generally when performance and functioning are assessed in relationship to what obtains in such examples of economic success as Botswana and Mauritius. African societies need a capable public bureaucracy to, among other things, keep order, collect revenue, and implement programs. The sub-Saharan Africa region lacks these managerial endowments (Goldsmith, 1999).

It should be quite well understood, since the literature has made it clear, that a well-functioning bureaucracy can help to improve the efficiency with which resources are allocated and promote growth and poverty reduction by providing sound policy input and delivering critical public goods and services in a cost-effective manner (Campos and Pradhan, 1998; Hope, 1997a). In Botswana and East Asia's miracle economies, for example, the public bureaucracy has always played a powerful role in formulating and coordinating strategic policies. Dedicated bureaucrats in these countries have a common understanding of what is desirable and undesirable behaviour, manifested in formal and informal norms and grounded on a set of objectives, and a devotion to upholding the integrity of the process and accomplishing desired outcomes (Campos and Root, 1996; Hope, 1997a; Quah, 1996).

In the African transition process there are three primary implications for the public bureaucracy. These are: (1) providing an effective regulatory framework that is vital to the efficient functioning of markets; (2) re-orienting the public service to be efficiency-conscious with respect to cost and time; and (3) greater reliance on market mechanisms for the management and delivery of public services (Agere, 1999). In other words, the public bureaucracy should conduct itself in a rational and legal manner (as opposed to a patrimonial one) through reforms such as those suggested by the new public management (NPM) framework.

The NPM framework is discussed in chapter eight. However, suffice to say here that the NPM reforms seek to redimension the relations between the public bureaucracy, markets, and societies by giving prominence to market forces, managerial efficiency, and accountable government. The central feature of the NPM is its emphasis on performance incentives and the disciplines that exist in a market environment applied to the public sector. For example, taxpayers should get full value for their money; there should be greater flexibility in allocating financial and human resources; more operational functions should be subject to competition and contracting out; performance indicators and incentives should be introduced for personnel and agencies; and objectives and outcomes should be subject to measurement (Bangura, 1999; Flynn, 1993; Hirschmann, 1999; Larbi, 1999; Metcalfe and Richards, 1990; Moore, 1996).

Most elements of the NPM framework have always been operational in Botswana or are understood to be available to be operationalized in support of the sustainability of good governance. As pointed out by Goldsmith (1999), the public bureaucracy in Botswana started off on the right foot. Unlike the rest of Africa (except Mauritius), Botswana's political leaders stayed faithful to their initial visions on how the public bureaucracy should function and made the necessary policy choices to reinforce that. The emphasis has always been on an apolitical and meritocratic public service within a transparent and competitive political system. In most of Africa, on the other hand, political interference, low standards, and a personalized system of bureaucratic control set the wrong tone at the beginning. The challenge therefore for those countries is to alter attitudes and accept the NPM approach as the required direction to effect necessary public sector reform in support of liberalization and promote cost-effective quality service delivery.

Environmental Management

Managing the environment in Africa in the transition from statism to liberalization takes on added importance due to the fact that African economies depend heavily on their capital of natural resources. This is even more true in the context of alleviating poverty, as demonstrated in chapter seven, because environmental degradation primarily affects the poor in both rural and urban areas (World Bank, 1996b). The challenge here is to find the right balance between the need for market-oriented policies, which may promote industrial and employment generating activities in environmentally sensitive areas (such as logging and mining), for example, and the imperative to protect such areas for the benefit of future generations in the context of sustainable development.

Sub-Saharan Africa contains a great diversity of ecosystems spanning sparsely populated rain forests, densely populated savannas and drylands, flat coastal zones, and plateaus and highlands (World Bank, 1996b). As population growth and poverty have increased over the years, so has environmental damage. In such countries as Nigeria, Sudan, and Burkina Faso, about 74 to 96 percent of all energy is supplied by burning wood. In African cities, cars and buses choke the roadways with negative impacts on air quality (Handelman, 1996). At the same time, the economic attraction of cities has contributed to urbanization and urban population growth which have, in turn, been major contributors to environmental degradation. As discussed in chapter seven, Africa has the highest urban growth rate of all regions in the world.

One of the most desirable methods of both improving the quality of life and preserving the environment, is through population control. This, of course, is not a new idea and it has never worked in Africa. The continent continues to have the highest total fertility rate among world regions (5.8 births per woman in 1995–00 compared to 3.6 in South Asia which is the second highest) and the highest adolescent fertility rate (134 births per 1,000 women aged 15–19 compared to 119 in South Asia) (UNDP, 1999, 2001; World Bank, 1999a). However, in this 21st century, which is optimistically referred to as Africa's century by some African leaders, controlling population growth needs to take on greater urgency not only in the context of environmental management but also for improving standards of living generally.

In addition, national environmental action plans need to be developed based on reality with respect to implementation capacity rather than being just 'wish lists'. This is an area where there is considerable scope for public-private partnerships and where civil society groups can play a very constructive role in shaping a common voice of community interests and articulating firmly held views of the citizenry. From an international perspective, NGOs have been most successful in the environmental activism arena. African governments should therefore engage them constructively in the cause of managing the environment for sustainable development.

Conclusion

As this chapter shows, most African countries continue to face a number of challenges in the process of the transition from statism to liberalization. Most of these challenges have arisen from the fact that the necessary leadership is lacking to propel the bureaucracy, civil society, and the society at large to new and remedial heights of cooperation and interaction in the national interest. Good policy reform for sustainable development is derived from good governance and good governance is derived from good leadership.

Good governance is also regarded by the World Bank (1992: 1) as being "synonymous with sound development management". Moreover, good governance is now universally accepted as being central to creating and sustaining an environment which fosters strong and equitable development, and is an essential component of sound economic policies. These sound policies include governments playing a key role in establishing the rules that make markets work efficiently, and that also correct for market failure (World Bank, 1992).

For good governance to emerge there must be good leadership. Bad leaders, on the other hand, will not be predisposed to extolling the virtues of good governance and actively seeking to bring it about and have it entrenched. Good leaders are those leaders who by words and deeds, among other things, support and uphold the rule of law, promote competitive party politics, demonstrate high ethical and moral character, encourage the functioning of a meritocratic bureaucracy, discourage ethnic rivalry, regard civil society as an indispensable element of the process of democratic consolidation, and exercise prudent fiscal management. Some of these characteristics of good leadership are currently emerging around the African continent. The ultimate concern is to what extent they will be sustained and protected, and others pursued, in the national interest during this 21st century.

CHAPTER SIX

CORRUPTION, ETHICS AND DEVELOPMENT IN AFRICA

What is the problem of corruption in Africa? Why is corruption much more socially enbedded on the African continent than in other regions of the world? Thesis two, of the six general theses of corruption developed by Olivier de Sardan (1999: 28) states that:

> Corruption . . . . has become, in almost all African countries, a common and routine element of the functioning of the administrative and para-administrative apparatus, from top to bottom. This being the case, corruption is neither marginal nor sectoralized or repressed, but is generalized and banalized.

In other words, corruption in Africa is a way of life and reflects the general, and legendary, climate of unethical leadership found throughout most of the continent. Ethics here is defined as a code of conduct, a set of rules and values governing the good behaviour of all members of a society — people of all races, rich and poor, male and female alike (Hill, 1980). Ethics precedes and leads to law. The ethics of a progressive society continues to generate new patterns of behaviour that are ahead of and above the law.

The ethic that is embodied into the law is usually based on the morality of the majority of a society. When the morality of the majority operates at a level lower than the law, as in the entrenchment of corruption in Africa, such a condition leads to a breakdown of the law and endangers the stability of a society. The effects of that process are now quite clear in Africa. In addition, honesty is an integral aspect of ethical leadership. It is, in fact, the starting point of all ethical behaviour. Without a high degree of honesty, a free society cannot function and it becomes unmanageable. Government then becomes costly and inefficient and centralized authority and coercive patrimonial activities emerge (Dia, 1996; Hope, 1997a).

The pandemic of corruption in Africa, and its extremely negative impact on socio-economic development and the fight against poverty in the region, have become matters of global concern with a number of international organizations now focusing their attention on the root causes and consequences, as well as action to control this crisis in ethical leadership. This concern is also being vigorously pursued by Africans themselves who now talk openly about how their everyday lives are permeated by behaviours and values which are unethical and contribute to the entrenchment of norms perpetrated by corrupt politicians and bureaucrats (Harsch, 1997). Indeed, such concern is a good thing, for, until Africans themselves decide to forcefully react against the stench of corruption to which they are currently subjected, it will remain a societal norm poisoning civil society and splitting it into rent-seeking elites and helpless spectators.

The foregoing clearly demonstrates why Africa is an appropriate unit of analysis in the study of corruption. Ayittey (1992, 1998), for example, argues that the continent has been betrayed and is in economic chaos due primarily to corruption stemming from the unethical behaviour of its leaders. Indeed, in the corruption perceptions index, compiled annually by Transparency International (TI), among the top six most corrupt countries, three to four have consistently been African (Transparency International, 1996, 1997, 1998, 1999a, 2001a). The corruption perceptions index is a 'poll of polls' drawing upon numerous distinct surveys of expert and general public views of the extent of corruption in many countries around the world (Transparency International, 1998).

This chapter critically explores the corruption phenomenon in Africa. It isolates the major causes, analyzes the development consequences, and discusses measures to curb it as a rapidly growing crisis in ethical leadership.

Nature of the Corruption Phenomenon

Everyone who lives in Africa and many of those who have visited have routine experience in dealing with corruption, since it is part of the social landscape (Olivier de Sardan, 1999). Corruption may be difficult to describe but it is certainly not difficult to recognize when encountered up close and personal or observed from far. In Africa's post-colonial milieu, corruption has become "a part of the popular know-how, at the base of good usage of administrative services, and is indispensable for survival" (Olivier de Sardan, 1999: 28). With independence, most African countries drifted shamelessly into the transformation from a bureaucratic administration that emphasized good governance, and law and order, to one that emphasized the sovereignty of politics (Hope, 1997a; Tordoff, 1997). This resulted in the emergence of a politicized bureaucracy in countries that began to engage in centralized economic decision-making and patrimonialism. The new states were not only bureaucratic autocracies but also political and economic monopolies that were now lacking in accountability, transparency, and the rule of law (Dia, 1993).

Thus, the post-independence governmental bureaucracy that emerged in most countries contributed to institutional instability, the politicization of the state, and patrimonial economic management and incentives, whereby clientelism replaced moral and political legitimacy, and political and personal loyalty and obedience were rewarded more than merit (Dia, 1996). With no effective restraints on government behaviour, corruption became widespread, and favouritism and cronyism undermined the very substance and neutrality of public power by failing, among other things, to recognize the need to cope with the civic requirement for public accountability and integrity (Hyden, 1998; Jackson and Rosberg, 1998; Lewis, 1998; McCarthy, 1994).

This then was the genesis of rampant corruption in Africa. The unethical politicization of the bureaucracy allowed for the entrenchment of the use of personalism and patronage as the means through which authority and influence were exercised (Adedeji, 1991). The politicians and the bureaucrats forged a dependent patron/client relationship through which administrative decision-making occurred. This process, inevitably, led to a cooperative and institutionalized abuse of public office for private and personal gain.

Corruption can now be defined against this background. The term comes from the Latin verb to break, *rumpere* — which implies that something is broken (Tanzi, 1994). This something might be a moral or ethical code or, more often, an administrative rule or a law. The person who breaks it derives therefrom some recognizable benefit for him/herself, family, tribe, party, or some other relevant group. In this work, corruption is, first and foremost, the utilization of official positions or titles for personal or private gain, either on an individual or collective basis, at the expense of the public good, in violation of established rules and ethical considerations, and through the direct or indirect participation of one or more public officials whether they be politicians or bureaucrats (Hope, 1999a).

In a somewhat more simplistic sense, corruption may be seen as partisanship that challenges statesmanship (Werlin, 1994). It is an act or acts undertaken with the deliberate intent of deriving or extracting personal and/or private rewards against the interests of the state (Hope, 1985, 1987, 1997a). Such behaviour may entail theft, the embezzlement of funds or other appropriation of state property, nepotism and/or the granting of favours to personal acquaintances, and the abuse of public authority to exact monetary benefits or other privileges.

Widespread corruption is a symptom that the state is functioning poorly. It is therefore not only a failure of ethical leadership but of governance as well. The problem of corruption also lies at the intersection of the public and private sectors. It is a two-way street. Domestic and external private interests wield their influence illegally to benefit from opportunities for corruption. Indeed, bribes, for example, have often been considered as legitimate business expenses which have been tax deductible, and shown in the books of companies as such, in some industrialized countries, for example, Germany (Moody-Stuart, 1997). In March 1999, Germany finally abolished the tax deductibility of bribes.

Tanzi (1998: 565) has classified acts of corruption into the following seven categories, all of which are directly correlated with the broad corruption complex in existence in Africa:

- "Bureaucratic (or 'petty') or political (or 'grand'); for example, corruption by the bureaucracy or by the political leadership
- Cost-reducing (to the briber) or benefit enhancing
- Briber-initiated or bribee-initiated
- Coercive or collusive
- Centralized or decentralized
- Predictable or arbitrary
- Involving cash payments or not".

Major Causes

Corruption is one of many African development problems, as discussed in this book, endogenous to the situation and often symptomatic of other difficulties (Johnston and Doig, 1999). It thrives in Africa for many reasons as discussed below. However, the primary catalyst is the fact that ethical leadership and, therefore, public accountability is seriously lacking. Public accountability means holding officials responsible for their actions. It is also central to good governance. Such a lack of real accountability has been regarded elsewhere as a major bane of Africa which has bred irresponsibility among public officials and has further led to resistance and cynicism among the citizenry (Adedeji, 1995).

Discretionary Power

It is relatively easy for the ruling elite to use their discretionary power for personal economic or political gain since they hold a monopoly on such power and cannot be circumvented. This exercise of state power, as it were, has led to the supremacy of the state over civil society and, in turn, the ascendancy of the patrimonial state with its characteristic stranglehold on the economic and political levers of power. It is through this stranglehold that corruption thrives for it is through this stranglehold that all decision-making occurs and patronage is dispensed. As a matter of fact, in some countries, no distinction is made between public and private interests and government officials simply appropriate state assets. These are kleptocratic or 'vampire' states where the rulers and their associates view the regulatory system as a source of personal profits and therefore loot their country's wealth as they wish (Andreski, 1968; Rose-Ackerman, 1997, 1999). Two good examples are the former Zaire under Mobutu and Nigeria under Sani Abacha.

Such is the pervasiveness of the patrimonial state that the citizenry have adapted to it. Individuals, as well as those people in positions of authority and/or influence, tend to shift their loyalties and political allegiances to the ruling regime of the day for reasons of personal survival and economic gain. The system of patronage therefore thrives, primarily because membership of particular groupings is a more acceptable qualification for a given position, for example, than an individual's actual capabilities. Under such circumstances, corruption tends to run rampant. It becomes truly ubiquitous, reaching into the private sector as well (Elliot, 1994; Kpundeh, 1994; Ouma, 1991). It has now become a way of life in Africa for transactions at a governmental level which seek to do no more than secure objectives that are not officially sanctioned and thereby corroding popular confidence in public institutions. In effect, corruption can be regarded as endogenous to the African political system since the ruling regime is itself predatory (Charap and Harm, 1999).

Expanded State Activity

Corruption is generally connected with the activities of the state. Along with the emergence of the patrimonial state came the expanded role of state activity. Economic decision-making became centralized and public enterprises proliferated. This resulted in an expanding bureaucracy with increasing discretionary power which was put to use as a conduit for graft. Public enterprises then became a playground for corruption and state intervention in economic affairs was the precipitating cause of such a situation.

The expanded role of state activity meant that the public bureaucracy was difficult to avoid. Whatever the transaction, be it getting a driver's licence, telephone service, subsidized credit, tax administration decisions, government contracts for goods and/or services, or permits to sell crops, required the bureaucratic exercise of assumed powers due to the irrational interventions by the state in economic affairs. This, in turn, meant that bribes had to be paid for the transactions to be completed. Thus, corruption can be seen as an outgrowth of government involvement in the economy. It is that involvement that has allowed for the systematic exploitation of illegal income-earning opportunities by public officials and the enhancement of rent-seeking opportunities. Incentives for corrupt behaviour have therefore arisen because public officials have considerable control over the instruments regulating valuable socio-economic benefits and private parties are willing to make illegal payments to secure those benefits (Coolidge and Rose-Ackerman, 1997).

It was reported, for example, that Algerian government officials had pocketed US$26 billion in bribes and commissions on foreign contracts (Ayittey, 1992). In Uganda, the various forms of bribes that have been paid in the past to public officials have been principally attributed to a hostile economy and the insensitivity of the state towards the well-being of its servants, among other things (Ouma, 1991). In Zimbabwe, there were twenty-six cases of corruption involving bribes that were reported for 1991 alone (Makumbe, 1994). In the Democratic Republic of Congo (formerly Zaire), the government charged that the now late former President Mobutu and his cronies had diverted some US$8 billion into foreign accounts, businesses, and real estate holdings (Harsch, 1997).

Also, in December 1996, President Mkapa of Tanzania released the report of the Warioba Commission against corruption which documents in great detail the nature and extent of corruption in Tanzania. The report painted a picture of an oppressed people largely at the mercy of an incompetent and very corrupt state bureaucracy. More recently, in October 2001, the police in South Africa arrested a senior government parliamentarian and chief whip on corruption, fraud, and perjury charges in connection with the receipt of a luxury vehicle and other perks provided to him by the European Aeronautic Defence and Space Company for preferential treatment in securing contracts from the government of South Africa in a multi-billion dollar arms package. The firm, which has an operating base in Munich, is also being investigated by the German prosecutor's office (*The Economist*, 2001; Transparency International, 2001b).

So prevalent and shameful is this matter of bribes in Africa that President Mugabe of Zimbabwe felt compelled to publicly admit so with respect to his own regime. In a stunningly revealing speech at the opening of parliament in 1999, President Mugabe accused his cabinet ministers of accepting bribes from businessmen in exchange for state contracts. He was quoted as saying: "I know that they are buying you for tenders and that some of you are accepting bribes" (Transparency International, 1999b: 13). He further went on to question the ministers' strength of morality and demanded that they try to protect the cabinet's personal integrity and that of the government.

In addition to bribes, the expanded role of state activity also provided additional opportunities for embezzlement and unlawful enrichment. Many leaders and other government officials have been frequently exposed and shown to be in control of wealth and significant assets that are disproportionate to their official earnings. A good litany of the country evidence on this aspect of corruption can be found elsewhere (Ayittey, 1992; Hope, 1997a), and in the quarterly newsletter of Transparency International. Suffice to say here that Africa represents the classic example of a kleptocracy *par excellence.* It is not surprising therefore that it is this aspect of corruption that is most often cited as the justification for the unceremonial removal of governments from office by the military.

Elusive Development

Africa's encounter with centralized economic decision-making and increasing state activity has been catastrophic, to say the least. This encounter has resulted in economic retardation and elusive development (Ayittey, 1998; Hope, 1997a). This, in turn, has created a situation where the great majority of the countries are now among the poorest in the world. Public officials, being among those experiencing the effects of the hardships associated with these retrogressive economic conditions, have tended to pursue corrupt activities to maintain their living standards and/or to simply make ends meet (Shellukindo and Baguma, 1993).

One of the primary fallouts of the deteriorating economic situation has been the erosion and compression of salaries of public officials. In Zambia, for example, the salary of an under-secretary in 1986 was worth only 22 percent of its 1976 purchasing power while, in Tanzania, in 1969 a top public sector salary commanded thirty times the minimum wage in government employment compared to a ratio of only 6:1 in the mid-1980s (Lindauer, 1994). Likewise, in countries as diverse as Ethiopia, Kenya, Nigeria, Somalia, and Sudan, it was found that, over the decade 1975–85, the real value of civil service salaries and the real living standards of civil servants recruited in 1975 had fallen even after allowing for the effects of promotion (Robinson, 1990).

This situation with respect to civil service salaries largely explains the ubiquity of bureaucratic corruption in Africa. Moreover, the further wages and salaries in the civil service fall below those in the private sector, the greater the temptation will be to close the gap by corrupt means. In the Gambia, for example, private sector wages are three to six times higher than those in the public sector (Cartier-Bresson, 1999). This provides strong incentives to pursue and/or accept illicit forms of incomes such as bribes, using or stealing of government property, illegal sale of government services, and so on.

In such circumstances, quite apart from their declining motivation and efficiency, public officials disavow any remaining sense of civic virtue and attempt to supplement their incomes by engaging in corrupt acts. Such acts, although justified in the mindset of the public officials who are engaged in them, are, nonetheless, corrosive and tend to do economic harm and exacerbate the economic decline of their countries.

Lack of the Rule of Law

This factor, important as it is on its own merits, takes on added importance in the context of the patrimonial state as will be seen shortly. Predictability and the rule of law are characterized by policies and regulations developed and implemented according to a regular process which is institutionalized and which provides opportunities for review (Adamolekun and Bryant, 1994).

However, in patrimonial states, such as those in Africa, the formal bureaucratic organizations are captured by the ruling regime which then uses, or interferes with, the powers and functions of government for private gain. This capture includes control over the state instruments for law and order (McCarthy, 1994). Such a state of affairs affords considerable discretion in decision-making and produces irrational decisions that may be illegal but which cannot be challenged in the courts. Under such circumstances, corruption not only thrives but is more likely to go unpunished.

In Zimbabwe, for example, an exercise to detect and punish those public officials involved in an elaborate scheme to illegally purchase and resell motor vehicles became a farce when the first government Minister to be convicted in the affair was pardoned by the President and the Attorney General, subsequently, dropped all charges against the other government Ministers and Members of Parliament on the grounds that they would be pardoned by the President if convicted (Makumbe, 1994). A further example of the lack of the rule of law contributing to corruption can be obtained from the Democratic Republic of Congo whose late former President Mobutu had overseas bank accounts which were known to be stuffed with pilfered state funds.

Similarly, the Nigerian authorities announced in October 1999 that they had evidence that more than US$2.2 billion had been stolen from the country's central bank by the late dictator General Abacha and his circle and stashed in Swiss banks (Transparency International, 1999b). This discovery was in addition to announcements made earlier in the same year that Abacha and his cronies looted US$400 million from the Ministry of Power and Steel through fake projects (Transparency International, 1999c), and the release of a list of missing funds and illegally-acquired property worth over US$1 billion seized also from the family and aides of Abacha. Over US$760 million in cash was forfeited by Abacha's family in addition to estates in the capital Abuja and the commercial centre of Lagos as well as holdings in Sierra Leone refineries valued at US$420,000. The former dictator's security adviser, Ismail Gwarzo, forfeited 28 houses in different parts of Nigeria as well as holdings valued at US$140,000 in Sierra Leone refineries and over US$2.1 million in cash (Transparency International, 1999c).

Lack of Exemplary Ethical Leadership

The lack of the rule of law automatically suggests that exemplary public leadership would be difficult to find in Africa. This can be attributed to the fact that personal and private interests take precedence over national interests. The state is often an artificial entity. Consequently, public officials have no fear of being held accountable for their actions. They disobey rules and directives and they display a considerable knack for disregarding their responsibilities. In other words, they tend not to exhibit a public service ethic.

When leadership is not ethical it provides encouragement for corruption to occur. This, in turn, shapes the attitudes and patterns of ethical behaviour of each level of subordinates. However, when leaders are recognized for their integrity and concern for the public welfare, these qualities can be reflected in the ethos and performance of the public service and will also have a profound effect on all sections of society. But if corruption is rife, the public bureaucracy is likely to become demoralized and self-serving (World Bank, 1983). In Nigeria, for example, the lack of exemplary ethical leadership in the past contributed to a fragmentation of political life which continues to channel public service loyalty away from the policy process and the abstract state back to themselves in a gross display of corruption (Brownsberger, 1983). Under the military regimes, in particular, corruption came to be regarded in Nigeria not simply in the context that "officials are corrupt, but [that] corruption is official" (African Development Bank, 2001: 119).

In essence, as also noted by Tanzi (1998), when the political leadership does not provide the right example, either because they engage in corrupt activities or because they condone and tolerate such activities on the part of political associates, relatives, and friends, it cannot be expected that the public bureaucrats will behave any differently.

Socio-Cultural Norms

The widespread existence of personalism results in significant loyalties toward one's family, tribe, and friends. Such loyalties are at the expense of loyalty to the state for they often require the contravention of rules and regulations to maintain them. Corruption is therefore advanced by attitudes and patterns of behaviour interwoven throughout the whole socio-cultural fabric.

Socio-cultural norms may be difficult to grasp in the African context. However, such norms remain as very influential forces in day-to-day African life. They often determine, for example, who gets jobs, who gets promoted, who gets government contracts, and so on. In other words, they have a great deal to do with the organization of life, in general, and they are a major source of nepotism and corruption in public life. They breed favouritism and the creation of corrupt social networks within the administrative system. This leads further to the development of a corrupt culture in which such terms like *Kalabule* (in Ghana), *dash* (in Kenya), *Wako-ni-Wako* (in Zambia), and *Baksheesh* (in Egypt), for example, reflect the social reference to corruption and demonstrate the corrupt ethos of public officials (Elliot, 1994; Prah, 1993).

Yet, there seems to be no real stigma or shame attached to such corruption. Indeed, some studies have suggested that those countries where the population consists of several different ethnic groups, as is the case in Africa, are more likely to be characterized by a much more harmful type of corruption. Other studies have demonstrated that an index of ethno-linguistic fractionalization (societal divisions along ethnic and linguistic lines) is correlated with corruption (Mauro, 1995; Shleifer and Vishny, 1993). Consequently, in the context of social norms in Africa, stigma or shame is not an impediment to corrupt practices. On the contrary, "the engrainment of corruption into social habits has the remarkable characteristic of displacing the barriers of shame" (Olivier de Sardan, 1999: 46). This notion has been further demonstrated by Olivier de Sardan (1999: 46) with the following statement:

> An intransigent attitude in the face of all forms of corruption would marginalize its author by reason of the shame that would inevitably befall his relatives, and which could be interpreted as his pride, his scorn for others, his lack of compassion, his rejection of family or friends, his hostility towards social norms.

Summary

In summary, the factors contributing to corruption are somewhat like opportunistic diseases which thrive on weak immune systems. The weak immune system, in this case, stems from the fact that ethical leadership and, therefore, public accountability and integrity are seriously lacking. The ascendancy of the patrimonial state through the exercise of state power, the expanded role of state activity through centralized economic decision-making, economic retardation and elusive development which have led to poverty and lower standards of living, the lack of the rule of law which hampers institutions from acting in the public interest, and socio-cultural norms which regulate and influence relationships among members of the society and those individuals with power and clout, are all phenomena which have uniquely contributed, and continue to contribute, to the cancer of corruption on the African continent.

Consequences

Corruption produces negative consequences of an economic, political, and administrative nature. These consequences, both individually and collectively, categorically impair the process of development in Africa.

Economic

Corruption increases the cost to African governments for doing business. Kickbacks and illegal commissions which have to be paid to public officials are simply added to the final costs of contracts, equipment, supplies, and so on. This not only increases government expenditures and siphons off scarce funds, but eventually leads to the need to increase revenues either through more taxes or by borrowing or by reducing development programs of greater importance and, ultimately, leading to a general welfare loss, lower growth, and macroeconomic distortions for the affected country (Frisch, 1996; Mauro, 1997a, 1997b; Tanzi and Davoodi, 1998, 2001).

Similarly, theft, embezzlement, and fraud by public officials reduces the availability of government funds for development-related activities. In Zimbabwe, for example, the national police disclosed that the government had lost a total of US$3 million in 1991 due to theft and fraud by public officials and, more recently, it was reported that at least 5 percent of Zimbabwe's annual economic output (equivalent to US$300 million) is lost to graft (Makumbe, 1994; *Mmegi/The Reporter*, 1996). Surely, these kinds of losses would have negative impacts on development performance given the country's budgetary constraints. Likewise, the process of economic development has been severely hampered in Mali (one of the poorest African countries with a per capita GNP of US$300) through the looting of the country by the former Head of State, Moussa Traoré, who amassed a personal fortune worth over US$2 billion — an amount that was equal to the size of Mali's foreign debt in 1992 (Ayittey, 1992).

Also, in Kenya, corruption in state enterprises alone has been costing the country an average of US$104.5 million annually. Kenya's Parliamentary Accounts Committee revealed in its most recent report that during the past six years the Chief Executives of the country's 56 state firms misappropriated US$627 million (Wachira, 1996). This was equivalent to 1.2 times the amount Kenya received in official development assistance in 1994.

In the trade sector, corruption results in capital flight and price increases at both the wholesale and retail levels. Corruption in the trade sector is perhaps the most systematic of the corrupt activities in Africa. The role of trade in those states, and hence, the importance of the import-export sector, loom large and provide many opportunities for corrupt practices to be perpetrated. Bribes have to be paid for the clearance of goods through customs, for obtaining import licences, for the shipping of contraband, for exclusion from taxes and fees, and so on.

It has been estimated by the UN Economic Commission for Africa that Africa's stock of flight capital approximates US$150 billion (Harsch, 1997). This is a considerable sum and it is equivalent to about 805 percent of the amount that Africa (excluding North Africa) received in net official development assistance in 1995. One study indicates that Nigeria, Sudan, Côte d'Ivoire, and the Democratic Republic of Congo are, respectively, seriously plagued by the capital flight problem (Murinde, Hermes, and Lensink, 1996). Undoubtedly, some of this flight represents legitimate transfers abroad. However, the great majority is derived from corrupt activities involving public officials. Since capital is scarce and is much needed to bolster the development effort, its outflow from the region, on a large scale, is a very disturbing matter.

Capital flight can be regarded as a diversion of resources from domestic real investment to foreign financial investments. The country of origin loses the associated benefits of such capital even if the yield from such capital were to be repatriated in the future. The loss of benefits include income, and tax revenues. Also, there is the consequence of the redistribution of wealth from country of origin to country of destination. Capital flight is bad because of its micro and macro impact on development. It destabilizes interest rates and exchange rates, it reflects discrepancies between private and social rates of return, it contributes to erosion of the domestic tax base, it reduces domestic investment, and it necessitates increases in foreign borrowing which, in turn, increases the national cost of borrowing (Cuddington, 1986; Polak, 1989).

Corruption also stifles initiative and enterprise. Rent-seeking activities tend to have the effect of inflating the cost of doing business. In Uganda, for example, it was found that the cost of acquiring a plot in a low-density residential suburb in Kampala was more than ten times the official rate (Ouma, 1991). The immediate consequences of such a situation is that entrepreneurs and potential entrepreneurs withdraw from engaging in such investments and the affected economy loses the multiplier benefits that would have been forthcoming with those investments.

Corruption therefore slows down investment and economic growth either by crowding out productive investment directly or through the uncertainty created by bribery contracts which are not governed by formal property rights and are therefore not enforceable. Corruption, in this sense, can be seen as a tax which increases risk and reduces the incentive to invest (Mauro, 1998). Over the longer term, any economy infested with corruption will also have the effect of discouraging potential foreign investors and aid donors.

Finally, with respect to the economic consequences, corruption also impairs economic efficiency. As an example, financial gains obtained through corruption are unlikely to be transferred to the investment sector since ill-gotten money is either used up in conspicuous consumption or is transferred to foreign bank accounts (Gould and Amaro-Reyes, 1983). Furthermore, bribes, commissions, or kickbacks result in wasteful expenditure and, usually, on suspect projects. The commitment of such expenditure eliminates what would have been viable and cost-efficient alternatives. Kenya, for example, bought fighter jets in 1989 from a French firm, rather than a British firm, at twice the cost the latter quoted because the British firm refused to pay a kickback to the Kenyan official negotiating the sale. However, the French firm offered a free presidential jet to Kenya's President (Ayittey, 1992). Kenyan society as a whole was therefore made to bear the corruption opportunity cost.

