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Civil Service Reform
A review
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Abstract

Civil service reform is one of the most intractable yet important challenges for governments and their supporters today. However, civil service reform thus far has largely failed. Based on a review of existing literature, this paper presents principles for donors, governments, and advocates to help them design more effective reform programmes. While the current understanding of how best to promote civil service reform has advanced, it remains broadly incomplete due to a combination of the complexity of the subject, disagreement on the objectives, and a failure of practitioners to reflect on their experiences and then disseminate the results. Recommendations are presented separately for reform designers and reform funders.

Keywords: public administration reform, public sector reform, civil service reform, donor strategies, best practice

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1 Introduction

Civil service reform is one of the most intractable yet important challenges for governments and their supporters today. It touches on government’s very purpose for existence, but also on some of its most sensitive, protected areas. The civil service is the backbone of the state, supporting or undermining the entire system of governance.

To date, civil service reform has largely failed. That reality is increasingly being accepted; now it must be overcome. Practitioners—donors, consultants, governments, bureaucrats, and advocates—are able to make the improvements necessary for positive change when they perfect their approach and have a realistic understanding of the challenges.

This paper will consider civil service reform from these angles. After a brief background, the following section will examine the principles practitioners can use to maximize the effectiveness of civil service reform. The third section then presents the challenges that demand special attention beyond these principles. Finally, the fourth section provides conclusions and recommendations for reform designers and funders.

1.1 Background

The history of civil service reform can be broken into three phases. In the first phase, roughly taking place in the 1980s, donors supported various aspects of institutional development as they began to recognize the civil service’s crucial role in changing policy. After the collapse of Communism and the failure of many of the aid programmes of the previous phase, the 1990s saw a growing consensus that the key to civil service reform was minimizing the role of the state. This phase also brought unintended results, and since the late 1990s donors have focused on promoting accountable systems whose leaders understand and support the reforms they are implementing.

Civil service reform is just one aspect of the broader topic of public administration (or public sector) reform, which also includes public financial management, leadership and policy making, and service delivery. The civil service is, however, the area that receives the least analytical attention, even as it touches on the most basic functions of the system. Civil service reform generally includes reforms in areas such as remuneration, human resources, downsizing, and operational efficiencies. Some analysts do not include health and education employees as civil servants as they are so directly involved in service delivery (Evans 2008: 13).

Most analysts would say that, on the whole, civil service reform has been relatively unsuccessful. This is measured both in terms of a weak record of meeting objectives and a lack of evidence that outcomes have improved (Evans 2008: 25). Many reasons have been given for why civil service reform has not made greater strides as opposed to, most prominently, the success of public financial management. These include the interdependencies and complexity of the system, the conflicting interests of stakeholders combined with the sensitivity of the changes that must take place, the
delayed and sometimes ambiguous nature of results and what caused them, a lack of consensus on what the most important civil service objectives should be, and an absence of a theoretical model to guide practitioners in how to approach and monitor reform (Evans 2008; Scott 2011; UNDP 2004).

As a result, civil service reforms have been ad hoc at best and misguided at their worst. However, as evidence builds of successful efforts, practitioners have more lessons to learn from and better tools at their disposal. The trajectory should only move in a positive direction.

1.2 A note on sources

This paper draws on widely available information on civil service reform, combined with some limited conversations with authors of forthcoming work. Many of the sources come from the World Bank, which has been a major donor with a strong focus in this area. However, it is not the only practitioner of civil service reform, and therefore the scarcity of alternative sources is remarkable. The World Bank’s depth and transparency of information and effective dissemination make it an invaluable resource for learning about the successes and failures of reform efforts. Nevertheless, not all practitioners share the World Bank’s conclusions, particularly its continued emphasis on managing the size of the bureaucracy. Reliance on World Bank sources is both a limitation of this paper, and the foundation of its main conclusion: more experiences with civil service reform need to be evaluated and publicized, not just by donors but by governments and civil society as well. For the time being, as diverse a picture as possible has been presented here, drawing on alternatives to the World Bank when available.

2 Building success in civil service reform

Civil service reform, like all development in the public sector and otherwise, requires a systematic approach that takes account of many different factors. Regardless of the specific reforms required (e.g. human resources management policies, legal and ethical framework, or institutional framework), practitioners have the ability to craft their approach to maximize their effectiveness.

This section will explore the following principles: adaptation to the local context, appreciation of the long-term nature of civil service reform, the sequencing and timing of reform activities, the research and analysis required in support of reform, government ownership, participatory processes, donor co-ordination, and the debate between comprehensive and incremental reform. Each of these principles builds on the five principles laid out by the OECD for development more broadly in its Paris Declaration on Aid Effectiveness. These are local country ownership, donor alignment to local objectives, harmonization of donor processes, a focus on results, and mutual accountability between donors and aid recipients. The following discussion elaborates how these principles relate more specifically to civil service reform, and how both donors and local reformers have designed successful reform strategies.

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1 For more on the Paris Declaration, see http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1,00.html, accessed 10 September 2012.
2.1 It’s all about the context

The single most important variable to consider when designing a civil service reform programme is the local context in which the reform is taking place. This is a mantra that has been repeated many times. However, it bears repeating again as actions have not always followed words.

Emphasis on taking the local context into account is an outgrowth of the perceived shortcomings of some civil service reforms of the 1980s and 1990s, which focused on reducing the cost of the state administration. Many reforms during this period were modelled on successful programmes in developed countries, which were not necessarily applicable in other systems (see Box 1). After these reforms failed to produce positive outcomes, practitioners became increasingly aware that one size does not fit all. Rhetoric shifted towards consideration of the unique challenges and needs of each national civil service.

