

Globalization and Public Sector Reforms in a Developing Country¹

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Abstract

Many developed countries have carried out New Public Management (NPM) types of public sector reform in the 1980s and 90s. The objectives are to improve the quality of public services, reduce the drain on the ex-chequer, improve the efficiency of public organizations, and create an environment conducive for private sector investment as a result of the reversal of socialist policies of the 1960s and 70s. Developing countries like Mauritius have been slower to adopt such policies, very often dismissing public sector reforms as a 'process' to disguise the failure of governments in a democratic system to push forward much needed reforms. Globalization and the need to ensure international competitiveness have come to catalyze the process of reform, forcing governments to overcome previously unpopular and politically suicidal reforms, operating against the entrenched inertia of the traditional public administration. The demand and supply-sides factors as a result of globalization have formed an appropriate eco-system for public sector reforms in developing countries, even in democracies with fragile coalition governments which may find it appropriate to institutionalize lead agencies with connections to the centre of power in order to bring continuous reform irrespective of a change in political masters.

Key Words: Globalization, New Public Management, NPM. Public Sector Reforms, Democracy, Developing Countries and Globalization, Mauritius.

1.0 INTRODUCTION

Emerging countries are booming in spite of the financial crisis. These trends have been noted by comparisons with OECD countries:

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Emerging markets are booming. Growth in the emerging world has been several percentage points faster than global growth since 2001, and on average almost five percentage points faster than OECD growth in the same period. Nonetheless, the gap in income per capita between the emerging world and the developed world remains massive, and governments in emerging markets are under pressure to stimulate even faster growth in an effort to catch up with living standards in the most developed nations. To do this, governments in Latin America, Africa, Asia and eastern Europe are increasingly looking to harness the power of information and communications technology. (Economist Intelligence Unit 2007)

Likewise, these developing countries are increasingly reforming their public sectors to make them less greedy of scarce public resources, more efficient, more competitive and more customer-focused. In short, the New Public Management (NPM) type of reforms implemented by OECD countries in the 1980s and 90s are finding new 'buyers' in developing countries, if not as a matter of choice, but surely as a matter of necessity to ensure international competitiveness of their economies in an era of globalization

It will be unfair, even for the sake of academic argument, to claim that there have been no reforms with regard to improving the quality of public services in developing countries such as Mauritius, India, Sri Lanka, or other Asian or African states. In the case of Mauritius, Mauritian administrators should be given the credit for probably developing and delivering the best quality public services in the whole of Sub-Saharan Africa as evidenced by Mauritian Public Sector having won the second prize for pan-African Public Service Excellence Awards in 2007. It is a country where every month salaries are paid 2 clear days before the end of the month, where passports could be obtained within 24 hours until recently (due to world terrorism, the duration has been somewhat extended). Health sector services are continuously being improved, pensions are paid as per pre-determined dates, and investors can obtain their permits to invest within 3 days if all required documents are in order and are available on time. Until recently, however, reforms in Mauritius were happening as a process stipulated in the Government of Mauritius Report on Reforms (1999) itself. The major changes have occurred over the past 4 years – closing of the Development Works Corporation, privatization and deregulation of the Telecom Sector, centralization of all revenue departments of government under the Mauritius Revenue Authority, rationalization of investment attraction in Mauritius by setting up a one-stop-shop

Board of Investment and so on. These reforms are a 180 degree turn in what seemed to be the status quo for decades. In fact, until recently, most reforms remained mere rhetoric on the brink of failure, or, to be fair, they were always happening in what academics and practitioners alike refer to as a ‘process’. They do not fail because of unsatisfactory outcomes after implementation, but because they never get past the implementation stage, as in the case of many developing countries (Polidano, 2001). They are blocked outright or put into effect only in tokenistic, half-hearted fashion.

