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GUIDE TO CONTRIBUTORS

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PUBLIC ADMINISTRATION IN AFRICA: PAST TRENDS AND EMERGING CHALLENGES

Asmelash Beyene and Ejeviome Eloho Otobo

Introduction

Public administration in Africa has entered its fourth decade[1] since independence. This paper presents a broad analytical survey of the issues and trends over the past three decades. In doing so, it builds on notable past efforts at assessing the performance of African public administration[2]. Each of these previous efforts has either centred on a comprehensive review of the performance of African public administration for each past decade or focused on specific policy issues.

The incremental value of this paper is to extend and deepen the discussions on the performance of public administration in Africa by reviewing past trends as well as examining emerging challenges to which African public administration will be required to respond.Such an analytical review is desirable both on the grounds of assessing the evolution of public administration in Africa and as a means of drawing insights from the experience of previous decades in dealing with current concerns and emerging challenges in African public administration.

The framework for this analytic review consists of identifying the central challenge(s) that public administration confronted in each decade, assessing its response to the challenge(s) and indicating how its performance defined the issues for the following decade. Any discussion of this magnitude runs the risk of being spread thin, given that public administration covers a wide and diverse ground. Some selectivity in the issues addressed is thus inevitable. As such, this paper focuses on issues relating to the role of three key vehicles of public administration, namely; the civil service; public enterprises; and local government.

Four caveats are offered in regard to the basic thrust of this article. The first is that the bulk of analysis will focus on Sub-Saharan African countries. Second, this paper does not purport to be a comprehensive review. Rather it seeks to assess some dominant trends or common concerns in African public administration illustrated with evidence from various countries. Third, an attempt has been made to characterise each decade on the basis of the central challenge(s) or dominant trend that African countries experienced. Thus the 1960s, is described as the decade of euphoria; the 1970s, the decade of strain, stress and decline; and the 1980s, the decade of socio-economic crisis. The major challenge of the 1990s is managing the triple transitions taking place in Africa, namely: the transition from a state-dominated economic order to a market-based economic system; from one party or military regimes to multiparty democracy; and from conflicts and strife to political reconciliation and economic rehabilitation[3]. The format for the analysis of the 1990s varies from those of the other decades, as it focuses on a few emerging issues public administration should grapple with. The analysis of the 1990s has avoided discussion of the scenarios involving reversals of any of the transitions, as these are inherently unpredictable. Fourth, the role of public administration in African countries has been examined from the instrumental perspective, by which is meant that administration is an instrument for the performance of functions of political governance[4].

I. The 60s: The Decade of Euphoria

The 60s were significant not only in terms of the number of states that acquired independence during that period but also the hopes and expectations they generated for a better future for the African people. Leaders of the nationalist struggles had promised to use the resources of their respective countries to improve the economic welfare once independence was attained. At independence, people expected the nationalist leaders to deliver on their promises and the leaders had to oblige. No wonder then that the decade came to be characterized as Africa's "golden age", a "decade of euphoria", and as "golden era of prosperity."[5] Unfortunately, the promise of prosperity turned into a dream, and eventually into an illusion.

The leaders of the newly independent states confronted formidable challenges. Prominent among these were promoting accelerated socio-economic development, fostering national identity which required welding together the multi-ethnic and multi-religious entities in many African countries, and creating the structures of governance, in particular, public services which had the commitment and competence to support and facilitate the task of nation building. The task of creating new African public administration was made harder in view of the constraints imposed by the legacies of the colonial past. Such legacies were to have lasting adverse influence on the bureaucracies that were in the making.

The Civil Service

The civil service structures inherited from the colonial administrations had many attributes that rendered them unsuitable for many challenges identified earlier. For instance, the civil services were filled by administrators without adequate professional qualifications, excessively dependent on seniority rather than merit for promotion, with negative implications for morale and efficiency. The preponderance of generalist administrators and the operation of a structure that prevented the optimum deployment and use of individual talent impaired the ability of the civil services to adapt to the new tasks they faced[6].

On the other hand, the higher echelons of the inherited civil services were occupied by expatriate professionals. This was the result of the paucity of indigenous trained manpower at independence. For instance at independence in 1964, Zambia had only 100 university graduates all of whom were trained abroad. In 1965 only 4% of Zambia's senior civil service was African; Nigeria, 61%(1960); Kenya, 21%(1963); and Tanzania, 18%(1961)[7]. Thus, an immediate challenge that African countries confronted at independence was the task of building an indigenous civil service capacity. This task had to be undertaken as a matter of national pride but also as a practical necessity. It offered the earliest opportunity for the African people to reap the fruits of independence and to assert their newly won sovereignty. The preoccupation with Africanisation seems to have left African governments little time to attend to other serious issues like administrative reform.

The rapid Africanisation of the civil services in the 60s posed other major problems. These were manifested in the massive dilution of experience due to the appointments of officials to senior positions without the corresponding training and experience required for the posts. For instance, in Tanzania by 1968 only 18% of about 280 serving administrative officers in senior and middle level grades had any university degree and only about 20% had secondary education.