Box 1: Importing reform

The understanding that civil service reform cannot be imported wholesale from one country to another arose out of experience with New Public Management (NPM) reforms. NPM was a popular reform strategy in the 1990s, when practitioners attempted to apply private sector principles to the public administration. NPM can vary in definition but in general involves a reduction in the state through policies such as retrenchment and restructuring.

After its beginnings in Anglo-Saxon countries such as the UK, the United States, and New Zealand, NPM was widely applied to developing countries around the world. In retrospect, however, it is largely seen as a failure, as it led to chronic understaffing and insufficient resources for necessary services. NPM has also been accused of supplanting formerly good practice such as fostering an ethos of service and employee morale. It is a classic example of taking a strategy that worked in one country and neglecting to adapt it to the needs of another. Nevertheless, even since it has been discredited, its principles continue to pervade thinking on public sector reform, see Scott (2011); Keuleers (2004); UNDP (2004).

It is difficult to replicate a successful reform effort from one country in another because of the huge amount of variability that exists. A country’s civil service structure, level of economic development, democratization, strength of civil society, formal and informal power structures, and institutional accountability all tug on a reform process in different ways. By the time all of these are accounted for, an imported model should look nothing like its original form if it is going to be effective.

For the past twelve years or so, donors have consistently pledged to take the local context into account when designing and implementing civil service reforms.2 As stated in the World Bank’s 2011-20 approach to public sector management (PSM): ‘‘what works’’ in PSM reform is highly context-contingent’ (World Bank 2012; UNDP 2010). This new global consensus that reforms need to be locally adapted means that the concept is never far from anyone’s mind, whether they are designing, implementing, or evaluating civil service reforms.

There are many ways in which local context can be taken into account in order to build successful civil service reforms. What is most important is that the individuals who are

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2 See for example Danida (2007); World Bank (2012); DfID (2011).
designing the reform strategy possess a profound and refined knowledge of the key players, trends, challenges, and opportunities in the country. Some specific factors important to consider are the interplay among different power figures, especially those with unofficial authority (as they may be highly influential but less visible); potential cleavages of ethnicity, religion, and clan that are at work in the country; informal ties of patronage or family that affect decision making and the functioning of the bureaucracy; the organizational capacity of those elements involved in the reform; and the institutional legitimacy of those agencies that will be implementing them. Put differently, development practitioners should look carefully at ‘the structures, relationships, institutional spaces, interests and incentives that underpin the creation of formal institutions’ (Institute of Development Studies 2010: 3).

It is likely that all successful civil service reforms over the past few years have taken local factors into account in some way. In some cases, accounting for local context involves nothing more than a design team with a deep local knowledge that is given the opportunity to shape the reform process accordingly. This means that donors or other interest groups set their priorities aside if they conflict with local recommendations. The challenge in this regard is generally not with local staff but with making the case to home offices or international consultants involved, and sometimes to the local government itself.

Albania represents a successful example of a country that adapted reforms to its own specific needs. Practitioners in Albania recognized a particular weakness in the country for unchecked authority in the public administration. In response, they designed recruitment procedures for the civil service law that require a tiered screening process for new hires. The result is that no single actor has significant authority, either over hiring or for holding any other actor accountable (Reid 2007).

In other cases, more formal contextual analysis may be better suited to understanding the local context. Even with local actors leading the process, the implications of complex overlapping roles, interwoven relationships, and interconnected processes may not be readily discerned and allowed for as reforms are being developed and implemented. Thus some practitioners advocate for an initial analysis prior to any reform process (Scott 2011: 12).

For instance in Bolivia, an institutional review analyzing the political obstacles to civil service reform was linked to a more successful reform process. The preliminary analysis considered the state of the country’s public sector and identified three alternative reform approaches that the government might wish to follow, allowing local actors to make their own informed judgements about the best way forward (Evans 2008; World Bank 2002). Another example is Russia, whose government conducted extensive diagnostic and comparative analytical analysis on its own initiative, including a functional review that included 5,600 functions of 60 federal agencies in 2003-04. This formed the basis for a thorough pay reform for senior civil servants, enactment of a new code of conduct, and implementation of pilot projects on pay reform and performance-based budgeting. All of these activities fed into a comprehensive civil service reform that has broadly been judged as successful (Kotchegura 2008).

In contrast to the success stories, there is a wealth of examples of civil service reforms that did not consider the local context and ended in failure. A thorough literature review
on public sector governance reform (PSGR) conducted for the OECD Development Assistance Committee (DAC) in 2011 asserted that ‘One of the most repeated criticisms of PSGR initiatives is that the political dynamics on the ground are not taken into account in the design stage’ (Scott 2011: 19). While it is not surprising that this would have been the case prior to the rhetorical shift in 2000, it does not appear that the criticism has significantly abated despite the last decade of commitments to local adaptation. For example, the World Bank’s 2008 evaluation of its own support to public sector reform mentions Cambodia and Honduras as countries in which the design of the civil service programme was not well adapted to the circumstances; both included unsuccessful downsizing programmes and human resource management reforms (World Bank 2008b: 37). Given that such evaluations are scarce and practitioners do not often publish definitive statements of failure, it is likely that these two cases are representative of many more.

2.2 In it for the long haul

Civil service reform takes time. While few would dispute this in theory, reform takes still longer than many people hope or anticipate. Recognizing this in advance and planning appropriately is therefore fundamental to successful reform processes.