Political

The second type of consequence of corruption relates to political development and stability. When corruption becomes the *status quo*, its maintenance tends to involve the use of repressive tactics through the state instruments for law and order. Political leaders, in their own self-interest to maintain the patrimonial state, will suppress political opposition and public criticism of their behaviour. In Moi's Kenya, for example, where the state bureaucracy has been privatized by the ruling elite, fear and repression have prevented any serious threat from dissenting groups or individuals. This, in turn, hinders political development and weakens civil society. In February 1999, when four high court judges in Zimbabwe urged President Mugabe to apply the rule of law in a case involving the physical abuse and torture of two journalists by military police, he only replied that both journalists had forfeited their rights due to their "terrifying dishonesty" and went on to accuse the judges of meddling in political affairs and threatened to fire them if they did not resign (Transparency International, 1999d: 5–8).

Corruption also affects political stability because it leads to violence and frequent regime changes. During the past three decades, corruption was the most frequently cited reason for the military takeovers of governments in the region. In Sierra Leone, for example, Captain Valentine Strasser gave his reasoning for his overthrow of the country's government, on April 29, 1992, as the following:

> The nation as a whole was in a state of virtual collapse. Corruption, indiscipline, mismanagement, tribalism, nepotism, injustice, and thuggery were rampant. Members of government were engaged in the plundering of the state's resources to enrich themselves.... (*West Africa*, 1992: 840).

Similarly, in Mali, the overthrow of President Moussa Traoré in March 1991 was attributed to the people's outrage at the high-level corruption and embezzlement which had come to characterize his (Traoré's) regime (Turrittin, 1991). During the 23 years Traoré ruled

Mali, he, and those close to him, amassed considerable wealth while the standard of living of ordinary Malians fell. Some of the excesses included the squandering of aid funds by the building of villas for the ruling elite instead of such funds being used to fight droughts for which purpose they were expressly obtained. As a result, some 300,000 nomads were estimated to have been left destitute (Turrittin, 1991).

Going further back, we also have the case of Niger whose government was overthrown by the military on April 14, 1974. The leader of the coup, Lieutenant Colonel Seyni Kountché, said that the army had brought the problem of corruption to the notice of the country's President on several occasions but no action was ever taken (Higgott and Fugelstad, 1975). The corruption evidence included the misuse of drought relief aid by the ruling party and the acquisition, by the President's wife, of a considerable fortune including many luxury homes which she rented to foreign embassies and public corporations at exorbitant prices (Higgott and Fugelstad, 1975). More recently, in May 1997, a band of guerrillas and freedom fighters also overthrew the oppressive and kleptocratic government of Zaire (now Democratic Republic of Congo). The coup leader, Laurent Kabila, justified his takeover on the grounds of widespread corruption, embezzlement of public funds, and mismanagement on the part of the erstwhile government. When political development and stability are undermined then the process of national development is also undermined. There can be no effective long-term planning under such circumstances and the construction of democracy and the democratic experience become threatened. In other words, things begin to fall apart. That was certainly the experience of Nigeria where, in the past, successive military governments over-stayed their welcome and ruled only by brute force.

In December 1999, the government of Côte d'Ivoire was overthrown in a military take-over. Côte d'Ivoire (Ivory Coast) has long been regarded as an island of peace and prosperity in a region of war and poverty. However, General Robert Gueri, the coup leader, cited a litany of reasons for his ousting of the government of President Henri Bédié which included its xenophobic policy against citizens of neighbouring countries and short-sighted nationalism, combined with corruption and tribal patronage (Doyle, 2000).

According to the African Development Bank (2001), between 1963 and 2000, over 200 African regimes ended with a coup or similar extra-constitutional event. During 1960–99, for example, there were 101 African leaders who were overthrown in a violent coup or similar unauthorized activity with roughly two-thirds being killed, imprisoned, or banished to a foreign country. Twenty-seven of these former rulers died violently. Among those who were not executed or assassinated, 37 were detained and held in jail or placed under house arrest or tried, most often, on charges of corruption.

Administrative

The final type of consequence stemming from corruption pertains to administrative development. Corruption hinders administrative development and performance in developing states partly because of its institutional spillover effects. It has been found that corrupt public officials export their corrupt activities to other institutions by extending influence and pressure on other public officials as a means of sustaining rent-seeking opportunities (Hope, 1987).

Indeed, the damaging effect of corruption on administrative development and efficiency can be very extensive and variegated. Once the corruption syndrome has afflicted a bureaucracy the resulting negligence, protected through favouritism or other influences, creates innumerable problems and grave consequences for the people. Consequently, corruption may be seen from two perspectives: that inflicted on the people, and that practised between corrupt public officials (Alatas, 1990).

Moreover, such corrupt activities can move from a passive to an active phase where public servants do not wait to be approached and bribed but go out and actively solicit individuals to offer bribes in return for the provision of public services. In countries such as Nigeria, such payments are regarded as necessary and routine but they do not guarantee that transactions will be expedited. However, if such payments are not made, it does guarantee that there will be absolutely no action taken on the transactions. In other words, this type of corruption has become the unofficial but operating administrative order not only in Nigeria but in most African countries.

In the former Zaire, under Mobutu for example, public servants openly peddled their access to VIPs and their ability to issue official documents. Soldiers hired themselves out as bodyguards to foreign businessmen. As a matter of fact, almost any transaction needed a sweetener and still does to some extent. The system has produced the quintessential kleptocrat, the *protocole,* a professional payer of bribes to get things done. The *protocole* will introduce himself whenever any official transaction is to be undertaken. His role is to use his influence to keep the amount of the bribe to be paid to a minimum. In return, of course, he gets a cut for himself (Mabry, 1996).

Corruption also affects professionalism in the public services and leads to frustration on the part of the few honest public servants to the extent that they emigrate. In Uganda, for example, these emigrants have mainly included medical doctors, teachers, engineers, economists, and university lecturers from a wide variety of professional fields. This, in turn, contributes to the brain drain dilemma of the African states and thereby further impairs national productivity, output, and the overall development process.

Curbing Corruption

As demonstrated above, corruption has serious negative consequences on the development process. It is also of particular concern because it is a rapidly growing crisis in ethical leadership which is contributing to instability and the institutionalization of weak states. African countries "did not just develop corrupt governments, they spawned corrupt societies — an infinitely more difficult situation to rectify" (Legum, 1999: 42). Consequently, anti-corruption campaigns are necessary and must be sustained if corruption is to be brought under control.

However, corruption can only be eliminated when both public officials and the public make a concerted effort *not* to tolerate it further. But, due to the softness of African states, public officials are reluctant to uphold laws which would get in the way of their personal or sectional interests. The burden must therefore fall on the political leaders as the only individuals with the power to bring about a stronger allegiance to the nation-state and, hence, a commitment to the national interest rather than to personal or sectional interests. Of course, one recognizes that after several decades of entrenched corruption in the African states, it would be very difficult to totally eradicate it. However, its control is possible and, with that, a significant reduction of its negative effects. Below, we describe and analyze three primary sets of mechanisms for controlling corruption.

Punishment

This set comprises domestic campaigns designed to satisfy a social demand for retribution by punishing wrongdoers to make them public examples for deterrent effect. The punishment of corrupt public officials tends to be much more pronounced and very severe in those countries that have experienced military takeovers of their governments. It is a common practice of the military, in the immediate period following such coups, to publicly demonstrate the excesses of the deposed government by arresting, detaining, jailing, and confiscating property of public officials.

In Sierra Leone, for example, following the ouster of the regime of Joseph Saidu Momoh in April 1992, the new military government wasted no time in setting up three Commissions of Inquiry. Although each commission had its own mandate, they were collectively asked to: (1) examine the assets and other related matters of the senior members of the Momoh regime and the Siaka Stevens regime that preceded it; (2) inquire into and investigate said regime members to ascertain whether they maintained a standard of living above that which was commensurate with their past official emoluments, whether they were in control of pecuniary resources or property disproportionate to their past official emoluments, whether they engaged in corrupt acts in such a manner to cause financial damage to the government or a local government or a parastatal, and whether they acquired directly, or indirectly, financial or material gain by fraud or improperly or illegally to the detriment of the central government, a local government, a parastatal, a statutory commission, or the University of Sierra Leone; (3) inquire into and investigate the financial activities of government ministries or departments, local authorities, parastatals, and the Bank of Sierra Leone, or commissions or councils established under the Constitution to ascertain malpractices and irregularities committed and the sums of money and identities of those individuals involved; and (4) inquire into and investigate, under the same terms of reference as for the senior members of the Momoh and Stevens regimes, all public officers, members of the boards and employees of parastatals, members of the armed forces, and members of the police force (Kpundeh, 1994).

Following receipt of the various reports from the commissions, the military governments wasted no time in releasing them as White Papers and accepting their recommendations. Those ex-ministers and senior civil servants found guilty of financial impropriety were forced to pay reparations, return illegally acquired state property, and were disqualified from public life for periods ranging from 15 years to life (Zack-Williams and Riley, 1993). In addition, some public servants and police officers were fired for embezzlement and accepting bribes.

Moreover, the two former presidents — Momoh and Stevens — had a number of their properties and financial assets confiscated by the state. Those assets and properties formed a considerable list. They convincingly demonstrated how comprehensively the state coffers had been plundered by those two former Presidents and they lent credence to the military regime's reasoning behind their overthrow of the government.

Although there are other examples, such as Gambia, Niger, Mali, and Ghana, of military-inspired anti-corruption campaigns designed to punish wrongdoers, the above discussion of the Sierra Leone experience is generally representative of the outcomes in those countries also, despite the differing modalities through which they get there. In Niger, for example, one interesting feature of the military government's anti-corruption campaign was its low-key nature. The military junta had decided to shy away from intensive and sharply focused crusades to concentrate more on delivering exhortation that not only preceded but complemented action (Amuwo, 1986).

Reform Strategies

The second set of mechanisms for controlling corruption comprises reform strategies to enhance ethical behaviour and improve public accountability. These are strategies designed to influence behaviour modification and resurrect public confidence in public institutions and officials. Obviously, most of these reform strategies have not been successful. Nonetheless, despite their general lack of success, implementing such strategies are much better than simply doing nothing and thereby allowing corruption to become even more entrenched. Frankly, doing nothing to control corruption would signal its official acceptance and further suggest that attempts to control such corruption would, *a priori*, be a failure. However, the lessons from public administration history strongly suggest that reforms in less-than-perfect political and administrative systems are the first milestones in the timely evolution of an ethical and accountable bureaucracy (Rasheed, 1995).

One of the most prevalent reform strategies is the introduction of codes of conduct for public officials (both politicians and civil servants). These codes take many forms, such as codes of ethics, leadership codes, or codes of public accountability. But almost all are designed to produce public officials who are vigilant, upright, honest, and just. In other words, they are meant to instill an atmosphere of moral accountability and ethical behaviour.

Moral accountability does not mean that public officials respect only their obligations to be honest, obey the laws, and behave within the confines of bureaucratic rules and regulations, but they must also demonstrate the highest standards of personal integrity, honesty, fairness, and justice (Dwivedi, 1994). Unfortunately, in most African states, moral accountability and ethical behaviour are seriously lacking. Even in those states that have had great moral leaders, such as President Nelson Mandela in South Africa, there are still cases of corruption and allegations of gravy-train administration.

For the most part, codes of conduct for public officials have either been ignored or not enforced. In some instances, they have also been undermined by the political leaders who instituted them. President Robert Mugabe's ruling ZANU party in Zimbabwe, for example, drew up a leadership code in 1984 to counteract corruption among the party faithful. However, President Mugabe himself subsequently referred to the leadership code as a "despicable piece of paper", and, similarly, in Uganda, six weeks after the January 30, 1997 deadline, forty parliamentarians had not declared their assets in accordance with the country's leadership code which was enacted by parliament in 1992 but only took effect in 1997. The code is aimed at curbing corruption and abuse of office by politicians and public leaders (Harsch, 1993).

In South Africa, the ruling African National Congress (ANC) party had been forced to react to the public perception that ANC Members of Parliament (MPs) were riding a gravy-train after they assumed power in 1994. In a bold move to clamp down on venality in public office, the ANC had to beef up its code of conduct. The beefed up code of conduct, which was released in May 1995, is intended to prevent corruption and money-grabbing by elected ANC officials. It includes prohibition from using government office or parliamentary posts to distribute patronage or obtain personal fortune; prohibition of ministers, premiers, and provincial executive councillors from playing any active role in profit-making institutions and their surrender of all directorships held prior to taking office; the requirement that ANC members declare their assets and all other posts from which there is financial benefit in other companies, boards, or organizations (in particular, consultancies, shareholdings and directorships or any form of payment received by them or their family from an external source); and the stipulation that MPs should treat their parliamentary posts as full-time and bans them from taking permanent employment in other jobs (*Mail and Guardian*, 1995). This is a tough code of conduct that also has a high-powered disciplinary committee to implement it.

Beyond the ANC code of conduct, the government of South Africa also adopted an ethics code, applicable to all Members of Parliament, in August 1996. The aim of the ethics code is to achieve a political order that is truly open, transparent, and accountable. One of the instruments for achieving this goal is a public register in which all MPs must completely list their incomes, properties, and assets as well as those for their relatives and companions.

In 1995, Tanzania enacted legislation in the form of a Public Leadership Code of Ethics Act No. 13 which replaced the 13 year old Leadership Code of Act No. 6. According to Sedigh and Muganda (1999), the act aims at building transparency and integrity in order to restore public confidence and strengthen national ethics. The basic principle underlying the act is that public leaders should be of incontestable integrity — honest, untarnished, impartial, and open. The code covers a vast range of issues and includes provisions pertaining to ethical standards, public scrutiny, legal decision-making, conflict of interests, gifts and benefits, preferential treatment of or for any person, use of information obtained in the course of official duties and responsibilities, use of government property, and later employment after leaving office.

In June 1999, the government of Benin also approved a new code of ethics related to procurement. The code aims at obtaining, from both bidders and government officials involved in public procurement, a formal commitment to abstain from corrupt practices during the bidding process and implementation of the contract. The code will be compulsory for all competitive tendering and makes provisions for appropriate sanctions in case of violation. The code also provides for civil society's monitoring role in the process with the possibility of recruiting qualified experts to independently evaluate the bidding process and implementation of the contract (Transparency International, 1999e).

African states have also attempted to control corruption by legislating, creating, and/or restructuring, at one time or another, a number of institutional frameworks to coerce discipline and accountability in public officials (Coldham, 1995). Among these institutions, for example, are the Office of the Ombudsman in Zimbabwe, the Public Complaints Commission in Nigeria, the Public Accounts Committee in Uganda, the Anti-Corruption Squad and the Permanent Commission of Inquiry in Tanzania, the Serious Fraud Office in Ghana, the Directorate on Corruption and Economic Crime in Botswana, and the Office of the Public Protector in South Africa.

The common purpose of these watchdog institutions is to induce fundamental changes in the attitudes and behaviour of public officials, in order to promote honesty and integrity in public service, through their watchdog powers to disclose and/or investigate any suspected acts of corruption. However, the activities of these institutions have produced mixed results which have been variably due primarily to their lack of sufficient autonomy; their lack of demonstrable support from the political leadership; their vulnerability to changes in political regimes; and their susceptibility to bureaucratization. One case study of the Public Complaints Commission (PCC) of Nigeria, for example, found that it had assumed a lethargic and conservative posture and had come to see its role as essentially bureaucratic. Consequently, the PCC, which had been partly created to check the extent and impact of modern bureaucratization on Nigerians, had itself fallen victim to the same problem with its huge and wasteful bureaucracy (Ayeni, 1987).

Another reform strategy that has been attempted is what can be termed the national awareness campaigns. These campaigns seek to publicize the negative effects of corruption, the penalties for engaging in corrupt acts, and the type of behaviour that is required of public officials. Ironically, a good example of this type of campaign can be drawn from Nigeria's 'War Against Indiscipline and Corruption' (WAIC). The WAIC is a rhetoric-filled and symbol-laden campaign. It revolves around a decree that is intended to give legitimacy to efforts to remove the cancer of indiscipline and corruption (*The Botswana Gazette*, 1995). Through WAIC brigades, activities are designed and implemented with the stated purpose of creating disciplined, patriotic, honest, and dedicated public servants.

The final reform mechanism pertains to the civil service. Lest it be misunderstood, it should be pointed out here that civil service reform in Africa goes beyond the narrow focus of corruption. As mentioned in chapter five, the civil service in most of those countries is much larger than those countries require, much more costly than they can absorb, and significantly less effective and productive than they should be. In many of the countries, patrimonialism and expanding state activity have contributed to a civil service which contains many who are superfluous and none who are paid well; and the ministries and agencies in which they work tend to be ill-equipped and poorly structured (World Bank, 1991).

However, this chapter is concerned with corruption and we will now examine those aspects of civil service reform which relate to that concern. Two of the quantifiable factors discussed in this chapter as contributing to corruption are the erosion and the compression of salary scales of public servants. Consequently, one of the major components of civil service reform has been the reform of pay and grading.

As a measure for controlling corruption, pay and grading reform generally has five objectives: (1) an increase in overall real pay levels; (2) the decompression of pay scales to improve the competitiveness of civil service pay at higher levels; (3) a new grading system based on job evaluations; (4) the introduction of performance-based pay; and (5) the improvement of pay policy-making and administration (de Merode and Thomas, 1994). The experience of pay and grading reform suggests some success in outcomes which, over the medium-term, ought to influence the reduction in bureaucratic corruption.

Aided by tax structure changes, Ghana, for example, was able to improve the net pay compression ratio of its civil service from 5:2 in 1984 to 11:1 by 1992 (Lienert and Modi, 1997). Similarly, in Mozambique, the ratio of the highest-paid echelon to the lowest-paid widened from 2:1 in 1985 to 9:1 by 1991 (Hope, 1999a). Moreover, the average levels of real remuneration have also substantially increased in some countries. In Guinea, real pay improved spectacularly (118 percent) between the pre-reform period and the period immediately following reform (de Merode and Thomas, 1994).

With respect to the grading system, several countries have made considerable progress in simplifying their grading structures. Notably, in the Gambia grading reform resulted in the upgrading of 2,700 posts and the downgrading of 870 others out of a total of some 9,000 posts (de Merode and Thomas, 1994). Similar kinds of results have also been recorded in Ghana, Guinea, and Uganda. These accomplishments have, in turn, acted as a magnet to attract and motivate some top professionals (Westcott, 1994).

Another aspect of civil service reform, as a tool for controlling corruption, has been the downsizing of the civil service. Many countries have been taking steps to reduce the number of surplus employees employed in ministries and other government departments. A number of methods have been used including enforcing mandatory retirement ages, abolishing job guarantees for high school and university graduates, ensuring attrition through hiring freezes, introducing voluntary departure schemes, making outright dismissals, and eliminating 'ghost' (fictitious) employees from the payroll. For example, Cameroon and Uganda significantly reduced civil service employment by removing 5,840 and 20,000 ghost employees, respectively, from their payrolls during 1981–90. The Central African Republic reduced its civil service by more than 4,500 through removal of ghost employees, voluntary departures, and retrenchments during the same period. While Ghana, the Gambia, and Guinea downsized their civil services, primarily through enforced/early retirement and retrenchment, by a magnitude of 48,610, 3,790, and 38,864, respectively, during the period 1981–90 also (Hope, 1999a).

The final aspect of civil service reform to be considered here relates to training. Training is a very important element of the process of behaviour modification and the instilling of values of moral accountability and ethical behaviour. Many African countries now have institutes of public administration or management or administrative staff colleges to train their civil servants. Many of these training activities are supported by donor agencies due to the fact that there is recognition of the importance of training in any attempt to reform any given civil service for improved performance. Training is intended to enhance the knowledge and skills of individuals as well as inculcate proper ethical attitudes toward and about work.

However, the training of civil servants seems to have had mixed results as a reform measure. For example, it has been suggested that the training institutions have made only a limited contribution to civil service reform due to their perception of the policy framework as 'closed', their confused orientation, the narrow background of their staff, and their financial resource constraints (Balogun, 1989). On the other hand, another analyst found that the training program for senior managers in the Ugandan civil service was very successful and even urged its replication in other countries (Jacobs, 1990). Similarly, an evaluation found that the training programs for civil servants in Malawi were partially successful during the period 1989–95 (Adamolekun, Laleye, and Kulemeka, 1997). In the case of Ghana, it was determined that training programs lacked complementarity and needed to have more relevant public policy content (Dotse, 1991). While, for Kenya, training programs were regarded as being unlikely to be effective due to the rapidly deteriorating educational standards of public servants (Cohen and Wheeler, 1997).

Nonetheless, training provides an essential means through which democratizing African states can develop a career civil service in order to modernize and develop (Rose-Ackerman, 1999). As argued by Agere (1999), the strengthening of the civil service is an integral part of policy reform which can best be accomplished through the use of public sector training institutes which have a mandate to conduct management research, offer policy advice, and train managers in the management of the new responsibilities linked to democratic transition and economic liberalization. However, these training institutes need to virgorously pursue commercialization of these services and ensure that government departments pay up front for services either fully or partially. Too many of these training institutes have become bankrupt or otherwise deteriorated due to lack of sustainable funding caused, in part, by the large sums they are owed by various government departments.

International Measures

The third and final set of mechanisms comprises measures by international organizations and foreign governments to deter, prevent, and combat corrupt activities through their own laws (in the case of foreign governments) and by influencing African governments to act against the malady through measures designed to reduce opportunities for corrupt practices (in the case of both the international organizations and foreign governments). International organizations, particularly the IMF, OECD, and World Bank, have signalled their desire that governments demonstrate an intolerance for corruption in all its forms and that the 'cancer of corruption' be dealt with. Moreover, they have pledged to take determined action to eliminate corruption from their own aid programs.

Through technical and other assistance, the international organizations are assisting African governments in implementing reform measures that reduce opportunities for corrupt practices and instill ethical behaviour. Included in these measures are projects which promote good governance; reform the public sector; build capacity; reduce official discretion; and strengthen mechanisms for the monitoring and punishment of those who engage in corrupt practices.

Foreign governments, especially in the industrialized countries, have also been making an effort to assist in the control of corruption in Africa and elsewhere. The United States, in particular, has since 1977 been involved in the fight against corruption when it adopted the Foreign Corrupt Practices Act (FCPA). This Act, among other things, prohibits certain foreign corrupt practices by US corporations and unincorporated business entities, foreign corporations which have their principal place of business in the United States, and individuals who are American citizens or residents. Foreign corporations are not covered. However, American citizens employed by foreign corporations are covered. The FCPA was the first law to prohibit nationals of one country from bribing government officials of another country (Heimann, 1994). Other countries, such as Norway, for example, have since enacted similar laws. The FCPA covers payments to a foreign official, a foreign political party or party official, a candidate for foreign political office, or third parties such as sales representatives or other agents.

In 1999, the OECD advanced a convention initiative to encourage the rest of its member states to enact legislation to end the tax deductibility of bribes; to criminalize the bribing of foreign officials; to introduce specific anti-corruption measures, including contract provisions, in their aid procurement practices; and to make it illegal to use, deposit, or transfer money acquired through corrupt practices.

Some countries, such as Switzerland, for example, have begun to cooperate with African governments in attempts to discourage the laundering of ill-gotten or embezzled funds through the former's banks. In that regard, the Swiss authorities announced, in April 1997, that they had agreed to return US$2.2 million to Mali as repatriated funds of the former President Traoré in response to claims by a successor government that embezzled funds had been illegally deposited in Swiss banks. Switzerland also agreed, in May 1997, to freeze any assets, of former Zairean President Mobutu, which were found in the country. The next month the Swiss authorities announced that they had been able to identify only US$3.4 million in bank accounts belonging to Mobutu and his relatives (Harsch, 1997). This was less than one-half of a percent of the some US$8 billion which the new government of the Democratic Republic of Congo claims Mobutu embezzled. Nonetheless, the willingness of the Swiss authorities to return such funds should have a major deterrent effect on the future flow of embezzled funds into what were formerly secret Swiss bank accounts.

In February 1999, a number of Africa's international partners for development (including the World Bank, the OECD, and senior representatives from the governments of Canada, Denmark, France, the Netherlands, Switzerland, United Kingdom, and United States) met under the auspices of the Global Coalition for Africa (GCA) in Washington, DC to discuss a 'Collaborative Framework to Address Corruption' with ministers and representatives of African governments. At the end of the discussions all parties agreed on a set of twenty-five principles to combat corruption (GCA, 1999). Those principles included that governments should: establish budgetary and financial transparency and strong financial management; establish and enforce self-regulating codes of conduct for different professions, including those in the private sector; promote standards for corporate governance and the protection of shareholder rights; and facilitate the cooperative investigation of cases involving corruption by rendering mutual legal assistance in obtaining evidence, documents, articles, records, and witness statements.

Conclusion

Corruption in Africa has reached cancerous proportions and much more needs to be done to control it. The entrenchment of corruption is the direct result of the decline in ethical leadership. Consequently, corruption has emerged as a serious ethical crisis with significant negative consequences on socio-economic development.

The efforts to control corruption need to be intensified. In this regard, African governments, international organizations, and foreign governments must all do more to demonstrate and ensure that corrupt activities will yield no current gains or future benefits inside or outside of Africa. Controlling corruption requires ethical political leadership. In other words, a new political morality (Perry, 1997; Ruzindana, 1997). Ethical political leaders would have both the credibility and ability to inspire society and influence institutions to pursue the goals of ethical and accountable governance in the interest of national development. On the other hand, public officials will not curtail or eliminate their corrupt activities if their political leaders are not exhibiting the requisite ethical behaviour.

Curbing corruption also needs to be more tightly linked to the benefits of good governance and strong civil society. Good governance encompasses the three dimensions of accountability, openness and transparency, and predictability and the rule of law (Brautigam, 1992). It is an area that needs to be strengthened in Africa where, despite some progress on the electoral front, in terms of regime transition, the institutions of democratic government and their link to civil society, which underpins good governance, remain weak (Bratton, 1997). Fostering good governance and empowering civil society are therefore essential elements of the fight to control corruption in Africa and elsewhere (Hope, 1997a; Johnston, 1997).

In addition, corruption must be made a high risk activity. A high risk that the perpetrators will be caught and severely punished, irrespective of their status or standing in society. However, punitive measures, including appropriate laws and adequate capability for investigation and enforcement, only work in tandem with preventive measures that reduce opportunities for corrupt practices. Nonetheless, punishment — particularly of prominent, high-level corrupt officials — sends the right signal, throughout a nation, that the campaign against corruption is indeed a very serious one.

The measures for curbing corruption are quite clear. However, getting them implemented effectively would require, as discussed by various authors in Hope and Chikulo (1999) and Kpundeh and Hors (1998), for example, a much more activist role by civil society to act as critic, watchdog, whistleblower, catalyst, and advocate of anti-corruption strategies as well as guarantor that the interests and needs of the populace for ethical behaviour and public integrity were not being neglected. New leaders who would guarantee political will, commitment, and preparedness to tackle the scourge of corruption, coupled with significant penalties by the multilateral and bilateral donor organizations (in the form of withdrawn assistance) on countries that do not pursue anti-corruption strategies, would impress upon the African peoples that corruption is a central issue in both the development process and democratic governance.

CHAPTER SEVEN

POVERTY AND ENVIRONMENTAL MANAGEMENT IN AFRICA

Poverty, in all of its manifestations, remains a serious problem in Africa. While the incidence of poverty has fallen in most regions of the world since 1945, in Africa the proportion of people living in poverty has been increasing. This continued prevalence of poverty in Africa keeps its eradication as a central objective of socio-economic development. Also, strategies for reducing poverty in the African region have begun to pay more attention to the relationship between environmental degradation and that poverty. This nexus of poverty and environmental damage has led to a situation where the poor are both the victims and perpetrators of environmental damage in Africa. Environmental degradation contributes to poverty through, among other things, worsened health and by constraining the productivity of those resources upon which the poor rely, while poverty restricts the poor to acting in ways that are damaging to the environment.

This two-way relationship between poverty and environmental degradation in Africa is therefore a significant one. Consequently, caring about the environment and poverty in Africa is not a luxury but a prime necessity. Reversing the downward spiral of this relationship is a key element in the strategy to improve and sustain socio-economic development in Africa and, in particular, to eradicate poverty.

This chapter examines the primary issues contributing to the downward spiralling two-way relationship between poverty and environmental degradation in Africa, and then discusses and analyzes priority areas of a managed policy framework for reversing that spiral. The latter framework analysis also focuses on the critical roles played, or that can be played, by public-private partnerships.

The Poverty and Environment Nexus

Poverty in Africa continues to be a major socio-economic problem despite the gains in economic progress in some of those countries since embarking on the process of economic liberalization or structural adjustment in the early 1980s. Understanding the nature and features of this poverty in Africa is a basic precondition to designing policies to eradicate poverty in the shortest feasible time. Moreover, it is an important reference point for development strategy in Africa and for engaging policy-makers in an informed dialogue on how best to fashion such strategies for their countries (UNECA, 1999a).

African poverty has many facets. It is characterized by a lack of purchasing power, rural predominance, exposure to environmental risk, population displacement, insufficient access to social and economic services, rapid urbanization and few opportunities for formal income generation. The poor in Africa are, however, not a homogenous group. They instead fall into three categories. The first category can be designated as the chronic poor. These are individuals at the margin of society and who constantly suffer from extreme deprivation. The second category can be referred to as the borderline poor. These are individuals or households who are occasionally poor, such as the seasonally unemployed. The final category can be termed the newly poor. These are individuals or households who are the direct victims of the crisis of development policy that has rendered them unemployed. They include retrenched workers and public servants (Hope, 1997a).

According to the UNECA (1999a), the key features of Africa's poverty situation include the poor record of economic growth, high inequality in income and asset ownership, and inadequate access to basic social services, which results in low levels of human resources development and low agricultural productivity. Although economic performance in many African countries has been improving since the mid-1990s, growth in Africa remains fragile and is inadequate to reverse the growing poverty on the continent. For the latter half of the 1990s, gross domestic product in Africa grew faster than population, averaging 3.8 percent per year. However, looking at the historical situation, Africa is one of the few regions where per capita incomes have fallen over the past 20 years. In 1980, sub-Saharan Africa's GNP per capita was US$781. However, by 2000, GNP per capita was estimated at only US$480. With a population growth rate averaging 2.7 percent per year, the number of people living in poverty is increasing (African Development Bank, 2001; UNECA, 2001a; World Bank, 2001a).

On the other hand, rising per capita income (economic growth) has been proven to reduce poverty in various respects. Looking at infant mortality, for example, the evidence suggests huge effects of income growth on the death of children. "The deaths of about half a million children in 1990 would have been averted if Africa's growth in the 1980s had been 1.5 percentage points higher" (Easterly, 2001: 10). Other research indicates that a 1 percent increase in average income of the society produces a similar 1 percent increase in the incomes of the poorest 20 percent of the population. That is to say, an additional one percentage point per capita income growth results in a 1 percent rise in the incomes of the poor (Dollar and Kraay, 2000). Looked at in another way, economic decline increases poverty. In Africa, poverty increased during periods of severe recessions in such countries as Côte d'Ivoire, Mali, and Zambia, for example (Easterly, 2001).