The example in the recent past of bold government action to push forward major reform unthinkable a decade ago is an interesting phenomenon. What has changed to force government to move from its usual inertia? What are the factors that were hindering much needed public sector reforms? What are the factors/success factors that have been critical in making reforms happen? Are the forces of globalization so strong that even insurmountable barriers are being overcome in a democratic system? Answers to these questions are useful to inform policy-making and implementation in developing countries and are the focus of this paper.

To achieve the objectives set out, section 2 reviews the literature with respect to globalization and its implications for the traditional public sector. Section 3 explains the methodology used for studying the Mauritian case. Section 4 analyzes and synthesizes the findings. Section 5 draws relevant conclusions and identifies some policy lessons which can inform policy-makers.

2.0 LITERATURE REVIEW: GLOBALIZATION AND THE NEED FOR NPM-TYPE PUBLIC SECTOR REFORMS

The term “globalization” has acquired considerable emotive force. Some view it as a process which is beneficial - a key to future world economic development- and also inevitable and irreversible. Others regard it with hostility, even fear, believing that it increases inequality within and between nations, threatens employment and living standards and thwarts social progress.

Globalisation offers extensive opportunities for truly worldwide development but it is not progressing evenly. Some countries are becoming integrated into the global economy more quickly than others. Countries that have been able to integrate are seeing faster growth and reduced poverty as is the case of many East Asia Countries. And as living standards rise, it becomes possible to make progress on democracy and economic issues such as the environment and work standards.

By contrast, in the 1970s and 1980s, when many countries in Latin America and Africa pursued inward-oriented policies, their economies stagnated or declined, poverty increased and high inflation became the norm. In many cases, especially Africa, adverse external developments made the problems worse. As these regions changed their policies, their incomes have begun to rise. An important transformation is underway. Encouraging this trend, not reversing it, is the best course for promoting growth, development and poverty reduction.

Whether seen as a historical process or an ideological construct, globalization brings about greater interaction between countries, and between peoples. John Tomlinson (1996) defines it as “a rapidly developing process of complex interconnections between societies, cultures, institutions and individuals world-wide. It is a social process which involves a compression of time and space, shrinking distances through a dramatic reduction in the time taken - either physically or representationally - to cross them, so making the world seem smaller and in a certain sense bringing human beings closer to one another.” Thomas Friedman (1996) sees it as “the loose combination of free-trade agreements, the Internet and the integration of financial markets that is erasing borders and uniting the world into a single lucrative, but brutally competitive marketplace.”

Globalisation reduces the world into an integrated system of markets. In the process, international trade is considered to be the major engine of economic growth, and should therefore be facilitated. This facilitation is to be achieved through trade liberalisation, necessitating the removal of tariff and non-tariff trade barriers. In

addition, states are to withdraw from social provisioning by privatising state social service organisations. The role of states is being reduced to that of creating a conducive environment for private sector-led development. Experience and evidence show that the public sector has to reduce the cost-burden it puts on the economy and roll-back so as not to crowd-out the private sector. The public sector itself has become more customer-focused and efficient by adopting private-sector approaches to management or be privatized altogether. The focus of the public sector will be one of policy formulation rather than implementation – a series of reforms collectively known as New Public Management (NPM).

In fact, during the past three decades there has been an unprecedented wave of reforms as the traditional model of public administration has come under attack. These reforms originated in developed industrial economies, whose political leaders were under pressure to keep down levels of public taxation and expenditure, while maintaining high levels of welfare and other public services (Manning, 1996). A significant feature of the reforms was the belief that the state had become too large and over committed, and that the market offered superior mechanisms for achieving the efficient supply of goods and services (World Bank, 1996, 1997). As the reform movement has spread through globalization processes, reformers were faced with a choice between competing concepts of the state; this is often expressed as a choice between ‘old’ public administration and ‘new’ public management (Dunleavy and Hood, 1994), with the additional dimension that the state is also expected to be responsible for the effective management of social and economic development, or ‘development management’ (World Bank, 1997).