Time is required for civil service reform because it is changing the fundamentals of a system. This can mean redefining the policies that dictate how people do their jobs every day, or instigating a cultural shift, for example towards more merit-based hiring. Even when the activities that spark the change can be implemented in a year or two (or even less), for them to take hold they require follow-up action such as training, monitoring, or public information campaigns. Reforms might require such intense commitment from staff that it takes them time to accomplish what is expected of them amidst their other obligations. Or it may be inadvisable to implement one action without another being completed first (e.g. necessary lay-offs should take place before improvements in pay), thus delaying the entire process.

For example, starting in the late 1990s, the World Bank was interested in civil service reform in Zambia. Although at first the Bank suggested that an external consultant would lead the reform effort in order to provide consistency and expertise over time, it became clear that this would not generate the ownership necessary to make the reform successful (see ‘The government must own the process’ below). Instead, a team was formed within the bureaucracy, even though the reform process moved less efficiently as a result. In addition, implementation was repeatedly stalled by government approval processes for acquisition of goods and services (such as training), which turned out to take longer than the Bank’s own procurement procedures. Approval for the new pay policy, which included controversial retrenchment, took several months. Moreover, in the midst of the reform process, a new government launched a campaign against corrupt public servants, causing turnover among ministers and permanent secretaries. This generated turmoil and further delays that were completely unforeseen. However, the programme remained successful because of continuity in the technical reform staff.3

Tanzania is another successful example of reform that took time. The Tanzanian government led the process of civil service reforms in the 2000s, controlling the pace

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and direction of reforms. The donors funding the process have notably allowed ample time for building local capacity and defer to the government to determine priorities (World Bank 2008b: 55-6).

In contrast, donors have on many occasions taken a more short-term view, bringing less desired results. Yemen is an example, where downsizing and compensation reforms failed to materialize in the face of overambitious expectations (World Bank 2008b: 56). Such a short-sighted approach is generally blamed on the pressure donors face from their domestic constituencies, who often provide short budget cycles and expect regular reports on positive outcomes. Furthermore, donor staff generally only stay in a country for under five years, leading to discontinuity of approach (see below ‘Challenges’) (Scott 2011).

An added obstacle is that it is not always clear whether a reform is slow, or stalled completely. This is exacerbated by the fact that not only do civil service reforms take time to implement; they require even longer to have an impact. For instance, if the end goal of a civil service reform is better service delivery, first the central administration might need restructuring, then salaries increased to improve capacity, then consultations held at the local level, followed by capacity building in the local administration, before local services are even touched upon. Public administration expert Clay Wescott has estimated that significant impact of fundamental reform could require 10 to 20 years (Wescott 2004: 82). Such delays may lead some donors to want to cut their losses in a slow process rather than wait to see whether things turn around.

2.3 What happens, when

Prioritization is the key in many funding contexts. Not only is there generally more to be done than is possible at one time, but certain tasks may need to be completed before others begin. Since civil service reform requires so many activities over such an extended time period, the timing and sequencing of reform activities is especially important.

Civil service reform requires capacity not only outside the bureaucracy (from external consultants or others) but also within. Tasks generally fall to a limited number of capable individuals who take concrete steps to conduct research, to communicate with other stakeholders, to crunch numbers, to rewrite policies, and so forth. If too much is attempted at one time, these individuals may have insufficient capacity and skip steps or fail to take account of crucial information. Such was the case during the Civil Service Performance Improvement Programme in Ghana. Overburdened reform implementers failed to create synergies among dimensions such as public financial management, legal reform, and decentralization reform. Rather than, for example, co-ordinating civil service reform at the national level with the impacts that decentralization would have on future structures, or using improved financial management to streamline civil service functions, each aspect of development aid took place in a sectoral silo, leading to less effective implementation overall (Antwi et al. 2008).

Sequencing may be determined by the logic of reform; for example, lay-offs before pay increases as mentioned above, or putting merit-based employment policies in place before recruiting professionals. But just as often, the order of activities is clearly dictated by particularities of the country context and reform process. For example, a
change in the economic situation might require immediate attention to finances; identifying the appropriate experts or internal reform advocates for a certain function might take longer than expected; or a certain aspect of reform with potential to placate opponents might be given precedence.

For example, after the World Bank programme in Zambia was under way, the wage bill increased significantly and unexpectedly. This was due to a restructuring in health care financing, which moved district-level health agencies to the civil service payroll. To bring the wage bill back within sustainable limits, reductions were necessary throughout the civil service, which in turn required substantial separation payments mandated by strong unions. Furthermore, because it could not meet the requirements for separation pay but was already streamlining staffing, the government sent employees home while they continued to receive pay. Although pay reform had not originally been the priority, the sudden burden on this portion of the budget and the inefficient staffing made it much more pressing. The government ended up requesting additional funding to cover the separation payments, and the World Bank amended the project accordingly.4

This raises a related point: civil service reform involves too many variables to enable absolute planning in advance. The public administration is a complicated system, with a large number of contributing actors, and it is ever-evolving. Over the life of a reform programme, practitioners may see multiple governments, changing economic circumstances, shifting allegiances, and so forth. Moreover, new opportunities emerge that can make reform even more effective if they are taken advantage of appropriately, and this could not have been foreseen in the initial planning phase. In order to maintain a reform process in the face of such unpredictability, flexibility is imperative.

What this has meant in practice is that donors cannot prescribe all details of a civil service reform programme in advance. Because so much of civil service reform relies on personalities and because it evolves over such a long period, the funding package requires flexibility for transferring funds from one activity to another, or altering objectives as new realities emerge. These realities include individual staff turnover; a more favourable or confrontational response from unions than anticipated; an economic, political, or social crisis; and so forth. The need for flexibility is true to a greater extent than for other forms of development co-operation, in which funding partners may establish a more limited set of objectives and link them more closely to specific sums of money. If the original civil service reform plan is adhered to too closely, partners risk foregoing opportunities to exploit changes. While flexibility could in theory pose challenges to holding partners accountable for initial objectives, a focus on results rather than activities should enable sufficient monitoring and evaluation.