Secondly, there was promotion blockage as a result of young people occupying senior positions forcing some countries like Ghana to lower the retirement age from 60 to 55[8]. Recounting the experience of Ghana, Gyimah-Boadi and Donald Rothchild have remarked that "a substantially Africanized public service was not necessarily the equivalent of a responsive and reform-minded one. The new civil servants perceived the decolonizing process essentially as an opportunity to advance themselves personally. As a result there emerged a new mandarin class which was conservative in its political outlook and resisted the egalitarian measures the Convention Peoples Party and its leaders had promised the nation"[9].

As the African public sector moved into areas in which the colonial system had little interest, it became apparent that the inherited bureaucracies were ill suited for the new tasks of socio-economic development. It was, therefore, necessary to reorient the administrative structures to meet the new challenges. This dilemma is well articulated by Adu who has observed that " economic development planning, the provision of social and socio-economic services, the establishment of economic and financial services, external relations, African politics and the integration of all tribes, religions, communities and races into a sense of nationhood - are formidable matters for any government to handle. They are even more formidable when they have to be tackled by governments whose members are new to these problems and whose civil services are being rapidly Africanized.In most African states, ministers and other members of government have had comparatively recent experience of matters of policy of this nature."[10]

The need to restructure the inherited civil service to increase their effectiveness in implementing their new developmental roles and in spearheading nation building continued to be echoed for years after independence. The inability of the civil service to absorb new knowledge and to be innovative gave rise to the call for a development-oriented administration. In actual fact, very little was achieved in terms of substantive innovations[11]. The failure of the civil service to cope with the new development challenges diminished the high hopes pinned on it, at independence, to bring about the many desired changes.

Hence, by the end of the first decade after independence, a number of administrative problems requiring reform became apparent. The problems of this period have been summed up by Adedeji as rigid structures and hierarchical organization, recruitment of generalists into the administrative service and a system of promotion based on seniority rather than merit, remuneration being out of line with prevailing levels in the private sector and lack of job evaluation, poor intra- and inter-sectoral mobility, corruption and tribalism, inter class conflict, strained relationship between politicians and the higher civil servants, weak administrative leadership, over-centralization, poor staff development and training arrangements, anachronistic administrative management practices and lack of effective coordination[12].

Public Enterprises

The appeal of public enterprise during this period as an instrument of socio-economic development had many underlying reasons,namely: weak civil services; absence of a vibrant private sector; pervasive belief in the principle of self-reliance; and the widely held belief that the state could and should play the combined role of entrepreneur and political manager. Given the fairly robust economic performance of African countries in this period, many governments began to expand their portfolio of public enterprise holdings beyond the traditional areas of airlines, electricity, ports, telecommunications, railways and water.

However, the high hopes held for public enterprises as instruments of development was to be short-lived. Their performance neither matched the expectations of the governments which created them nor of the public they were supposed to serve. By the end of the 60s, there was already concern with their performance. Such concern was well highlighted in the report of the eleventh Inter-African Public Administration Seminar held in Swaziland in 1972 which noted that even though public enterprises seemed to possess the potentials to spearhead development,"these had been blunted by unclear objectives, severe political manipulation in purpose and personnel and an erosion of the momentum leading towards long term performance by 'day to day' accountability. The public corporation had become a hybrid, apparently attracting some of the worst features of the civil service and private enterprise and consequently had lost much of its *raison d'être*."[13]

Local Government

The 1960's was not a decade that witnessed any significant improvements in the status of local governments in Africa. The fear of ethnic upheavals and the desire to accelerate socio-economic development without political disruption pushed African governments in the direction of centralized structures. Local governments were unable to thrive under such an environment. "Many of the francophone African countries adopted the French system of multi-tiered hierarchical field structures staffed by centrally appointed civil servants. Consequently, decentralization through local government became more dominated with the strengthening of territorial field administration, particularly in the rural areas"[14].

Even in the former British colonies which had a longer tradition of local government, the evolution of local authorities in the post-independence era was as unsatisfactory as in the French ex-colonies. Olowu and Laleye have observed that: "the evolution in the former British Colonies was similar. There also, the colonial legacy, the advent of military regimes or single party regimes, as well as the primacy accorded to national unity, integration and development through national central planning and reinforcement of central government accounted for the virtual death or lethargy of local authorities and the dissolution of local councils and, at best, the establishment of management committees led by civil servants."[15]

Many local authorities were regarded as incapable of providing effective public service and lacked the ability to participate in economic development. The following were identified among the principal causes of their ineffectiveness:lack of experience on the part of councillors; shortage of trained staff; lack of funds; overlap and duplication of parallel authorities; interference of political leaders and party officials who used local governments as opportunities for patronage; the alien nature of local governments which resulted in the populace not accepting them and not developing a sense of civic responsibility; and the failure on the part of central governments to spell out the role of local governments in promoting economic and social development[16]. In sum, by the end of the first decade after independence, local authorities did not flourish.