More recently however, there seems to be a call for the end of the NPM-inspired era in public administration. The most cited and fierce attack came from Nick Manning (2001), Senior Public Management Specialist with the World Bank, through his paper *The Legacy of New Public Management in Developing Countries*. In this paper Manning forcefully claims that ‘New Public Management is a somewhat outdated model.’ He raises three fundamental questions and by answering them tries to justify

his viewpoint: (1) Did NPM win in its battle against old public management approaches? (2) To the extent that it was implemented did NPM work? and (3) Did it win enough, to matter? The paper dogmatically concludes that NPM 'clearly did not' fulfil its promises and that it has in practice never been applied outside of its native OECD/Commonwealth habitat. Other authors like Minogue (2001) have even argued that NPM models are flawed and should not be exported from developed to developing countries. There are, of course, other authorities that take the opposite stand as evidenced by continued support to NPM-type reforms by donor agencies.

In our opinion, the claim that the NPM model is 'outdated' is misplaced and exaggerated (see Chittoo, H.B. & Gaojie, 2003). Admittedly, the impact of NPM-type reforms can be mixed. In fact, from the first time the model was advocated, literature on NPM has been divided among protagonists (Spann, 1981; Osborne & Gaebler, 1992), detractors (Schick, 1998; Allen, 1999; Sutch, 1999) and those who claim that its application has only brought mixed results far below its theoretical promise (Minogue *et al.* 1998; Batley, 1999). Any particular country is somewhere on the spectrum between the two extremes. We are in fact living in a world where most situations are grey. The claim that the NPM model is somewhat outdated is exaggerated. The 'old public administration' and the 'new public management' will co-exist with increasing pressure to adopt the new in the era of globalization.

Governments and bureaucracies represent fixed costs in running countries and the public and the private sector as its customers have the right to ask for quality services at the lowest possible cost. These are the theoretical underpinnings of the NPM model. The fact that the results of its application in practice are mixed does not change the objectives of NPM nor its strategies. The problem lies in implementation. Historical, sociological, cultural, or legal obstacles, plus lack of motivation and the limited capacity of Governments will remain, the extent varying from one country to another. The World Bank (1995) acknowledges the problematic nature of implementation due to political obstacles to privatisation; Nunberg (1995) notes the difficulty of applying developing-country governance reform strategies that are rooted

in the different cultures and superior resources of developed countries. While there is truth in these claims, the attitude is defeatist.

3.0 METHODOLOGY

The fact that successive governments in democratic developing countries have hesitated to bring about much needed reforms is evidence that obstacles exist that prevent them from doing so. At the same time, the fact that bold reform measures have been taken in the recent past and are continuing now is also supportive of the view that certain conditions favour success. The challenge is to discover these two sets of factors which constitute the eco-system within which public sector reforms are carried out in a developing country context.

These factors have been identified by interviewing 20 senior civil servants, politicians and other public managers with interest in the field in the Mauritian context. Retired civil servants have also been interviewed as they can afford to be more vocal about the reasons leading to failure/inertia, as, being out of the civil service they can be critical of government. Anonymity is a must in a survey of this kind. Open interviews were conducted on reform intentions of government, case studies of stalled reforms, case studies of successful reforms. To the above points of departure, interviewees were also asked to identify those factors or conditions which in their experience and opinion negatively impact on the ability to carry forward reforms and those factors that help in making reforms successful. Recommendations for a long-term remedy of the situation were also welcomed. The number of interviews conducted was arbitrary as sampling is immaterial in qualitative research. Interestingly though, the 20 interviews allowed for theoretical saturation to be reached, i.e., no new elements could be added to the findings reported herein.