2.4 Grounding reform in analysis

Conducting analysis before and during a reform process is a systematic method for helping ensure that all relevant variables are considered. Practitioners may use analysis to better understand the reform challenges, identify opportunities, track progress, and justify strategies and implementation to reform skeptics or opponents.

Research may take many forms. The contextual analysis mentioned in Russia and Bolivia are examples of examination of the political situation or political economy of the country. In addition, diagnostic work can assess the challenges to as well as opportunities for reform, or evaluate the impact of the process. Practitioners may also commission capacity assessments to determine whether local partners will be capable of carrying out reforms or to determine which areas might benefit from training and other capacity development. Any of these types of research may be used in preparation for the design of a reform strategy, or to monitor implementation.

Since 2000, the quality and quantity of research preceding civil service reform has been improving (Evans 2008: 22). One positive example is Albania, which conducted a reform effort from 1999 to 2005. Albania developed indicators for monitoring organizational behaviour and its determinants, which were used to produce semi-annual reports since the start of the programme. The director of the Albanian Department of Public Administration used the results to support her claim to the government that a loophole in the hiring policy was allowing noncompetitive recruitment for civil service positions. Other data was used to support a new salary structure. While these are only two aspects of a broader reform, they contributed to what has been judged to be impressive progress in public administration reform in the country (Reid 2007).

However, while donors and others emphasize the importance of background research before launching a reform process (Danida 2007; World Bank 2008b; Sida 2009; Scott 2011), this added step is often brushed over or neglected. As a result, examples of an absence of analysis are more readily available than the contrary.

One example of the problem of weak analysis is Indonesia. Indonesia passed a law on the civil service administration in 1999 that helped open the possibility of public administration reform there. Civil service reports were written in both 1999 and 2000, but their findings conflicted. The reports provided insufficient political and institutional analysis in order to develop tailored implementation strategies for reform. While other aspects of public administration reform were successful, the country’s attempt at pay reform in the early 2000s failed to materialize (Evans 2008).

2.5 The government must own the process

National ownership of reform processes is another mantra, like adapting to the local context, that emerged out of the externally imposed reforms of the 1980s. The premise is that, if the local government is engaged in the reform process and helps to develop the approach, it will feel responsible for the outcomes and take implementation more seriously. This contrasts with the disillusionment or even hostility that can be generated by a reform strategy imposed on a government by international donors or consultants, who are perceived as prioritizing interests other than the target country’s well-being.

Ownership is most complete when the national government is the impetus for reform and leads the process of design and implementation. In many cases international donors are still involved due to the need for resources, but the national government can bring the donors together in a process of genuine development co-operation towards reform. Such a process maximizes the government’s power to make strategic decisions, which reduces reform obstacles such as differing priorities, insufficient reform capacity, or lack of political will for implementation. Russia’s civil service reform process over the
2000s represents a good example of this approach. Although Russia accepted funds from various donors for different pieces of its project, the process was launched and led by President Vladimir Putin—who personally signed a letter in 2000 requesting reform proposals within six months—and his administration, who were not heavily influenced by external parties (Kotchegura 2008: 83, 95-6).

In cases in which donors have specific objectives for a country, ownership can be built by bringing the local government into the planning process in order to jointly design the reform strategy. Assuming that this is not a cosmetic exercise, the government has the opportunity to express its own concerns and goals and genuinely shape the process. In the end, the final strategy may look different from what the donor originally envisioned, but should be one that the government both is capable of and aspires to carry out. Moreover, the government’s own priorities have been taken into account, thus helping reforms take place in a more timely manner because they will not conflict with the national agenda.

The general method for building ownership in this way is through consultation. Donors engage with a wide variety of key players who will have a role in making reforms happen, whether because they will need to take action or because they could disrupt the process. Donors may also form a network of those actors outside the government who share their objectives, such as other donors or civil society groups (see ‘Open to all’ below).

For example, in the case of Zambia, although it would have been more efficient, the option of an external agency to lead the reform effort was rejected (see above). Instead, the Bank joined with the UK’s Department for International Development (DfID), the UN Development Programme (UNDP), and Irish Aid to act in an advisory capacity. A team from within the government led the design of a reform strategy that was then endorsed by the leadership of the public administration and the cabinet. Once reform was under way, a dedicated national team was responsible for co-ordinating and facilitating implementation. As a result, the first phase of the project was accomplished smoothly, and after some negotiation with donors over the direction of second phase, the government was able to continue reforms to complete the programme.5

Donors have also had success finding ‘champions of reform’: people at a high level who are interested in reform and can help from the inside to make it happen. Although the overall direction of a country’s public administration may not initially be in favour of reform, bureaucracies are never monolithic and there are nearly always individual members who would like to bring about change. Useful champions have been those senior enough to have a direct link among different parts of the bureaucracy, including those managing the reform process, those responsible for government operations, and central financial management such as the ministry of finance, as all of these functions work in concert in order for change to occur. Technocratic champions can promote continuity in a lengthy reform programme, which might span multiple government administrations. In addition, the support of senior management helps overcome staff resistance to difficult policy changes such as pay reform.