II. The 70s: a Decade of Strain, Stress and Declining Capacity

As the 70s unfolded, the optimism that characterized the earlier post-independence years started to wane. Unlike the sixties that were marked by relatively good economic performance, the 70s registered steady economic decline. Triggered by a steep rise in oil prices and subsequently worsened by global inflation and recession, worsening balance of payment and fiscal crises, African countries were beset by deepening economic troubles (See Annex 1).

Against this background, the main challenge for public administration was to manage the incipient economic strains and stresses. Yet, faced with a shrinking economic pie, the state's effectiveness as the prime mover of economic development came into question. The public sector was over-stretched in its commitments; lacking in financial resources and skilled manpower and its organizational capacity too weakened to enable it to maintain the dominant posture it wished to enjoy in the economy. It became increasingly open to criticism for failing to discharge its responsibilities effectively, and pressure for its reform mounted.

The Civil Service

In the 70s, the public bureaucracy witnessed increased strains and stresses, and there was a general decline in efficiency and effectiveness. Although there were some aggravating circumstances, the causes of the decline in the quality and efficiency of the public service were, by and large, the problems inherited from the 60s. As the problems intensified in the 70s, the need for reform became increasingly apparent. The 1970s could be regarded as a period of re-appraisal, administrative reform and improvements. Some of the major reform efforts undertaken by African countries included: in Nigeria, the Adebo Commission (1971) and the Udoji Public Service and Review Commission (1972-74); in Ghana, the Campbell Commission on Salary Structure in the Public Services (1971), the Okoh Commission on the Structures and Procedures of the Ghana Civil Service(1974) and Issefu Ali Committee on Wages and Salaries (1976-1977); in Tanzania, the Committee on Manpower Development (1971); in Kenya, the Ndegwa Public Service Structure and Renumeration Commission (1970-71); and in Swaziland, the Wamalwa Commission(1972-73). According to Wamalwa and Balogun, the fact that most of these administrative reforms only focused on reviews of salary structures and other related issues meant that an important opportunity to restructure the civil service to grapple with the emerging economic difficulties was lost[17].

Many problems of the 60s persisted into the 70s. Among these were: the unresolved tension between nation building and legitimate ethnic aspirations, resulting in the vacillation of policy between over-centralization of political power, on one hand, and decentralization, on the other; the unsuitability of the administrative institutions inherited at independence and the need to restructure them; and the persistence of critical shortages of trained manpower in spite of the impressive results of the Africanisation measures and the numerous training institutions simultaneously established in the post-independence era. These weaknesses were compounded,in some countries, by purges of the civil service by military regimes, for example,in Ethiopia and Nigeria in 1974 and 1975, respectively.

The expanded role of the state in socio-economic development resulted in bloated civil services in most countries. A few examples are illustrative: Tanzania's civil service expanded from 34,600 in 1960-65 to 75,000 in 1970-71. Total government employment reached 180,456 by 1979. Similar trends are also observed in other African countries. In Ghana, the size of government employment jumped from 96,789 in 1970 to 121,100 in 1979; in Cameroon from 12,412 in 1971 to 30,064 in 1979; in Gambia from 4,450 in 1975 to 9421 in 1979[18].

An analysis of a sample of 21 African countries, namely, Benin, Burundi, Botswana, Cameroon, Chad, Congo, Ivory Coast, Kenya, Liberia, Lesotho, Madagascar, Mauritania, Mauritius, Nigeria, Rwanda, Sierra Leone, Somalia, Sudan,Tanzania, Uganda, and Upper Volta (Burkina Faso) for the period 1970-79 revealed that expenditure on public administration grew at an annual average rate of 3.3%. When the expenditure on defense is added to that of public administration, the average annual growth rate for the period was 7.4%. By contrast, the average annual growth rate of the gross domestic product for this sample of countries was 3.9%[19]. Such expansion meant a concomitant growth in government wage bills. The unimpressive productivity level of the civil service in the face of its expanding size was to lead to pressure for retrenchment under the structural adjustment programs of the 1980s.

The Public Enterprises

There was marked expansion of public enterprises in the seventies. The expanded role of the state in the economies of the respective African countries manifested itself in heavy reliance on public enterprises as vehicles of development. It has been noted that over half of the public enterprises in Africa in the early 80s were created between 1967 and 1980[20]. Nellis gives a figure of 2,959 public enterprises in a sample of 30 sub-saharan Africa countries as at 1984, the period before many African countries began implementing economic reform programmes. This excludes public enterprises of a social nature[21].

The prominence enjoyed by public enterprises is evidenced in their share of GDP. For example, in the Sudan in 1975 the share of public enterprises in GDP at factor cost was 40%; Zambia, 37.8% in 1979-80; Guinea, 25% in 1979; Senegal, 19.9% in 1974; and Tanzania, 12.3% in 1974-77[22].