4.0 ANALYSIS AND SYNTHESIS OF FINDINGS

For the sake of clarity, the results of the survey have also been grouped along the order of the points raised above. The results, succinctly presented, are as follows:

4.1 The Political Dilemma

It is difficult to sustain political support for reform with frequent changes of government. Even when stable governments come into power, most of the time, they are coalition governments more interested in short-term political gains than in deep reform of any kind. Even when governments are in power they tend to be continuously in an 'electoral mood' with the implication that reforms, synonymous with change, never become a priority. This problem is particularly relevant to Mauritius where government remains the single largest employer in the economy (employing at least 20% of the active population) and is unwilling to think of confronting such a large proportion of voters. Even if changes are in the interest of one-and-all, including employees, the status quo seems to be the most attractive alternative as everyone is secure in his/her 'comfort zone' and with the old habits of an opaque public sector.

Administrative reforms are also seen as being of low electoral value. Civil society is often indifferent to changes in the workings of government or improvement in government services. In a developing country like Mauritius, where people are struggling to earn a living, fighting the government is seen only as an inconvenience. The upper class is too small and too pampered for it to rise against the government. The middle class is, by and large, employed by government and therefore 'de facto' becomes loyal to the government of the day and cannot oppose it. So where is reform pressure going to come from?

Asking for sustained political support also assumes that politicians and administrators are aware, trained or appreciate the nature of reform and its possible benefits. It also assumes that there is a willingness to change that may simply not be there. Some administrators even point out that trying to change something for the better also means facing the unpleasant reality of 'reward for good work being more work'. Indeed, no additional resources will normally be provided to a committed administrator and promotion most of the time is based on seniority. As such, few are able or willing to introduce change. Even committed administrators may be frequently transferred from one ministry to another, affecting the continuity of reforms, if any.

Beyond this, ministries jealously guard their boundaries. There is no regular ‘Research and Development’ and no properly maintained database as evidenced by the crisis work in ministries each time there is a Parliamentary Question. Also, the media are selective in the pressure they put on government for change. Academics cannot write anything too critical because they are also bound by the need to keep their job, feed their families and keep their chances for promotion intact. Governments do not accept criticism positively in Mauritius.

In short the existing system serves the need of politicians and most administrators alike. This is what once made a head of civil service sarcastically proclaim, ‘who wants reform?’

4.2 Fuzzy Goals and Strategies

Working in government in Mauritius is a classic case of ‘muddling through’. Goals and strategies exist, but they may be mere rhetoric or a statement of intentions. It is a combination of lack of capacity to formulate SMART objectives³ and an unwillingness to do so. This being said, there are cases, such as the demand for a passport or a birth certificate (among a few other services), where delivery can be obtained within set deadlines. Even in these cases, the quality of service was not explicitly declared or published until recently.

Why are there so few initiatives aiming for a defined quality of customer service? The reason, again, is that the existing system serves the need of politicians and administrators. So, who would change the situation? Even motivated administrators may be powerless to act because of lack of control over budget, limited authority to restructure organizations, or no direct control over the strategic allocation/deployment of human resources. Simple things like transfer of staff, promotion, reward and punishment can create problems for the administrator who tries to do his or her job

³ Editorial note: SMART objectives are based on the criteria of being Specific, Measurable, Achievable, Realistic and Timed (see in brief http://www.marketingteacher.com/Lessons/lesson_objectives.htm).

professionally. Everything is a political exercise and different centres of power control resources and influence decisions.

4.3 Complex Communication Between Actors and Stakeholders

Who are the actors and stakeholders? Politicians, customers, administrators, technicians, the media, the ministry of finance, the state law office may be involved and the list can go on. It is over-simplistic to assume that if something good is being done, the politician necessarily understands it and knows how to manage the complex set of actors. It is even over-optimistic to assume whose side the media in Mauritius will take in the case of any reform that will affect most actors and stakeholders. There is no single blueprint that ensures the support of all holders of power and influence within and outside government.