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In Kenya, a 2002-04 World Bank civil service programme benefited from such reform champions. Bank staff found allies at the level just below permanent secretary, which is immediately below the ministers, as these were the individuals responsible for the activities undergoing reform. A change of government took place in the midst of the reform programme, which could have derailed the process. However, because the bureaucrats remained in place, the reform continued unabated. Moreover, some were promoted, further increasing their ability to push reform forward. Although the programme overall was limited in its success due to very weak governance and political instability in Kenya, the presence of reform champions had a marked impact on what it did achieve.6

Given how long civil service reform takes, it seems that turnover in political leadership will pose problems. What happens when new governments are elected? Any examples of how to shield reform efforts from resulting changes in agendas?

In contrast, unsuccessful reform efforts have been linked to a lack of ownership. For example in Mozambique, the government made many public statements in support of the public sector reform strategy launched in 2001. This was taken by the many donors involved as a sign of political commitment. However, national actors repeatedly delayed implementation, and ultimately progress on objectives was incomplete. In this case, the reform agenda appeared to be driven less by the government than by donors, who were funding about half of the national budget. The government may have feigned support in order to maintain its primary source of funding, when in fact there was no local ownership. In addition, despite high-level rhetoric, the country lacked reform champions in powerful and pivotal roles. In sum, the political leadership may not have believed enough in the reforms to make them happen.7

2.6 Open to all

Development programmes benefit not only from a process that includes key actors from the government and public administration, but also from participation of a broad range of stakeholders. In the case of civil service reform, key external stakeholders are generally civil society groups such as nongovernmental organizations (NGOs), independent journalists, organized labour, or grassroots social movements. More than simply applying pressure, civil society can play a crucial role in sustaining long-term and often controversial civil service reforms, especially through changes in political leadership.

Civil society groups are best engaged through consultations such as focus groups during the design phase of the reform process. For example in Zambia, the government sent a team to each of the provinces to hold workshops with all important NGOs. In this case, thousands of civil society actors became part of the process, with broad national representation.8

Engagement with civil society also helps mitigate opposition to reform. Trade unions in particular may see civil service reform as contrary to their interests, especially when retrenchment and/or pay decreases are involved. In Burkina Faso, for example, trade unions are very strong and sometimes militant. The civil service reform plan of the late 1990s, which included pay reform, met with stiff union resistance, including on the grounds that it was solely imposed by donors. In order to include union (and other) views in reform design, the government conducted a year of consultations with different actors to field their recommendations. The conclusions were then presented to the government’s Economic and Social Council before a new law on the civil service was passed in 1998. Although the unions continued to critique the final product and some reform aspects, such as retrenchment, did not come to fruition, the partial success was considered an accomplishment in the face of Burkina’s powerful labour movement (Teering 1999).

Engaging civil society in advance also helps ensure that key actors are aware of the reforms that are taking place. Subsequently, they become external monitors, ideally closely following the process and publicizing lapses. Furthermore, stakeholders help maintain momentum through what is often a long process by keeping reform in the public eye. Since governments sometimes change over the life of a single civil service reform programme, the continuity of an engaged public can be crucial to reaching fruition. However, this is more effective with reform activities that capture public attention, such as pay cuts or layoffs, rather than those that are more technical or less dramatic, such as establishment of a civil service commission.9

2.7 Funding in concert

Today, a country that is of strategic importance with weak institutions or systems could have six or seven or more donors funding a single area like civil service reform. All of these donors to some degree have differing conditions and priorities that need to be met, and all demand some form of reporting on how money is spent. For a developing country that clearly has limited capacity (given its need for funding), the requirements may be onerous, conflicting, and discouraging. Co-ordination of funding is imperative to make reform efficient and effective.

Major Western donors all know that their funding needs to be co-ordinated, but this is a pledge that has not always been upheld. Donors may be unsure how to meet their national constituencies’ requirements while pooling funding sources with other donors in a third country, or they may design a funding package too hastily without exploring where it can complement other programmes. Some places where lack of donor co-ordination has caused problems in public sector reform include Bangladesh and Honduras, where donors had conflicting agendas and conditions were ultimately too complex for local governments to comply (World Bank 2008b: 70).

Even when donors are co-ordinated, there is a question of how they can do so most effectively. Benefits of good co-ordination include not just reducing the burden on the aid recipient (no small consideration when the ultimate goal is to help), but also

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9 Conversation with Andrew Wyatt, Project Manager of OECD evaluation of Public Sector Governance Reform, 19 June 2012.
enhanced opportunities for donors to learn from each other and to take advantage of new developments more quickly.

An interesting case of donor co-ordination in civil service reform is Tanzania, which is considered a leader in successful reforms to aid structure.10 In Tanzania, the reform agenda had been thwarted by conflicting advice and multiple agendas of different donors, who fund nearly 50 per cent of the national budget. Recognizing this, in 2004 the government demanded better co-ordination, calling for ‘one process, one assessment’. As a result, Tanzania now receives basket funding for several dimensions of public sector reform from donors such as the World Bank and the governments of the United Kingdom, Denmark, and Ireland. The government leads the co-ordination process, ensuring that it serves national interests (Government of Tanzania 2004; World Bank 2008b).

An even more ambitious example is the Ghana Joint Assistance Strategy. Launched in 2006, this strategy aimed to improve donor co-ordination across all areas of development co-operation in the country from 2007 to 2010. About 95 per cent of Ghana’s official development assistance was tied to the Joint Assistance Strategy, whose objectives for civil service reform included pay reform and a human resources management strategy. Although the strategy was able to meet many of its commitments, such as limiting conditionality in funding and reducing parallel implementation units, others, such as co-ordinating donor monitoring missions to the country, were more challenging. Donors were supposed to rationalize their funding so that the neediest areas would receive more, but this objective was not fully realized. In particular, public sector reform was recognized as critical but continued to be underresourced compared to other areas (Ghana Joint Assistance Strategy 2007; African Center for Economic Transformation 2009).