As seen in Table 7.1, Africa is the poorest region in the world. It has the largest share of people living below US$1 per day. Currently, an average of almost 50 percent of the population in sub-Saharan Africa lives in absolute poverty compared to 20 percent in North Africa. About 30 percent of Africa's population is classified as extremely poor. Poverty in Africa is predominantly rural with approximately 59 percent of the rural population living in poverty. However, urban poverty has also been increasing substantially. Currently, 43 percent of the urban population in Africa live in poverty (UNECA, 1999a; 2001a). In some countries, such as Burkina Faso, Central African Republic, Madagascar, Mali, and Zambia, for example, 60–70 percent of the population have an income of less than US$1 per day (UNCTAD, 2000).

The poverty situation in Africa can also be looked at from the point of view of the distribution of income. In many African countries, the disparity in income is quite significant. Compared to other regions of the world, Africa has the most unequal income distribution. The most frequently used measure of income inequality is the Gini index. It ranges from zero (complete equality) to 100 (complete inequality). The Gini index for Africa as a whole is 51.0 (UNECA, 2001a). The richest 20 percent of the African population accounts for 40 percent of total expenditure. In contrast, the poorest 20 percent accounts for only 9 percent of total expenditure (UNECA, 2001a). In countries such as Lesotho, Swaziland, South Africa, and Zimbabwe, for example, the Gini coefficient exceeds 55 percent.

Poverty in Africa is exacerbated by both population growth and

Table 7.1: *Population Living on Less Than US$1 Per Day and Headcount Index in Developing and Transitional Economies, 1987–98*

Regions	*Number of People Living on Less Than US$1 Per Day* (Millions)				
	1987	*1990*	*1993*	*1996*	*1998*
East Asia and the Pacific	417.5	452.4	431.9	265.1	267.1
(Excluding China)	114.1	92.0	83.5	55.1	53.7
Eastern Europe and Central Asia	1.1	7.1	18.3	23.8	17.6
Latin America and the Caribbean	63.7	73.8	70.8	76.0	60.7
Middle East and North Africa	9.3	5.7	5.0	5.0	6.0
South Asia	474.4	495.1	505.1	531.7	521.8
Sub-Saharan Africa	217.2	242.3	273.3	289.0	301.6
Regions	*Headcount Index* (Percent)				
	1987	*1990*	*1993*	*1996*	*1998*
East Asia and the Pacific	26.6	27.6	25.2	14.9	14.7
(Excluding China)	23.9	18.5	15.9	10.0	9.4
Eastern Europe and Central Asia	0.2	1.6	4.0	5.1	3.7
Latin America and the Caribbean	15.3	16.8	15.3	15.6	12.1
Middle East and North Africa	4.3	2.4	1.9	1.8	2.1
South Asia	44.9	44.0	42.4	42.3	40.0
Sub-Saharan Africa	46.6	47.7	49.7	48.5	48.1

Source: World Bank (1999b; 2001b).

the pattern of human settlements. The population in most African countries doubles within 20 to 30 years. This is a demographic explosion unparalleled in human history (World Bank, 1996b). As indicated before, since the rate of population growth has historically exceeded the rate of economic growth in Africa, poverty has increased and income distribution continues to be increasingly skewed in favour of the richest 20 percent of the population.

With respect to human settlements, during the past three decades its pattern has shifted toward an urban bias. Because cities are the main catalysts of economic growth in Africa, their economic attraction, and the resultant urbanization, have been major contributors to both urban poverty and environmental degradation. As more and more rural migrants voluntarily attempt to escape from rural poverty, they flood to the cities in search of income-earning opportunities. This phenomenon has been noted by Farvacque-Vitković and Godin (1998:v) in the following terms: "The massive migration of people from rural into urban areas is the most spectacular demographic upheaval that Africa has experienced in recent decades". This not only intensifies urbanization but also contributes in a major way to urban poverty with all of its attendant consequences on the furthering of environmental degradation (Hope and Lekorwe, 1999).

In addition, there has been considerable involuntary migration — national (internal) and international — into the urban centres in Africa. In both scenarios, the contributing factors are the rising number of civil wars and local conflicts; and environmental degradation and resource scarcity resulting from a lack of arable land, deforestation, loss of natural habitats, soil erosion, depletion and pollution of water resources, and a cycle of droughts and floods. At the same time, involuntary migrants exaggerate the scale of environmental problems when circumstances push them to move in large numbers simultaneously and therefore forces them to compete for natural resources such as fuelwood, building materials, fresh water, and wild foods to ensure their survival.

Involuntary internal migrants are now termed internally displaced persons. They are defined as persons who have been forced to flee their homes due to armed conflict, persecution, or natural or man-made disasters, but who remain within their national borders. Primarily, due to the rising number of civil wars and local conflicts, the number of internally displaced persons in Africa has been increasing and included 1.1 million Eritreans, 300,000 Sierra Leoneans, 257,500 Angolans, and 110,700 Liberians at the end of 2000 (UNHCR, 2001). The involuntary international migrants are referred to as refugees. They are defined as people who have crossed an international frontier in search of safety and who cannot or do not want to return owing to a well-founded fear of persecution because of their race, religion, nationality, political opinion, or membership of a particular social group. By the end of 2000, there were 3.6 million refugees being hosted in Africa. This represented 30 percent of the global refugee population (UNHCR, 2001).

Even assuming a future decrease in political breakdown and civil strife, the number of involuntary migrants is likely to continue to expand across the African continent, from ecologically risky and economically fragile areas to more environmentally sound and prosperous areas. This, in turn, will negatively impact the environment. However, escalating violence and conflict in various countries around Africa; and natural disasters, such as the floods in Southern Africa during the recent past rainy seasons, have concentrated the problem and increased the number of refugees and internally displaced persons. According to Sadako Ogata (a former UN High Commissioner for Refugees), the UNHCR was devoting a considerable portion of its resources (some 40 percent) to Africa and taking care of about six million people (Ogata, 2000: 1). She further said that:

> In the last few years, the pattern of refugee crises, especially in Africa, has undergone significant changes. Refugees continue to flee violence and conflict — almost invariably compounded by poverty — and to seek asylum in safer countries. Others — and increasingly so — seek refuge as internally displaced people in safer parts of their own countries. In Angola, for example, almost 20 percent of the population has fled — both outside and inside the borders of the country.

Although it is difficult to derive precise estimates on the scope of environmental damage done by involuntary migrants, some data are beginning to emerge from the few studies available. At the height of the refugee crisis in Tanzania in 1994–96, for example, a total of 570 square kilometres of forest was affected, of which 167 square kilometres was severely deforested. An impact assessment study conducted in Zimbabwe in 1994, when Mozambican refugees had returned to their homelands, showed a reduction of 58 percent in the woodland cover around the camps (UNHCR, 2000a). In the early 1990s, an estimated 20,000 hectares of woodlands were cut each year in Malawi to provide firewood and timber for the various camps hosting Mozambican refugees. In December 1996, refugees from Burundi and Rwanada, housed in the Kagera region in Tanzania, consumed more than 1,200 tons of firewood each day and a total of 570 square kilometres of forests were affected, of which 167 square kilometres were severely deforested (UNHCR, 2000b). The United Nations High Commission for Refugees estimates that the environmental rehabilitation of refugee camps in Africa alone could cost as much as US$150 million a year (UNHCR, 2000b).

No other region in the world has experienced such high rates of urbanization with such low economic growth. Currently, the urban population in Africa is estimated at 47 percent of the total population. By the year 2020, it is projected that 63 percent of sub-Saharan Africa's population will live in cities (World Bank, 1999c). Urbanization in Africa presents both benefits and costs. An additional resident may spend money in the city and thereby contribute to the urban economy. However, an extra resident can also drive up the cost of providing public services, increase poverty, and add to the avoidable damage of the environment. For example, the majority of the poor tend to live in ecologically fragile zones. They overuse the surrounding lands for, among other things, fuelwood and subsistence and small cash-crop production, further endangering their physical environment, their health, and the lives of their children. At the same time, they are disproportionately threatened by the environmental hazards and health risks posed by living in poverty. However, it must be noted here that reducing poverty will often lead to improved environmental quality and vice versa (Hope and Lekorwe, 1999).

The poor are therefore both the perpetrators and victims of environmental damage in Africa. Their poverty status is reinforced by lack of access to jobs in the formal sector. As a result, the bulk of the poor make their living through subsistence activities or informal sector jobs which tend to be more pronounced in the urban areas. Informal sector employment accounts for more than 60 percent of total employment in Africa. It also accommodated about 75 percent of the new entrants into the African labour force between 1980 and 1985. By the year 2020, it is estimated that 95 percent of African workers will be in the informal sector (Hope, 1997a, 2001b). Informal sector employment contributes 45 percent of the total employment in the capital city of Gaborone, Botswana; 80 percent in both Kinshasa, Democratic Republic of Congo and Cotonou, Benin; 51

percent in Lilongwe, Malawi; and 66 percent in Douala, Cameroon, for example (Hope, 1997a, 2001b; Hope and Lekorwe, 1999).

For the poor in Africa, dealing with environmental problems — of which their poverty status is both the cause and effect — tends to be influenced by short-term considerations (Mink, 1993). Since they are struggling at the edge of subsistence levels, the poor therefore are preoccupied with their survival on a day-to-day basis. To ensure their survival, the poor are forced to act in ways which, in turn, degrades the environment and puts them and their households at further risk. The immediate and most pressing environmental problems affecting the poor in Africa are those related to lack of access to safe water and sanitation services; poor management of solid wastes, especially in the urban areas; inadequate access to health care; inappropriate land use and housing; degradation of environmentally sensitive lands such as coastal areas; and the deteriorating natural resource base and ecological environment.

One of the most serious threats to the quality of life in Africa is the lack of access to water and sanitation services. At the end of the 1990s, approximately one-half of the population of sub-Saharan Africa had access to safe water while an estimated 56 percent had access to sanitation services (UNDP, 1999). There is considerable variation in access to safe water and sanitation services among the poorest countries in Africa. The population without access to safe water ranges from 27 percent in Sudan to 78 percent in Eritrea, while for lack of sanitation services the range is from 14 percent in Tanzania to 97 percent in Malawi.

The lack of access to clean water and sanitation threatens the health of the poor. As a matter of fact, the lack of clean water and sanitation is the primary reason diseases transmitted by feces are so common in Africa. Various diarrheal and other diseases are spread via the fecal-oral route, and this route is most efficiently travelled where water supplies and sanitary conditions are inadequate (Hope and Lekorwe, 1999). It is in these conditions that the poor are forced to live since they are unable to afford a better quality of life. Poverty therefore stands out for its overwhelming role in degrading health. Indeed, the World Health Organization has called poverty the world's biggest killer (WHO, 1995). Recently, a research study was completed that found that the two biggest causes of death of the poor were respiratory infections and diarrheal diseases (Gwatkin and Guillot, 1999). Both are linked to environmental factors — dirty air and dirty water. The study also found that diseases with strong links to environmental factors are highly concentrated among the poor. For example, 60 percent of all malaria deaths and one-half of all deaths from diarrhea occur amongst the poorest 20 percent of the world's population. In contrast, only 8 percent of all deaths among the rich were caused by communicable diseases (World Bank, 1999b).

Such a situation provides a major imperative for African governments to implement policies which result in greater access to health care services for the poor. However, in the poorest countries, there are still large numbers of the population without access to health care services. On average, about one-half of the population of Africa lacks access to health care services compared to a little more than 20 percent in South Asia (UNECA, 1999a). Moreover, there are now even greater demands placed on these inadequate health care services due to the AIDS epidemic currently sweeping across most of Africa. By the end of 2000, 25.3 million people, out of the world total 36.1 million people living with HIV/AIDS, were in Africa. This is equivalent to 70 percent of the distribution of the HIV/AIDS infection around the world. In addition, over two-thirds of the new infections of HIV in 2000 (3.8 million) were in sub-Saharan Africa alone (African Development Bank, 2001; UNAIDS, 2000). Approximately, 9 percent of the African adult population, aged 15–49, is now infected. In some of the worst hit countries, such as those in Southern Africa, the prevalence rate is as high as 36 percent.

The AIDS epidemic has been particularly devastating in sub-Saharan Africa and now poses a serious threat to the few gains that have been made in terms of development during the last two decades (Hope, 1999b, 2001a). In several of the countries, 50 percent to 80 percent of hospital beds are occupied by people with HIV/AIDS (African Development Bank, 1998). Life expectancy, which had risen steadily over the past three decades, is now expected to fall by as many as 17 years because of HIV/AIDS. Had AIDS not been in the picture, many Africans could have expected to live to the age of 70 and beyond. Similarly, infant mortality rates will increase as a large proportion of babies born to HIV-positive mothers will be infected through mother-to-child transmission. In many African countries, child mortality rates are projected to increase three-fold by 2005 (Hope, 1999b). A growing number of studies also suggest that

AIDS will reduce GDP in several sub-Saharan countries by 20 percent or more by 2010 and will add to political instability and slow democratic development (CIA, 2000).

Despite the fact that HIV strikes both the poor and the wealthy in almost similar proportion, AIDS is a disease of poverty (Hope, 1995c, 2001a). According to the World Bank (1999b), AIDS is a disease of poverty in many ways. First of all in the sense that most people with HIV/AIDS are poor. While infection rates are declining in the developed world, they are rising in most poor countries and particularly so in Africa. Ninety-five percent of Africans that are HIV-infected live in poverty (UNECA, 1999a). Second, AIDS deepens and spreads poverty. Poor households are more adversely affected by an AIDS death of a prime-age adult than other households because they have fewer assets to draw on to cope with medical bills and the loss of income and services that a prime-age adult typically provides. Finally, AIDS is also likely to increase poverty through the rise in the number of children who lose one or both parents to the disease. The literature has demonstrated that orphans tend to have much lower enrolment rates and are more likely to be malnourished than non-orphans. The lack of schooling combined with malnutrition will make it much more difficult for orphans to escape poverty (Hope, 1999b, 2001a; World Bank, 1999b).

Some African countries, particularly in their cities, can also be unhealthy places to live due to their lack of capacity to collect and properly dispose of sewage and solid waste. Solid waste is a sizeable and growing problem in Africa that is primarily influenced by urbanization. The concentration of waste in many African cities overwhelms the assimilative capacity of natural ecosystems within city limits and beyond, creating problems for surrounding neighbourhoods and water use (Hope and Lekorwe, 1999). To be sure, solid waste often creates one of the most visible and foul-smelling environmental problems in Africa due to its sheer magnitude, indiscriminate disposal, decomposition, and lack of effective regulation of industrial sites.

Generally, most African countries are unable to keep pace with the growing volume of waste generated in their urban areas as a result of urbanization. For example, by 1994, Gaborone, the capital city of Botswana, generated almost 90 tons of solid waste each day from a population of 180,000 compared to the generation of 30–40 tons per day in the 1980s when the population was approximately 60,000. In 1988, the population of Dar es Salaam, the capital of Tanzania, was approximately 1.5 million people and they generated 1,040–1,340 tons of waste per day. However, only about 180 tons of that amount was collected each day by the city council's garbage trucks operating on a small number of accessible streets (Beede and Bloom, 1995). Alexandria, the second largest city in Egypt, generates around 1,700 tons of domestic solid waste a day and, with nearly 40 percent of Egypt's industry, the city also generates nearly 800 tons of industrial waste per day (UNDP, 1998).

The problem of solid waste disposal and collection in Africa is also considerably influenced by the pattern and nature of land use and housing in those countries. The poor, and especially the urban poor, have converted land and established housing settlements in ecologically fragile zones. Approximately 50 percent of the poor in Africa live on marginal lands of low productivity and high susceptibility to degradation (GFHR, 1999). In Dar es Salaam, Tanzania, for example, squatter housing accounts for more than 50 percent of the total housing stock (UNDP, 1998). These land settlements also tend to quickly deteriorate into further environmental hazards since they lack basic services such as water, sanitation, and electricity, for example. This, in turn, further endangers the health of the poor. Moreover, the housing in which the poor live tend to be substandard and overcrowded which, in turn, leads to rapidly deteriorating living conditions. This chaos in the housing situation for the poor in Africa has been attributed to the inability of governments to come to grips with the land management issue and this therefore makes it impossible, or very difficult, to provide basic services such as passable roads, storm sewers, drinking water supply, and so on (Farvacque-Vitković and Godin, 1998).

Another important factor contributing to the nexus of poverty and the environment in Africa is the changing nature of the coastal zones. A coastal zone is a dynamic area encompassing shoreline environments as well as adjacent coastal and marine waters. The characteristics of a coastal zone are: (1) a dynamic area with frequently changing biological, chemical, and geological attributes; (2) it includes highly productive and biological diverse ecosystems that offer crucial nursery habitats for many marine species; (3) it contains certain features such as coral reefs, mangrove forests, and beach and dune systems which serve as critical natural defenses against storms, flooding, and erosion; (4) its ecosystems may act to moderate the impacts of pollution originating from land, such as sediments and human waste; and (5) its coasts attract vast human settlements due to its proximity to the ocean's living and non-living resources, marine transportation and recreation (World Bank, 1995a).

Apart from the island states (100 percent coastal area), African coastal zones range from as little as 2 percent of country area in Sudan to 82 percent in Djibouti with a corresponding population, as a percentage of country population, of 2 percent and 93 percent, respectively (World Bank, 1995a). These coastal areas and their natural resources are under increasing threat from unmanaged human activities such as population growth, shoreline construction, pollution, habitat destruction, overfishing, and other over-exploitation of resources. These activities, in turn, lead to such environmental impacts as deteriorating water quality and sanitation in the urban areas, coastal erosion, degradation of marine resources, and destructive fishing methods, among others.

In African rural coastal areas, the major economic activities of the poor are fishing in the nearshore waters and farming of coastal lowlands to supply seafood and agricultural products for the inhabitants and urban centers. In the urban coastal areas, high population densities, high rates of fertility, and mounting in-migration from the rural areas have resulted in the continent as a whole being caught up in a vortex of urban coastal overcrowding. The coastal corridor along the Gulf of Guinea, for example, will most likely reach saturation — exceeding the areas's environmental carrying capacity — long before 2025 if current growth rates continue (World Bank, 1995a). This rapid urbanization and poverty is resulting in "exploitative use of open access and common property resources while competing commercial interests in the fisheries and forestry sectors have taken advantage of poorly managed and monitored licensing regimes to mine resources to the point of depletion" (World Bank, 1995a: 19). The consequence in both the rural and urban coastal areas is extensive environmental degradation which, ultimately, hurts the poor the most.

The final issue of concern in this section pertains to the deteriorating natural resource base and ecological environment. Cleaver and Schreiber (1994) have amply demonstrated that in much of sub-Saharan Africa the natural resource base and ecological environment is deteriorating primarily as a result of deforestation, desertification, soil erosion, and water resource depletion. This state of affairs results from both natural elements as well as the subsistence activities of the poor. In addition, excessive harvesting, poaching, and illegal trade also take a heavy and irreversible toll on animal and plant life. Excessive foresting, for example, destroys woodlands and the poor then have to walk much farther to obtain fuelwood, construction materials, and other forest products. Desertification already costs Africa US$9 billion per year (UNDP, 1998).

Overall, the convergence of population growth, poverty, the rising demand for lumber and fuelwood, and the conversion of forests to agriculture in Africa are expected to put increasing pressure on the continent's forests in the next few decades. The result is likely to be a considerable loss in forest area and quality which will further destroy the environment and way of life of the poor. It is estimated that 77 percent of frontier forest in Africa is currently under moderate to high threat from logging; mining, road-building, and other infrastructure projects; agricultural clearing; excessive vegetation removal; and other activities such as overhunting and plantation establishment (WRI et al., 1998).

As the environmental problems of deforestation, vegetative degradation, desertification, soil erosion, and water resource depletion proceed in Africa, among other things, there will be declines in such factors as the livestock carrying capacity of pastures and rangelands, crop yields, the availability of fuelwood and other forest products, and water that can be consumed by both humans and livestock. Such continuing declines of environmental resources will have greater impacts on the poor given their much greater dependence on those resources for their survival and livelihoods.

Toward Policies for Managing and Reversing the Spiral

Poverty and environmental degradation in Africa have been shown to have a two-way relationship. Consequently, any policy framework for managing and reversing the spiral must contain elements that address the poverty and environment nexus as a comprehensive whole. In this section, the discussion and analysis focuses on seven priority areas for policy implementation.

Water and Sanitation

Currently, very large numbers of people in Africa have no access to safe drinking water and sanitation services. Their lack of overall access is at the heart of the poverty trap and it is they who are most affected by increasing water degradation and scarcity (Sharma et al., 1996). The poor often pay the most for water services and suffer the most in terms of health and economic opportunity. As clean water supplies have diminished, competition for them has been growing, usually between expanding urban areas and rural dwellers, further disadvantaging the poor.

Water has therefore become a commodity of strategic importance in most African countries due to increasing demands, rising costs, and the rapidly diminishing supplies. Better management of water resources is the key to mitigating water scarcities in the future and avoiding further damage to aquatic ecosystems. From a long-term perspective, the water access problem must be addressed through policy choices that reallocate water to the most economically and socially beneficial uses (WRI et al., 1998). Developing sound water resource management programs will be crucial to Africa's poverty reduction, economic growth, food security, and maintenance of natural systems (Sharma et al., 1996).

However, given the pervasiveness of poverty in Africa, it is unrealistic to assume that the poor can be comprehensively provided with access to water and sanitation services in an affordable manner. Nonetheless, the aim ought to be to increase access to water to as many poor households as possible through communal standpipes and, for sanitation, through the erection of ventilated pit latrines (developed in Zimbabwe) and/or condominial sewers (Hope and Lekorwe, 1999). This approach has been found to be successful in increasing access during the 1990s in such projects as the Mali Rural Water Supply Project and the Lesotho Sanitation Program (Sharma et al., 1996).

Many African countries have also been facing the challenges posed by growing water scarcity primarily by employing two strategies: (1) supply management, which involves locating, developing, and exploiting new sources of water for irrigation, households, livestock, and industrial use in a cost effective manner; and (2) a scaling up of both rural and urban demand-responsive approaches into national policies and programs. In that regard, a number of national, regional, and global initiatives have been undertaken involving a mix of stakeholders and partners.

Mega projects in Lesotho, for example, the Lesotho Highlands Water Project (LHWP) which is a complex inter-basin water transfer scheme that would, among other things, export water from the Senqu/Orange River in Lesotho to the water-short areas of South Africa. The project, planned in five phases, will comprise a total transfer of up to 70 cubic metres per second (World Bank, 1999d). Other regional cooperation efforts are embodied in such frameworks as the Nile Basin Action Plan, developed in 1994 by The Technical Cooperation Committee for the Promotion of the Development and Environmental Protection of the Nile Basin (TECCONILE), to promote a comprehensive approach for water management on a river basin level; and the Protocol on Shared Water Course Systems in the Southern African Development Community (SADC) Region signed in 1995 by the SADC states. Among other things, the Protocol affirms the need for equitable use of shared waters in an environmentally sustainable manner (Hope and Lekorwe, 1999).

Private sector initiatives or semi-private sector approaches are best exemplified by the examples of Côte d'Ivoire and Botswana, respectively. In the former, there is a successful private concession for water supply held by the Côte d'Ivoire Water Distribution Company (SODECI) (Kikeri, Nellis, and Shirley, 1992; Sharma et al., 1996). SODECI provides service close to the standards of industrial countries while at the same time serving the interests of the poor by such policies as providing low-income households with direct access to water. It has made a conscious and consistent effort to serve poor neighborhoods (WRI et al., 1998). About 75 percent of SODECI's domestic connections have been provided with no direct connection charge. Since 1960, when SODECI won its first competitive bid to operate and maintain the capital city's (Abidjan) water supply system, it gradually added to its portfolio the management of sewerage and drainage systems and small urban and rural water supply systems throughout the country.

In the case of Botswana, there is a parastatal — the Water Utilities Corporation (WUC) — which operates under strict business principles supplying the country with a safe supply of water. The WUC charges commercially-oriented tariffs appropriate for the urban conditions in the country and tariffs are increased when necessary. There are relatively high monthly tariffs but the progressive rate structure does not seem to exceed the ability-to-pay of the poorest customers as discussed in chapter three. Currently, the WUC is engaged in a massive project (North-South Water Carrier Project) to move water from a northern dam along a 360 kilometre pipeline to the villages and towns in the southern part of the country.

Many international organizations have also been contributing to the efforts to improve and sustain access to safe drinking water and sanitation services in Africa. Perhaps the most comprehensive of these efforts can be found in the role played by the Water and Sanitation Program (WSP) established by the World Bank and the United Nations Development Programme (UNDP). Since 1978 the WSP has been working to help poor people gain sustained access to improved water and sanitation. The WSP began as a set of separate projects supported by UNDP and implemented by the World Bank to test and promote low-cost appropriate technologies. Over the years, it has evolved into a global partnership active in some 30 countries, with the majority of those being in Africa, and financially supported by multilateral and bilateral development agencies (WSP, 1999).

The WSP works with partners in the field to find and communicate innovative solutions to the problems faced by poor communities. This is accomplished through three mutually supporting objectives: (1) generating and communicating knowledge; (2) strengthening sector policies; and (3) improving investment effectiveness. One of the successful examples of the WSP's work in Africa can be found in its activities in the early 1990s in the City of Ouagadougou, Burkina Faso which led to the development of a strategy for waste water and excreta disposal. The government adopted the strategy in 1994 which led to two projects applying the basic characteristics of 'strategic sanitation' (WSP, 1999). Strategic sanitation is a demand-based approach offering an array of technological solutions and services and providing users with a choice of low-cost yet adaptable options. The approach included autonomous sanitation facilities, the promotion of appropriate technology, and the training of local artisans (WSP, 1999).

Solid Waste Management

In Africa, and other developing regions, solid waste management has historically enjoyed much lower priority than other services that are considered essential such as water, sanitation, and electricity. However, the management of solid waste in Africa now takes on great importance due to the fact that both the growth in solid waste and its arbitrary disposal have been creating serious threats to local environmental quality and public health (Beede and Bloom, 1995). In the case of the latter, the poor are most affected. Improved solid waste services can yield significant benefits by safeguarding health, protecting the urban environment, and improving overall urban productivity.

The traditional approach to solid waste management, where municipal governments are responsible for almost all aspects of collection and disposal of solid wastes has not been very successful in Africa. Consequently, a new bold approach, encompassing public-private investment partnerships, is what is required. Several countries are already beginning to move in this direction, including the preparation of guidelines, regulations, and legislation pertaining to such things as landfills and their management. Other countries, such as Uganda and Ghana, for example, have received assistance from the World Bank to build properly sited, designed, and constructed landfills in their major cities (Johannessen and Boyer, 1999).

All of the empirical studies of private sector participation in solid waste management have demonstrated that the sector is much more efficient in this service delivery than municipal governments (Beede and Bloom, 1995). It is this efficiency, along with environmental concerns and the need to extend services to the poor, that is propelling many municipalities in South Africa, for example, to move in this direction. The primary challenges of the public-private partnership approach are regarded by Dohrman and Aiello (1999) as being: (1) regulatory; (2) limited resources; (3) institutional; and (4) technical.

South Africa has developed an innovative solid waste management strategy, through the establishment of a Municipal Infrastructure Investment Unit (MIIU) to use donor and other funding in support of private sector involvement, along with other forms of municipal service partnerships, in municipal service provision. This approach needs to be replicated in other African countries and perhaps used as the mechanism to emulate the novel method in use in the City of Alexandria, Egypt to deal with its solid waste — turning it into organic fertilizer or compost. That takes care of the solid waste itself and in the process produces something useful for agriculture.

Health Care

The most pressing environmental problems in Africa today, in terms of deaths and illness, are those associated with poor households. By targeting policies that help to reduce environmental threats that contribute both to ill health and poverty, it is possible to produce good health long before income growth could do so on its own (WRI et al., 1998). Improving access to health care services must therefore be also seen in the context of client affordability.

Africa continues to invest too few resources in health care services. During the 1990s, Africa was second only to South Asia with respect to the lowest average level of public expenditure on health as a proportion of GDP (1.7 percent and 0.9 percent), respectively (World Bank, 1999a, 2000). Moreover, other social, economic, and political factors have been contributing to the weak state of health services on the continent. For example, political instability and economic considerations have acted as catalysts or push factors in the flight of many African health care professionals to the industrialized countries, undermining the public sector's capacity to respond to health needs. Between 1985 and 1990 alone, Africa lost 60,000 professionals and has been losing an average of 20,000 annually ever since (United Nations, 2000). A large number of these individuals are physicians.

The challenge now facing Africa is to recognize the importance of access to health care services as both a basic human right and a key factor in progress on social development. That means that the health care budget as a proportion of both the overall budget and GDP must be increased. In addition, the delivery of health care services must pay greater attention to meeting the needs of the poor by incorporating into public health programs prevention measures capable of reducing the environmental health risks faced by those poor and by providing basic health care as the primary strategy of 'health for all' in the society.

Preventive measures include hygiene education, information on HIV/AIDS and other sexually transmitted diseases (STDs) and education campaigns, and the monitoring of children's nutritional and growth status. Basic health care entails a cost-effective package of services designed to deal with the most common health problems in a decentralized manner both in terms of delivery and geographical and social distribution. That means removing the high concentration of health care activities in the cities and spreading them out on a district basis to more rural areas. The rural poor in particular need greater access to basic health care through clinics and other health posts.

The basic health care package should give priority to essential clinical services and should include: prenatal and delivery care; family planning; vaccinations; treatment of malaria, tuberculosis, STDs, and actual bacterial infections; diagnostic and referral services for more serious health problems; and essential drugs. However, given the economic circumstances of most of the countries in Africa, to meet the foregoing obligations they would require assistance from beyond the public sector. Public-private initiatives would therefore have to be given greater prominence.

In that regard, a number of such successful initiatives have emerged, particularly involving NGOs and donor organizations. Uganda's success in controlling the spread of HIV/AIDS is linked, in part, to the country's partnership with several NGOs and international organizations such as UNAIDS. In January 2000, a private sector firm — Bristol-Myers Squibb — donated some US$18.2 million to a research collaborative effort between a principal government hospital in Botswana and the Harvard AIDS Institute in the fight against HIV/AIDS in Botswana and beyond (Hope, 2001a). These types of institutional pluralism need to be expanded throughout the African health sector.

Land Use Management and Housing

Land is a basic but limited resource and a very important element in national development. In urban areas, land is also a very scarce commodity. Underlying virtually all urban environmental problems in Africa is the issue of land use and housing, from the lack of affordable housing, to overcrowding, to inner cities marred by abandoned buildings and informal settlements. Indeed, effective urban land management and housing policies are crucial for mitigating the impacts of urbanization on environmentally fragile land and other resources (Bartone et al., 1994; Hope and Lekorwe, 1999).

One of the fundamental problems giving rise to inappropriate land use, poor housing conditions, and the ensuing environmental problems in Africa is the lack of accurate and current information on land use and housing conditions. Such current and accurate information is required for planning and decision-making purposes and also for the evaluation of policies and programs. Most of the municipal governments in Africa lack established systems for generating the information needed to support land use management and housing policies. As a consequence, they have not been able to acquire a proper understanding of the nature of their land use and housing problem to allow them to make proper interventions. In many instances, the result has been the emergence of different types of problems such as inequitable land distribution and an increase in slum and squatter settlement populations and areas (Garba and Al-Mubaiyedh, 1999).

In African urban centers, addressing the problem of land use and housing for the poor needs to be focused on two key areas: (1) periodic assessment to generate information to support land use management; and (2) urban grading. Generating information to support land use management presupposes that African municipalities and governments want to improve, or even begin, their decision-making with respect to the four basic issues of public land management intervention. These are ownership of land, use of land, marketing of land, and taxation of land. Urban upgrading, on the other hand, is primarily concerned with improving the health, environmental, social, and economic conditions in the community, with emphasis on the poor, and encouraging the residents to improve their own houses.