It is noteworthy that every ministry in Mauritius operates independently and jealously guards its sphere of influence. All functional ministries depend on the Ministry of Finance for financial resources, on the Public Service Commission for matters relating to Human Resources deployment, on the Prime Minister's Office for certain directives, and on the Ministry for Civil Service Affairs for reform matters. Mutual support is only theoretical. In practice, even well-wished-for reforms cannot get required finances, resources, or the mere support of the prime minister's office – until recently.

4.4 Who is Responsible for Reforms and What is the Impact?

Having effective communication between actors and stakeholders assumes that there is a competent authority which co-ordinates the communication process and has the necessary influence to provide strong leadership. The only body with clear authority over other ministries is the prime minister's office. The only powerful politician is the Prime Minister and in a coalition government that power is diluted. The only powerful administrator is the Head of Civil Service with no strong supportive administration to assist him even if he is willing to put certain initiatives on track. There has been a tendency in Mauritius to assign responsibility for service-wide reform to the Ministry

for Civil Service Affairs and Administrative Reform. However, most of the time this ministry is headed by a minister who has no training on reform. The minister is often a 'junior minister' in the established hierarchy of ministers. Even if sometimes the portfolio is held by the Prime Minister, it happens to be one of the many other portfolios he holds at any point in time. The Permanent Secretary of the ministry has no more power than another Permanent Secretary. Even if in recent years there has been a Secretary for Public Service Affairs heading the Ministry for Civil Service Affairs and Administrative Reforms, who is higher in rank than a Permanent Secretary, little change can be witnessed.

It is doubtful if anyone, even in the Ministry for Civil Service Affairs understands reform or is serious about it. For quite some years, there is an Administrative Reform Unit in that ministry manned by one person! A Work Improvement Team (WIT) program initiated by the ministry failed because the Head of Civil Service takes personal responsibility for reforms. But he is so busy that he cannot give enough attention to adherence and non-adherence to policies by his fellow Permanent Secretaries who in turn can always complain that their minister does not find his reforms a priority. A Head of Civil Service in Mauritius is not more powerful than a Minister. Also, Heads of Civil Service are appointed only for short periods, since by the time someone becomes the Head of Civil Service, he/she has no more than 2 to 4 years of service before retiring.

4.5 Involvement of Ministries: Management by Committees

Government in Mauritius is run through meetings. There is no shortage of them and they are always attended by representatives of ministries called upon to attend. Whether they will be attended by top level officers of respective ministries is another matter because most of the time they are travelling on missions abroad or they are busy with other issues. Decisions are always taken and reforms implemented as a 'process'. Everyone is happy with this process because the government can always defend itself by claiming that it has done something better than the previous government.

4.6 Feedback, Monitoring and Evaluation – Whose Responsibility?

Applying the practice of receiving feedback, continuous monitoring and evaluation of reform projects assumes the existence of a co-ordinating body that has the ability and authority to call for reports in appropriate formats which should form the basis for decision-making. It also assumes objectivity as a principle and mastery of techniques such as Object Oriented Intervention Planning (OOIP) or Project Management, among others. Are such skills available in the Mauritian Public Sector? We should not forget that Mauritius is a country where the government only exceptionally admits fault and is not ready to entertain criticism. There is a tendency to work in a collegial manner giving the impression that everything is good on paper, unless and until there is a crisis situation.

4.7 Success Factors

When are reforms likely to be successfully implemented? They tend to be successful when certain conditions, or combinations of them, are present. These include, demand from strong lobbyists in the private sector, the World Bank and other donor agencies, the media or the existence of specific crisis situations. These trigger response from the highest level of government, normally the Prime Minister's Office or the Ministry of Finance which then force through the demanded changes.

A dynamic minister can also be a trigger for change. The leadership of the Permanent Secretary of the ministry in concern can also be pivotal in implementing required changes whether there is a dynamic minister or not. However when such administrators are transferred or retire, reforms may suffer. This is indicative that the quality of the top administrators can by itself be a determining factor in obtaining results.