2.8 Big bangs and quick wins

A current point of debate among civil service reform experts is whether it is preferable to concentrate on a manageable portion of the larger problem of the civil service (so-called ‘islands of reform’) or whether tackling the entire system comprehensively is the only way to ensure success. The OECD literature review found arguments both that ‘incremental approaches that are carefully selected to minimize opposition and produce cumulative benefits have a greater chance of success and sustainability’ and that ‘synergies gained from simultaneous reforms in service delivery, auditing, financial management, law reform, policy analysis, democratization, and so on, can boost overall performance’ (Scott 2011: 24). Preliminary findings from the related case studies indicate no conclusive resolution to this debate.11 Instead, like all aspects of reform, the approach must be tailored to the circumstances. As public administration experts Salvatore Schiavo-Campo and Pachampet Sundaram put it, ‘administrative reform should be as fast as possible when circumstances permit, and as slow as necessary when accountability needs to catch up, absorptive capacity to grow, or public tolerance to be rebuilt’ (Schiavo-Campo and Sundaram 2000: 733).

10 http://www.aideffectiveness.org/Country-Tanzania.html
11 Conversation with Andrew Wyatt, Project Manager of OECD evaluation of Public Sector Governance Reform, 19 June 2012.
In Tanzania, for example, the public sector reform programme launched in 1999 took a comprehensive, government-wide approach with the intent to generate constructive synergies among different reforms. Tanzania had a somewhat unique combination of strong political and also donor support for reform with limited opposition, skilled managers, and the backing of domestic constituencies. That is, Tanzania was able to take a comprehensive approach successfully because it met so many of the criteria discussed above (Morgan and Baser 2007).

In contrast, Kenya engaged in civil service reform in a context of weak governance and political instability, and Kenya’s multifaceted 2002-04 public sector reform project saw more limited results. The project included a legal and judicial component along with public financial management and civil service reform because reform designers hoped to benefit from the interdependencies of these systems. Instead, the broad scope of the programme was perceived to dilute the attention of Kenyan managers to the point that progress was challenged. The World Bank ultimately decided to focus its attention by dropping most of the civil service reform aspects.12

When the context is less encouraging of reform, incremental steps may be a better option. In Russia, for example, the hiring process is deeply politicized, and reform opponents hold powerful positions. Therefore, a World Bank reform programme concentrated on requiring new employees to meet certain minimum qualifications, tracking absentee workers, and making firing easier. Over time the hope is that these less controversial steps could be expanded and more fundamental weaknesses tackled (World Bank 2008b: 55; Barabashev and Straussman 2005).

Another variation on the incremental approach is to implement ‘quick wins’. These are pieces of reform that can be achieved quickly and relatively painlessly but whose results will demonstrate genuine progress during the wait for longer-term impact. For example, Zambia’s civil service reform programme included a Performance Improvement Fund, which accepted applications from the public service to fund small re-engineering consultancies and training. This kept the public engaged and helped maintain support for the broader reform process.13 Such incremental reforms often add up to more comprehensive change over time.

Another form of incremental reform is to begin at the subnational level and scale up. This presents its own challenges (see Box 2).

3 Challenges to civil service reform

Civil service reform is clearly not without challenges. While the principles described above may be difficult to implement, even greater obstacles may be posed by factors outside reformers’ control. Rather than making corrections, a pragmatic approach is necessary that takes the reality into account. This section will discuss the challenges of national political will for reform, the systems of patronage in place in the civil service, weak governance in the country as a whole, the impact of reform costs on the programme’s sustainability, an analytical framework for understanding reform, and the challenges that donors themselves pose to reform efforts.

Box 2: Scaling up civil service reforms

Some reforms are begun at the subnational level or within a single institution, either because this area is a particular priority or because the national administration in its entirety presents obstacles that are not present at a smaller scale. Over time, these reforms may be expanded in terms of the geographical area or functions they cover. However, this can present unique challenges.

For example, because a reform at the local or institution level is on a much smaller scale, this reduces the complexities and makes it more manageable than nationwide reform. In Indonesia, public sector reforms are regularly piloted in selected ministries, agencies, and localities with the intent of scaling them up to the national level. According to the World Bank’s partnership strategy with Indonesia through 2012, pilot pay reform in the Ministries of Finance and Education is intended to be the basis for a comprehensive civil service reform programme. However, how such an isolated activity will translate into reform across a huge bureaucracy is not straightforward, and there is not yet clear evidence that it has taken place (World Bank 2008a).

Another challenge is that a city or region may not be representative of the country as a whole, thus making scaling up difficult. During China’s civil service reform programme of the 1990s, the city of Shenzhen was selected to pilot activities such as developing and implementing new wage policies and instituting civil servant training. However, Shenzhen had its own priorities and did not necessarily represent a useful model for the rest of China. A Special Economic Zone, Shenzhen combined its pilot role with its own aspirations for aligning its policies with those of Hong Kong, to which it is geographically and economically close. While some aspects of Shenzhen’s reforms were incorporated into national policy, many were not (Cheung 1996). Today, Shenzhen continues to institute policies considered pilot exercises, but which the national government does not at all appear prepared to adopt.14

Furthermore, a failure of local reforms to be taken up at the national level can result in parallel structures, introducing inefficiency. In Cambodia, for example, civil service reform has taken place successfully in some local administrations. However, the central government has been slow to scale up these reforms or to fully devolve power, possibly because it does not see doing so as in its own interest. Consequently, some local authorities maintain their own systems, which work alongside the national systems that they are still meant to maintain.15

3.1 Political will

The single greatest challenge to civil service reform, or most reforms for that matter, is a lack of political will among the country’s leadership. If the most powerful players (including the head of government) are not interested in reform—for reasons such as reform fatigue, having other priorities, or because reform is in fact against their interests for staying in power—donors or others in favour are likely to make only minimal headway. As stated clearly in the World Bank evaluation, ‘There is never success in [public sector reform] without favourable government involvement’ (World Bank 2008b: 35).