Following the approach of Garba and Al-Mubaiyedh (1999), the periodic land management assessment framework is comprised of four steps. The first is to undertake a preliminary scan of the given urban area to identify trends in land demand and land use and also to identify contextual influences on land management. The preliminary scan will also allow an evaluation of the state of land management. The second step is the assessment of the policy and strategy formulation framework. The aim at this stage is to assess the framework for the availability of appropriate and coordinated policy guidance for all aspects of land management, assess the availability of information to support policy and strategy formulation, and evaluate the responsiveness of the system to feedback. The third step is the assessment of the land management inter-organizational system. The objective at this stage is to determine both the individual land management institutions and the inter-organizational framework within which they operate. The final step of the assessment framework reviews the behaviors and practices of the land management institutions as they undertake the actual process of intervention and control. The aim here is to identify procedures, actions, and practices of the institutions in the enforcement of intervention and control measures, and to assess these on the basis of appropriateness, efficiency, and effectiveness in contributing to the achievement of community objectives (Garba and Al-Mubaiyedh, 1999).

With respect to urban upgrading, African municipalities and national governments need to concentrate on squatter/slum upgrading to improve the living conditions of the urban poor by providing basic infrastructure and service delivery, granting security of tenure, and bettering the environmental circumstances where the poor live. An important aspect of this element is the provision of housing for the poor through sites and services programs (Kessides, 1997). Understandably, the public sector in Africa is not in a position to mobilize the financial resources required to deal with the problem of housing for the poor. Consequently, municipalities and national governments would need to create an enabling environment that encourages public-private cooperation to facilitate community-based, commercial, and self-help solutions.

Coastal Zone Management

The coastal zone in general consists of the interface between land and sea where marine space and resources are just as important as terrestrial ones. Uncontrolled multiplication of activities in African coastal zones have led to environmental degradation and depletion of natural resources. To restore the sustainable development of these coastal zones requires the affected countries to pursue a plan of integrated coastal zone management (ICZM).

ICZM emphasizes the integration of systems, coordination of policies and institutions, management concerns, development objectives, and stakeholder interests across the different landscapes of the coastal zone. It's objective is to optimize the net benefit flows from coastal resources to individuals and society by reducing user conflicts, mitigating adverse development impacts, and enhancing the productivity of coastal ecosystems (World Bank, 1995a). It offers considerable opportunities for public-private partnerships.

In that regard, some international NGOs have been actively involved in promoting their identification of marine and coastal systems as global conservation priorities. In Mozambique, for example, the World Wildlife Fund (WWF) in association with two South African NGOs (The Southern African Nature Foundation and the Endangered

Wildlife Trust) have been involved in promoting sustainable resource use at the community level in the Bazaruto Archipelago, a system of prime coral atolls and sandy beaches with high levels of biodiversity and significant tourist potential (World Bank, 1995a). Similarly, the International Union for the Conservation of Nature (IUCN) has been conducting marine conservation programs in such countries as Kenya, Tanzania, and Mozambique. The IUCN has also drafted mangrove utilization guidelines for the African Development Bank and is now actively involved in coastal zone management projects in Southern Africa.

Environmental Conservation

African decision-makers, assisted by national and international experts, are increasingly acknowledging that environmental degradation is a major factor constraining socio-economic development in the Africa region, and that reversing this trend is an essential ingredient in any poverty alleviation policy (World Bank, 1999d). Consequently, many African countries are beginning to take action to mainstream the environment in the context of both sustainable development and poverty reduction.

Most countries have opted to implement their strategies through National Environmental Action Plans (NEAPs) or equivalents. The overall objective of NEAPs is to elicit an environmental policy and investment strategy for a country. NEAPs or equivalents describe a country's environmental problems, identify their principal causes, and formulate policies and concrete actions to deal with them. A country's government is responsible for preparing and implementing these plans with the financial and technical support of NGOs and bilateral and multilateral donors (World Bank, 1996b).

NEAPs tend to form the basis through which bilateral and multilateral assistance is channelled. However, many countries that have completed NEAPs have been unable to implement them due to political and/or economic crises — Rwanda, Burundi, Democratic Republic of Congo, and Sierra Leone, for example. In other cases, the lack of political commitment has affected the effective implementation of NEAP policies and programs as was found to be the case in Kenya, Tanzania, and Cameroon, for example (World Bank, 1999d).

One of the praiseworthy aspects of NEAPs is their recognition of the importance of decentralizing environmental management and their encouragement of the development of Local Environmental Action Plans (LEAPs) for rapid impact at the grassroots level through public-private partnerships. Many local authorities in Africa have prepared their own LEAPs usually with the assistance of the regional MELISSA (Managing Environment Locally in Sub-Saharan Africa) initiative. The MELISSA Program is co-financed by the World Bank, the European Union, Sweden, and Norway. It was launched in 1996 and has the goal of supporting and facilitating the improvement of the local environment through partnership development and knowledge management. It assists local authorities and communities to prepare, implement, and monitor their own LEAP. Its principle of partnership development implies that the Program collaborates with national governments, academic and training institutions, non-governmental and community-based organizations, international support organizations, and the private sector. The three main themes of the MELISSA Program are: (1) local environmental governance; (2) integrated environmental management strategies; and (3) participatory environmental evaluation and monitoring (MELISSA Program, 2000).

Local governance, or the decentralization of government authority, is on the increase in many countries in Africa, both in the urban and rural sphere. The management of the environment has, accordingly, become a dual responsibility of both central and local governments. However, although African local authorities have the imperative to develop appropriate environmental frameworks to ensure environmental sustainability at the local level, their initiatives can only be sustained where there is the commitment and involvement of the various levels of government, the private sector, and civil society. The need for public-private partnerships is no longer suspect and questionable in Africa. However, for such partnerships to be successful over the long-term, they must be based on local community demands and needs. Even more importantly, they must maintain a focus on the poor.

One approach which focuses on the poor, as well as community demands and needs, is community-based natural resource management (CBNRM) as practised in Southern Africa. CBNRM involves the management of land and natural resources such as pastures, forests, fish, wildlife, and water by groups of rural people through their local institutions. As such, it is seen and regarded as an established and evolving African practice through the empowerment of local communities. It facilitates environmental management and conservation in rural communities in Southern Africa by giving these communities ownership of the natural resources as an incentive, in turn, for them to manage and conserve these resources. This approach to conservation should be adopted throughout the African continent since it offers the poor the best opportunity to participate in the conservation of resources on which they also depend for survival.

Employment Generation and Social Protection

The poor in Africa would benefit most from growth activities that allow them to work their way out of poverty. Economic growth is the most powerful weapon in the fight for higher living standards and a better quality of life including social protection. Growth creates and expands employment opportunities while providing the economic wherewithal for governments to provide social protection for the poor. In most African countries, those who are employed in the formal sector are usually covered, to varying degrees, with such social safety net elements such as health insurance, life insurance, pension/gratuity, and unemployment insurance. The poor, on the other hand, tend to be confined to employment in the informal sector where there are no such social safety nets.

The poor themselves in Africa, and the rest of the developing world as well, have also confirmed that high on their priority list of means for moving out of poverty is access to employment and social protection. In the World Bank project on 'Consultations With the Poor', the poor said that what they wanted was the dignity of work, with a stable and predictable income based on a living wage; fair treatment; a place to live; and not handouts (Narayan et al., 1999). However, the poverty status of the poor is also a function of their lack of educational attainments and this, in turn, confines them to seeking or creating employment in the informal sector.

As pointed out earlier, the informal sector accounts for more than 60 percent of total employment in Africa and by 2020 it is projected to account for 95 percent. It is a vibrant sector providing livelihoods for the poor through an enormously wide range of activities including small-time vending, odd jobs, making crafts, and home-based or other micro-enterprises. It relieves unemployment pressures that otherwise would create serious political and social problems and offers the best chance for the poor to work their way out of poverty and not rely on handouts. It also contributes in the range of 20–40 percent of GDP in most African countries and women account for 60 percent of the activities (African Development Bank, 1997; Hope, 1997a). By the year 2020, it is estimated that the informal sector in Africa will grow its contribution to GDP to 66 percent (Hope, 1997a, 2001b).

Given the potential and importance of the informal sector as a source of employment and growth in African economies, it cannot be ignored. Rather, by virtue of its dynamism, it does have a crucial role to play in poverty eradication policies and in Africa's economic recovery and development. This has now come to be recognized by national governments, international organizations, and non-governmental organizations. The United Nations Economic Commission for Africa (UNECA, 1994: 16), for example, has included "creating an enabling environment for enhancing the effectiveness of the informal sector, developing market networks between the formal and informal sectors and the progressive integration of the informal sector into the formal sector" as part of a comprehensive approach to poverty reduction in Africa.

However, African governments need to do more in support of expanding and integrating the informal sector into their economies. The United Nations Office of the Special Coordinator for Africa and the Least Developed Countries has eloquently addressed a number of actions that need to be taken in that regard (UNOSCAL, 1995). Nonetheless, from the point of view of this author, the most critical action that needs to be taken is that of enhancing access to credit for the poor to finance their small-scale enterprises and agricultural activities. At the moment, too many of the poor are dependent on micro-lenders who, unfortunately, tend to have reputations as loan sharks. Women in Malawi, for example, have complained that while they appreciated small loans as being helpful in making them fairly better off, the terms and conditions force them into psychological slavery (Narayan et al., 1999). And, despite the success of informal finance networks (such as rotating savings and credit associations) in Africa, large numbers of poor people are still unable to access credit to engage in income-generating activities.

What is recommended is that those African countries that have not already done so should follow the lead of Botswana and establish a national fund that will provide loans to small, medium, and micro enterprises (SMMEs) that have the potential to generate employment. Through the creation of employment, the poor will be able to work their way out of poverty and away from the environmental problems with which they are confronted since jobs lead to income which, in turn, leads to economic independence, greater self-reliance, and improved standard of living choices.

With respect to social protection, given that the majority of the poor work in the informal sector, they should be specifically targeted in social safety net schemes. African governments in partnership with NGOs should attempt to emulate the innovative micro-insurance scheme that has been put in place by the Self-Employed Women's Association (SEWA) in India. The SEWA has developed the largest and most comprehensive contributory social security scheme in India at this point in time and offers a practical model of providing needed life, health, and asset insurance to those working in the informal sector.

The SEWA is a registered association of members who are self-employed, hawkers, vendors, home-based workers, and labourers who are covered by an integrated social security program which includes health insurance, life insurance (death and disability), and asset insurance (loss or damage to house or work equipment) (Narayan et al., 1999). The program works through risk pooling by members who already know and can monitor each other. The scheme is financed through the interest paid on a grant provided by a donor agency, direct contributions by workers, and through a program subsidized by the Indian government involving the state-owned Life Insurance Corporation.

Conclusion

Poverty eradication, social development, and environmental sustainability and regeneration were three of the key themes of the World Summit for Social Development (WSSD) held in Copenhagen in 1995. At that summit, special attention was given to Africa and a commitment emerged as follows: "We commit ourselves to accelerating the economic, social and human development of Africa and the least developed countries". However, Africa has entered the 21st century as the world's worst failure in social, economic, human, and technological development (Chimere-Dan, 1999). Consequently, poverty is an enduring challenge in the region for which policy formulation and implementation needs to be ratcheted up and greater emphasis placed on public-private partnerships to provide technical and financial capacity for effective outcomes.

Similarly, the approach to arresting environmental degradation in Africa must be given a greater focus within the context of the poverty and environmental damage nexus. This work has demonstrated that both local and national environmental concerns have immediate and directly attributable effects primarily on the poor. Dirty water causes disease and inadequate waste disposal make people sick, for example. They affect not only human health, but people's livelihoods and survival also. The rural poor are most affected because of the substantial quantitative contribution that environmental resources make to their households for subsistence (Cavendish, 1999). Reversing this downward spiral must therefore be given greater prominence in African development policy in these early years of this 21st century.

CHAPTER EIGHT

THE NEW PUBLIC MANAGEMENT, DECENTRALIZATION AND PUBLIC SECTOR RE-ENGINEERING IN AFRICA

During the past two decades, there has been a significant shift in the role of the public sector both with respect to public service delivery and the stimulation of economic progress. That shift, which was occasioned by the need for policy reform, has influenced the emergence of what is now termed the 'New Public Management' (NPM), reflecting a movement away from the old values and norms of public sector administration.

The policy reform framework that, ultimately, led to the conceptualization and development of the NPM, was based on the growing reality of government failure in the efficient delivery of public services and the need to enhance an environment conducive to sustainable economic prosperity. Those government failures led, in turn, to economic stagnation, fiscal crises, and deteriorating public services. At the same time, however, there were increasing demands for quality public service delivery and this led politicians, practitioners, and academics to search for realigned structures and institutions capable of meeting that challenge (CAPAM, 1995; Hope, 1997a; Kaul and Collins, 1995).

Moreover, the claims of any government to preeminence or dominance over public management and policy are not accepted as readily as in the past for "there is now a greater burden of proof for expanding or even often for maintaining their functions" (Uphoff, 1994: 3). As a result, "public managers must deal not only with the challenge of providing a cost effective and friendly service but with the need to defend the involvement of government in the delivery of such a service" (Halachmi and Bouckaert, 1995b: 324). Consequently, the need to rethink the role, functions, and capabilities of the public sector emerged most dominantly in the framework of the NPM. Many governments and several international organizations have embraced the NPM as the framework or paradigm through which governments are modernized and the public sector re-engineered to "strengthen the connections between government and the mechanisms, both in government and civil society, that are responsible for how well government works" (Armacost, 2000: v).

This chapter examines and analyzes the NPM paradigm and its relevance to the re-engineering of the African public sector, through decentralization, as an aspect of the required policy reforms for sustainable development.

Basic Framework of the NPM Paradigm

The NPM represents the culmination of an evolution in public management that emerged in the 1980s. Rather than focusing on controlling bureaucracies and delivering services, public managers are now responding to the desires of ordinary citizens and politicians to be "the entrepreneurs of a new, leaner, and increasingly privatized government" (Denhardt and Denhardt, 2000: 549). As such, the NPM is clearly linked to the notion of trust in economic rationalism through the creation of public value for public money.

According to Aucoin (1990) and Bale and Dale (1998), for example, the NPM concept is centered on the proposition that a distinct activity — management — can be applied to both the public and private sectors, and that it includes a number of elements: (1) the adoption of private sector management practices in the public sector; (2) an emphasis on efficiency; (3) a movement away from input controls, rules, and procedures toward output measurement and performance targets; (4) a preference for private ownership, contestable provision, and contracting out of public services; and (5) the devolution of management control with improved reporting and monitoring mechanisms.

The basic foundation of the NPM is the use of the economic market as a model for political and administrative relationships. The institutional aspects of the NPM are heavily influenced by the assumptions of public choice theory, principal-agent theory, and transaction cost economics (Kaboolian, 1998). The NPM movement is driven to maximize productive and allocative efficiencies that are hampered by public agencies that are unresponsive to the demands of citizens and led by bureaucrats with the power and incentives to expand their administrative empires. In addition, the NPM makes a rigid formal separation between policy-making and service delivery (Kelly, 1998; Self, 1993). It is used to describe a "management culture and orientation that emphasize the centrality of the citizen or customer, and as accountability for results" (Manning, 2001: 299).

According to the Public Management Committee of the OECD (1995) and as summarized by Mathiasen (1999), the NPM is aimed at fostering a performance-oriented culture in a less centralized public sector and is characterized by:

(1) A closer focus on results in terms of efficiency, effectiveness, and quality of service;
(2) The permanent replacement of highly centralized, hierarchical structures by decentralized management environments where decisions on resource allocation and service delivery are made closer to the point of delivery, and which provide scope for feedback from clients and other interest groups;
(3) The flexibility to explore alternatives to direct public provision and regulations that might yield more cost-effective policy outcomes;
(4) A greater focus on efficiency in the services provided directly by the public sector, involving the establishment of productivity targets and the creation of competitive environments within and among public sector organizations; and
(5) The strengthening of strategic capacities at the center to guide the evolution of the state and allow it to respond to external changes and diverse interests automatically, flexibly, and at least cost.

The NPM is also therefore related to the notion of re-engineering the public sector or the reinventing of government. Re-engineering is a management philosophy that seeks to revamp the process through which public organizations operate in order to increase efficiency, effectiveness, and competitive ability. It calls for changes in the structure of public organizations, their culture, management systems, and other aspects in support of the new initiative. In addition, it encompasses client-oriented, mission-driven, quality-enhanced, and exercise-participatory management, using resources in new ways to heighten efficiency and effectiveness (Barzelay, 1992; Halachmi, 1995; Osborne and Gaebler, 1992).

The NPM can also be regarded as a normative reconceptualization of public sector management consisting of several inter-related components. It emerged in response to the economic and social realities which governments everywhere have had to face during the past two decades (Borins, 1995). Those realities include: (1) too large and expensive public sectors; (2) the need to utilize information technology to increase efficiency; (3) the demand by the public for quality service; (4) the general collapse of centrally planned economic systems which underscored the poor performance of government services worldwide;

(5) and the quest for personal growth and job satisfaction by public sector employees (Borins, 1995; Commonwealth Secretariat, 1995).

The NPM, with its emphasis on managerialism, is much clearer in theory and in program content than previous attempts at reforming the model of public sector functioning and service delivery. Rather than being just a technical specialization within the old public administration or just another set of public sector reforms, the NPM represents a transformation of the public sector and its relationship with government and society (Hughes, 1994). A careful analysis of the recognized major contributions on the changes involved in the NPM framework suggests a focus on four primary areas (Hood, 1991; Hughes, 1994; OECD; 1991).

The first area relates to the need for organizations to emphasize outputs rather than inputs. In effect, the emphasis is on the achievement of objectives through measured performance. The second area has to do with changes in inputs — staff resources, budgets, technology, and the like — aimed at improving incentives and thereby performance. The next area pertains to the reduction of the scope of government by reducing government functions and finding other avenues of service delivery. The final area is concerned with relationships between the bureaucracy, on the one hand, and the politicians and public on the other. That is to say, a movement away from the narrow and technical (master and servant) relationship to a recognition of the essential political character of government, as well as the need for direct accountability between public service managers and the public in order to satisfy demands for a client-oriented approach for public service delivery (Hughes, 1994).

Other analysts, such as Cheung (1997), for example, have characterized the NPM as being credited with bringing about a fundamental value change in public sector reform. Accordingly, Cheung (1997: 449) argued that:

> Cost-effectiveness, efficiency and value for money represent the core values against which the forms of public-service provision are increasingly measured. Such values also underline the attempt to debureaucratize the civil service through decentralization and marketization, and ultimately to transform the culture of the civil servants which would entail new regimes of motivation, incentives, work conditions, rewards and sanctions.

Similarly, Common (1998) and Peters (1996), for example, have made the case that the application of NPM techniques is an international phenomenon due to the fact that the NPM offers the best or the only way to obtain better results from public sector organizations irrespective of the economic status (poor or wealthy) of a country. In other words, public sector performance can be significantly enhanced by adopting market-based mechanisms to replace some service delivery by the traditional bureaucracy.

Moreover, Kettl (2000) has also persuasively shown that the international revolution behind the NPM has been about governance. That is, public efforts to strenghten the connections between government and the mechanisms, both in government and in civil society, that are responsible for how well government works. In essence, the strategies of the global NPM movement seek to "reduce government's costs, make government a friendlier partner to both citizens and businesses, improve government managers' ability to manage, and improve the productivity of government" (Kettl, 2000: 48).

However, despite the fact that the literature supporting this point of view is extensive, and has been increasing rapidly in recent times, there are a few opposing views to be acknowledged here that are presented by analysts such as Goodsell (1993), Moe (1994), Savoie (1995), and Thomas (1996), for example, who essentially argue that the NPM, as a concept, is basically flawed because its philosophy is rooted in the conviction that private sector management is superior to public management and, yet, by its very nature, public sector management does not lend itself to private sector management practices due to the fact that, among other things, it entails a world of settled institutions designed to allow imperfect people to use flawed procedures to cope with insoluble problems. Significantly, these critics recognize the need for improving public sector efficiency and service delivery and are therefore only opposed to the methods for achieving such improvement. They argue that the solution does not lie in the NPM but in a proper understanding and use of the administrative management paradigm in the context of the political institutions and public law through which the public sector functions.

One of the central elements in the re-engineering of the public sector and the application of the NPM is the concept of decentralization. Many countries, particularly the developing countries after they gained independence, initially emphasized efforts to build a nation-state. That, in turn, had a highly centralizing effect and negative impacts on the efficient delivery of public services. The movement toward decentralization is an attempt to, among other things, improve the delivery of public services and increase the productivity of the public sector. It entails a fundamental value change leading to a de-bureaucratizing of the public sector (Cheung, 1997).

Decentralization: African Examples

Decentralization is a growing worldwide trend, which reflects an attempt toward achieving a more democratic and participatory approach to government, even in some countries which have been characterized by pronounced centralism (Ter-Minassian, 1997). Basically, part of the case for decentralizing public organizations is the need to force those responsible for delivering services to orientate them toward user needs, including by empowering clients and drawing them more closely into the policy process (Gray, 1998). The concept of decentralization was defined and explored in chapter four. This section offers up some examples of its application in Africa.

Deconcentration is the most common form of decentralization employed in the agriculture services, primary education, preventive health, and population subsectors (Silverman, 1992). In Botswana, for example, the central government has created and supervises district councils as well as a national Rural Development Council for the coordination and implementation of, among other things, rural development activities such as drought relief measures and agricultural development.

Another popular method of deconcentration in NPM reforms is that of the breaking up of monolithic bureaucracies into agencies — the 'agencification model' of public sector reform. Leaving aside, for the purposes of this chapter, the debate on whether agencification is a pure form of deconcentration or contains elements of delegation, the 'agencification model' has emerged as a choice mode of decentralization in many African countries. In South Africa and Zambia, for example, independent revenue authorities have been created with corporate outlooks on governance to increase the efficiency and accountability of tax collection beyond the bureaucracy of their Finance Ministries.

Delegation is seen as a way of offering public goods and services through a more business-like organizational structure that makes use of managerial accounting techniques normally associated with private enterprise. It has been used extensively in Africa. In Kenya, for example, public corporations have been used to organize, finance, and manage large-scale agricultural projects such as tea production. In Lesotho, a parastatal was created to finance and manage a huge water development project in the country's highlands area. In Ghana and Botswana, autonomous hospitals with independent management boards have been established to improve efficiency in service delivery; improve responsiveness to users' needs and preferences through market-based initiatives such as user fees; and to reduce the financial and managerial burden of large hospitals on the health ministries (Larbi, 1998, 1999).

One significant feature of delegation, as a mode of decentralization in Africa, is that it is used as a tool for making decisions more relevant to local needs and conditions, especially in rural development programs. In Morocco, for example, the transfer of some implementation powers to the local level is intended to increase the chances that more positive results will be achieved from development projects. Thus, decentralization in this context is designed to reflect unique local circumstances in development plans and their implementation (Smith, 1993).

Devolution is the strongest form of decentralization. It allows for the reduction of the levels of administration through which activities have to pass and it enhances citizenry productivity and participation by increasing their involvement in development activities. Moreover, devolution is an arrangement in which there are reciprocal, mutually benefiting, and coordinate relationships between various levels of governments (Rondinelli, McCullough, and Johnson, 1989). Among some of the attempts at devolution in Africa is the experience of Nigeria where, in the latter part of the 1970s, it was based on the conventional British local government model. Edicts handed down by each state government established local governments to serve populations of not less than 150,000 and not more than 800,000 constituents; created local councils with at least three-fourths elected memberships; and devolved to local governments exclusive responsibility for, and authority to enact, by-laws regarding an extensive list of functions (Koehn, 1995).

Similarly, in Ethiopia, the government has reversed many of the previous centralizing policies and embarked on a more radical devolution to the regional level of "legislative, executive, and judicial powers in respect of all matters within their geographical areas except [those] which are specifically reserved for the central government because of their nature" (Koehn, 1995: 75). Ghana has also been putting into place a public financial management program which gives managers greater control of their budgets (Larbi, 1999), while, in Senegal, authority is devolved to rural councils which gives them powers to determine land usage, settlement of land tenure disputes, and the erection of temporary and permanent dwellings within their boundaries (Blunt and Jones, 1992). Although budgetary matters are determined at the central government level, many activities are financed from revenues obtained from rural land taxes, the rate of which is also centrally determined (Aloki, 1989; Vengroff and Johnston, 1987).

Privatization has gained considerable currency during the past decade. Its growing appeal is derived from the economic case for such privatization. That economic case is made by the fact that public service delivery is much more expensive than can be justified and sustained by most governments; by the poor economic performance of government agencies and ministries when compared to the private sector; and the built-in characteristics of government functioning such as political interference and bureaucratic failure that give rise to economic inefficiency (Hope, 1996b). Privatization can be a complex process, frequently involving choices between the need to improve financial and economic efficiency; political opposition and varying degrees of unpopularity; and distinguishing between sectors and services that are essentially in the public interest and those which should be hived off to the private sector (Hentic and Bernier, 1999).

Privatization in Africa has taken several forms. It has included: (1) the commercializing of government services which are contracted out to an outside agency; (2) joint ventures between government agencies/ministries and private entities; (3) the sale of some government services or functions, such as water supply or telecommunications, to the private sector; (4) management contracts for the private sector to manage specific government functions or services such as postal services; (5) the leasing of government assets that are used to provide public services; or (6) the granting of concessions to private entities to operate and finance some public services delivery.

The sale of government assets or services have a huge advantage over non-ownership methods of privatization because they entail the transfer of ownership and the rights to pursue profits. In Guinea, for example, such sales resulted in a reduction of government-owned assets by more than 50 percent during the period 1980–91. Similarly, during the same period, the government of Togo reduced its ownership of producing assets by 38 percent, while in Tunisia and Nigeria the reductions were 12 percent and 26 percent, respectively (Kikeri, Nellis, and Shirley, 1992). In sub-Saharan Africa as a whole, the total sales value of privatization transactions increased from approximately US$1 billion during the period 1988–93 to US$2.7 billion by the end of 1996 (Sader, 1995; White and Bhatia, 1998). Overall, the total number of public enterprises in Africa is estimated to have fallen by about 37 percent between 1990 and 1995 (Sarbib, 1997). This figure has certainly increased significantly since then.

One method of privatization that is increasing in popularity is the contracting out of services. Increasing emphasis is being placed on efficiency and service delivery and one of the means identified for improving both is the contracting out of services. The contracting out of services leads to cost savings and better value for money by removing the production of such services from inefficient public bureaucracies that are more intent on satisfying the wishes of producer groups rather than consumers. Moreover, private contractors can be penalized for poor quality, delays, and lack of reliability (Hoggett, 1993). In Botswana, for example, the parastatals have contracted out a number of services including those related to maintenance and security. Similarly, in Nigeria the National Electric Power Authority contracts out maintenance for power station and transmission facilities. Also, maintenance is contracted out by the Nigerian Telephone Company (Fox, 1994).

However, there can also be tremendous benefits from the privatizing of management through management contracts, leases, and concession arrangements. Privatizing management may be a useful alternative method of improving the efficiency of public sector enterprises where outright sales may not be feasible for economic or political reasons. It can also be used as a tool to improve the performance of such enterprises to ready them for sale in the future.

The most frequently used tool to privatize management is the management contract. A management contract is an agreement between a government and a private party to operate an enterprise for a fee. Such contracts are most common in the hotel industry. When hotels are excluded, Zambia, for example, was found to have the most management contracts with a total of sixteen, while Tanzania had ten in the mid-1990s (World Bank, 1995b).

Excluding hotels, the majority of the worldwide management contracts are concentrated in Africa. The Africa region accounts for approximately two-thirds of these management contracts. Many of the enterprises under management contract in Africa were, ironically, formerly owned by transnational corporations, were nationalized, and then contracted out, sometimes to the former owner. Such management contracts exist in the sugar sector in Kenya and the gold mining sector in Ghana, for example. In the majority of cases, management contracts were found to have improved both enterprise profitability and productivity (World Bank, 1995b).

In leases, a private operator pays a government a fee to use its assets and/or facilities and assumes the commercial risks of operation and maintenance of those assets. Fees are usually linked to performance and revenues and some lease arrangements also provide for a percentage of the profits to be paid to the relevant government while that government agrees to guarantee the outstanding debts of the enterprise (Commonwealth Secretariat, 1994). Such arrangements are most practicable in those activities where investments are made in an infrequent manner and it allows for responsibility for operations to be separated from responsibility for investment.

Lease arrangements are widely used in Africa, particularly in those sectors to which it is difficult to attract private investors. In Nigeria, for example, a joint foreign-local enterprise has leased ports from the government. Other examples include steel and petroleum refining in Togo, water supply in Guinea and Côte d'Ivoire, electricity in Côte d'Ivoire, road transport in Niger, and mining operations in Guinea (Kikeri, Nellis, and Shirley, 1992). These lease arrangements have also brought about considerable improvement in labour productivity and reductions in costs. For example, in Côte d'Ivoire the leased water company reduced the number of highly paid expatriates by about two-thirds, from forty to twelve. In addition, technical efficiency, new connections, billing, and collection of receivables also improved considerably (Kikeri, Nellis, and Shirley, 1992).

Concessions incorporate all the features of a lease but give the contractor the added responsibility of investments such as for specified extensions and expansions of capacity or for the replacement of fixed assets. Although concession arrangements exist around the world for railways, telecommunications, urban transport systems, and water supply and treatment, they are not widely used in Africa primarily because private financing tends to be weak in comparison with the size of the investment, and especially so in those countries where the political and economic risks are perceived to be great (Kikeri, Nellis, and Shirley, 1992).

Linking Decentralization to Public Sector Re-engineering

One central argument or theme of this chapter is that the decentralization framework is a major element in the facilitation of the re-engineering of the public sector and in the construct of the NPM. Undoubtedly, the changing economic and social conditions in most African countries have led to reduced financial resources within the public sector, a growing concern over cost consciousness and efficiency, and more pressure for responsiveness and accountability in service delivery (Kaul and Collins, 1995). Reducing the size of the public sector whilst maintaining its effectiveness is therefore a challenging exercise which can best be accomplished through decentralization policies. Larbi (1998), for example, convincingly demonstrates the significance of decentralization in the re-engineering of the state in NPM-type organization and delivery in the public health and water services in Ghana.

Essentially, the re-engineering of the public sector in Africa represents a movement away from a dominant (centralized) role for the state in public service delivery to domains of more local service delivery through the various elements of decentralization that have been discussed in this book. Consequently, despite the fact that there are some obvious costs to decentralization, it has yielded significant benefits in those countries where properly implemented. In Africa, through decentralization, and privatization in particular, the burden on government resources has eased somewhat leading to the use of those resources in other priority areas. For example, the privatization of Kenya Airways provided the Kenyan treasury with US$76 million from the sale of 77 percent of its share in 1996 and, due to enhanced efficiency and better performing management, some 400 new jobs have been created (Samuel, 1999).

Moreover, as mentioned in chapter four, there is a growing body of evidence indicating that the decentralization of government services can be far more efficient than their supply by bureaus. These methods promise both to reduce the total cost of government and to increase the level and quality of public services. Only the unthinking, uncreative, and inefficient may have any cause to object to such a fundamental fact (Hope, 1996b; Mitchell and Simmons, 1994). In addition, it has been observed elsewhere that the economic and political crises of the 1970s and 1980s have now discredited service delivery systems based on centralized bureaucracy, forcing practitioners and theorists of public management to shift their focus from hierarchy and control to participation and empowerment and, therefore, reflecting the recognition that hierarchical systems do not lead to progress but to inefficiency, autocracy, and corruption (Brett, 1996; Hope and Chikulo, 1999).