External pressure, crisis, commitment of government through Prime Minister's Office, quality and commitment of ministers and administrators seem to be the

ingredients for successful reforms as opposed to the normally defeatist approach of reform as an incremental ‘process’.

4.8 Survey Based Recommendations

If we go by the survey findings we may have the impression that nothing is working in Mauritius. However, Mauritius is among the best performing economies in Sub-Saharan Africa and many African countries want to learn from its experiences.

Metcalf (1993) identified two important elements in the provisions for management of reform in the 80s in the U.K as being political support for change and involvement of those to be affected by change in the formulation of the program. Indeed, unmotivated and incapable government as identified by Girishankar (2000) may be the single largest obstacle to improvement in any public administration. However, it is naïve to assume that political support will arise by itself. Third world countries may not have politicians of the calibre of developed countries, nor are the management theories of participatory management necessarily applicable. There is a priority need to set the platform to generate ideas (original or imported) and arouse political support for reforms. Management of the implementation process will necessarily be culture-specific.

Also important is the need to arouse New Public Expectations. There is emerging World Bank evidence that it is only where the new public expectations have generated the motive, and where the Old Public Disciplines have provided the capability, that any broad, multi-sector public management improvements have been worthwhile - NPM-style or otherwise (Girishankar, 2000). Indeed, for whatever success NPM can claim in OECD countries, the most plausible explanation of the rise of NPM concerns social changes that were observable in the 1980s. As (Hood, 1991) observed, the New Public Expectations of citizens (who were becoming more ‘white-collared’ towards their governments) were partly driven by improved experiences as consumers in other sectors. The use of Charters of one sort or another at that time in European Administrations built on ‘the growing experience of citizens as angry customers’

(Loeffler, 1996). New Public Expectations could be nurtured politically as a continuing source of pressure for public sector performance improvements (Romzek, 2000). The New Public Expectations in developing countries on the other hand are usually low and may therefore not lead to the pressure and motivation for governments to change.

The need for a long-term strategy of institution-building in developing countries was recognised at least a decade ago (World Bank, 1989; Jaycox, 1993; Dia, 1993). Going by the results of the survey, however, the following recommendations can be made with the objective of institutionalising reforms, not only as a process but as a series of successful events in this era of globalization.

4.8.1 A Lead Agency With Credibility, Prestige and Access to Power

At the central level, a commonly asked question is whether to set up a new unit to coordinate reform or whether to rely on existing central agencies for the purpose. Both approaches have their advocates. Caiden (1991) favours using existing structures as far as possible. On the other hand, Wilenski (1986) argues that reform will forever be kept on the back burner unless a dedicated unit is set up to drive it forward. In the case of Mauritius it is clear that only central co-ordination can lead to any substantive reform.

There is a need to establish a 'Lead Agency' with access to the highest level of power and clarify whether the Lead Agency is going to spearhead the reform process or get it done through ministries and departments. One main reason for this is that civil servants are prisoners of their traditions and structures. Even if organizations tend to look for maximum autonomy, they tend to look to central ministries for leadership and direction. Thus the reality of the situation is that, if reform is to be an across-the-board one, central responsibility for its direction has to be with a central ministry. In the case of Mauritius it has to be the Prime Minister's Office.

The activities of a reform program change over the lifetime of a program as it moves from design through introduction and full implementation to monitoring and retooling. The nature of the work of the lead agency and, therefore, of the capacities which need to be represented among its human resources will change with the program. There is a need, thus, to take account of this evolving role and the implications of this for the capacities needed. One way of satisfying the need for flexibility while maintaining continuity would be to retain a core group throughout the process and bring in different advisers for different phases.

Within the Lead Agency, the credentials of the leader are crucially important. A ‘product champion’ is needed who is committed, but who is also credible to all actors and stakeholders. She/he must have, and be seen to have, access to the power brokers. Apart from having the necessary intellectual and experiential qualifications, s/he must be acceptable to all parties as being objective and impartial.