There are several reasons why political will is so important. Effective civil service reforms are so fundamental to the system that they cannot take place without the agreement of the most powerful players. Political leadership is key to providing encouragement, especially over the long length of the process; exerting pressure where

15 Conversation with Andrew Wyatt, Project Manager of OECD evaluation of Public Sector Governance Reform, 19 June 2012.
necessary; and being a final force for accountability. In addition, civil service reform involves considerable political costs up front, with the benefits only appearing much later. This leaves leaders extremely vulnerable to criticism or even backlash within their ranks—if they are not on board, they have great incentive to create further obstacles.

Some examples of countries with relatively successful reform processes that can in part be attributed to strong political will are Tanzania, whose ruling party could take risks due to its strong popular support and weak political opposition (Stevens and Teggemann 2004); Indonesia, whose government, which has some authoritarian tendencies, has been able to impose its will for reform;16 and Zambia, which has faced more obstacles but has achieved success bolstered by committed support from the president.17 Ghana is an example in which an authoritarian and populist leader in the 1980s was able to rally support for reform, but it subsequently stalled when political pluralism increased (Stevens and Teggemann 2004).

Meanwhile, lack of political commitment is the most common explanation for reform failures (Scott 2011). Examples include Mozambique, where government rhetoric in support of reform turned out to be hollow (see above); Argentina, where human resource reforms stalled in the face of political opposition (World Bank 2006); and Kenya, where the president and ministers were uninterested in the reform process from the start.18

There are various ways to counter a lack of political will, besides simply walking away. One is the type of incremental approach discussed above. Donors can also engage with leaders just after a strong election victory, when the latter feel they have a mandate for change and have maximum time before the next political test. Another strategy is to put pressure on leaders from the outside at the domestic level, for example by strengthening civil society, or through support for democracy and good governance that could open up public pressure against vested interests. While these strategies are not civil service reform measures per se, they can be expected to enable such reform to take place in the future.

### 3.2 Systems of patronage

Most countries, whatever their level of economic development, tolerate some degree of political patronage. These vested interests are unlikely to support civil service reform since the bureaucracy is often a source of their personal gain through its policies for pay, promotion, and employment status. The civil service is also home to rent-seekers who benefit from their ability to dole out public money, contracts, jobs, and so forth. When they are powerful, patronage systems and other vested interests can easily undermine reform. The World Bank cites Bangladesh, Ethiopia, and Yemen as countries where patronage and politicization of the bureaucracy undercut civil service reform (World Bank 2008b).

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16 Conversation with Andrew Wyatt, Project Manager of OECD evaluation of Public Sector Governance Reform, 19 June 2012.
Compared to combatting patronage systems, civil service reform may appear a simple task. When faced with powerful and firmly embedded networks, practitioners have more luck focusing in specific areas. One such area is human resource management, such as merit-based recruitment, as was done in Russia (see above). This can both improve performance and begin to chip away at vested interests. Piloting reforms in limited areas, with the intent of expanding where it is pragmatic to do so, is another strategy (World Bank 2008b).

3.3 Weak institutions

A weak institutional system is a major challenge to civil service reform. Such a system likely lacks the necessary reform drivers to push the process forward, such as technical capacity and champions with sufficient power. In addition, civil society may be absent, sidelined, or co-opted, thus failing to bring external pressure. It is therefore not surprising that the World Bank has found a correlation between successful public sector projects and other indicators of good governance (Evans 2008).

An additional problem is posed by rule of law. When the rule of law is weak in the country as a whole, it is also probably missing within the public service. This can mean that policies have not been elaborated and that employees are not aware of their rights and responsibilities (UNDP 2010). Thus reform processes in weak governance systems are starting at a significantly lower point and have much more to accomplish.

One solution when working in systems of weak institutions is to maintain realistic expectations, both for what can be accomplished and the quantity of resources that will be required in order to do so. But the World Bank also blames the design of reforms for their failure under weak governance systems (World Bank 2008b: 41). For example, in the face of weak institutions, basic structures and policies may need to be addressed before larger reforms such as pay and hiring. Country context is also especially important, as these countries differ even more dramatically from the Western models that are the origins of reform design. In addition, donors may need to work harder to engage with domestic constituencies under weak institutions, as these may not have the capacity to express their interests and priorities that their counterparts do in countries like Ghana and Tanzania.

3.4 Sustainable reform

Civil service reform can be costly in terms of money and human resources, as described above. As a result, it can be challenging to maintain in a context that, almost by definition, is lacking that capacity. Donors must ensure that the impact of reforms continues after they have turned their attention (and funding) elsewhere.

The most obvious way to make reform financially sustainable in the long run is to reduce the total wage bill, through pay reform and downsizing. The wage bill is consistently one of the largest components of the national budget, and therefore its size has a major impact. Reductions can create problems, however, when a leaner civil service does not or cannot retain the skilled individuals needed to continue reform. External consultants may be brought in temporarily, but they do not always pass on expertise that will continue in their absence.
Russia, Tanzania, and some states of India have successfully downsized the civil service without negative repercussions. In contrast, there has been minimal achievement from downsizing efforts in Bulgaria, Guyana, Uganda, Ethiopia, Yemen, Cambodia, and Sri Lanka. While each of these cases presents its own particularities, all are generally due to reform plans that failed to account for a reality in which politicians could not or would not push through such unpopular measures (World Bank 2008b: Table 5.3).