Decentralization enables much greater variety of choice while also serving to reduce costs. To the extent, for example, that education is considered a public good, it seems clear that public financing is desirable. However, the consumption of education should be viewed as a private good. Currently, too many African citizens are denied their preferences as to quantity and type of education. Consequently, a case can be made for the full decentralization of schools in Africa.

Highly centralized forms of governance also generate administrative pathologies including communication overload, long response times, filtering and distortion of information, a failure to grasp spatial connections in sectoral programming, and so on. Moreover, centralized states tend to be unresponsive to local needs as well as to the needs of the disempowered in particular (Friedmann, 1992). Restructuring the delivery of public services, by decentralizing functions and resources, thus becomes a central claim of the NPM and the re-engineering of the public sector. Decentralizing governance can also be one of the best means of promoting participation and efficiency in African states since it redefines accountability relationships.

Much of the current evidence suggests that there is a growing recognition that local governments are better placed to make the appropriate decisions with respect to expenditures and revenues for the delivery of public services. Central governments therefore need to find the best combination of feasible policy interventions to facilitate and support the decentralization of public service delivery, financing, and management. The imperative for the re-engineering of the public sector in Africa demands no less.

Undoubtedly, the poor record of government performance in Africa has played a major role in the development of policy reforms that have led to the need to re-engineer the public sector and provides ammunition to calls for decentralization. Based on the available evidence on its benefits, decentralization should be implemented at the level that is closest to the people. Such a strategy would also allow for greater economic and political participation among the citizenry and private voluntary groups.

Participation is a dominant aspect of the functioning of private voluntary groups and it is the basic feature that distinguishes them most sharply from the top-down approach of central governments, for example. Many of the successes recorded by private voluntary groups are attributable to their fundamental recognition of the central importance of constituent participation in governance, planning, decision-making, distribution of benefits, and project monitoring (Hope, 1983; Koehn, 1995).

In recent years, both the public policy and development studies literature have moved toward the consensus that participation by the intended beneficiaries improves the delivery of public services. Moreover, the participatory approach is now increasingly advocated by the aid agencies such as the International Monetary Fund, the World Bank, and the United Nations Development Programme. Increased beneficiary participation is therefore no longer seen as a vague ideology based on the wishful thinking of a few idealists. Indeed, it has become an imperative in the process of decentralization (UNDP, 1993).

The re-engineering of the public sector, within the NPM, is closely linked to private sector ideas such as efficiency, productivity, scaling down, cost cutting, client satisfaction, and so on. However, this new awareness in the public sector does not fail to recognize that there are differences between the public and private sectors. Rather, it acknowledges that it is most receptive to learning from and adapting private sector strategies to the public sector (Borins, 1995; Halachmi, 1995).

Like the private sector, the public sector in Africa is now forced to cope with a change from ad hoc actions and functional organizational structuring to designing, managing, optimizing, and decentralizing processes. A good example of such change can be found in South Africa where public sector decision-making has evolved from an authoritarian approach with strong sectoral lobbying from the employers to a participative, democratic, and consultative approach where all stakeholders can contribute to the final policies (Boer, 1995).

Basically, the current thrust of public sector reform was pioneered by New Zealand and Australia. That thrust has been an overall policy of decentralization and a switch from centralized input controls to output controls. The impetus for these reforms stemmed from the reality that the traditional model of the public service was not very successful at adapting to the rapid rates of change in society and that it was no longer adequate for modern needs. Consequently, reforming the core public service required the espousing of the philosophies of what is now known as the NPM (Boston et al., 1991; Byrne et al., 1995; Scott, Bushnell, and Sallee, 1990).

However, one aspect of this change process that warrants further consideration, with respect to the African countries, is that of capacity-building in the public sector as discussed in chapter one. Many African countries still lack sufficient capacity to fully implement fundamental public sector reforms. Consequently, there are still large numbers of costly expatriate advisors and consultants in many of those countries. Clearly, building the capacity of governments to plan and implement public sector tasks must be given high priority in the re-engineering of the public sector within the NPM (Cohen, 1995).

Conclusion

As the re-engineering of the public sector has become clearer, a managerial approach to the challenges it faces has emerged. That approach is sufficiently relevant, coherent, and distinct from the old traditional bureaucratic approaches to have been characterized as the NPM (Manning, 1993). The emphasis is on the quality and effectiveness of governance, efficiency, productivity, competitive ability, client-driven service delivery, results rather than procedural consistency, management autonomy in decision-making, and beneficiary participation in program planning and implementation. It also entails the emergence of entrepreneurial government and systems of administration which promote competition between service providers while at the same time seeking to empower citizens.

One crucial element in the facilitation of the re-engineering of the public sector and the legitimacy of the NPM is the concept of decentralization. Decentralization is seen here as representing the critical means through which the re-engineering of the public sector, within the context of the NPM, can be most effectively realized, and particularly so in Africa. Decentralization results in better governance, it facilitates the development of more effective and efficient public sector management, it increases popular participation in government, it allows for better mobilization and use of resources, and it encourages market-like responsiveness to the provision and consumption of public services.

Decentralization is steadily gaining momentum around the world. In the developed countries, it is being used as an instrument of policy reform within the framework of political and economic liberalization.

As a reform measure, decentralization is much more successful when governments demonstrate a clear vision of the future which is based on leadership and values that are widely shared by society. This requires political commitment, capacity building, and the setting of priorities as well as tangible and realistic objectives (Kaul and Collins, 1995).

Finally, from the perspective that better governance will lead to better economic policy making and improved economic performance, decentralization is one instrument which is expected to have very specific effects on the development performance of government institutions at the local level, where government actions usually have the most impact on the lives of ordinary citizens (Chikulo, 1998; Crook and Manor, 1995; Turner and Hulme, 1997). Decentralizing state power and resources is therefore a logical continuation of the many recent efforts to bring government closer to the people. "It offers the chance to match public services more closely with local demands and preferences and to build more responsive and accountable government from below" (World Bank, 1997: 120). Regardless of the form selected, decentralization can yield significant benefits where properly implemented. "Greater levels of decentralization are, consequently, to be preferred as long as multiple political jurisdictions do not affect the cost of providing society with public goods and services" (Mbaku, 1997: 203). Undoubtedly, there is a direct relationship between decentralization and better governance and it needs to be further seriously exploited particularly by the African countries.

CHAPTER NINE

DEVELOPMENT PROSPECTS FOR AFRICA: STRUCTURAL ADJUSTMENT AND BEYOND

In the 1980s, the economic deterioration at the national level, and the ensuing economic deprivation at the human level in Africa, resulted in the emergence of policy reform which was dominated by donor-sponsored structural adjustment programs (SAPs). Despite the fact that SAPs have had mixed results, they have been successful, for the most part, in restructuring and liberalizing African economies. Measured against failed policies that predated SAPs, considerable progress has since been made both in policy change and performance (Hope, 1997d; Sahn, 1994, 1996). Consequently, as we engage the 21st century, we are now able to talk of economic recovery as a number of performance indicators have been showing positive upturns in Africa since the early 1990s. In other words, performance is most definitely responding to policy reforms. This chapter reviews the positive economic recovery impact of SAPs in Africa and analyzes development prospects for the continent in the post-SAPs era of the 21st century.

Impact of Structural Adjustment

In the early 1980s, SAPs became the policy response to Africa's economic crisis. SAPs were formulated by and with the support of the International Monetary Fund (IMF) and the World Bank, and they were a combination of two types of policy responses — stabilization policies which were the domain of the IMF, and structural adjustment policies which were the province of the World Bank. Generally, as a precondition for a country to enter into a structural adjustment program, agreement had first to be reached on a set of stabilization measures with the IMF.

To achieve the objectives of SAPs, the primary policy instruments employed were: (1) exchange rate adjustment, primarily devaluation; (2) control of the money supply and credit ceilings; (3) interest rate policy, allowing interest rates to respond freely to market forces;

(4) debt rescheduling; (5) fiscal policy, including measures to reduce public expenditure and mobilize resources; (6) deregulation of prices of goods, services, and factor inputs; (7) liberalization of trade and payments arrangements; and (8) the reform of institutions with an emphasis on building capacity for policy analysis, implementing public investments, and privatization of public assets (Hope, 1997d; Tarp, 1993). These instruments were interdependent and, in some cases, they were mutually reinforcing.

In the majority of the African countries that implemented SAPs, there was a marked improvement in economic performance beginning in the early 1990s. That, in turn, led to a process of economic recovery on the continent, reversing the trend of persistent negative growth in the 1980s. Table 9.1 depicts the primary macroeconomic indicators and shows that real GDP growth, which continues to broaden, was estimated at 3.2 percent in 2000. However, there are variations in individual country performances as well as by region. Although the number of countries with negative growth declined to six from eleven between the end of the 1990s and 2000, those with growth rates above 5 percent have been declining since the mid-1990s (African Development Bank, 2001).

Under SAPs, there have been serious attempts to reduce the rates of inflation and improve fiscal balances. In 2000, the average inflation rate in Africa was estimated at 13 percent compared to 42 percent and 33 percent in 1994 and 1995, respectively. With respect to fiscal balances, large fiscal deficits indicate the extent of government failures to achieve fiscal discipline. In Africa, there has been uneven but progressive improvement in the fiscal situation compared to the pre-adjustment period. In the 1990s, fiscal policy continued to emphasize budgetary restraint and the overall budget deficit was consistently reduced from 7.5 percent of GDP in 1993 to 1 percent by 2000 (African Development Bank, 2001). Several countries either recorded or maintained budget surpluses.

Fiscal policy (changes in government expenditures and revenues) is important for short-term attempts to stabilize the macroeconomy and for longer-run efforts to make key structural changes to the economy. Consequently, the impact of SAPs on fiscal deficits is determined through a set of conditions, including the reduction of government spending. It has also been increasingly recognized that unless the role of government is limited to those activities where market failures predominate, growth of the private sector could be crowded

Table 9.1: *Macroeconomic Indicators for Africa, 1990–2000*

Indicators	*1990*	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*
Real GDP growth rate[a]	2.5	2.9	5.3	3.2	3.2	2.7	3.2
Inflation[a]	17.0	33.0	27.0	14.1	11.2	12.0	12.7
Fiscal balance[b]	–4.3	–3.0	–2.6	–2.7	–3.6	–3.4	–1.0
Money supply growth[a]	20.1	22.6	18.7	17.5	14.2	17.9	13.4
Export growth (volume)[a]	4.8	9.2	4.7	3.6	0.0	0.6	7.3
Import growth (volume)[a]	4.8	7.3	2.5	6.8	4.7	2.6	4.8
Terms of trade[a]	5.0	–0.6	4.8	0.6	–11.3	8.6	15.7
Trade balance[c]	7.1	–4.6	4.8	2.2	–17.5	–10.4	11.4
Current account[c]	–8.9	–13.5	–5.3	–6.4	–24.6	–18.5	–2.0
Current account[b]	–1.9	–2.7	–1.0	–1.2	–4.5	–3.4	–0.3
Debt service[d]	21.9	23.0	22.9	19.2	20.4	19.3	16.2

Source: African Development Bank (1999, 2001).

Notes: [a] Percent; [b] Percent of GDP; [c] US$ billion; [d] Percent of exports.

out and stifled. In Africa, the share of government expenditure in GDP has declined from an average of 33 percent in the 1980s to approximately 26 percent by 1998. Public sector wage bills account for a large proportion of total government expenditures. Typically, in the adjusting African countries, the public sector wage bill accounts for more than 20 percent of total government spending. As a fiscal weight, the central government wage bill in Africa has been declining from 10 percent of GDP in the 1980s to 6.7 percent of GDP in the 1990s (Schiavo-Campo, de Tommaso, and Mukherjee, 1997).

Apart from reductions in government expenditures, maintaining a healthy fiscal balance also necessitates measures to increase revenues. Unfortunately, in Africa, the performance of total government revenue has been mediocre, increasing slightly from 23.3 percent of GDP in 1980 to 24.5 percent by 1998. In some countries such as Tanzania, Uganda, and Zambia, for example, government revenue declined during the adjustment period, and this, in turn, increased their dependence on external financing. Almost all African countries have weak and narrow tax bases. In addition, in some countries, such as Zambia, for example, the decline in revenues has also been caused by the erosion in the real value of tax revenues associated with some very high rates of inflation. While adjustment policies for public expenditure have received a great deal of attention, and have been subject to much criticism due to a generally false perception that they result in draconian cuts in public spending, changes in tax policy have gone relatively unnoticed (Sahn, Dorosh, and Younger, 1997). The primary fiscal problem in many African countries pertains to the lack of revenue and inadequate allocation of the existing resources, and this was found to be particularly true in those economies, such as Ghana, that suffered serious economic collapse before commencing their adjustment programs (Sahn, Dorosh, and Younger, 1997).

The African countries have been adjusting under a somewhat difficult international economic environment. That environment has been characterized, in varying degrees, by deteriorating commodity terms of trade; a heavy burden of servicing debts; and a recession in some industrial countries (Kirkpatrick and Weiss, 1995). Nonetheless, promoting growth and diversifying exports have been central to SAPs. Notwithstanding declines in major commodity prices in some years, export volume increased by 7.3 percent in 2000 — the highest in five years. The value of exports has also been growing since 1990 and stood at US$150 billion in 2000. Since exports have a major impact on growth, all African countries should strive to remove policies that impede their export competitiveness, particularly with respect to the manufacturing sector which is one of the major sectors that continues to show slow progress, in terms of both growth and structural change, with an average contribution to total GDP in many countries at less than 12 percent. During the 1990s, Africa's share of world manufacturing value added remained at less than 1 percent (African Development Bank, 1997, 2001).

With respect to imports, the gains made in the volume and value of exports have been only slightly offset by increases in the value of imports; leading to a current account deficit which has been declining since 1998 and which stood at 2 percent of GDP in 2000. There have also been major strides toward the liberalization of imports. In the pre-adjustment period, most African countries had over-valued exchange rates and they rationed their foreign exchange through administrative measures. However, domestic currency depreciations, combined with appropriate macroeconomic policies, have now eliminated foreign exchange rationing and reduced the import-scarcity premiums which tended to be reflected in the prices in the parallel markets. For instance, Tanzania and Zambia experienced severe distortions in their foreign exchange markets. The ratio of the parallel market to that of the official exchange rate decreased from 4.9 in 1986 to 1.4 by 1992 in Tanzania, while in Zambia the ratio increased from 1.3 in 1986 to a peak of 7.8 in 1989 before the black market for foreign exchange was wiped out in 1991. In many other African countries, the black market premium declined in the 1990s, in some cases to virtually zero, as market-based exchange rate policies were introduced.

Further evidence of import liberalization has been the progressive elimination of non-tariff barriers (NTBs). Barriers to imports were pervasive in the pre-adjustment era. To have access to foreign exchange, for example, required a valid import licence. In some sense, licensing had become a mechanism for rationing foreign exchange and a conduit for graft and corruption. Import licences were also used to protect inefficient domestic production from foreign competition. Significant progress has also been made on reducing the number of goods requiring approval for import. In such countries as Ghana, Malawi, Tanzania, Zambia, and Zimbabwe, before the implementation of SAPs, all imports were subjected to

NTBs, including quantitative restrictions and special licensing requirements other than for health and safety reasons.

Reforming trade policies has been a central feature of SAPs and, coupled with exchange rate policy, the most controversial. All of the adjusting countries in Africa have embarked on trade liberalization. This has contributed to improved trade performance, measured in terms of export growth and some diversification, as noted earlier. Increases in imports have also been the immediate impact of trade liberalization, as domestic demand (primarily private consumption) has been increasing as a greater variety of goods are being made available through fierce competition.

For macroeconomic policy reforms to succeed, they should be implemented with corresponding changes in the social and political institutions. Even if the reforms, purely in economic terms, may initially be sustainable, if economic liberalization is politically unacceptable, policy reversals would be inevitable. Such reversals and reinstatements have occurred in Zambia and Zimbabwe, for example. These oscillations in economic policy reflected the vacillations in the political arena on the efficacy of SAPs. The role of politics as a major determinant of the sustainability of economic policy reforms has also been demonstrated in Malawi (Killick, 1995). Unless there is political will, implementing economic reforms will continue to be intractable. And yet, improving economic management is deemed essential for the success of policy reforms (Hope, 1997a).

African countries have also been making some progress in the reduction of state ownership of enterprises. These public enterprises are generally inefficient and are in various stages of dilapidation. Moreover, they absorb large amounts of funds that could be better spent on basic social services, for example. In many of the countries, central government subsidies to public enterprises exceeded 50 percent of central government spending on education and more than 100 percent of central government spending on health. The currently available data suggest that privatization is proceeding in Africa, albeit at a mixed pace and with mixed results. Some noteworthy examples of countries with relatively good privatization records are Ghana, Tunisia, and Zambia.

Perhaps the most controversial aspect of the debate on SAPs has been their impact on the poor. In Africa, the majority of the poor live in the rural areas. As producers of agricultural commodities, they have benefited from policy reforms in agricultural marketing and also from foreign exchange and trade liberalization. Prices paid to the rural farmers have increased and the delivery of agricultural commodities has improved. However, to cushion the impact of rising food and other prices, many of the adjusting countries implemented government-sponsored social safety net programs, as part of their SAPs, which include direct cash transfers, subsidies on basic goods and services, social infrastructure development in deprived areas, employment-generating public works schemes, targeted nutrition programs, employment services and retraining programs, and direct delivery of basic goods and services to the poor. Most of these programs have been supported by the World Bank. They include, for example, the Social Dimensions of Adjustment (SDA) program in Zimbabwe; the Program for the Alleviation of Poverty and the Social Costs of Adjustment (PAPSCA) in Uganda; the Social Recovery Fund, the Public Welfare Assistance Scheme, and the Program Against Malnutrition (PAM) in Zambia; the Social Dimensions of Adjustment (SDA) project in Cameroon; and the Program of Action to Mitigate the Social Costs of Adjustment (PAMSCAD) in Ghana.

Beyond Structural Adjustment: Development Prospects

SAPs have made a positive impact on the economic recovery of the African countries beginning in the early 1990s. SAPs were necessitated by an attempt to recover from the economic decline in the 1980s which was occasioned by the type of African economy that emerged in the early decades after independence. That type of economy that emerged has been described as statist in this book and, more bitingly, as Afro-Marxist by Paulson (1999). However described, its fundamental characteristics included distorted prices and government control over resource allocation, import-substitution industries supported by state monopoly banking systems, a proliferation of public enterprises which were domestic monopolies, a neglect or suppression of the private sector, bloated public bureaucracies which were plagued by inefficiency and corruption, weak governance and institutional structures, an aversion toward market discipline, expansive fiscal policy, and pricing and allocation of scarce foreign exchange (Hope, 1997a; Paulson and Gavin, 1999).

Africa's economic performance is now improving and responding to policy reforms. The prospects for sustainable growth and development are encouraging and are much better now than at any time since the crisis became concentrated in the 1980s. Some analysts, such as Bigsten (1999), believe this to be the case due to the fact that economic reform efforts, such as SAPs, have eliminated or at least reduced, the most blatant policy distortions at the macro level. These economies are considerably more open than they were before the reforms and that helps to reduce risks and improve access to markets, technology, and investment with the concomitant benefits of improved economic performance and growth.

However, the recovery is fragile and there are a number of policy issues, as discussed in this book, that need to be tackled before these economies can remain firm on the path toward market-oriented sustainable development. In most of the continent, growth is not nearly sufficient to make a dent in poverty reduction, and despite recent improvements, Africa's GDP and export growth rates, savings and investment levels, and social indicators, for example, remain below those of other continents.

Nonetheless, this new millennium is being touted as 'The African Century' — a period of renaissance bringing with it durable peace and sustained development (Legum, 1999; Mbeki, 1999; Olorunyomi, 2000). The realization of those two goals would have to be pursued within the framework of the relationship between democracy and development. As demonstrated in this book, and elsewhere (Ake, 1996; Diamond, 1999; Leftwich, 1996; Mbaku, 1997; Ndulu and O'Connell, 1999; Sachs and Warner, 1997), democracy and development are positively correlated. Sustainable development is not achieved without a sustained democratic environment. Violating any of the principles upon which democracy rests — free and fair multiparty elections at prescribed regular intervals; freedom of speech; freedom of movement; religious freedom; enforceable human rights guarantees; an independent judiciary; respect for the rule of law; a robust civil society; ethical leadership; unfettered national institutions with distinct powers separating the executive, legislative, and judicial branches of government; and so on — will not only setback democratic consolidation in Africa but also social and economic development.

Tampering with elections and the electoral process, for example, can lead to political violence and instability which, in turn, will destroy expensive infrastructure and scare foreign investment away. Instead, what is required is the kind of leadership that will locate the progress of the African continent in a direction away from the failure in the management of governance to which the populace has been subjected for the past several decades (Hope, 1997a; Olorunyomi, 2000). In other words, as aptly stated by Ndulu and O'Connell (1999: 64):

> Where political instability continues or the interests of the military and other priveleged classes cannot be accomodated within a pluralist regime, economic gains may well be negligible or reversed . . . . a lack of political pluralism will undermine governance and growth. But where political freedoms remain, the constraints they impose on government predation will enhance the environment for capital accumulation and growth.

Perhaps the most pressing problem confronting African leaders in this 21st century is that of poverty. African countries must seek their own self-reliant solutions to this problem as they attempt to transcend the era of structural adjustment and put long-term strategies in place for development. Poverty in Africa has worsened since independence despite the fact that more of its people have acquired better education and the empirical evidence indicates that the most important adjustment policies have small beneficial effects for the majority of poor households (Kayizzi-Mugerwa, 1999; Sahn, Dorosh, and Younger, 1997). Poverty has become much more visible at the same time that greater affluence and conspicuous spending have emerged for some parts of the African population. That is so because poverty is not just low income for some segments of the population, it is also reflected in high infant mortality rates, malnutrition of children, oppression of women, and insufficient access to basic services such as sanitation and health, for example.

A relentless attack on poverty must therefore be the cornerstone of African development policy in this 21st century and democratic consolidation provides the impetus and creates the environment conducive for policy reform to be implemented and take effect. Given the past failure of the state to reduce poverty, poverty reduction in Africa will depend heavily on productive private investment and public-private partnerships in service delivery. Productive private investment generates employment which, in turn, generates income for the poor and allows them to work their way out of poverty. Public-private partnerships improve the efficiency and cost-effectiveness of service delivery given the limited financial and other resources of African governments.

Productive private investment looms large in the poverty reduction equation since economic growth in Africa can only be sustained through additional investment. According to the United Nations

Economic Commission for Africa, for Africa as a whole, investment in the order of 33 percent of GDP would be needed to reach the growth rate required to reduce poverty to acceptable target levels. Of that amount, some 18 percent would be required from external sources (UNECA, 1999b). Africa must therefore become a better place to invest for foreign investors. This issue looms large given the finding by a number of prominent international organizations that Africa's low and declining growth during 1970–97 can be attributed to low and declining investment productivity (African Development Bank et al., 2000).

Conclusion

Africa's economic recovery, though somewhat fragile, is very encouraging. Policy reforms, primarily in the form of SAPs, have led to improved economic performance. However, as we encounter the post-SAPs era in this 21st century, African countries need to intensify efforts in the pursuit of sound policies and further structural reforms. Much higher growth rates, exceeding 7 percent annually, are deemed as necessary to be attained and maintained over a longer period for there to be meaningful reductions in poverty (GCA, 1997). As a matter of fact, for Africa to meet the target of reducing poverty by one-half by 2015, set by the 1995 World Summit for Social Development, its economies would have to grow by 8 percent per annum and it would also require a 4 percent reduction in the ratio of people living in poverty each year (Amoako, 2000a, 2000b; UNECA, 1999b).

African countries are in a better position now, than anytime since the crisis of the 1980s, to build a path toward sustainable development. In that regard, maintaining market-oriented policy reforms remains the imperative for the immediate future and beyond (Hope, 1997e). It is now up to Africa's leaders to provide the requisite leadership for a home-grown, rather than donor driven, attempt at sustainable socio-economic development to make the 21st century a reality as 'The African Century'. In that regard, the signs are encouraging as African leaders are moving forward in implementing and operationalizing a New Partnership for Africa's Development (NEPAD) — formerly known as the New African Initiative (NAI) — that was consolidated from the competing initiatives known as the Millennium

Partnership for the African Recovery Program (MAP) and the OMEGA Plan that were driven, respectively, by the Presidents of South Africa and Senegal.

The NEPAD spells out very clearly that "Africans must not be wards of benevolent guardians; rather they must be the architects of their own sustained upliftment" (UNECA, 2001b: 6). This initiative centers around African ownership and management. African leaders have set an agenda for the renewal of the continent that is based on national and regional priorities and development plans to be prepared through participatory processes involving the populace. The NEPAD is, therefore, a new framework of interaction with the rest of the world, including the industrialized countries and multilateral organizations. "It is based on the agenda set by African peoples through their own initiatives and of their own volition, to shape their own destiny" (UNECA, 2001b: 11).

To achieve its sustainable development outcomes, the NEPAD is broken down into a number of sub-initiatives including the following key ones:

(1) Peace, Security, Democracy, and Political Governance — the promotion of the principles associated with the African leadership experience that peace, security, democracy, good governance, human rights, and sound economic management are conditions for sustainable development.
(2) Economic and Corporate Governance — the promotion of a set of concrete and time-bound programs aimed at enhancing the quality of economic and public financial management as well as corporate governance.
(3) Human Resource Development Including Reversing the Brain Drain — the provision of a set of focused actions to reduce poverty; bridge the education gap; reverse the brain drain; and improve the delivery of, and access to, health care.
(4) Bridging the Digital Divide — the intensive use and investment in information and communication technologies (ICT) to capitalize on ICT as a tool in enhancing livelihoods and creating new business opportunities, and cross-border linkages within the continent and with global markets.
(5) The Environment — the taking of measures and priority interventions to achieve a healthy environmental base which can contribute greatly to employment, social and economic empowerment, and reduction of poverty.
(6) Capital Flows — the implementation of measures and decisions aimed at increasing domestic resource mobilization; extending debt relief; increasing overseas development assistance (ODA) flows, as

well as reforming the ODA delivery system, to ensure that such flows are more effectively utilized by the recipient African countries; and building investor confidence and increasing private capital flows to the region.

(7) Market Access — the reduction of economic vulnerabilities due to dependence on primary production and resource-based sectors, and their narrow export bases, through diversification of production; more efficient extraction of natural resources and minerals; improved production, competitiveness, and diversification of the domestic private sector; promotion of tourism and tourism products; promotion of African exports from all exporting sectors; and the removal of non-tariff barriers in the industrialized countries for products in which Africa has a comparative advantage.

The NEPAD, as outlined above, has, as its primary objective, the consolidation of democracy and sound economic management. It is based on the recognition that Africans themselves hold the key to their own development while working in partnership with the industrialized countries. It is an historic approach to achieving sustainable development in Africa to the extent that it is African developed, owned, and managed. Past initiatives in support of Africa's development tended to be externally driven. We now have to wait and see to what extent this home-grown initiative is actually implemented and therefore lives up to its expectations. Indeed, it potentially constitutes the most important advance in African development policy and management during the past forty years. If it is implemented by the majority of African states, it could positively transform the continent both politically and economically. It offers the best vision, hope, and opportunity for Africa's renewal in the many decades since the achievement of independence.

REFERENCES

Academy for Educational Development (1996) *Final Report: Strengthening Human Resources Management Capacity to Improve Productivity*. Washington, DC: Academy for Educational Development.

Adamolekun, L. and C. Bryant (1994) *Governance Progress Report: The Africa Region Experience*. Washington, DC: World Bank.

Adamolekun, L., M. Laleye, and N. Kulemeka (1997) "Malawi Institute of Management: A 'Partial Success Story'", *International Review of Administrative Sciences* 63(4): 529–542.

Adedeji, A. (1995) "The Challenge of Pluralism, Democracy, Governance and Development", *The Courier*, No. 150, March-April: 93–95.

Adediji, O. (1991) "Role of Government in Bureaucratic Corruption: The Case of Politicization of the Civil Service", *Quarterly Journal of Administration* 25(2): 208–219.

African Development Bank (1997) *African Development Report 1997*. New York: Oxford University Press.

—— (1998) *African Development Report 1998*. New York: Oxford University Press.

—— (1999) *African Development Report 1999*. New York: Oxford University Press.

—— (2001) *African Development Report 2001*. New York: Oxford University Press.

African Development Bank, African Economic Research Consortium, Global Coalition for Africa, United Nations Economic Commission for Africa, and World Bank (2000) *Can Africa Claim the 21st Century*. Washington, DC: World Bank.

Agere, S. (1999) *Strengthening MDIs: The Role of Management Development Institutions in Public Service Reform*. London: Commonwealth Secretariat.

Ake, C. (1996) *Democracy and Development in Africa*. Washington, DC: Brookings Institution.

Alatas, S.H. (1990) *Corruption: Its Nature, Causes and Functions*. Aldershot: Avebury.

Aloki, A.O. (1989) "Rural Development in Sub-Saharan Africa: A Different View of Political and Administrative Decentralization", *International Review of Administrative Sciences* 55(3): 401–432.

Amoako, K.Y. (1996) "Africa: Development Challenges of the Twenty-First Century", Paper Presented to the Conference of African Ministers of Planning and UNDP Resident Representatives in the Africa Region, Ouagadougou, Burkina Faso, January 30–31.

—— (2000a) "The Market, Democracy and Development in Africa", Keynote Address to the 40th Anniversary of Africa Confidential, London, April 19.

—— (2000b) *Perspectives on Africa's Development*. New York: United Nations.

Amuwo, K. (1986) "Military-Inspired Anti-Bureaucratic Corruption Campaigns: An Appraisal of Niger's Experience", *Journal of Modern African Studies* 24(2): 285–301.

Andreski, S. (1968) *The African Predicament: A Study in the Pathology of Modernization*. London: Michael Joeseph.

Armacost, M.H. (2000) "Foreword" to D.F. Kettl, *The Global Public Management Revolution: A Report on the Transformation of Governance*. Washington, DC: Brookings Institution Press.

Aron, J. (1996) "The Institutional Foundations of Growth" in S. Ellis (ed.), *Africa Now: People, Policies and Institutions*. London: James Currey Publishers.

Aucoin, P. (1990) "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes, and Pendulums", *Governance* 3(2): 115–137.

Ayeni, V. (1987) "Nigeria's Bureaucratized Ombudsman System: An Insight into the Problem of Bureaucratization in a Developing Country", *Public Administration and Development* 7(3): 309–324.