While a strong leader is a ‘must’, over-identification of the program with an individual must equally be avoided. This would go against the intention of building ownership and commitment within the organizations involved and would lead to a dependency on an individual that might not be possible to satisfy in the longer term. The Lead Agency must, accordingly, be robust enough to continue its work after the departure of even the most effective lead person. Indeed, given the recognition of the fact that the process requires different skills at different stages, it is very likely that the personality and the character of the leader may also need to change. For example, the kind of person needed to get a program off the ground with the necessary support on all sides may well not be the one who can manage ongoing implementation.

The functions of the Lead Agency are, as has been seen, diverse. It may, therefore, quite reasonably be inferred that the Lead Agency requires a diverse range of skills and techniques. The agency must maintain within its resources the capacity to diagnose and analyse; to focus, synchronise different activities and ensure coherence and consistency; to ensure identification of training, retraining and re-deployment

needs; and to quantify and help to secure financial support needed for capacity development. In developing countries, this function may demand capacity to identify and negotiate with external sources including the World Bank, UNDP, other multilateral and bilateral donors as well as the capacity to assist line ministries if and when they may be involved in discussions/negotiations with donor agencies.

Expertise in public management, institutional development, organizational analysis, economics, financial management, human resource management and development, psychology, sociology, communications and training techniques are among the areas of competence that will be required at different stages in the process.

Internal research capacity is necessary throughout the program to ensure that the Lead Agency is able to review comparative initiatives and experience; to keep track of what is happening at home and elsewhere; to read the signals in the institutional environment and to anticipate possible needs to change, develop and analyse relevant new options and strategies.

If it is desirable – as is generally acknowledged – that the permanent staff of the agency should be relatively small, it follows that it cannot provide all the requisite skills from within its own staff. It is necessary to identify those skills that may be required for a specific period or purpose and which can be imported. It must, accordingly, identify and access skills from outside – from within specialist units in other ministries/agencies, from private sector organizations, universities, research institutions and private consultants and develop a structure within which access to these resources can be assured. It may, also, in some instances, have recourse to international specialists.

The Lead Agency must be able to predict its capacity needs at different stages of the program and vis-a-vis different categories of organizations; to identify, access and develop relevant skills for itself; and assist in doing so for central and line ministries/agencies.

4.8.2 Roles and Functions of Central Lead Agency

The role and functions of the lead agency are an integral part of the selected implementation strategy, and therefore, should be considered as part of that strategy. Possible roles of the lead agency include participation in program formulation and planning, co-ordination of the reform process, clarification of objectives and strategies, support to line ministries in implementation, and monitoring and evaluation. Among specific functions/activities that a Lead Agency might undertake are the following:

- Define clearly the role of ministries in the context of the reform program;
- Agree to targets and associated time scales within the program with ministries;
- Hold ministries accountable for attaining agreed performances;
- Provide facilitation, advice and report to ministries;
- Organise meetings of individual facilitators from ministries and, together, review progress and problems;
- Develop and carry out surveys of clients of ministries/agencies;
- Manage the consultative process – balancing interests.

Experience suggests that, as the program evolves, the role and composition of the lead agency may also change. The UK Next Steps Project, for instance, varied the numbers in the agency up and down as the expertise needs changed at different stages of the project. The mandate and perceived strength of the agency are of great importance for its effectiveness.

4.8.3 Risks to Be Avoided

In a parliamentary democracy, there may be a tendency for new governments to stop or neglect reforms initiated by previous governments. Citizens Charters, however, do not warrant such a reversal of policy. In the U.K, for instance, the Labour Party could not reverse the trend but simply renamed the project as ‘Service First’. Such maturity may not be demonstrated by developing countries. It is a challenge to ensure the continuity of reforms. One way of going round the problem is to build consensus

between government and the opposition party. For example, a parliamentary committee could be set up comprising the President of the country, the Prime Minister, the Leader of the Opposition Party and the Minister of Finance to oversee the working of the Lead Agency.