The public enterprises provided employment for a large number of people. For example, 75% of modern sector employment in Guinea in 1981, 58% in Niger and 40% in Burundi in 1980 was provided by public enterprises[23]. As the performance of public enterprises continued to decline, their role as generators of economic surplus was severely reduced. Many resorted to heavy overdraft financing. African public enterprises became major domestic and external borrowers. As Nellis observed,"they frequently dominate local capital markets, and their borrowing and poor performance - have contributed to the growing foreign debt and servicing burden of most countries in the region[24]. In 1978-80, the share of public enterprises in aggregate domestic credit in Guinea was 87.1%; in Benin, 54.3%; Gambia, 40.5% in 1978-81; Senegal, 38.7% in 1978; Mali, 37.9%; and Somalia, 37.9% in 1981[25]. On the other hand, the overall performance of public enterprise was consistently poor. It has been observed that: "African public enterprises have largely failed to generate internally a sufficient amount of working capital, they have demonstrated a limited ability to finance new or replacement investments, or even maintain existing investments. They have moved from being a burden on the budget to a state of being a burden on domestic banking systems."[26] It is this trend of poor performance that led to calls for privatization of public enterprises.

Local Government in the 70s

Throughout the 1970s, the centralizing tendency of African governments that was prevalent in 60s showed no signs of abating. Where there was reliance on local structures, it was mostly as an extended arm of the centre, in effect more deconcentration than devolution. With the 70s dominated by dictatorial one party states and military rule, devolution of authority to local structures would, indeed, not have been consistent with the prevailing style of political management. Hyden has observed that participatory concerns were given less attention and that local governments that were established before independence had their powers severely curtailed[27]. As a result, the size of local government in Africa remained stunted and constrained. An IMF survey conducted in 1982 and which, reflects the picture of the 70s, showed that 57 percent of all government jobs in industrial countries were "local", in Asia, the proportion was 37 percent; in Latin America 21 percent, and while only 6 percent in Africa[28].

It is true,however, that there were a number of attempts at local government reform in several African governments aimed at evolving more popular and democratic participation through devolution. Such reforms were initiated in Ghana (1971), Zambia (1968), Sudan (1971) and (1977-79), Tanzania (1971) and, Rwanda (1974). Laleye and Olowu have observed that some socialist-oriented African countries also adopted reforms aimed at fostering participation, which was a departure from the colonial legacy. In this cluster are Guinea-Conakry (1961, 1972), Congo (1963-73), Benin (1979), Madagascar (1970-76) and Mozambique (1977-80). While the search for participation led to a proliferation of local authority units, these units were never accorded sufficient power to attract, stimulate or direct popular participation and local development. The detailed controls imposed on such units rendered them ineffective leading to their being merged into larger units[29].

III. The 80s: The Decade of Economic Crisis

The ecology of public administration in the 1980s was defined and dominated by a confluence of two inter-related factors; namely, the severe socio-economic crisis which gripped African countries and the structural adjustment and economic recovery programmes adopted in response to the crisis. There were, of course, other influences on Africa's public administration such as inherited problems, politicization of the public service and militarization of governance[30]. However,except in countries where civil strife and conflicts inflicted heavy damage on the institutions and infrastructures of the public sector,the imperative to adjust to the economic crisis and manage the economic reforms were arguably the pre-eminent challenge of the 80s.

The economic recovery programmes adopted in response to the crisis had impacted on public administration at two levels: the first related to the direct attention given to administrative and institutional reforms; the second was the impact of the prescriptions of adjustment, such as devaluation, reduction of budget deficits, elimination of subsidies, etc. Impacts from these two sources converged in the public sector reforms implemented by various African countries.

Civil Service

Enhancing the performance of the civil service was an important part of the public sector reform agenda which, in many countries, were undertaken in the context of structural adjustment lending from the World Bank. In some countries, the reforms were a continuation of the broad administrative reform efforts of the previous decades. Regardless of the source of impetus, many reforms appear to have conformed to a key insight of the public sector reform agenda articulated by the World Bank in 1983 namely, that public service reform efforts should concentrate on a limited range of objectives[31].

Thus civil service reforms centred on three main elements. These were public expenditure management; institutional re-organization; and strengthening of policy analytic capacity. This categorization may be helpful for analytical convenience. However, as Adamolekun[32] has observed, an integrated approach to public sector management activities seems likely to continue.

The civil service improvement activities falling under the category of public expenditure management include budgetary management, public investment programmes, external debt management, accounts/audit, tax administration and procurement. During the 1980s, the following African countries had implemented one or more of these reforms. These were Algeria, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Sudan, Tanzania, Tunisia, Togo, Uganda, Zambia and Zaire[33].