Ayeni, V. and L.A. Yong (1998) *Evaluation of the Work Improvement Teams (WITS) Programme in Botswana.* London: Commonwealth Secretariat.
Ayittey, G.B.N. (1992) *Africa Betrayed.* New York: St. Martin's Press.
—— (1994) "The Failure of Development Planning in Africa" in P.J. Boettke (ed.), *The Collapse of Development Planning.* New York: New York University Press.
—— (1998) *Africa in Chaos.* New York: St. Martin's Press.
Bale, M. and T. Dale (1998) "Public Sector Reform in New Zealand and its Relevance to Developing Countries", *The World Bank Research Observer* 13(1): 103–121.
Balogun, M.J. (1989) "The Role of Management Training Institutions in Developing the Capacity for Economic Recovery and Long-term Growth in Africa" in M.J. Balogun and G. Mutahaba (eds.), *Economic Restructuring and African Public Administration.* West Hartford, CT: Kumarian Press.
Bangura, Y. (1999) "New Directions in State Reform: Implications for Civil Society in Africa", *Discussion Paper 113.* Geneva: United Nations Research Institute for Social Development.
Bank of Botswana (1994) *Annual Report 1993.* Gaborone: Bank of Botswana.
—— (1995) *Annual Report 1994.* Gaborone: Bank of Botswana.
—— (1996) *Annual Report 1995.* Gaborone: Bank of Botswana.
—— (1997) *Economic Review 1996.* Gaborone: Bank of Botswana.
—— (1998) *Annual Report 1997.* Gaborone: Bank of Botswana.
—— (1999) *Annual Report 1998.* Gaborone: Bank of Botswana.
—— (2000) *Annual Report 1999.* Gaborone: Bank of Botswana.
—— (2001) *Annual Report 2000.* Gaborone: Bank of Botswana.
Bartone, C., J. Bernstein, J. Leitmann, and J. Eigen (1994) *Toward Environmental Strategies for Cities: Policy Considerations for Urban Environmental Management in Developing Countries.* Washington, DC: World Bank.
Barzelay, M. (1992) *Breaking Through Bureaucracy: A New Vision for Managing in Government.* Berkeley, CA: University of California Press.
Beede, D.N. and D.E. Bloom (1995) "The Economics of Municipal Solid Waste", *The World Bank Research Observer* 10(2): 113–150.
Berthélemy, J.-C. ed. (1995) *Whither African Economies?.* Paris: OECD.
Bigsten, A. (1999) "Looking for African Tigers" in S. Kayizzi-Mugerwa (ed.), *The African Economy: Policy, Institutions and the Future.* London: Routledge.
Blunt, P. and M.L. Jones (1992) *Managing Organizations in Africa.* New York: Walter de Gruyter.
Boer, J.H. (1995) "Re-engineering the Consultative Process Between Industry, Labour and Government Trade Authorities in South Africa", *International Review of Administrative Sciences* 61(3): 343–354.
Boland, T. and D. Silbergh (1996) "Managing for Quality: The Impact of Quality Management Initiatives on Administrative Structure and Resource Management Processes in Public-Sector Organizations", *International Review of Administrative Sciences* 62(3): 351–367.
Borins, S. (1994) "Government in Transition: A New Paradigm in Public Administration", A Report on the Inaugural Conference of CAPAM. Toronto: Commonwealth Association of Public Administration and Management.
—— (1995) "The New Public Management is Here to Stay", *Canadian Public Administration* 38(1): 122–132.
Boston, J., J. Martin, J. Pallot, and P. Walsh. eds. (1991) *Reshaping the State: New Zealand's Bureaucratic Revolution.* Auckland: Oxford University Press.
Botswana Development Corporation (BDC) (1995) *Annual Report 1995.* Gaborone: BDC.
Botswana National Productivity Centre (BNPC) (1994) *Productivity Improvement in the Workplace.* Gaborone: BNPC.

—— (1996) *Annual Report 1995/96.* Gaborone: BNPC.
—— (1997) *Final Report on the Implementation of the Performance Management System.* Gaborone: BNPC.
Bratton, M. (1997) "Deciphering Africa's Divergent Transitions", *Political Science Quarterly* 12(1): 67–93.
—— (1999) "Second Elections in Africa" in L. Diamond and M.F. Plattner (eds.), *Democratization in Africa.* Baltimore: Johns Hopkins University Press.
Bratton, M. and D.N. Posner (1999) "A First Look at Second Elections in Africa, with Illustrations from Zambia" in R. Joseph (ed.), *State, Conflict, and Democracy in Africa.* Boulder: Lynne Rienner.
Bratton, M. and N. van de Walle (1997) *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective.* Cambridge: Cambridge University Press.
Brautigam, D. (1992) "Governance, Economy, and Foreign Aid", *Studies in Comparative International Development* 27(3): 3–25.
Brett, E.A. (1996) "The Participatory Principle in Development Projects: The Costs and Benefits of Cooperation", *Public Administration and Development* 16(1): 5–19.
Brigish, R.P. (1995) "The Continuing Relevance of Debt Management" in C. Liuksila (ed.), *External Assistance and Policies for Growth in Africa.* Washington, DC: IMF.
Brownsberger, W.N. (1983) "Development and Governmental Corruption: Materialism and Political Fragmentation in Nigeria", *Journal of Modern African Studies* 21(2): 215–233.
Business Focus (1996), April-May: 6.
Byrne, D., J. Dully, D. Garvey, W. Kirwan, T. Mulherin, G. O'Hanlon, S. Rogers, O. Ryan, C, Treacy, B. Tuohy, and M. Tutty (1995) "Strategic Management in the Irish Civil Service: A Review Drawing on Experience in New Zealand and Australia", *Administration* 43(2): 5–150.
Callaghy, T.M. (1986) "Politics and Vision in Africa: The Interplay of Domination, Equality and Liberty" in P. Chabal (ed.), *Political Domination in Africa: Reflections on the Limits of Power.* Cambridge: Cambridge University Press.
Campos, J.E. and S. Pradhan (1998) "Building Blocks Toward a More Effective Public Sector", *WBI Working Papers.* Washington, DC: World Bank Institute.
Campos, J.E. and H.L. Root (1996) *The Key to the Asian Miracle: Making Shared Growth Credible.* Washington, DC: Brookings Institution.
Cartier-Bresson, J. (1999) "The Causes of Corruption: An Economic Analysis", *The Courier*, No. 177, October-November: 64–66.
Cartwright, J. (1983) *Political Leadership in Africa.* London: Croom-Helm.
Cavendish, W. (1999) "Empirical Regularities in the Poverty-Environment Relationship of African Rural Households", *Working Paper Series 99–21.* Oxford: Centre for the Study of African Economies, Oxford University.
Central Intelligence Agency (CIA) (2000) *The Global Infectious Disease Threat and its Implications for the United States.* Washington, DC: Office of Public Affairs, CIA.
Charap, J. and C. Harm (1999) "Institutionalized Corruption and the Kleptocratic State", *IMF Working Paper WP/99/91.* Washington, DC: IMF.
Cheung, A.B.L. (1997) "Understanding Public Sector Reforms: Global Trends and Diverse Agendas", *International Review of Administrative Sciences* 63(4): 435–457.
Chikulo, B.C. (1998) "Decentralization and the Role of the State in the Future", Background Paper for the SARIPS/UNDP/SADC Regional Human Development Report Workshop on Human Development and Governance, Windhoek, Namibia, June 10–12.
Chimere-Dan, O. (1999) "The Challenge of Social Development in Africa", *International Social Science Journal*, No. 162: 449–457.
Chiu, N.K. (1997) "Service Targets and Methods of Redress: The Impact of Accountability in Malaysia", *Public Administration and Development* 17(1): 175–180.
Clarke, J. and D. Wood (2001) "New Public Management and Development: The

Case of Public Service Reform in Tanzania and Uganda" in W. McCourt and M. Minogue (eds.), *The Internationalization of Public Management: Reinventing the Third World State*. Cheltenham, UK: Edward Elgar.

Cleaver, K.M. and G.A. Schreiber (1994) *Reversing the Spiral: The Population, Agriculture, and Environment Nexus in Sub-Saharan Africa*. Washington, DC: World Bank.

Cohen, J.M. (1995) "Capacity Building in the Public Sector: A Focused Framework for Analysis and Action", *International Review of Administrative Sciences* 61(3): 407–422.

Cohen, J.M. and S. Peterson (1999) *Administrative Decentralization: Strategies for Developing Countries*. West Hartford, CT: Kumarian Press.

Cohen, J.M. and J.R. Wheeler (1997) "Building Sustainable Professional Capacity in African Public Sectors: Retention Constraints in Kenya", *Public Administration and Development* 17(3): 307–324.

Coldham, S. (1995) "Legal Responses to State Corruption in Commonwealth Africa", *Journal of African Law* 39(2): 115–126.

Cole, D.C. and J.S. Duesenberry (1994) "Financial Development" in D.L. Lindauer and M. Roemer (eds.), *Asia and Africa: Legacies and Opportunities in Development*. San Francisco: ICS Press.

Cole, D.C. and B.F. Slade (1997) "Speeding Up by Slowing Down: A Market-Building Approach to Financial Sector Reform" in L. Wallace (ed.), *Deepening Structural Reform in Africa: Lessons from East Asia*. Washington, DC: IMF.

Collier, P. and J.W. Gunning (1999a) "Why has Africa Grown Slowly?", *Journal of Economic Perspectives* 13(3): 3–22.

—— (1999b) "Explaining African Economic Performance", *Journal of Economic Literature* 37(1): 64–111.

Common, R. (1998) "The New Public Management and Policy Transfer: The Role of International Organizations" in M. Minogue, C. Polidano, and D. Hulme (eds.), *Beyond the New Public Management: Changing Ideas and Practices in Governance*. Cheltenham, UK: Edward Elgar Publishing.

Commonwealth Association for Public Administration and Management (CAPAM) (1995) "The New Public Administration: Global Challenges-Local Solutions", *Commonwealth Innovations* 1(2):8–11.

Commonwealth Secretariat (1994) *Management of the Privatization Process: A Guide to Policy Making and Implementation*. London: Commonwealth Secretariat.

—— (1995) *From Problem to Solution: Commonwealth Strategies for Reform*. London: Commonwealth Secretariat.

Conyers, D. (1983) "Decentralization: The Latest Fashion in Development Administration", *Public Administration and Development* 3(2): 97–109.

Coolidge, J. and S. Rose-Ackerman (1997) "High-Level Rent-Seeking and Corruption in African Regimes: Theory and Cases", *Policy Research Working Paper 1780*. Washington, DC: World Bank.

Corkery, J., T.O. Daddah, C. O'Nualláin, and T. Land. eds. (1998) *Management of Public Service Reform: A Comparative Review of Experiences in the Management of Programmes of Reform of the Administrative Arm of the Central Government*. Amsterdam: IOS Press.

Corkery, J., C. O'Nualláin, and R. Wettenhall (1994) *Governance and Public Enterprise: An African Spotlight on the Role of the Board*. Maastricht: European Centre for Development Policy Management/Commonwealth Secretariat.

Corkery, J. and R. Wettenhall (1990) *Public Enterprise Boards: A Neglected Area of Governance*. Brussels: International Institute of Administrative Sciences.

Cremer, J., J. Estache, and P. Seabright (1994) "The Decentralization of Public Services: Lessons from the Theory of the Firm", *Policy Research Working Paper 1345*. Washington, DC: World Bank.

Crook, R., and C. Manor (1995) "Democratic Decentralization and Institutional Performance: Four Asian and African Experiences", *Journal of Commonwealth and Comparative Politics* 33(3): 309–334.

Cuddington, J.T. (1986) "Capital Flight: Estimates, Issues, and Explanations", *Princeton Studies in International Finance No. 58.* Princeton: Princeton University.

de Melo, M., C. Denzier, and A. Gelb (1996) "Patterns of Transition from Plan to Market", *The World Bank Economic Review* 10(3): 397–424.

de Merode, L. and C.S. Thomas (1994) "Implementing Civil Service Pay and Employment Reform in Africa: The Experiences of Ghana, the Gambia, and Guinea" in D.L. Lindauer and B. Nunberg (eds.), *Rehabilitating Government: Pay and Employment Reform in Africa.* Washington, DC: World Bank.

Denhardt, R.B. and J.V. Denhardt (2000) "The New Public Service: Serving Rather than Steering", *Public Administration Review* 60(6): 549–559.

Dia, M. (1993) *A Governance Approach to Civil Service Reform in Sub-Saharan Africa.* Washington, DC: World Bank.

—— (1996) *Africa's Management in the 1990s and Beyond: Reconciling Indigenous and Transplanted Institutions.* Washington, DC: World Bank.

Diamond, L. (1994) "Rethinking Civil Society: Toward Democratic Consolidation", *Journal of Democracy* 5(3): 4–17.

—— (1997) *Prospects for Democratic Development in Africa.* Stanford, CA: Hoover Institution.

—— (1999) *Developing Democracy: Toward Consolidation.* Baltimore: Johns Hopkins University Press.

Directorate on Corruption and Economic Crime (DCEC) (1999) *Annual Report 1998.* Gaborone: DCEC.

Dohrmann, J. and J. Aiello (1999) "Public-Private Partnerships for Waste Management: Challenges for Policies and Procedures", *Development Southern Africa* 16(4): 691–705.

Doig, A. (1995) "Good Government and Sustainable Anti-Corruption Strategies: A Role for Independent Anti-Corruption Agencies", *Public Administration and Development* 15(2): 151–165.

Dollar, D. and A. Kraay (2000) "Growth is Good for the Poor", *Mimeo.* Washington, DC: World Bank.

Dotse, F.M. (1991) "The State of Training in Public Policy Management in Ghana", *Public Administration and Development* 11(6): 525–539.

Doyle, M. (2000) "Ivory Coast: Coup D'Etat!", *BBC Focus on Africa* 11(2): 10–13.

du Toit, P. (1995) *State Building and Democracy in Southern Africa: Botswana, Zimbabwe, and South Africa.* Washington, DC: United States Institute of Peace Press.

Dwivedi, O.P. (1994) *Development Administration: From Underdevelopment to Sustainable Development.* New York: St. Martin's Press.

Easterly, W. (2001) *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics.* Cambridge, MA: The MIT Press.

Edge, W. and M. Lekorwe. eds. (1998) *Botswana: Politics and Society.* Pretoria, South Africa: J.L. van Schaik Publishers.

Egner, E.B. (1978) *District Development in Botswana.* Gaborone: Embassy of Sweden.

Elliot, M. (1994) "Money Talks", *Newsweek,* November 14: 10–15.

European Productivity Agency (EPA) (1959) *The Concept of Productivity and the Aim of National Productivity Agencies.* Rome: EPA.

Farvacque-Vitković, C. and L. Godin (1998) *The Future of African Cities: Challenges and Priorities for Urban Development.* Washington, DC: World Bank.

Fatton, R. Jr. (1992) *Predatory Rule: State and Civil Society in Africa.* Boulder, CO: Lynne Rienner.

—— (1995) "Africa in the Age of Democratization: The Civic Limitations of Civil Society", *African Studies Review* 38(2): 67–99.

Flynn, N. (1993) *Public Sector Management.* London: Harvester Wheatsheaf.

Fox, W.F. (1994) *Strategic Options for Urban Infrastructure Management.* Washington, DC: World Bank.

Freeman, R.B. and D.L. Lindauer (1999) "Why Not Africa?", *Working Paper 6942.* Cambridge, MA: National Bureau of Economic Research.

Friedmann, J. (1992) *Empowerment: The Politics of Alternative Development.* Cambridge: Blackwell.

Frisch, D. (1996) "The Effects of Corruption on Development", *The Courier*, No. 158, July-August: 68–70.

Garba, S.B. and S. Al-Mubaiyedh (1999) "An Assessment Framework for Public Urban Land Management Intervention", *Land Use Policy* 16(4): 269–279.

Gasper, D.R. (1990) "Development Planning and Decentralization in Botswana" in P. de Valk and K.H. Wekwete (eds.), *Decentralizing for Participatory Planning?* Aldershot: Avebury.

Global Coalition for Africa (GCA) (1997) *African Social and Economic Trends: Annual Report 1996.* Washington, DC: GCA.

—— (1999) *Principles to Combat Corruption in Africa.* Washington, DC: GCA.

Global Forum for Health Research (GFHR) (1999) *The 10/90 Report on Health Research, 1999.* Geneva: GFHR.

Goldsmith, A.A. (1999) "Africa's Overgrown State Reconsidered: Bureaucracy and Economic Growth", *World Politics* 51(4): 520–546.

—— (2000) "Risk, Rule, and Reason: Leadership in Africa", Presentation to the Africa Forum, June.

Goodsell, C.T. (1993) "Reinvent Government or Rediscover it?", *Public Administration Review* 53(1): 85–87.

Gould, D.J. and J.A. Amaro-Reyes (1983) *The Effects of Corruption on Administrative Reform: Illustrations from Developing Countries.* Washington, DC: World Bank.

Gray, A. (1998) *Business-Like but not Like a Business: The Challenge for Public Management.* London: Chartered Institute of Public Finance and Accountancy.

Grindle, M.S. (1996) *Challenging the State: Crisis and Innovation in Latin America and Africa.* Cambridge: Cambridge University Press.

Guan, L.S. (1997) "Sustaining Excellence in Government: The Singapore Experience", *Public Administration and Development* 17(1): 167–174.

Gwatkin, D.R. and M. Guillot (1999) *The Burden of Disease Among the Global Poor: Current Situation, Future Trends and Implications for Strategy.* Geneva: Global Forum for Health Research.

Gyimah-Boadi, E. (1999) "The Rebirth of African Liberalism" in L. Diamond and M.F. Plattner (eds.), *Democratization in Africa.* Baltimore: Johns Hopkins University Press.

Halachmi, A. (1994/95) "The Pharaoh Syndrome and the Challenge of Public-Sector Productivity", *National Productivity Review* 14(1); 25–38.

—— (1995) "Re-engineering and Public Management: Some Issues and Considerations", *International Review of Administrative Sciences* 61(3): 329–341.

Halachmi, A. and G. Bouckaert (1995a) "Introduction" in A. Halachmi and G. Bouckaert (eds.), *Public Productivity Through Quality and Strategic Management.* Amsterdam: IOS Press.

—— (1995b) "Re-engineering in the Public Sector", *International Review of Administrative Sciences* 61(3): 323–327.

Handelman, H. (1996) *The Challenge of Third World Development.* Upper Saddle River, NJ: Prentice-Hall.

Harbeson, J.W. (1999) "Rethinking Democratic Transitions: Lessons from Eastern and Southern Africa" in R. Joseph (ed.), *State, Conflict, and Democracy in Africa.* Boulder: Lynne Rienner.

Harsch, E. (1993) "Accumulators and Democrats: Challenging State Corruption in Africa", *Journal of Modern African Studies* 31(1): 31–84.

—— (1997) "Africans Taking Action on Corruption", *Africa Recovery* 11(1): 26–27.

Harvey, C. (1992) "Botswana: Is the Economic Miracle Over?", *Journal of African Economies* 1(3): 335–368.

Harvey, C. and S.R. Lewis (1990) *Policy Choice and Development Performance in Botswana.* London: Macmillan.

Heap, J. (1992) *Productivity Management: A Fresh Approach.* London: Cassell.
Heimann, F. (1994) *Should Foreign Bribery Be a Crime?* Berlin: Transparency International.
Hentic, I. and G. Bernier (1999) "Rationalization, Decentralization and Participation in the Public Sector Management of Developing Countries", *International Review of Administrative Sciences* 65(2): 197–209.
Higgott, R. and F. Fugelstad (1975) "The 1974 Coup d'État in Niger: Towards an Explanation", *Journal of Modern African Studies* 13(3) 383–398.
Hill, I. (1980) "The Meaning of Ethics and Freedom" in I. Hill (ed.), *The Ethical Basis of Economic Freedom.* New York: Praeger.
Hirschmann, D. (1999) "Development Management versus Third World Bureaucracies: A Brief History of Conflicting Interests", *Development and Change* 30(2): 287–305.
Hoggett, P. (1993) "Administrative Reform of Central Government: Choosing Appropriate Organizational Structures" in Commonwealth Secretariat (ed.), *Administrative and Managerial Reform in Government: A Commonwealth Portfolio of Current Good Practice.* London: Commonwealth Secretariat.
Holm, J.D., P. Molutsi, and G. Somolekae (1996) "The Development of Civil Society in a Democratic State: The Botswana Model", *African Studies Review* 39(2): 43–69.
Hood, C. (1991) "A Public Management for all Seasons", *Public Administration* 69(1): 3–19.
Hope, K.R. Snr. (1982) "Improving Public Enterprise Management in Developing Countries", *Journal of General Management* 7(3): 72–85.
—— (1983) "Self-Reliance and Participation of the Poor in the Development Process in the Third World", *Futures* 15(December): 455–462.
—— (1985) "Politics, Bureaucratic Corruption, and Maladministration in the Third World", *International Review of Administrative Sciences* 51(1): 1–6.
—— (1987) "Administrative Corruption and Administrative Reform in Developing States", *Corruption and Reform* 2(2): 127–147.
—— (1995a) "Managing Development Policy in Botswana: Implementing Reforms for Rapid Change", *Public Administration and Development* 15(1): 41–52.
—— (1995b) "Managing the Public Sector in Botswana: Some Emerging Constraints and the Administrative Reform Responses", *International Journal of Public Sector Management* 8(6): 51–62.
—— (1995c) "The Socio-Economic Context of AIDS in Africa", *Journal of Developing Societies* 11(2): 179–188.
—— (1996a) "Growth, Unemployment, and Poverty in Botswana", *Journal of Contemporary African Studies* 14(1): 53–67.
—— (1996b) *Development in the Third World: From Policy Failure to Policy Reform.* Armonk, NY: M.E. Sharpe.
—— (1997a) *African Political Economy: Contemporary Issues in Development.* Armonk, NY: M.E. Sharpe.
—— (1997b) "Growth, Savings and Investment in Botswana", *Savings and Development* 21(2): 195–210.
—— (1997c) "Achieving Change in Large Nonprofit Organizations: Some Lessons of Experience", *Teaching Public Administration* 17(2): 13–21.
—— ed. (1997d) *Structural Adjustment, Reconstruction and Development in Africa.* Aldershot: Ashgate.
—— (1997e) "Development Solutions for Africa: The Need for Policy Reform and Good Governance", *Issue: A Journal of Opinion* 25(1): 35–38.
—— (1999a) "Corruption and Development in Africa" in K.R. Hope, Snr. and B.C. Chikulo (eds.), *Corruption and Development in Africa: Lessons From Country Case-Studies.* London: Macmillan.
—— ed. (1999b) *AIDS and Development in Africa: A Social Science Perspective.* Binghamton, NY: Haworth Press.
—— (2000) "Foreign Trade and the Exchange Rate in Botswana", *International Trade Journal* 14(2): 201–223.

—— (2001a) "Africa's HIV/AIDS Crisis in a Development Context", *International Relations* 15(6): 15–36.

—— (2001b) "Indigenous Small Enterprise Development in Africa: Growth and Impact of the Subterranean Economy", *European Journal of Development Research* 13(1): 30–46.

Hope, K.R. Snr. and B.C. Chikulo eds. (1999) *Corruption and Development in Africa: Lessons From Country Case-Studies*. London: Macmillan.

Hope, K.R. Snr. and W. Edge (1996) "Growth With Uneven Development: Urban-Rural Socio-Economic Disparities in Botswana", *Geoforum*, 27(1): 53–62.

Hope, K.R. Snr. and G. Kayira (1997) "The Economic Crisis in Africa: An Analytical Perspective on its Origins and Nature" in K.R. Hope, Snr. (ed.), *Structural Adjustment, Reconstruction and Development in Africa*. Aldershot: Ashgate Press.

Hope, K.R. Snr. and M. Lekorwe (1999) "Urbanization and the Environment in Southern Africa: Towards a Managed Framework for the Sustainability of Cities", *Journal of Environmental Planning and Management* 42(6): 837–859.

Hughes, O.E. (1994) *Public Management and Administration: An Introduction*. London: Macmillan.

Hyden, G. (1998) "Sovereignty, Responsibility, and Accountability: Challenges at the National Level in Africa" in F.M. Deng and T. Lyons (eds.), *African Reckoning: A Quest for Good Governance*. Washington, DC: Brookings Institution.

International Monetary Fund (IMF) (1995) *Botswana — Background Papers and Statistical Appendix*. Washington, DC: IMF.

International Monetary Fund (IMF) and World Bank (2000) *Zambia: Preliminary Document on the Enhanced Initiative for Heavily Indebted Poor Countries*. Washington, DC: IMF and World Bank.

Jackson, R.H. and C.G. Rosberg (1998) "Personal Rule: Theory and Practice" in P. Lewis (ed.), *Africa: Dilemmas of Development and Change*. Boulder, CO: Westview Press.

Jacobs, C. (1990) "Training for Change in the Ugandan Civil Service", *Public Administration and Development* 10(3): 315–330.

Jefferis, K. (1994) "Public Enterprise and Privatization in Botswana", in T. Clarke (ed.), *International Privatization Strategies and Practices*. New York: Walter de Gruyter.

—— (1998) "The Growth and Impact of Central Government Expenditures" in K.R. Hope, Snr. and G. Somolekae (eds.), *Public Administration and Policy in Botswana*. Kenwyn, South Africa: Juta Publishers.

Johannessen, L.M. and G. Boyer (1999) *Observations of Solid Waste Landfills in Developing Countries: Africa, Asia, and Latin America*. Washington, DC: World Bank.

Johnston, M. (1997) "Public Officials, Private Interests, and Sustainable Democracy: When Politics and Corruption Meet" in K.A. Elliott (ed.), *Corruption and the Global Economy*. Washington, DC: Institute for International Economics.

Johnston, M. and A. Doig (1999) "Different Views on Good Government and Sustainable Anticorruption Strategies" in R. Stapenhurst and S.J. Kpundeh (eds.), *Curbing Corruption: Toward a Model for Building National Integrity*. Washington, DC: World Bank.

Joint United Nations Programme on HIV/AIDS (UNAIDS) (2000) *Report on the Global HIV/AIDS Epidemic: June 2000*. Geneva: UNAIDS.

Joint United Nations Programme on HIV/AIDS (UNAIDS) and World Health Organization (WHO) (1999) *AIDS Epidemic Update: December 1999*. Geneva: UNAIDS/WHO.

Jones, M.L., P. Blunt, and K.C. Sharma (1996) "Managerial Perceptions of Leadership and Management in an African Public Service Organization", *Public Administration and Development* 16(5): 455–467.

Joseph, R. (1999) "Africa, 1990–1997: From Abertura to Closure" in L. Diamond and M.F. Plattner (eds.), *Democratization in Africa*. Baltimore: Johns Hopkins University Press.

Kaboolian, L. (1998) "The New Public Management: Challenging the Boundaries of the Management vs. Administration Debate", *Public Administration Review* 58(3): 189–193.

Kakabadse, A., N. Kakabadse and A. Myers (1996) "Leadership and the Public Sector: An Internationally Comparative Benchmarking Analysis", *Public Administration and Development* 16(4): 377–396.

Kanesalingam, V., C.M. Ansari, and A. Ekanayake (1982) "Issues in the Relationship Between Parliament and Public Enterprise", Commonwealth Secretariat (ed.), *Relationships Between Parliament and Public Enterprises*. London: Commonwealth Secretariat.

Kaul, M. (1996) "Civil Service Reforms: Learning From Commonwealth Experiences", *Public Administration and Development* 16(2): 131–150.

Kaul, M. and P. Collins (1995) "Governments in Transition: Towards a New Public Administration", *Public Administration and Development* 15(3): 199–206.

Kawambwa, E. (1999) "The Performance Management System: A Win/Win Organizational Philosophy", *Productivity and Quality Forum* 4(4): 18–19.

Kayizzi-Mugerwa, S. (1999) "Introduction" in S. Kayizzi-Mugerwa (ed.), *The African Economy: Policy, Institutions and the Future*. London: Routledge.

Kelly, R.M. (1998) "An Inclusive Democratic Polity, Representative Bureaucracies, and the New Public Management", *Public Administration Review* 58(3): 201–208.

Kessides, C. (1997) *World Bank Experience with the Provision of Infrastructure Services for the Urban Poor*. Washington, DC: World Bank.

Kettl, D.F. (2000) *The Global Public Management Revolution: A Report on the Transformation of Governance*. Washington, DC: Brookings Institution Press.

Kettl, D.F., P.W. Ingraham, R.W. Sanders, and C. Homer (1996) *Civil Service Reform: Building a Government That Works*. Washington, DC: Brookings Institution Press.

Kikeri, S., J. Nellis, and M. Shirley (1992) *Privatization: The Lessons of Experience*. Washington, DC: World Bank.

Killick, T. (1995) "Structural Adjustment and Poverty Alleviation: An Interpretative Survey", *Development and Change* 26(2): 305–331.

Kinlaw, D.C. (1991) *Developing Superior Work Teams: Building Quality and the Competitive Edge*. Lexington, MA: Lexington Books.

Kirkpatrick, C. and J. Weiss (1995) "Trade Policy Reforms and Performance in Africa in the 1980s", *Journal of Modern African Studies* 33(2): 285–298.

Koehn, P.H. (1995) "Decentralization for Sustainable Development" in S. Rasheed and D.F. Luke (eds.), *Development Management in Africa: Toward Dynamism, Empowerment, and Entrepreneurship*. Boulder: Westview Press.

Kotze, D. (1997) "Decentralization" in D.A. Kotze (ed.), *Development Administration and Management: A Holistic Approach*. Pretoria, South Africa: van Schaik Publishers.

Kpundeh, S.J. (1994) "Limiting Administrative Corruption in Sierra Leone", *Journal of Modern African Studies* 32(1): 139–157.

Kpundeh, S.J. and I. Hors eds. (1998) *Corruption and Integrity Improvement Initiatives in Developing Countries*. New York: UNDP.

Lal, D. (1994) *Against Dirigisme: The Case for Unshackling Economic Markets*. San Francisco: ICS Press.

Landell-Mills, P. (1992) "Governance, Cultural Change and Empowerment", *Journal of Modern African Studies* 30(4): 543–567.

Larbi, G.A. (1998) "Management Decentralization in Practice: A Comparison of Public Health and Water Services in Ghana" in M. Minogue, C. Polidano, and D. Hulme (eds.), *Beyond the New Public Management: Changing Ideas and Practices in Governance*. Cheltenham, UK: Edward Elgar.

—— (1999) "The New Public Management Approach and Crisis States", *Discussion Paper 112*. Geneva: United Nations Research Institute for Social Development.

Larsson, S-O. (1995) "Quality Adjustment of Productivity Analysis in the Public

Sector" in A. Halachmi and G. Bouckaert (eds.), *Public Productivity Through Quality and Strategic Management.* Amsterdam: IOS Press.
Leftwich, A. ed. (1996) *Democracy and Development.* Cambridge, UK: Polity Press.
Legum, C. (1999) *Africa Since Independence.* Bloomington, IN: Indiana University Press.
Leith, J. (1999) *Botswana: A Case Study of Economic Policy Prudence and Growth.* Washington, DC: World Bank.
Lekorwe, M. (1995) "The Limits of Local Democracy in Botswana", *Unpublished Doctoral Thesis*: Birmingham: University of Birmingham.
—— (1998a) "Local Government, Interest Groups and Civil Society" in K.R. Hope, Snr. and G. Somolekae (eds.), *Public Administration and Policy in Botswana.* Kenwyn, South Africa: Juta Publishers.
—— (1998b) "Local Government and District Planning" in W. Edge and M. Lekorwe (eds.), *Botswana: Politics and Society.* Pretoria, South Africa: van Schaik Publishers.
Lemarchand, R. (1992) "Uncivil States and Civil Societies: How Illusion Became Reality", *Journal of Modern African Studies* 30(2): 177–191.
Lewis, P. (1998) "Political Transition and the Dilemma of Civil Society in Africa" in P. Lewis (ed.), *Africa: Dilemmas of Development and Change.* Boulder, CO: Westview Press.
Lienert, I. and J. Modi (1997) "A Decade of Civil Service Reform in Sub-Saharan Africa", *IMF Working Paper WP/97/179.* Washington, DC: IMF.
Lindauer, D.L. (1994) "Government Pay and Employment Policies and Economic Performance", in D.L. Lindauer and B. Nunberg (eds.), *Rehabilitating Government: Pay and Employment Reform in Africa.* Washington, DC: World Bank.
Litvack, J., J. Ahmed, and R. Bird (1998) *Rethinking Decentralization in Developing Countries.* Washington, DC: World Bank.
Lukas, B.A. and I. Maignan (1996) "Striving for Quality: The Key Role of Internal and External Customers", *Journal of Market Focused Management* 1(2): 175–187.
Mabry, M. (1996) "The Man to See: In a Disintegrating Nation, 'Le Protocole' Thrives", *Newsweek*, September 9: 28.
MacFarlan, M. and S. Sgherri (2001) "The Macroeconomic Impact of HIV/AIDS in Botswana", *IMF Working Paper WP/01/80.* Washington, DC: IMF.
Mail and Guardian (1995), May 26–June 1: 9–10.
Maipose, G.S., G. Somolekae, and T. Johnston (1996) *Aid Effectiveness in Botswana: Botswana's Management of External Assistance and Case Studies of the US/Botswana Bilateral Aid Relationship.* Washington, DC: Overseas Development Council.
Makumbe, J. (1994) "Bureaucratic Corruption in Zimbabwe: Causes and Magnitude of the Problem", *Africa Development* 19(3): 45–60.
Managing Environment Locally in Sub-Saharan Africa (MELISSA) Program (2000) "About the MELISSA Program" at *www.melissa.org.*
Manning, N. (1993) "Administrative and Managerial Reform in Government: Identifying and Sharing Commonwealth Good Practice" in Commonwealth Secretariat (ed.), *Administrative and Managerial Reform in Government: A Commonwealth Portfolio of Current Good Practice.* London: Commonwealth Secretariat.
—— (2001) "The Legacy of the New Public Management in Developing Countries", *International Review of Administrative Sciences* 67(2): 297–312.
Manor, J. (1999) *The Political Economy of Democratic Decentralization.* Washington, DC: World Bank.
Mars, T.F. (1992) "Public Sector Organization: Where Next?", *IDS Bulletin* 23(4): 18–30.
Mathiasen, D.G. (1999) "The New Public Management and its Critics", *International Public Management Journal* 2(1): 90–111.
Mauro, P. (1995) "Corruption and Growth", *Quarterly Journal of Economics* 110(3): 681–712.