Secondly, the reach of central agencies can be extended if it is backed by pressure for change from politicians. But an excessively centralised, procedure-oriented approach to reform would encourage even politicians to see central agencies as the primary custodians and implementers of change. Central agencies would find themselves in the awkward position of answering to ministers for line managers' inactivity. In this situation, all the political pressure in the world would prove ineffective in bringing about change. Line managers are always the ones who must implement reform at the end of the day, but an overly centralised approach would – paradoxically – let them off the hook.

This is not to say that a clear focus on end results would turn managers in line departments into the champions and cheerleaders of reform. But it would make the whole enterprise seem less alien to their concerns and responsibilities. And it would make it easier to ensure that they (rather than the centre) are held accountable for implementing change.

5.4 CONCLUSIONS AND POLICY IMPLICATIONS FOR DEVELOPING COUNTRIES

Emerging-market decision-makers around the world are increasingly looking to the power of reforms to help them to achieve a range of public policy goals, and crucially to speed up economic development and catch-up with the developed world. Targeting easy-wins, such as those that can profitably run along commercial lines, with a specific developmental objective in mind may be more effective than attempting wholesale reforms. It also ensures that the solution is indeed relevant to the stakeholders, which will in turn drive faster intake - the bottom line of reform program success.

A focus on the potential broader impact of getting the disadvantaged groups linked to the reform is also crucial for long term success. The trick is to bring the different partners, objectives, motivations, and project elements together effectively. If you can get the elements of the value proposition right, and deliver in such a way as to unlock real public value, you are really a winner.

There are a number of factors that have helped to ensure the success of Public Sector Reform Programs to ensure their success and which practitioners point to as crucial in the program design phase. Experience from the case of Mauritius is revealing and suggests that on its own even the most well-intentioned of reforms is insufficient to support specific policy goals, let alone to stimulate growth. It suggests that reforms will succeed only if they offer the right combination of services on the demand side, and the right combination of leadership and project management approaches on the supply side. By analogy, for a plant to survive, it needs sunlight, water and soil: and if one of these ingredients is removed, the plant cannot exist. So, too with reforms: if they fail or succeed it is on the basis of them having or not having a complete set of these critical factors.

Identification of the reasons behind success and failures can shed light into factors or conditions that can favour positive results if not success. What is required is a global strategy with implementation schedules and leadership of the process of change. Leadership can be provided by a 'Lead Agency' with credibility and access to the centre of power, with the ability to give instructions, obtain collaboration and seek compliance of all ministries of a government. The view may be criticised for trying to emulate in developing countries what developed countries have been able to do due to 'superior resources and management capability' (Nunberg, 1995). This study, however, indicates the need for a 'hands-on' approach to reform in an era of globalization if tangible results are to be obtained.

These six factors have been shown to contribute to the successful implementation of public sector reforms in the case of Mauritius and are in line with what Corkery *et al.*, (1998) prescribed in the case of developing countries:

1. Explicit political support over an extended period to give the exercise credibility and create acceptance of the fact that the reform is going to be introduced;
2. Clearly defined goal and a strategy for its achievement which takes account of what can be achieved in the political and institutional environment obtaining;
3. Effective communication between all the actors and stakeholders on the objectives and strategies of the program;
4. An agency responsible for the implementation of the strategy with sufficient 'clout' to put the program into effect and the intellectual and tactical capacity required for the effective execution of its tasks;
5. Involvement of the ministries/agencies in the identification of issues to be addressed and the development and implementation of programs to address these;
6. A 'feedback', monitoring and evaluation process.

Globalisation has catalysed the need to accelerate public sector reforms in developing countries and the need to set up correctly-working institutions. The time is ripe for reform. The challenge will be to adapt the model to different social, economic, political, legal and cultural contexts.

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