Institutional re-organization activities consisted of employment reduction and growth control, review of salary and compensation policies, job classification and evaluation, documentation and records management and personnel management. These various measures have been adopted by many African countries in rationalizing their civil services, mostly in the context of structural adjustment programmes. The full effects of some of these measures will take time to manifest themselves. However, the employment reduction mechanisms such as elimination of "ghost" workers, retrenchment, and voluntary departure, attrition through hiring freeze and enforced retirement adopted in a select group of African countries have resulted in a reduction in the size of the civil service in the period 1981-1990. Through one or a combination of these measures, Cameroon eliminated 10,830 workers, Central African Republic, about 4,500; Congo, 2,848; Gambia, 3,790; Ghana 48,610; Guinea, 38,864; Guinea-Bissau, 3,826; Mali,600; Sao Tome and Principe, 298; Senegal, 2,527; and Uganda, 20,000[34]. Between 1985-86 and 1990-1991, fifteen countries cut their wage bill as a share of GDP, while eleven increased it. Those in the first category included: Benin, Central African Republic, Gambia, Ghana, Kenya, Madagascar, Mali, Malawi, Mauritania, Nigeria, Senegal, Sierrra Leone, Uganda, and Zambia. Those in the later category are: Burkina Faso, Burundi, Cameroon, Congo, Cote d'Ivoire, Gabon, Mozambique, Niger, Rwanda, Togo and Zimbabwe[35].

The focus on cost containment measures in African civil services as part of economic recovery programmes gave impetus to the need to examine the issue of the size of African civil services. A major study spanning 1970-1990 and covering Cameroon,Gambia, Ghana, Guinea Bissau, Guinea-Conakry, Equatorial Guinea, Lesotho, Uganda, Tanzania and Zimbabwe found that " the typical African civil service remains both understaffed and overstaffed. It was significantly understaffed in professional and managerial areas, and perhaps over staffed in semi-skilled and unskilled areas". It further observed that "if optimal size is defined as a precise number of civil service quantitatively or clinically determined, above which the civil service is overstaffed, and below which it is understaffed, such number is difficult to establish and validate over time and across situations"[36]. There is support for this observation from Rowat's(1990) analysis of the size of bureaucracies in 57 countries, consisting of 21 OECD countries and 36 developing countries. Comparing the number of public employees as a percentage of the population, he found that there was a median of 6.4 public employees per 1000 of population for the OECD countries as against to 2.6 per 1000 in the sample of developing countries including eighteen African countries[37].

With regard to cost, the UNDTCD study found that "in spite of all efforts to reduce size, rationalize and privatize operations, governments have not been able to significantly reduce civil service costs. In several cases, costs have in fact gone up."[38] This finding confirms the World Bank's experience when it noted that "of 15 countries undergoing World Bank- or IMF-sponsored civil service reform, eight registered absolute increases in their wage bill even after the reforms had been implemented."[39] Among the African countries in this category were Gambia, Guinea, Ghana,and Senegal. Indeed, the World Bank has now conceded that the previous emphasis on reducing civil service cost by reducing the number of civil servants has neither worked nor saved money[40].

Enhancing the policy analytic capacity of the African civil service was the third important area of concentration. This stemmed from the recognition that the major consumer of economic policy analysis and research in many African countries is the government, even as it is acknowledged that the demand for and supply by African governments remain weak[41]. In some countries, policy analytic capacity took the form of renewed emphasis on professionalization of the civil service in the sense of equipping them to perform their tasks better and re-organizing the civil service institutions, for example, by creating departments of policy and research in each ministry. The Nigerian civil service reforms of 1988 fitted this mode[42]. On the other hand, the accent on training as a means to professionalize public policy analysis was recommended for the Ghana public service[43]. As reported by Balogun and Mutahaba, one major review of African effort in policy management capacity undertaken, under the auspices of the African Association for Public Administration and Manágement, in the 1980s, suggested the need for increased focus on training to acquire the critical skills for policy analysis,as well as strengthening the institutional dimensions of policy management capacity including creating policy analysis and review units in departments or other agencies of the civil service[44].

Public Enterprise Reform: Tentative Results

Partly because of their poor performance in the 70s but also because of the economic difficulties that many African countries confronted in the 1980s, reform of the public enterprise sector (PE) was a key feature of economic reforms of the 80s. This was to be expected given the importance of the PE sector in the economy of African countries. In a sample of 31 countries for the period 1980-86, the median estimate of the share of public enterprises in national value added was 15 percent; investment 25-30 percent, and formal sector employment 25-30 percent. On the other hand, PE share of domestic credit and external debt was about 15 percent each[45].

Three issues relating to the PE reform agenda are examined here, namely: reasons for, and process of reforms; scope of reforms and effects of PE reforms.

Public enterprise reforms in African countries were driven by three main considerations, namely: to increase their efficiency; reduce the "twin" burdens of fiscal deficits and external debt to which the public enterprises were contributory; and to stimulate an expansion of competition in the economy by reducing the monopoly powers of some public enterprises. These reforms evolved along two inter-related paths. One centred on privatization programmes which involved sale of shares, assets or outright closure. The other focused on improving the performance of enterprises retained under state control which included such measures as management contracts, contract plans, improving the macro economic environment, and rationalizing institutions for public enterprise control and commercialization which forced public enterprises to face "hard budget" constraints. This classification of these reform measures is a useful analytical device. It has been suggested that in reality, however, "the two remedies are complementary not competing or mutually exclusive options" and hence there is some overlap among the various reform measures[46].