—— (1997a) *Why Worry About Corruption?* Washington, DC: IMF.
—— (1997b) "The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis" in K.A. Elliott (ed.), *Corruption and the Global Economy*. Washington, DC: Institute for International Economics.
—— (1998) "Corruption: Causes, Consequences, and Agenda for Further Research", *Finance and Development* 35(1): 11–14.
Mbaku, J.M. (1997) *Institutions and Reform in Africa: The Public Choice Perspective*. Westport, CT: Praeger.
Mbeki, T. (1999) "Building the New African Intelligentsia", Speech to the Biennial Meeting of the Association for the Development of Education in Africa, December 6.
McCarney, P.L. (1996) "Reviving Local Government: The Neglected Tier in Developing Countries" in P.L. McCarney (ed.), *The Changing Nature of Local Government in Developing Countries*. Toronto: Centre for Urban and Community Studies, University of Toronto.
McCarney, P., M. Halfani, and A. Rodriguez (1995) "Towards an Understanding of Governance: The Emergence of an Idea and its Implications for Urban Research in Developing Countries" in R. Stren and J. Bell (eds.), *Urban Research in the Developing World: Volume Four: Perspectives on the City*. Toronto: Centre for Urban and Community Studies, University of Toronto.
McCarthy, C. (1996) "Regional Integration: Part of the Solution or Part of the Problem?" in S. Ellis (ed.), *Africa Now: People, Policies and Institutions*. London: James Currey.
McCarthy, S. (1994) *Africa: The Challenge of Transformation*. London: I.B. Tauris.
Meszaros, G. and C.J. Owen (1997) "Improving Through Benchmarking: A Competitive Assessment of Municipal Utility Services", *Public Works Management and Policy* 2(1): 11–23.
Metcalfe, L. and S. Richards (1990) *Improving Public Management*. London: Sage.
Mink, S.D. (1993) *Poverty, Population and the Environment*. Washington, DC: World Bank.
Mitchell, W.C. and R.T. Simmons (1994) *Beyond Politics: Markets, Welfare, and the Failure of Bureaucracy*. Boulder: Westview Press.
Mmegi/The Reporter (1995), July 28–August 3: 9.
—— (1996), October 4–10: B2.
Moe, R.C. (1994) "The Reinventing Government Exercise: Misinterpreting the Problem, Misjudging the Consequences", *Public Administration Review* 54(2): 111–122.
Moloi, D-G. (1996) "Enhancing Productivity in Botswana's Public Sector", *Unpublished MPA Dissertation*: Gaborone: University of Botswana.
Monga, C. (1999) "Eight Problems with African Politics" in L. Diamond and M.F. Plattner (eds.), *Democratization in Africa*. Baltimore: Johns Hopkins University Press.
Monoheng, T. (1999) "Decentralization of Development Administration in Lesotho", *Africa Insight* 29(1–2): 3–10.
Moody-Stuart, G. (1997) *Grand Corruption: How Business Bribes Damage Developing Countries*. Oxford: Worldview Publishing.
Moore, M. (1996) "Public Sector Reform: Downsizing, Restructuring, Improving Performance", Forum on Health Sector Reform, *Discussion Paper No. 7*. Geneva: Division of Analysis, Research and Assessment, World Health Organization.
Mukandala, R.S. (1994) "State Enterprise Control: The Case of Tanzania" in B. Grosh and R.S. Mukandala (eds.), *State-Owned Enterprises in Africa*. Boulder: Lynne Rienner.
Murinde, V., N. Hermes, and R. Lensink (1996) "Comparative Aspects of the Magnitude and Determinants of Capital Flight in Six Sub-Saharan African Countries", *Savings and Development* 20(1): 61–78.
Museveni, Y. (2001) "Statement to the Plenary of the Global Coalition for Africa

on the Private Sector: Key to African Development", Gaborone, Botswana, October 25–26.

Myers, R. and R. Lacey (1996) "Consumer Satisfaction, Performance and Accountability in the Public Sector", *International Review of Administrative Sciences* 62(3): 331–350.

Narayan, D., R. Chambers, M. Shah, and P. Petesch (1999) *Global Synthesis: Consultations with the Poor*. Washington, DC: World Bank.

Ndulu, B.J., N. van de Walle, and Contributors (1996) *Agenda for Africa's Economic Renewal*. New Brunswick, NJ: Transaction Publishers.

Ndulu, B.J. and S.A. O'Connell (1999) "Governance and Growth in Sub-Saharan Africa", *Journal of Economic Literature* 13(3): 41–66.

Ng, F. and A. Yeats (1996) "Open Economies Work Better!: Did Africa's Protectionist Policies Cause Its Marginalization in World Trade?", *Policy Research Working Paper 1636*. Washington, DC: World Bank.

Norberg, H. and M. Blomstrom (1993) "Dutch Disease and Management of Windfall Gains in Botswana" in M. Blomstrom and M. Lundahl (eds.), *Economic Crisis in Africa: Perspectives on Policy Responses*. London: Routledge.

North, D.C. (1990) *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.

Nteta, D., J. Hermans, and P. Jeskova. eds. (1997) *Poverty and Plenty: The Botswana Experience*. Gaborone: The Botswana Society.

Odedra, M. (1993) "IT Applications in the Commonwealth Developing Countries" in G. Harindranath and J. Liebenau (eds.), *Information Technology Policies and Applications in the Commonwealth Developing Countries*. London: Commonwealth Secretariat.

Ogata, S. (2000) "Briefing to the Security Council of the United Nations on the Situation of Refugees in Africa", New York, January 13.

Olivier de Sardan, J.P. (1999) "A Moral Economy of Corruption in Africa", *Journal of Modern African Studies* 37(1): 25–52.

Olorunyomi, D. (2000) "The African Century", *Development Outreach* 2(1): 8–12.

Organization for Economic Cooperation and Development (OECD) (1991) *Public Management Developments*. Paris: OECD.

—— (1995) *Governance in Transition: Public Management Reforms in OECD Countries*. Paris: OECD.

Osborne, D. and T. Gaebler (1992) *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector from Schoolhouse to State House, City Hall to Pentagon*. Reading, MA: Addison-Wesley.

Osterfeld, D. (1992) *Prosperity Versus Planning: How Government Stifles Economic Growth*. New York: Oxford University Press.

Ottaway, M. (1999) *Africa's New Leaders: Democracy or State Reconstruction?* Washington, DC: Carnegie Endowment for International Peace.

Ouma, S.O.A. (1991) "Corruption in Public Policy and its Impact on Development: The Case of Uganda Since 1979", *Public Administration and Development* 11(5): 472–490.

Paulson, J.A. (1999) "Introduction" in J.A. Paulson (ed.), *African Economies in Transition: Volume 2: The Reform Experience*. London: Macmillian.

Paulson, J.A. and M. Gavin (1999) "The Changing Role of the State in Formerly-Socialist Economies in Africa" in J.A. Paulson (ed.), *African Economies in Transition: Volume 1: The Changing Role of the State*. London: Macmillian.

Perry, P.J. (1997) *Political Corruption and Political Geography*. Aldershot: Ashgate.

Peters, B. (1996) *The Future of Governing: Four Emerging Models*. Lawrence, KA: University Press of Kansas.

Peters, P.E. (1994) *Dividing the Commons: Politics, Policy and Culture in Botswana*. Charlottesville: University Press of Virginia.

Picard, L.A. (1987) *The Politics of Development in Botswana: A Model for Success?* Boulder: Lynne Rienner.

Polak, J.J. (1989) *Financial Policies and Development.* Paris: OECD.
Prah, K.K. (1993) "Socio-Cultural Dimensions of Ethics and Accountability in African Public Services" in S. Rasheed and D. Olowu (eds.), *Ethics and Accountability in African Public Services.* Nairobi, Kenya: African Association for Public Administration and Management/ICIPE Press.
Prud'homme, R. (1995) "The Dangers of Decentralization", *The World Bank Research Observer* 10(2): 201–220.
Quah, J. (1996) "Public Administration in Singapore: Managing Success in a Multi-Racial City State" in A.S. Huque, J.T.M. Lam, and J.C.Y. Lee (eds.), *Public Administration in the NICs: Challenges and Accomplishments.* London: Macmillan Press.
Rainey, H.G. (1991) *Understanding and Managing Public Organizations.* San Francisco: Jossey-Bass.
Rasheed, S. (1995) "Promoting Ethics and Accountability in African Public Services" in S. Rasheed and D.F. Luke (eds.), *Development Management in Africa.* Boulder: Westview Press.
Reilly, W. (1981) "District Development Planning in Botswana", *Manchester Papers on Development,* Issue No. 3, December: 28–69.
—— (1997) "Decentralization in Botswana: Myth or Reality?" in P. Mawhood (ed.), *Local Government in the Third World.* Ann Arbor, MI: UMI Books.
Republic of Botswana (1975) *National Policy on Tribal Grazing Land: Government Paper No. 2 of 1975.* Gaborone: Government Printer.
—— (1988) *The Report of the Presidential Commission on Localization and Training in the Botswana Public Service.* Gaborone: Government Printer.
—— (1991) *National Development Plan 7: 1991–1997.* Gaborone: Government Printer.
—— (1992) *Report of the Presidential Commission on the Review of Public Service Salaries and Conditions of Service.* Gaborone: Government Printer.
—— (1993) *Strategy for Productivity Improvement in the Botswana Public Service.* Gaborone: Directorate of Public Service Management, Office of the President.
—— (1995a) *Household Income and Expenditure Survey: 1993/94.* Gaborone: Government Printer.
—— (1995b) *Keynote Policy Paper for National Development Plan 8: 1997–2003.* Gaborone: Ministry of Finance and Development Planning.
—— (1996a) *Budget Speech 1996.* Gaborone: Government Printer.
—— (1996b) *Annual Economic Report 1996.* Gaborone: Government Printer.
—— (1997a) *Annual Economic Report 1997.* Gaborone: Government Printer.
—— (1997b) *National Development Plan 8: 1997/98–2002/03.* Gaborone: Government Printer.
—— (2000a) *Annual Economic Report 2000.* Gaborone: Government Printer.
—— (2000b) *Draft Privatization Policy for Botswana: Government Paper No. 1 of 2000.* Gaborone: Ministry of Finance and Development Planning.
Robinson, D. (1990) *Civil Service Pay in Africa.* Geneva: ILO.
Rondinelli, D.A. and J.D. Kasarda (1993) "Privatization of Urban Services and Infrastructure in Developing Countries" in J.D. Kasarda and A.M. Parnell (eds.), *Third World Cities: Problems, Policies, and Prospects.* London: Sage.
Rondinelli, D.A., J.S. McCullough, and R.W. Johnson (1989) "Analyzing Decentralization Policies in Developing Countries: A Political-Economy Approach", *Development and Change* 20(1): 57–87.
Rondinelli, D.A., J.R. Nellis, and G.S. Cheema (1983) "Decentralization in Developing Countries: A Review of Recent Experience", *Staff Working Paper, No. 581.* Washington, DC: World Bank.
Rose-Ackerman, S. (1997) "The Political Economy of Corruption", in K.A. Elliott (ed.), *Corruption and the Global Economy.* Washington, DC: Institute for International Economics.
—— (1999) *Corruption and Government: Causes, Consequences and Reform.* Cambridge: Cambridge University Press.

Rosen, E.D. (1993) *Improving Public Sector Productivity: Concepts and Practice.* London: Sage.

Rosenau, J.N. (1995) "Governance in the Twenty-First Century", *Global Governance* 1(1): 13–43.

Ruzindana, A. (1997) "The Importance of Leadership in Fighting Corruption in Uganda" in K.A. Elliott (ed.), *Corruption and the Global Economy.* Washington, DC: Institute for International Economics.

Rwegasira, D.G. (1995) "A Policy Framework for Resource Mobilization: An African Perspective" in C. Liuksila (ed.), *External Assistance and Policies for Growth in Africa.* Washington, DC: IMF.

Sachs, J. (1996) "Growth in Africa: It Can be Done", *The Economist*, June 29: 23–25.

Sachs, J.D. and A.M. Warner (1997) "Sources of Slow Growth in African Economies", *Journal of African Economies* 6(3): 335–376.

Sader, F. (1995) *Privatizing Public Enterprises and Foreign Investment in Developing Countries, 1988–93.* Washington, DC: World Bank.

Sahn, D.E. (1994) "Economic Crisis and Policy Reform in Africa: Lessons Learned and Implications for Policy" in D.E. Sahn (ed.), *Adjusting to Policy Failure in African Economies.* Ithaca, NY: Cornell University Press.

—— ed. (1996) *Economic Reform and the Poor in Africa.* Oxford: Clarendon Press.

Sahn, D.E., P.A. Dorosh, and S.D. Younger (1997) *Structural Adjustment Reconsidered: Economic Policy and Poverty in Africa.* Cambridge: Cambridge University Press.

Samuel, S.B. (1999) "A New Look at African Privatization" at *www.ifc.org.*

Sarbib, J.-L. (1997) "Privatization in Africa: Present and Future Trends", Presentation to the African Development Bank Group 1997 Annual Meeting Symposium on Private Sector Development in Africa, Abidjan, Côte d'Ivoire.

Savoie, D.J. (1995) "What is Wrong with the New Public Management", *Canadian Public Administration* 38(1): 112–121.

Schiavo-Campo, S., G. de Tommaso, and A. Mukherjee (1997) "An International Statistical Survey of Government Employment and Wages", *Policy Research Working Paper 1806.* Washington, DC: World Bank.

Scott, G., P. Bushnell, and N. Sallee (1990) "Reform of the Core Public Sector: The New Zealand Experience", *Governance* 3(2): 138–167.

Sedigh, S. and A. Muganda (1999) "The Fight Against Corruption in Tanzania" in R. Stapenhurst and S.J. Kpundeh (eds.), *Curbing Corruption: Toward a Model for Building National Integrity.* Washington, DC: World Bank.

Self, P. (1993) *Government by the Market? The Politics of Public Choice.* London: Macmillan.

Sharma, K.C. (1994) "Botswana Meat Commission — Botswana", in S. Rasheed, A. Beyene, and E.E. Otobo (eds.), *Public Enterprise Performance in Africa.* Ljubljana: ICPE.

Sharma, N.P., T. Damhaug, E. Gilgan-Hunt, D. Greg, V. Okaru, and D. Rothberg (1996) *African Water Resources: Challenges and Opportunities for Sustainable Development.* Washington, DC: World Bank.

Shellukindo, W.N. and R. Baguma (1993) "Ethical Standards and Behaviour in African Public Services" in S. Rasheed and D. Olowu (eds.), *Ethics and Accountability in African Public Services.* Nairobi, Kenya: African Association for Public Administration and Management/ICIPE Press.

Shleifer, A. and R.W. Vishny (1993) "Corruption", *Quarterly Journal of Economics* 108(3): 599–617.

Silverman, J.M. (1992) "Public Sector Decentralization: Economic Policy and Sector Investment Programs", *Technical Paper No. 188.* Washington, DC: World Bank.

Sirleaf, E.J. (1996) "Challenges to Africa's Leadership", Statement to the Conference of African Ministers of Planning and UNDP Resident Representatives in the Africa Region, Ouagadougou, Burkina Faso, January 30–31.

Smith, B.C. (1993) *Choices in the Design of Decentralization.* London: Commonwealth Secretariat.

—— (1996) "Sustainable Local Democracy", *Public Administration and Development* 16(2): 163–178.

Somolekae, G. (1993) "Bureaucracy and Democracy in Botswana: What Type of a Relationship?" in S.J. Stedman (ed.), *Botswana: The Political Economy of Democratic Development*. Boulder, CO: Lynne Rienner.

—— (1998a) "The Financing of Local Government" in K.R. Hope, Snr. and G. Somolekae (eds.), *Public Administration and Policy in Botswana*. Kenwyn, South Africa: Juta Publishers.

—— (1998b) "A Brief History of The Botswana Public Service" in K.R. Hope, Snr. and G. Somolekae (eds.), *Public Administration and Policy in Botswana*. Kenwyn, South Africa: Juta Publishers.

Swedish Institute for Civil Service Training and Development (SIPU International) (1997) *Local Authority Development: The SIPU Perspective*. Stockholm: SIPU International.

Swedish International Development Agency (SIDA) (1993) *Decentralization in Botswana: Policy Paper and Action Plan*. Gaborone: Ministry of Local Government, Lands and Housing.

Tanzi, V. (1994) "Corruption, Governmental Activities, and Markets", *IMF Working Paper WP/94/99*. Washington, DC: IMF.

—— (1996) "Fiscal Federalism and Decentralization: A Review of Some Efficiency and Macroeconomic Aspects" in M. Bruno and B. Pleskovic (eds.), *Annual World Bank Conference on Development Economics 1995*. Washington, DC: World Bank.

—— (1998) "Corruption Around the World: Causes, Consequences, Scope, and Cures", *IMF Staff Papers* 45(4): 559–594.

Tanzi, V. and H. Davoodi (1998) *Roads to Nowhere: How Corruption in Public Investment Hurts Growth*. Washington, DC: IMF.

—— (2001) "Corruption, Growth and Public Finances" in A.K. Jain (ed.), *The Political Economy of Corruption*. London: Routledge Falmer.

Tarp, F. (1993) *Stabilization and Structural Adjustment: Macroeconomic Frameworks for Analyzing the Crisis in Sub-Saharan Africa*. London: Routledge.

Tehrani, M., J.R. Montanari, and K.R. Carson (1990) "Technology as Determinant of Organization Structure: A Meta-Analytic Review" in L.R. Jauch and J.L. Wall (eds.), *Proceedings of the Annual Meeting of the Academy of Management*.

Ter-Minassian, T. (1997) "Decentralization and Macroeconomic Management", *IMF Working Paper 97/155*. Washington, DC: IMF.

The Botswana Gazette (1995), May 31: 9.

The Botswana Guardian (1994), November 25: 29.

The Courier (1995), No. 154, November-December: 20–22.

The Economist (2001), October 20: 50.

Therkildsen, O. (1999) "Efficiency and Accountability: Public Sector Reform in East and Southern Africa", *Mimeo*. Geneva: United Nations Research Institute for Social Development.

Thomas, P.G. (1996) "Beyond the Buzzwords: Coping With Change in the Public Sector", *International Review of Administrative Sciences* 62(1): 5–29.

Thynne, I. (2000) "The State and Governance: Issues and Challenges in Perspective", *International Review of Administrative Sciences* 66(2): 227–240.

Tordoff, W. (1974) "Local Administration in Botswana, Part II", *Journal of Administration Overseas* 13(1): 293–304.

—— (1988) "Local Administration in Botswana", *Public Administration and Development* 8(2): 183–202.

—— (1997) *Government and Politics in Africa*. London: Macmillan.

Transparency International (TI) (1996) *TI Press Release: 1996 Corruption Perceptions Index*. Berlin: TI.

—— (1997) *TI Press Release: 1997 Corruption Perceptions Index*. Berlin: TI.

—— (1998) *TI Press Release: 1998 Corruption Perceptions Index*. Berlin: TI.

—— (1999a) *TI Press Release: 1999 Corruption Perceptions Index and Bribe Payers Index.* Berlin: TI.
—— (1999b) "Corruption Reports: Africa", *TI Newsletter*, December: 12–13.
—— (1999c) "Corruption Reports: Africa", *TI Newsletter*, September: 9.
—— (1999d) "Corruption Reports: Africa", *TI Newsletter*, March: 9–10.
—— (1999e) "Recent Reforms", *TI Newsletter*, September: 5–8.
—— (2001a) *TI Press Release: 2001 Corruption Perceptions Index.* Berlin: TI.
—— (2001b) "Corruption Reports: Africa", *TI Newsletter*, September: 8.
Tsie, B. (1996) "The Political Context of Botswana's Development Performance", *Journal of Southern African Studies* 22(4): 599–616.
—— (1998) "The State and Development Policy in Botswana" in K.R. Hope, Snr. and G. Somolekae (eds.), *Public Administration and Policy in Botswana.* Kenwyn, South Africa: Juta Publishers.
Turner, M. and D. Hulme (1997) *Governance, Administration and Development: Making the State Work.* London: Macmillan.
Turrittin, J. (1991) "Mali: People Topple Traoré", *Review of African Political Economy*, No. 52: 97–103.
United Nations (2000) *Press Release AFR/210 REC/84.* New York: United Nations.
United Nations Conference on Trade and Development (UNCTAD) (2000) *The Least Developed Countries 2000 Report.* Geneva: United Nations.
United Nations Development Programme (UNDP) (1993) *Human Development Report 1993.* New York: Oxford University Press.
—— (1997a) *Human Development Report 1997.* New York: Oxford University Press.
—— (1997b) *Corruption and Good Governance.* New York: UNDP.
—— (1997c) *Reconceptualizing Governance.* New York: UNDP.
—— (1998) *Human Development Report 1998.* New York: Oxford University Press.
—— (1999) *Human Development Report 1999.* New York: Oxford University Press.
—— (2001) *Human Development Report 2001.* New York: Oxford University Press.
United Nations Economic Commission for Africa (UNECA) (1994) *African Common Position on Human and Social Development in Africa.* Addis Ababa, Ethiopia: UNECA.
—— (1999a) *The ECA and Africa: Accelerating a Continent's Development.* Addis Ababa, Ethiopia: UNECA.
—— (1999b) *Economic Report on Africa 1999: The Challenges of Poverty Reduction and Sustainability.* Addis Ababa, Ethiopia: UNECA.
—— (2001a) *Transforming Africa's Economies.* Addis Ababa, Ethiopia: UNECA.
—— (2001b) *The New African Initiative: A Merger of the Millennium Partnership for the African Recovery Program (MAP) and the OMEGA Plan.* Addis Ababa, Ethiopia: UNECA.
United Nations High Commission for Refugees (UNHCR) (1999) *Refugees and Others of Concern to UNHCR – 1998 Statistical Overview.* Geneva: UNHCR.
—— (2000a) "Refugees and the Environment" at *www.unhcr.ch/environ/refande.htm.*
—— (2000b) "Refugees and the Environment: Caring for the Future" at *www.unhcr.ch/issues/environ/refande.htm.*
—— (2001) "Refugees by Numbers 2001 Edition" at *www.unhcr.ch.*
United Nations Office of the Special Coordinator for Africa and the Least Developed Countries (UNOSCAL) (1995) *Expanding and Integrating the Informal Sector into the African National Economies.* New York: United Nations.
Uphoff, N. (1994) "Reassessing Development Administration: Puzzles of Productivity" in N. Uphoff (ed.), *Puzzles of Productivity in Public Organizations.* San Francisco: ICS Press.
Vengroff, R. and A. Johnston (1987) "Decentralization and the Implementation of Rural Development in Senegal: The Role of Rural Councils", *Public Administration and Development* 7(2): 273–288.
Wachira, C. (1996) "Corruption Scandal Hits Kenya", *Mail and Guardian*, June 7–13: 27.

Water and Sanitation Programme (WSP) (1999) *Water and Sanitation Services for the Poor: Innovating Through Field Experience Program Strategy: 1999–2003.* Washington, DC: World Bank.

Werlin, H.H. (1994) "Revisiting Corruption: With a New Definition", *International Review of Administrative Sciences* 60(4): 547–558.

West Africa (1992), May 18–24: 840.

Westcott, C. (1994) "Civil Service Reform in Africa" in S.A. Chaudry, G.J. Reid, and W.H. Malik (eds.), *Civil Service Reform in Latin America and the Caribbean.* Washington, DC: World Bank.

White, O.C. and A. Bhatia (1998) *Privatization in Africa.* Washington, DC: World Bank.

World Bank (1983) *World Development Report 1983.* New York: Oxford University Press.

—— (1991) *The Reform of Public Sector Management: Lessons from Experience.* Washington, DC: World Bank.

—— (1992) *Governance and Development.* Washington, DC: World Bank.

—— (1994) *World Development Report 1994.* New York: Oxford University Press.

—— (1995a) *Africa: A Framework for Integrated Coastal Zone Management.* Washington, DC: World Bank.

—— (1995b) *Bureaucrats in Business: The Economics and Politics of Government Ownership.* New York: Oxford University Press.

—— (1996a) *Partnership for Capacity Building in Africa.* Washington, DC: World Bank.

—— (1996b) *Toward Environmentally Sustainable Development in Sub-Saharan Africa.* Washington, DC: World Bank.

—— (1997) *World Development Report 1997.* New York: Oxford University Press.

—— (1999a) *World Development Report 1999/2000: Entering the 21st Century.* New York: Oxford University Press.

—— (1999b) *Poverty Trends and Voices of the Poor.* Washington, DC: World Bank.

—— (1999c) "Regional Urban Statistics and Projections" at *www.worldbank.org/html/fpd/urban/regions/africa/afr-feat.htm.*

—— (1999d) *Environment Matters: Annual Review 1999.* Washington, DC: World Bank.

—— (2000) *World Development Indicators 2000.* Washington, DC: World Bank.

—— (2001a) "GNI per capita 2000, Atlas Method and PPP" at *www.worldbank.org/data/wdi2001.*

—— (2001b) *2001 Poverty Update.* Washington, DC: World Bank.

World Health Organization (WHO) (1995) *The World Health Report 1995.* Geneva: WHO.

World Resources Institute (WRI), United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), and World Bank (1998) *World Resources 1998–99.* New York: Oxford University Press.

Zack-Williams, A. and S. Riley (1993) "Sierra-Leone: The Coup and its Consequences", *Review of African Political Economy*, No. 56: 91–98.

ABOUT THE AUTHOR

Kempe Ronald Hope, Snr. is the Senior Policy Advisor in the Cabinet Office of the Executive Secretary at the United Nations Economic Commission for Africa (UNECA). The views he expresses here are private and are not necessarily those of the UNECA. This book was also completed and submitted to the publisher while he was Director of the Center of Specialization in Public Administration and Management and Professor of Development Studies at the University of Botswana. During 1994–96 he was also United Nations Chief Technical Adviser to the Government of Botswana on Public Sector Management. Professor Hope has published extensively on development and political economy issues and is the author of many books including *African Political Economy: Contemporary Issues in Development* (M.E. Sharpe, 1997); *Development in the Third World: From Policy Failure to Policy Reform* (M.E. Sharpe, 1996); *Development Finance and the Development Process* (Greenwood Press, 1987); *Economic Development in the Caribbean* (Praeger Publishers, 1986); *Urbanization in the Commonwealth Caribbean* (Westview Press, 1986); and *The Dynamics of Development and Development Administration* (Greenwood Press, 1984). He is also the editor, or principal co-editor, of *AIDS and Development in Africa: A Social Science Perspective* (Haworth Press, 1999); *Corruption and Development in Africa: Lessons from Country Case-Studies* (Macmillan Press, 1999); *Public Administration and Policy in Botswana* (Juta Publishers, 1998); *Challenges of Transformation and Transition From Centrally Planned to Market Economies* (United Nations Center for Regional Development, 1998); and *Structural Adjustment, Reconstruction and Development in Africa* (Ashgate, 1997).