Successful reform is designed such that recurrent costs and expertise can be supported by domestic resources. This is both a political and an economic calculation that takes place during the planning phase. Effective reform designers have foresight in order not to undermine their own objectives. Useful external experts build local capacity, not replace it.

3.5 An analytical framework for civil service reform

Although it is recognized that civil service reform benefits from analysis (see above), it is not always clear how to gather the data and evidence to support such. Relevant data is often lacking or hard to find, even basic information such as who is employed by the public sector and how much they are paid. Taking a census to determine this information can be surprisingly challenging and time-consuming (UNDP 2009). This can make it difficult to establish a baseline against which to measure progress. Moreover, some analysts question whether it is even possible to measure outcomes and impact in civil service reform, given the many factors that affect developments and the difficulty of selecting indicators that unambiguously pinpoint the effects of reform in this area (Scott 2011).

The World Bank has consistently emphasized the need for an analytical framework for civil service reform. Such a framework, or a theory of change, would enable practitioners to diagnose the weaknesses in the system and help determine the actions that would best improve quality and efficiency. A framework already exists in the area of public financial management, in particular the Public Expenditure and Financial Accountability (PEFA) indicators. But thus far, the Bank has failed to promote an equivalent standard tool for the civil service. One example of a framework that was developed for this purpose is the Agent-Based Stakeholder Model by Barbara Nunberg and colleagues (Nunberg et al. 2010), but it is not widely used. It provides a quantitative view of the different bargaining dynamics that take place around a reform process, predicting how coalitions will form and how politically feasible potential reform scenarios will be.

Part of the reason that no model has been widely adopted is lack of consensus on the factors that contribute to successful civil service reform. The link between inputs and outcomes is so convoluted that experts cannot agree on what makes a difference: there are no clear predictors of the results that can be expected from particular institutions and policies. Furthermore, there is debate regarding whether the key objective is affordability, accountability, national priorities, or something else, causing still further confusion (World Bank 2008b; World Bank 2012).

As more civil service reform programmes are completed and more results are analyzed, the evidence may point more clearly in one direction. For the time being, practitioners
may need to spend the time to consider which information and models best apply to their target situation on an individual basis.

3.6 Donors themselves as a challenge

It is an unfortunate fact that the people whose business it is to try to bring improvement can sometimes be part of the problem. Many donors today recognize that they themselves introduce obstacles to civil service reform, but these are not easy to overcome. They include the short budget cycles and staff rotation mentioned above, changes in priorities that affect funding, inconsistent messaging from one unit of a donor to another, and even staff unfamiliarity with the local culture and language. Donors may also feel pressure from their domestic constituencies to lend at a certain time or for a particular programme when this may not fit with local needs. And they may fail to co-ordinate due to inflated concerns about their own interests, or simply laziness.

To overcome these challenges, donors must live up to their own commitments, including the Paris Declaration on Aid Effectiveness. To help maintain continuity in the face of staff turnover, more documented analysis and monitoring systems can be used. And donors must make the case to their domestic constituencies that the long-term nature of civil service reform requires nontraditional funding cycles.

4 Conclusion and recommendations

While the current understanding of how best to promote civil service reform is much advanced beyond that of twenty years ago, it remains broadly incomplete. This is due to a combination of the complexity of the subject, disagreement on the objectives, and a failure of practitioners to reflect on their experiences and then disseminate the results. Most importantly, more evaluations need to be published describing the successes and failures of civil service reform programmes. Only with this information can a complete picture be drawn, leading to useful further research into what a rich history of experiences can teach us for reform proposals in the future.

Recommendations are presented separately for reform designers and reform funders below.

4.1 For reform designers

There are a number of aspects that should be considered when designing civil service reforms. The following recommendations apply to both the national or international actors involved.

_Tailor reforms to the local context_, setting aside international precedent and priorities and designing a process that is uniquely local.

19 [http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html](http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html), accessed 10 September 2012.
Take the long-term view, prepare for slow progress, and manage expectations. Be flexible, leaving space for changes along the way.

Give the government ownership by building on existing country strategies and domestic demand.

Keep the public engaged through public opinion surveys or collaboration with journalists or civil society.

Strengthen governance if necessary before embarking on difficult reforms.

Make reforms sustainable through relevant and practical training; incentives for retaining qualified employees; and always keeping an eye on fiscal constraints.

4.2 For reform funders

While those funding reforms are often the same people as those involved in reform design, the following recommendations are specific to how international donors provide funding.

Manage domestic constituencies by clearly communicating the realities on the ground and reducing expectations. In particular, timelines may need to be stretched, funding modalities may need to be altered, or priorities realigned.

Adapt funding systems to make them more conducive to a longer-term approach to funding, project design, and staffing, and to more readily engage in pooled funding.

Co-ordinate among donors to reduce reporting and missions, eliminate parallel implementation units, and spread money across all needy areas. When possible given government capacity and needs, pool resources in a fund that is co-ordinated by the local authorities.

Donors must also co-ordinate within their own organizations so that local governments do not receive different messages from the same organization.

Evaluate and disseminate results from civil service reform programmes to refine the lessons learned. More research is necessary in particular on why some reforms have worked when others fail, as well as the aid modalities that donors use and how they impact results. Programme evaluations need to be disseminated so that broader trends can be studied.

This research can also support design of a theory of change for civil service reform.

Follow your own advice and implement recommendations from previous donor evaluations on how to make civil service reform more effective, especially adapting to the country context.

Don’t give up: an efficient and effective civil service is the foundation of good governance, without which most other donor efforts will crumble. What is needed is better aid, not less.
References