Nonetheless, striking a balance between privatization and retention of public enterprises was a major challenge for government policy makers. Typically, African countries initiated their reforms of the public enterprise sector by classifying enterprises into three main categories: strategic enterprises slated to remain in the state portfolio; commercially viable enterprises to be privatized; and non-viable, commercially oriented enterprises slated for liquidation[47]. Within these broad categories, there was a rich variety of sub-categories in various countries[48].

Assessing the impact of public enterprise reforms has to be approached with some caution. The evidence is uneven and plagued both by lack of systematic data and by an unequal pace of reforms, many of which are recent. Even so, from the available data, a few tentative assessments can be made. A recent World Bank study has noted that many countries have halted the creation of new public enterprises and several have begun to reduce the number. However, in a few countries notably, Burundi and Cote d'Ivoire, the number of public enterprises has increased. Preliminary assessment suggests that financial flows to public enterprises remain substantial[49].

Privatization measures defined narrowly as divestiture or transfer of assets or shares have involved about 375 enterprises in the period 1980-1991 in 22 African countries. About 310 of these were concentrated in 10 countries, namely Cote d'Ivoire, Ghana, Guinea, Madagascar, Mali, Mauritania, Niger, Nigeria, Togo and Senegal[50]. Evidence shows that privatization has led to a reduction in the number of public enterprises in the following African countries: in Guinea, by 55%; Togo, 38%; Tunisia, 12%; and Nigeria, 26%[51]. It may be premature to draw firm conclusions about public enterprise reforms from the limited evidence. What is clear is that some donors, notably the World Bank, are increasingly placing more emphasis on privatization than on any other form of public enterprise reform on the premise that ownership is an important factor[52].

Local Government Reform: Mixed Signals

As the failure of the centralizing tendencies of African governments[53] began to emerge after two decades of independence, public policy towards local authorities/governments began to change. The changes manifested themselves in several ways. For instance, there was the sprouting of new local government reform initiatives in the 1980s. Beside Nigeria, Kenya and Zimbabwe which maintained and renovated the tradition of local governments, reforms were initiated by Cameroon(1980), Ghana(1982), Niger(1981-1988), Senegal(1982), Tanzania(1982), Zaire(1982) and Zambia(1981)[54].

These reforms were, in turn, driven by many considerations. One of these was the re-orientation of central governments. Olowu and Smoke have observed that as central governments in developing countries reduce the rate of growth and scope of their own activities in response to economic realities and donor pressures, interest in strengthening local authorities is on the rise. Consequently, central governments have sought to reduce their deficits by reducing fiscal transfers to finance basic social and economic services which are being relinquished to local governments perceived as credible alternative institutions for mobilizing the domestic resources required to provide such services efficiently[56]. In reality, the record of local governments in Africa has not matched this picture either because of inadequate constitutional authority to raise their own resources or weak capacities to mobilize and utilize their resources efficiently.

Reforms of local governments in the 1980s were also driven by the desire to stimulate participation at the grassroots level. This accent on local democracy was not uniform. Indeed, varying degrees of importance have been attached to the main issues of local democracy, control and socio-economic development in the reforms of local government in African countries[57]. If the transition to a market-based system of economic organization and multiparty democracy does not stall, it can be expected that the balance of local government reforms will tip in favour of local democracy and socio-economic development.

Yet, Adamolekun has noted that one of the complicating factors in the importance attached to local governments as decentralized administrative institutions concerns the role to be assigned to traditional chiefs in local governance, so that the chiefs do not constitute another layer of 'governors'. This problem exists in west, central, east, and southern Africa[58]. Most local government reforms appear to have side-stepped or failed to address the issue of traditional chiefs. The ambiguity that surrounds the role of this category of local leaders needs to be clarified in future reforms of local governments.

IV. The 90s: The Challenge of Triple Transitions

The main challenges facing public administration in African countries in the 1990s can be linked to the triple transitions that are taking place in Africa. These are the transition from a state-dominated economic order to market-based economic systems; from one party or military regimes to multiparty democracy; and from conflicts and strife to political reconciliation and economic rehabilitation. These transitions will unfold unevenly both within and among countries and limited evidence, indeed, points to some reversals. This implies that the impact of these transitions on, and the response of, public administration will vary according to national circumstances, both with respect to the type and intensity of transition in which a country is engaged and the policy measures adopted by the political leadership in implementing the transition. However, if the challenge for African public administration in the 1990s is posed in terms of managing the transitions, it is because, as Denhardt has observed, the concern of public administration should be ' managing change in pursuit of publicly defined societal values[59].