INDEX

Abacha, S., 104
Abidjan, 143
Academy for Educational Development (AED), 33–34
access to credit, 153
accountability in public officials, 122
accounting function, 17
Acts of Parliament, 70
Adamolekun, L., 108, 125
Adediji, O., 102, 104
adjustment policies, 171, 174, 179
Africa's decline in world trade, 20
Africa's renewal, 182
African century, 178, 180
African decision-makers, 150
African Development Bank, 16, 18, 20, 93, 109, 115, 130, 137, 150, 153, 172, 173, 175
African flight capital, 112
African labour force, 135
African National Congress (ANC), 120
African public bureaucracy, 95–96
African states, 11, 77, 117, 120, 122, 125, 167, 182
African urban centers, 142
Afro-Marxist economy, 177
agencification model, 161
agent theory, 157
Agere, S., 96, 125
agricultural asset, 7
agricultural products, 10, 140
Ahmed, J., 65
Air Botswana (AB), 46
Ake, C., 178
Alatas, S.H., 116
Alexandria, 139, 145
Algerian government officials, 105
Aloki, A.O., 163
Amoako, K.Y., 113
Amuwo, K., 119
Andreski, S., 104
Angola, 134
annual subventions, 53
anti-corruption agency, 12–13
Anti-Corruption Squad, 122
apolitical public service, 50, 80
appropriation and nationalization, 10
Armacost, M.H., 157
Aron, J., 9, 10
ascendancy of the patrimonial state, 104, 111
associational pluralism, 89
Attorney General, 12, 108
Aucoin, P., 157
Auditor General, 23
Australia, 168
authoritarian and coercive leadership, 29
authorizing government, 66
aversion toward market discipline, 177
Ayeni, V., 31–33, 122
Ayittey, G.B.N., 82–83, 94, 101, 105–107, 112, 114

Baksheesh, 110
balance of payments, 2, 17, 22, 83
Bale, M., 157
Bangura, Y., 97
Bank of Botswana (BOB), 2–5, 16, 18, 24, 46–47, 53–54, 56–59
Bank of Sierra Leone, 118
banking services, 43
banking system, 18
Banyana Pty Ltd, 46, 56–57
barriers to imports, 175
Bartone, C., 147
Barzelay, M., 158
basic health care, 146–147
Bazaruto Archipelago, 150
Beede, D.N., 139, 145
benchmarks, 36–38
Berthélemy, J.-C., 10
beyond structural adjustment, 177
big-man democracy, 92
Bigsten, A., 178
Bird, R., 65
black market for foreign exchange, 19, 175
bloated public bureaucracies, 77
Blunt, P., 38, 163
Boer, J.H., 168
Boland, T., 41
Borins, S., 65, 158–9, 168
Boston, J., 169

Botswana, 1–81
Botswana Accountancy College (BAC), 46
Botswana Agricultural Marketing Board (BAMB), 46
Botswana Building Society (BBS), 46, 59
Botswana Bureau of Standards (BBOS), 46
Botswana Civil Service Association (BCSA), 43
Botswana College of Agriculture (BCA), 46
Botswana Development Corporation (BDC), 46–47, 58
Botswana Export Credit Insurance (BECI), 46
Botswana Export Development and Investment Authority (BEDIA), 46
Botswana Housing Corporation (BHC), 46
Botswana Institute for Development Policy Analysis (BIDPA), 15
Botswana Institute of Administration and Commerce (BIAC), 16, 32
Botswana Livestock Development Corporation (BLDC) 46, 56–57
Botswana Meat Commission (BMC), 46, 51
Botswana Motor Vehicles Accidents Fund (BMVAF), 46
Botswana National Productivity Center (BNPC), 15, 23, 26–28, 32, 34–36, 46
Botswana Post (BP), 46
Botswana Power Corporation (BPC), 46
Botswana Railways (BR), 46
Botswana Savings Bank (BSB), 46, 59
Botswana Stock Exchange, 18
Botswana Teachers' Union (BTU), 43
Botswana Technology Centre (BOTEC), 46
Botswana Telecommunications Corporation (BTC), 46
Botswana Unified Local Government Authorities Service Association (BULGASA), 43
Botswana Vaccine Institute (BVI), 46
bottom-up planning process, 75
bottom-up principal agency, 65–66
Bratton, M., 84–86, 92–93, 128
Brautigam, D., 128
Brett, E.A., 167
bribes, 12, 103, 105–107, 112–113, 116–117, 119, 126
Brigish, R.P., 17
Bristol-Myers Squibb, 147
Brownsberger, W.N., 109
budget deficit, 4, 108, 197
budget surplus, 4, 172
building capacity for policy analysis, 172
bureaucracy, 1, 29, 38, 47, 50, 95–97, 99, 102–103, 105–106, 109, 114, 116, 119, 122, 159, 160–161, 166
bureaucratic machinery, 10, 14
Burkina Faso, 98, 131, 144
Burundi, 92, 135, 150
Byrne, D., 169

Callaghy, T.M., 84
Cameroon, 85, 124, 136, 150, 177
Campos, J.E., 96
Canada, 152
capacity building, 11, 13–16, 74, 170
  and institutional performance, 14
  four dimensions of, 14
  in the public sector, 169
capital, 19, 54, 56–59, 97, 108, 112–113, 135
  accumulation and growth, 179
  expenditure, 72
  flight, 19, 83, 112–113
  investment, 47, 58, 60
  markets, 54
capitalist development thrust, 2
cross-subsidization, 60
Cartier-Bresson, J., 107
Cartwright, J., 89
cattle industry, 2
Cavendish, W., 155
Central Africa, 134, 131
central banks, 19, 108
central government, 22, 45, 63, 66, 72–73, 76–80, 118, 161–163, 167–168, 176
central planning, 9
centralized economic decision-making, 102, 106, 111
CFA franc-zone monetary union, 21
Change, 2–3, 9, 14, 24, 33, 43, 54, 68, 78, 82–85, 88, 122, 134, 158, 159, 168–169, 176
  policy, 38, 171
  political, 64, 88
  regime, 114, 122
  structural, 172, 175
  tax structure, 123

Charap, J., 104
Chikulo, B.C., 128, 167, 170
child malnutrition, 8
Chimere-Dan, O., 154
China, 132
CIA, 138
Citizen's Charters, 41
Civil Service Computerization Program, 40
civil society, 11, 63, 76, 85, 87–92, 95, 98–99, 104, 114, 121, 128, 151, 157, 160, 178
civil war(s) and local conflicts, 68, 84, 133
clean water, 8, 136, 142
Cleaver, K.M., 140
client orientation, 29
clientelism, 83, 87, 102
Integrated Coastal Zone Management (ICZM), 149–150
Cohen, J.M., 64, 125, 169
Coldham, S., 122
Cole, D.C., 19
commercial banks, 3, 19, 57
commercial risks of operation, 167
Commission of Inquiry in Tanzania, 122
Commonwealth, 41, 77, 159, 165
communication(s), 29, 31, 38, 41, 46, 48, 55, 61, 65, 67, 68, 163, 165, 167, 181
community-based natural resource management (CBNRM), 151
competition, 12, 36, 60–61, 65, 84–85, 87, 97, 142, 169, 175–176
competitive ability, 26, 158, 169
competitive party politics, 77, 99
complementary empowerment programs, 81
concentration of wealth and power, 19
concession arrangements, 164–165
construction and textile sectors, 5
controlling corruption, 117, 119, 123–124, 127
conventional British local government model, 162
Conyers, D., 69
Coolidge, J., 105
Copenhagen, 154
Corkery, J., 49–50
corrupt social networks, 110
corruption, 11–14, 83, 88, 94, 100–128, 167, 175, 177
Côte d'Ivoire, 115, 131, 143, 165
Côte d'Ivoire Water Distribution Company (SODECI), 143
Cotonou, 135
credit allocation, 19
Cremer, J., 64
crisis in ethical leadership, 101, 117
cronyism, 102
Crook, R., 76, 170
Cuddington, J.T., 113
culture, 27, 34, 43, 110, 157–158
currency, 2–3, 18–19, 79, 163, 175
current account deficit, 175
customs and traditions, 14
customs union, 3, 47

Dar es Salaam, 139
dash, 110
de Melo, M., 9
de Merode, L., 123
Debswana, 4
debt, 16–17, 52–53, 19, 94, 112, 171–172, 181
debt service, 16, 52, 56, 173
decentralization, 9, 40–41, 63–69, 74–81, 151, 156–157, 160–162, 166–170
decision-making, 49, 64–66, 102, 104–106, 108, 111, 121, 147–8, 168–169
deconcentration, 40, 65, 74, 80, 161
deforestation, 133, 140–1
democracy and development, 178
democratic consolidation, 87, 89–93, 99, 178–179
Democratic Republic of Congo, 105, 108, 112, 115, 127, 135, 150
Denhardt, R.B., 157
Denmark, 127
Departmental Productivity Improvement Committees (DPCs), 32
deregulation of prices, 172
desertification, 140–141
destitutes and orphans, 8
devaluation, 171
Development Plan 8, 26, 75, 77
devolution, 40, 65–66, 69, 74, 157, 162
Dia, M., 100, 102
Diamond, L., 11, 88, 91, 178
direct cash transfers, 177
Directorate of Local Government Services Management (DLGSM), 72–73

Directorate of Public Service Management (DPSM), 26, 41
Directorate on Corruption and Economic Crime (DCEC), 12–13
discretionary power, 104–105
District Administrations, 7
District and Urban Councils (DUCs), 70–72
District Councillors, 71
District Councils, 69–70, 72, 76, 79, 161
District Development Committees (DDCs), 72
Djibouti, 140
Dohrman, J., 145
Doig, A., 13, 103
Dollar, D., 131
donor community, 16
Dotse, F.M., 125
Douala, 136
Doyle, M., 115
du Toit, P., 70–71, 78, 77
Dutch Disease, 4, 9
duty-free imports, 3
Dwivedi, O.P., 120

East Asia and the Pacific, 132
East Asian countries, 1, 17, 23–24
East Asian tigers, 1
East Asia's miracle economies, 96
Easterly, W., 131
Eastern Europe, 9
Eastern Europe and Central Asia, 132
economic liberalization, 9, 83, 87, 93, 125, 130, 169, 176
economic recovery, 153, 171–172, 177, 180
economy and society, 9
ecosystems, 98, 138–139, 142, 149
Edge, W., 51, 78, 88
education campaigns, 146
educational counselling, 25
efficient management, 1
Egner, E.B., 70
Egypt, 110, 139, 145
Elliot, M., 104, 110
elusive development, 106, 111
employer responsibility, 27
employment services and retraining, 177
employment opportunities, 5, 15, 26, 37, 152
employment-generating public works schemes, 177
empowerment of women, 91
enforceable human rights guarantees, 179
environmental conservation, 150
environmental factors, 14, 137
environmental management, 97–98, 129, 151, 153
Eritrea, 134
Eritreans, 132
Ethiopia, 64, 107, 162
Europe, 3
European Aeronautic Defence and Space Company, 106
European Union, 20, 151
evaluation, 25, 91, 123–124, 147–148, 151, 171
exchange controls, 3, 18, 86
exchange rate adjustment, 171
exchange resources and incentives, 1
exemplary ethical leadership, 109
expansive fiscal policy, 177
expatriate manpower, 51
external borrowing, 16
external debt, 16–17, 83, 94

Farvacque-Vitković, C., 133, 139
Fatton, R., 108, 114
favourable balance of payments, 2
favouritism, 102, 110, 116
female unemployment rate, 5
female-headed households, 7
fixed assets, 56, 165
Flynn, N., 97
Foreign Corrupt Practices Act (FCPA), 12
foreign currency (accounts), 2–3
foreign direct investment, 18, 62
foreign exchange, 1, 3, 10, 52, 86, 175–177
foreign investment, 18, 82, 94, 178
formal and informal institutions, 14
formal job market, 6
formal sector, 5–7, 47, 135, 152–154
Fox, W.F., 164
France, 127
free and fair elections, 178
free markets, 17
Freeman, R.B., 21
Frisch, D., 111
functional strategy decisions, 25

Gaborone, 70, 76, 135, 138
Garba, S.B., 148–149
Gasper, D.R., 77

gender, 7, 14, 91
general welfare loss, 111
German prosecutor's office, 106
Germany, 103
Ghana, 50, 83, 85, 110, 119, 122–125, 145, 162, 165–166, 174–177
ghost (fictitious) employees, 174
Gini coefficient, 6
Gini index, 131
global conservation priorities, 149
globalization, 37, 40, 44, 93
Goldsmith, A.A., 93, 96–97
good governance, 1, 10–12, 21–2, 37, 40–41, 49, 59, 62, 72, 75, 77, 80, 84–87, 97, 99, 101, 126, 128, 181
Goodsell, C.T., 160
Gould, D.J., 113
graft, 11, 175. See also corruption
Gray, A., 161
Grindle, M., 10, 14–15
Government of Botswana, 4, 12, 26, 36, 42–46, 47, 53–54, 60–61, 69, 73–75, 77–78, 81
gross national savings and gross domestic investment, 17
growth-oriented stock market, 10
Guan, L.S., 40
Guinea, 123–124, 140, 163, 165
Gulf of Guinea, 140
Gwatkin, D.R., 136
Gyimah-Boadi, E., 89, 91

Halachmi, A., 24, 38, 156, 158, 168
Handelman, H., 98
Harbeson, J.W., 93
Harsch, E., 101, 105, 112, 120, 126
Harvard AIDS Institute, 147
Harvey, C., 4, 58
headcount Index, 132
health care, 8, 70, 136–137, 145–147, 181
health for all, 146
Heap, J., 22
heavily indebted poor countries (HIPCs), 16
Heimann, F., 126
Hentic, I., 163
Higgott, R., 115
high-risk activity, 12
Hill, I., 100
Hirschmann, D., 97
HIV/AIDS, 8, 137–138, 146–147
Hobbesian wars, 89
Hoggett, P., 164
Holm, J., 11
Hood, C., 159
Hope, K.R., 2–6, 8–11, 13, 15, 18–20, 22–24, 43–45, 47, 50–52, 58, 64, 67, 78, 82–84, 88, 91, 93, 96, 100, 102–103, 106–107, 123–124, 128, 130, 133, 135–138, 142–143, 147, 152–153, 156, 163, 166–168, 171–172, 176, 180, 182
hotel occupancy tax, 79
House of Chiefs, 70–71
Household Income and Expenditure Survey (HIES), 5–6
Hughes, O.E., 159
human relations, 29
Human Resource, 26, 34, 74, 97
  and institutions, 14
  and development, 15, 30, 41–42, 44, 130
  and management, 22, 25–26, 41, 73
human rights, 10, 146, 181
  violations, 88
  groups, 89–90
  monioring, 91
  guarantees, 178
humanity, 22
Hyden, G., 86, 102

IMF, 16, 55, 94, 125, 171
impact assessment study, 134
Implementation, 8, 10, 13, 49, 60, 68–69, 75, 80–81, 98, 121, 155, 161–162, 169, 181
  of SAPs, 171, 175
  of strategies, 18, 19
implementing public investments, 172
import barriers, 20
import-substitution, 10, 177
improving economic management, 65, 176
incentive mechanisms, 14
interest rate policy, 171
inter-ministerial committee, 74
Internal Auditor, 34
internally displaced persons, 133–134
international community, 93
international economic environment, 10, 174
international financial institutions, 62
international NGOs, 149
international organizations, 91, 100, 125, 127, 144, 147, 153, 156, 180
International Union for the Conservation of Nature (IUCN), 150

interventionist policies, 10
intrinsic motivation, 30
"invented" ethnic hierarchies, 89
investment productivity in Africa, 180

Jackson, R.H., 102
Jacobs, C., 124
Jefferis, K., 4, 52
jobs, 5, 91, 110, 121, 135, 152, 154, 166
Johannessen, L.M., 145
Johnston, M., 17, 103, 128, 163
Jones, M., 38, 163
Joseph, R., 92, 118

Kabila, L., 115
Kaboolian, L., 157
Kaul, M., 156, 166, 170
Kawambwa, E., 33–34
Kayizzi-Mugerwa, S., 179
Kelly, R.M., 157
Kenya, 107, 110, 112–113, 125, 150, 161, 165–166
Kenya Airways, 166
Kenya Parliamentary Accounts Committee, 112
Kessides, C., 149
Keynesian economics, 10
kickbacks, 111, 113–114
Kikeri, S., 143, 164–165
Killick, T., 176
Kinlaw, D.C., 42–43
Kirkpatrick, C., 174
kleptocracy, 106
kleptocratic states, 105–106, 115, 117
Koehn, P.H., 162, 168
Kotze, D., 65
Kpundeh, S.J., 104, 118, 128

labour force, 5, 8–9
labour market, 42
labour productivity, 23, 27, 37, 165
Lal, D., 93, 125
land use management, 147–148
Landell-Mills, P., 82
Larbi, G.A., 97, 162–163, 166
Larsson, S-O., 25
Latin America and the Caribbean, 132
leadership, 84–87
Leadership Code, 120–121
leases, 164–165
Leftwich, A., 178
legislation, 60, 70, 87, 121, 126, 145
legislative authority, 70
Legislature, 11
lekgotla meetings, 71
Lemarchand, R., 89
Lesotho, 3, 131, 142–143, 162
level of technological adaptability, 39
Lewis, P., 4, 58, 102
liberal exchange control regime, 3
liberalization, 9, 18–20, 82, 83, 87, 93, 95, 97, 99, 125, 130, 169, 172, 175–176
Liberia, 134
Lienert, I., 123
life expectancy, 8, 137
Life Insurance Corporation, 152, 154
Lindauer, D.L., 21, 107
linkages and complementarities, 15
Litvack, J., 65
loan receipts and repayments, 17
local accountability, 76
local authorities, 66–68, 69–70, 72–81, 151
Local Environmental Action Plans (LEAPs), 151
local environmental governance, 151
local governance, 63–65, 68, 75–77, 79–81, 151
local government tax, 79
local representative democracy, 80
local service delivery, 166
Lukas, B.A., 24

Mabry, M., 117
MacFarlan, M., 8
macroeconomic distortions, 111
macroeconomic policy reforms, 176
Madagascar, 131
Maipose, G.S., 17
Makumbe, J., 105, 108, 112
malaria, 137, 145
Malawi, 125, 135–136, 153, 175–176
Malaysia's public service, 39
male unemployment rate, 5
male-headed household, 7
Mali, 112, 114–115, 119, 126, 131, 142
malnutrition, 8, 83, 94, 138, 177, 179
management autonomy, 169
management contracts, 164–165
Mandela, N., 120
Manning, N., 158, 169
Manor, J., 68, 76, 70
manufacturing, 18, 20, 175
Market, 3, 12, 18, 20, 42, 49, 52–54, 59, 64, 94

access, 182
failure, 99, 172
networks 153
parallel, 175
penetration and participation, 17
values of property, 59
market-based exchange rate policies, 75
Mars, T.F., 26
Mathiasen, D.G., 158
Mbaku, J.M., 15, 87, 170, 178
Mbeki, T., 78
McCarney, P., 63
MELISSA (Managing Environment Locally in Sub-Saharan Africa) initiative, 151
Members of Parliament (MPs), 120–121
meritocratic public service, 97, 99
Meszaros, G., 38
Metcalfe, L., 97
Middle East and North Africa, 132
military oligarchy, 85
military-inspired anti-corruption campaigns, 119
Millennium Partnership for the African Recovery Program (MAP), 181
mineral revenues, 4, 58
mining, 2–4, 8, 18, 20, 24, 32, 42, 98, 141, 146, 165
ministerial cabinet, 48–49
Mink, S.D., 136
Mitchell, W.C., 166
Mkapa, 105
Mobutu, 105, 108, 116, 126–127
Moe, R.C., 160
Mogae, F., 61
Moi, D., 114
Moloi, D-G., 37
monetary policy managers, 19
money and quasi-money, 18
money supply, 18, 171
Monga, C., 88
monitoring, 60, 73, 91, 121, 126, 146, 151, 157, 168
Monoheng, T., 76
Moody-Stuart, G., 103
Moore, M., 97
Morocco, 162
motivational models for the organization, 31
Mozambique, 123, 134–135, 149–150
Mugabe, R., 88–89, 106, 114, 120
Mukandala, R.S., 50
multi-party political systems, 64
Munich, 106
Municipal Infrastructure Investment Unit (MIIU), 145
Murinde, V., 112
Museveni, Y., 94
mutually supporting objectives, 144
Myers, R., 40–41, 147

Namibia, 3, 85
Namibian private sector labour market, 42
Narayan, D., 152–153
narrow export bases, 182
National Assembly, 50–51, 70, 75, 77
National Development Bank (NDB), 46, 48, 58
National Development Plan, 26, 34–35, 52–53, 75, 77
National Electric Power Authority, 161
National Environmental Action Plans (NEAPs), 98, 155
national institutions, 178
national policies, 15, 142
national productivity movement, 15
national seminar on labour productivity, 37
nationalizing the colonial commercial banks, 19
natural disasters, 133
Ndulu, B., 10, 14, 178–179
negative post-independence period, 2, 5, 19
neglect of the private sector, 177
neopatrimonial rule (regime), 84–87, 92
nepotism, 86–87, 103, 110, 114
Netherlands, 127
New African Initiative (NAI), 180
New Partnership for Africa's Development (NEPAD), 180–182
new public management (NPM), 96–97, 121–122, 156, 181–186, 192, 194
Ng, F., 20
Niger, 115, 119, 165
Nigeria, 13, 85, 98, 104, 107–109, 112, 115–116, 119, 122, 162–165
Nigerian Telephone Company, 164
Nile Basin Action Plan, 142–143
non-financial parastatal enterprises, 45–46, 53–54, 56–57
non-governmental agencies, 72
non-governmental and community-based organizations, 151

non-governmental private or voluntary organizations, 64
non-governmental organizations, 153
non-tariff barriers (NTBs), 175, 181
Norberg, H., 4
North Africa, 112, 131–132
North American Free Trade Agreement (NAFTA), 20
North-South Water Carrier Project, 143
Norway, 126, 151
Nteta, D., 8
Nyerere, J., 84

official development assistance, 112, 181
official exchange rate, 175
offshore borrowing, 3
Olivier de Sardan, J.P., 100–101, 110
Olorunyomi, D., 178
OMEGA Plan, 181
open economy, 2
oppression of women, 179
organizational development (OD), 31
organizational effectiveness, 30–31, 34, 37
organizational performance, 34
orphans, 8, 138
Osborne, D., 158
Osterfeld, D., 94–95
Ottaway, M., 92
Ouagadougou, 144
Ouma, S., 104–105, 113
Output(s), 2, 23–25, 31, 35, 39, 42, 112, 117, 157, 159, 168
Owens-Corning, 38

Pacific-countries trading bloc, 20
parallel legislation, 70
parastatal institutions, 22, 26, 29, 45–61, 64–67, 118, 143, 162, 164
Paris Club of bilateral creditors, 17
parliamentary system, 77, 91
participative leadership and teamwork, 29
partnership development, 151
party and state domination, 9
patrimonial state, 89, 104–105, 107–108, 111, 114
patrimonialism, 87, 96, 102, 123
patrimonialization of power and authority, 10, 83
Paulson, J., 177
pension funds, 3
performance indicators, 35, 57, 97, 171
performance management systems (PMS), 16, 26, 33–36
performance outputs, 35
Perry, P., 127
personalism, 102, 109
petroleum fuels tax, 79
physical infrastructure, 19, 83
Picard, L.A., 72, 74, 77
plebiscitary one-party system, 84
pluralist civil society, 11
pluralist regime, 179
pluralistic forces, 11
pockets of poverty, 7
Polak, J.J., 113
Policy
  change, 38, 171
  choices, 97, 142
  design and implementation, 49
  development and implementation, 44
  distortions at the macro level, 178, 111
  elements, 21
  guidelines, 66, 148
  outcomes, 158
  process, 63, 109, 161
  reform, 82–83, 95, 99, 125, 156–157, 167, 169, 171, 176–177, 179–180
political accountability, 10
political commitment, 150, 170
political elite, 10, 76, 94–95
political freedoms, 176
political institutions, 84, 160
political leadership, 10, 14, 39, 50, 80, 82, 84, 103, 109, 122, 127
political pluralism, 179
political risk factor, 12
political violence and instability, 14, 138, 145, 178–179
Portugal, 13, 92
post-independence period, 3, 5, 10, 19
post-independence statist policy, 82
poverty, 7, 29, 141, 129–155
poverty reduction, 96, 142, 153, 178–179
Mali Rural Water Supply Project, 142
Prah, K.K., 110
price controls, 10
pricing of scarce foreign exchange, 54–55, 177
pricing policy, 54
private capital flows, 182

private capital markets, 54
private consumption per capita, 8
private enterprise, 10, 19, 60–61, 66, 161
private financing, 19, 165
private investment, 1, 17–18, 47, 61, 145, 165, 179
private sector, 18–19, 23, 26, 28, 41–42, 44, 46, 60–61, 63, 65–66, 90, 103–104, 107, 127, 143, 145, 147, 151, 157, 160, 163, 168, 172, 177, 182
private voluntary groups, 66, 167–168
privatization, 40–41, 61–63, 65–6, 163–164, 166, 172, 176
problem-solving, 29–31, 33
procedural consistency, 167
process of localization, 51
productive private investment, 179
productivity, 8, 15, 22, 27–28, 158–160, 166, 170, 181
Productivity Improvement Committee, 29, 32
Program Against Malnutrition (PAM), 177
Program for the Alleviation of Poverty, 177
Program of Action to Mitigate the Social Costs of Adjustment, 177
project management, 28
promotion of African exports, 182
prospects for sustainable growth, 21, 177
Protocol on Shared Water Course Systems, 143
prudent economic management, 1
Prud'homme, R., 68
public accountability, 49, 50, 102–103, 111, 119–120, 122
Public Accounts Committee, 50, 122
public choice, 64, 157
Public Complaints Commission in Nigeria, 122
public enterprise(s), 10, 47, 49–52, 54–55, 62, 66, 105, 164, 176–177
Public Enterprises Monitoring Unit, 55
public financial accountability, 10
public goods and services delivery, 24, 37–38, 40–41, 64, 96, 161, 170
public health, 145–146, 166
public interest, 111, 163
public land management intervention, 148
public management, 42, 96, 156–158, 160, 167
Public Management Committee of OECD, 158
public monopolies, 10, 41
public policy process, 63, 71, 125, 167–168
public-private partnerships, 98, 129, 145, 149, 151, 155, 179
public redress, 13
public sector, 5, 8, 10, 14, 19, 22–27, 31, 36–41, 44–46, 50, 52–53, 61, 64, 67, 86, 95, 97, 107, 125–126, 146–147, 149, 156–161, 164, 166–169, 174
Public Service Fund Order, 53
public treasury, 54
public utilities, 53
public utility corporations, 48, 60
public value, 54, 157
Public Welfare Assistance Scheme, 177
public-private partnerships in service delivery, 98, 129, 145, 149, 151, 155, 179

Quah, J., 95
quality of life, 8, 92, 94, 98, 136, 152

Rainey, H., 39
Rasheed, S., 119
re-engineering of the African public sector, 157, 160, 166, 168–169
reform of institutions, 172
reform strategies, 119
regime leader, 11
regional cooperation and integration, 20, 143
regional development corporations, 65
regulation of industrial sites, 138
Reilly, W., 71, 76
religious freedom, 178
rent-seeking activities, 11, 113
reserves of foreign currency, 2
resource allocation, 64, 158, 177
resource consumption, 23
resource mobilization, 181
resource-based sectors, 182
respect for the rule of law, 10, 88, 178
retail turn-over tax, 79
retrenchments, 5, 124, 130
risk pooling, 154
Robinson, D., 107
Rondinelli, D., 64, 66, 68, 168
Rose-Ackerman, S., 105, 125
Rosen, E.D., 38, 40
Rosenau, J., 63

rotating savings and credit associations, 63
royalty payments, 4
Rural Development Council, 161
Rural Industries Promotion Company (RIPCO), 46
rural population, 6, 131
rural-urban comparisons, 7, 91
Ruzindana, A., 127
Rwanda, 92, 150
Rwegasira, D.G., 18

Sachs, J., 82, 93, 178
Sader, F., 164
Sahn, D.E., 171, 174, 179
Samuel, S., 166
sanitation services, 8, 136, 142, 144
Sarbib, J.-L., 164
savings and investment, 17–18, 178
Savoie, D.J., 160
Schiavo-Campo, S., 174
school leavers, 6
Scott, G., 169
sectoral policy implementation agencies, 48
security of tenure, 149
Sedigh, S., 121
Self-Employed Women's Association (SEWA), 138, 154
Senegal, 163, 181
Serious Fraud Office in Ghana, 122
sexually transmitted diseases (STDs), 146–147
Shellukindo, W., 107
Shleifer, A., 110
Sierra Leone, 50, 108–109, 114, 118–119, 134, 150
Silverman, J.M., 65–67, 161
Singapore, 29, 33, 40
Sirleaf, E.J., 86
small, medium, and micro enterprises (SMMEs), 154
small-scale enterprises, 153
Smith, B.C., 67–69, 80, 93, 96–97, 162
Social Dimensions of Adjustment (SDA), 177
social indicators, 178
social infrastructure development, 177
social protection, 152, 154
Social Recovery Fund, 177
social safety nets, 152
social services, 130, 176
socialist theories, 10
soil erosion, 133, 141
solid wastes, 136, 138–139, 144–145
Somalia, 107
Somolekae, G., 11, 17, 39, 50, 79, 80
South Africa, 3–4, 13, 42, 55, 85, 89, 106, 120–122, 131, 143, 145, 149, 161, 168, 181
South Asia, 98, 132, 137, 146
Southern African Customs Union (SACU), 3–4, 21, 47
Southern African Development Community (SADC), 143
Southern African Nature Foundation, 149
sovereignty of politics, 102
Soviet Union, 9
state intervention, 2, 94, 105
state monopoly, 177
state power, 11, 88–89, 96, 104, 111, 170
state-centred local management, 63
statism, 21, 82–83, 95, 97, 99
statist ideological framework, 10
stringent commercial principles, 55
structural adjustment programs (SAPs), 94–96, 171–180
structural trade deficit, 2
subsidies on basic goods and services, 177
subsistence agriculture, 2, 135–136, 141, 155
Sudan, 85, 98, 107, 112, 136, 140
Superior work improvement teams, 42–43
sustained democratic environment, 173
Swaziland, 131
Sweden, 69, 151
Swedish International Development Agency (SIDA), 69
Switzerland, 126–127

Tanzania, 50, 83–45, 105–107, 121–122, 134–136, 139, 150, 164, 174–175
Tanzi, V., 67, 102–103, 109, 111
Tarp, F., 172
taxation, 4, 6, 13, 45, 47, 61, 79, 97, 103, 105, 111–113, 123, 126, 148, 161, 163, 174
tax bases, 174
tax policy, 174
tax receipts, 61

Teaching Service Management, 73
team leaders, 33
team spirit, 29
technological adoption, 39
technology transfer, 62
Tehrani, M., 39
telecommunications, 41, 46, 55, 61, 163, 165
Ter-Minassian, T., 161
terms of trade, 10, 82, 173–174
Togo, 163, 165
tolerant democracy, 1
top-down approach, 168
top-down principal agency, 65–66
Tordoff, W., 2, 69, 76, 102
total quality management, 28, 38–39
Town Councils, 69–70
Township Authority, 70
Trade, 2, 82
  balance, 173
  corruption in the sector, 112
  foreign, 86
  liberalization, 20, 172, 176
  performance, 176
  policy, 10, 20, 176
traded goods, 3
trading blocs, 20
traditional bureaucracy, 160
traditional bureaucratic approaches, 169
traditional model of the public service, 168
training/research institutions, 48, 53, 60
transition 9, 11–12, 16, 82–83, 86, 89, 92–93, 95–97, 128
transition economies, 1, 9–12, 18–19, 21, 125, 132
transnational corporations, 165
transparency, 10, 31, 41, 50, 86, 121, 127–128
Transparency International (TI), 13, 101–102, 106, 108–109, 114, 121
Tribal Administrations, 69, 71, 74
Tribal Chief, 2, 73
Tribal Grazing Land Policy (TGLP), 73–74
Tribal Land Act, 71, 74
Tsie, B., 2, 39
tuberculosis, 147
Tunisia, 163, 176
Turner, M., 170
Turrittin, J., 114–115
Uganda, 17, 83, 94, 105, 113, 117, 120–125, 145, 147, 174, 177
Ujamaa Socialism, 82
UNAIDS, 8, 137, 147
UNDP, 7, 12, 65–6, 86, 98, 136, 139, 141, 144, 168
UNECA, 130–131, 137–138, 153, 180, 181
unemployment, 5–7, 23, 75, 83, 130, 152
UNHCR, 134–135
Unified Local Government Service (ULGS), 72
Unified Teaching Service (UTS), 72–73
Unified Teaching Service Act, 73
United Nations, 146, 179
United States, 7, 126
University of Botswana (UB), 15, 46
University of Sierra Leone, 118
Uphoff, N., 26, 156
urban areas, 6–7, 76, 97, 133, 135–136, 138, 140, 142, 147–148
urban population, 6, 98, 131, 135
urban transport systems, 165
urbanization, 83, 98, 130, 133, 135, 138, 140, 147

value change, 159, 161
Vengroff, R., 161
virtual democracy regimes, 92

Wachira, C., 112
War Against Indiscipline and Corruption (WAIC), 122
Warioba Commission, 105
Washington, DC, 127
water and sanitation, 136, 142, 144
Water and Sanitation Program (WSP), 144
water resource depletion, 141
water supply and treatment, 165
Water Utilities Corporation (WUC), 46, 143
weak governance, 177
welfare of employees, 27
Werlin, H.H., 102
Westcott, C., 124
White, O., 164
White Paper, 61, 74, 118
Work Improvement Teams (WITS), 16, 26, 28–33, 37, 39, 42–43
World Bank, 1–2, 14, 16, 54, 64, 68, 94, 97–99, 109, 123, 125, 127, 130, 132–133, 135, 137–138, 140,

143–146, 149–152, 164–165, 168, 170–171, 177
world economy, 20, 94
world wealth, 7
World Summit for Social Development (WSSD), 154, 180
world trade, 20
World Wildlife Fund (WWF), 149
Zack-Williams, A., 119
Zaire, 104–105, 115–116, 126
Zambia, 107, 110, 131, 161, 164, 174–177
ZANU party in Zimbabwe, 120
Zimbabwe, 3, 55, 88–89, 105–106, 108, 111–114, 120, 122, 131, 134, 142, 175–177