Questions have been raised as to whether African public servants have the credibility and impartiality to manage the many challenges of the 1990s[60] and whether African public administration can manage economic policy with consistency and credibility when it lacks independence and a knowledge base[61]. These questions all point to the need to strengthen African public administration as an integral part of the policy reforms or transitions of the 1990s. One useful and innovative proposal in this respect for strengthening the autonomy and professional competence of public servants is the creation of an 'international grand corps' of African public service professionals to be internationally financed by a consortium or by the World Bank to supplement the renumeration of competent public servants so as to retain them in their national public services[62]. The need to strengthen the competence and credibility of African public administration is centrally important. Thus, ECA and the World Bank, the two major international institutions which have played leading roles in Africa's public administration, have articulated key elements of an agenda for enhancing the capacity, efficiency and integrity of public administration in Africa in the 1990s.

ECA's Strategic Agenda for Development Management in Africa in the 1990s which is the product of a regional conference, sets out the priority areas. ECA's ten priority areas for enhancing development management in Africa in the 1990s include improving the public policy-making process, enhancing efficiency and quality of African civil services, promoting ethics and strengthening the mechanisms of accountability in the civil service, strengthening the resource mobilization and management capacity of African governments, public enterprise sector reform, enhancing entrepreneurial development and promoting private sector development,ensuring effective popular participation in development and governance, decentralization for sustained development, enhancing the participation and skills of women for effective involvement in development management and optimizing the use of information technology in African public administration[63].

In contrast to ECA's strategy, the World Bank's agenda for public sector management in Africa in the 1990s, which may be gleaned from its relevant documents on the issue, consists of capacity building for development management, strengthening accountability in public policy-making, institutional development, and improved management of public enterprises or privatization, where necessary[64].

In many respects, some of the proposals for revitalizing public administration in Africa in the 1990s discussed above already constitute important elements for coping with the challenges of the triple transitions. Thus, what else is proposed here builds on those proposals by calling attention to a few issues not yet given adequate attention. In doing so, it is useful to make a distinction between the *features* of these transitions and their *effect* on public administration. The former refers to the characteristics of the transition and the later to the impact or implications that such features would have on public administration. Our principal concern is with the latter. Subsumed under each category of transitions are several issues, all of which need not be discussed.

Thus, the transition to a market-based economy has three main implications for public administration,namely: providing an effective regulatory framework that is vital to efficient functioning of markets;re-orienting the public service to be efficiency conscious with regard to cost and time; and greater reliance on market mechanisms for the management of public enterprises(commercialization). The transition to democracy poses the challenges of strengthening watch-dog mechanisms - organizations for upholding accountability whether democratic, legal or professional; enhancing the institutions for checks and balances; and promoting and protecting the neutrality and professionalism of the public service. As regards the transition from conflicts to reconciliation, the main challenges are instilling public trust in the discipline of law and order agencies;fostering policies that promote economic and social equity; and increased opportunities for popular participation in decision-making.

The one common, unifying theme that runs through these challenges of the triple transitions, which has been given insufficient attention[65], is the need to develop strong and efficient regulatory and oversight capacity. A well developed regulatory capacity is an important requirement for African governments to cope with the slow but inexorable trend towards increased privatization – when privatization is defined broadly to include divestiture as well as private provision of public services. On the other hand, a well developed oversight capacity, defined broadly as the ability of public administration to exercise watchful care over its own operations, is key to managing the challenges of increased emphasis on public accountability, and instilling public trust in law and order agencies[66].

With this in mind, we sketch some basic features of an approach for building regulatory and oversight capacity which, in any case, avoids discussing the technicalities of the various regulatory and oversight mechanisms; but suggests a few principles taking into account the situation many African countries are facing. The first principle is necessity: regulatory and oversight mechanisms should be created where they are necessary to facilitate transactions. Effective regulation is the key to efficient functioning of markets, and so is oversight for the public service. Second, there should be predictability, consistency and transparency in rule-making and the enforcement roles of regulatory and oversight agencies. Third, the regulatory mechanisms should be designed to avoid 'regulatory capture'– the tendency for the regulating agency to be dominated by the **regulated** organizations either due to superior technical knowledge or bribery or both. Indeed, Adam *et al* have cautioned that "without adequate resources (both financial and human) the risks of regulatory capture and losses of credibility will increase dramatically and may undermine gains from privatization"[67]. Fourth, assuring the professional competence of the managers of regulatory and oversight agencies is important, but so is their financial independence. One way to enhance the regulatory and oversight capacities in African countries is to channel some of the revenue that will be generated by privatization into a trust fund for developing and sustaining their operations. The fifth issue is generating public trust in the processes of the regulatory and oversight institutions. This calls for high level of autonomy and non-interference from the political process.

CONCLUSION

The challenge of nation building in African countries in the immediate post independence decades of the 60s and 70s entailed creating and strengthening indigenous public service capacity as well as considerable growth in public enterprise sector - which were viewed as key instruments for fostering economic development. The expansive tendency of African governments during this period was reflected in high government expenditures in public administration but also in centralizing tendencies that restrained the scope of local governments.

With the onset of the economic crisis in the 80s, reform of the public sector became an important component of the economic recovery or structural adjustment programmes.Unlike, the administrative reforms of the late 60s and 70s- which focused on indigenization and reforms and reviews of salary structures - the agenda of public sector reforms in the 80s were aimed at curtailing of the growth of public services, in particular reducing public enterprises through privatization; building the policy analytic capacities of the public services and promoting the nascent trend towards a devolutionary decentralization, a trend that will continue to benefit from a combination of the transition to multiparty democracy and fiscal austerity in central governments.

Many of the current concerns and emerging challenges to which public administration will be required to respond make the 1990s, in some ways, look like the 1960s, the 1970s and the 1980s rolled into one. The similarity with the 1960s is apparent in the renewed concern for building indigenous capacity. The similarity with the 1970s manifests itself in the continuing concern for economic recovery. At the same time, the themes of public enterprise reforms and local government decentralization of the 1980s persist. There are three important differences between the 199Os, on one hand, and the 1960s and 1970s, on the other hand. The credibility, indeed respect,that public administration enjoyed in the 60s and early 70s dipped in the 1990s; the indigenous capacity that many policies hoped to develop have not been realized; and its role in direct production is being reduced.

Restoring public confidence and trust in African public administration in the 1990s is vital. An important element in such effort is developing the regulatory and oversight capacity that are essential to managing many of the challenges of the 1990s.

Annex 1

Table on Selected Key Indicators of Economic Performance of Sub Sahara Africa (in Percentages)

	1960-70	1970-80	1980-90	90-2000
* Growth of real per capita income	0.6	0.9	-0.9	(Projections) 0.3
	1965-73	73-80	80-89	92-2002
Growth of GDP output	(**) 5.0	(**) 3.0	(**) 2.0	(Projections)*** 3.7
	1970	1980	1990	1992
Total debt as % of exports goods and services	(++) 5.0	(+) 97.2	(+) 316.	(+) 332.9
Total debt as % of GNP	1.4	29.2	106.7	108.8
		1965-73	73-80	80-90
Average annual Growth of Exports		(x) 15.1	(x) 0.2	(xx) 0.2
Average annual Growth of Imports		3.7	7.6	4.3

Sources: *Global Economic Prospects and the Developing Countries 1992, The World Bank, Washington D.C., p.2.

**World Development Report 1991, The World Bank, Washington D.C. page 19, Fig. 1.5.

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CAPACITY BUILDING, STRENGTHENING AND RETENTION FOR SOCIO-ECONOMIC DEVELOPMENT IN AFRICA: LESSONS FROM MAURITIUS AND MADAGASCAR

Crispin Grey-Johnson

I. Introduction

It is indeed sad that after more than thirty years of independence and four decades of development planning, African governments and their development partners have suddenly, as it were, woken up to the fact that there is an absence of capacity to initiate and sustain the development process in African countries. Today, "capacity-building" has become a catch-phrase in Africa. And an examination of the popular definitions of "capacity" as they are applied in the African context leads to the conclusion that there are serious problems with Africa's institutions, its skill endowment and its physical infrastructures.

The concept of "capacity", as applied to development, is value-loaded and subjective. There was adequate capacity to successfully prosecute the objectives of colonialism in Africa. The Nazis built and retained capacity for fascist administration. And currently, one of the biggest problems facing South Africa, is how to transform the existing capacity for apartheid, or "separate" development, into capacity to build and strengthen an egalitarian, non-racist society. Therefore, Africa has to be clear as to what it needs to build capacity for and whose interests that capacity should serve.

For its part, the World Bank, in its Long Term Perspective Study on Sub-Saharan Africa asserts:

> *"If Africa is to avert hunger and provide its growing population with productive jobs and rising incomes, its economies need to grow by at least 4 to 5 percent a year...The primary source of this growth* can only *(emphasis added) be agricultural production...*
> *To meet these targets, Africa must not only dramatically*

raise the levels of domestic saving and investment, but also greatly improve productivity...This requires an enabling environment of infrastructure services and incentives to foster efficient production and private initiative. It also requires enhanced capacities of people and institutions alike, from the village to the upper echelons of government."[1]

Furthermore, the World Bank, speaking through its Vice-President for Africa, Edward V. Jaycox, explains that:

"After extensive consultation with Africans - as well as with donor agencies - the consensus seems to be that policy analysis and economic management should be the fulcrum for capacity building. The correct policy analysis, the right kind of managers will support progress in every other sector. There's a natural interface. Other specific capacity-building programmes and interventions will be required, of course. But as a starting point, the integrated economic analysis/management function is a sine qua non. This function is central to the success of the economic reform and adjustment process in Africa."[2]

While there may be a need for capacity to be created to ensure the successful implementation of economic reforms and structural adjustment programmes, there is no doubt that there is a serious lack of capacity to forge ahead with the implementation of Africa's strategies for socio-economic transformation and sustained and sustainable, long-term development, notably, the Lagos Plan of Action. A number of strategic development objectives have also been set by African governments whose attainment has yet to be realized primarily because of lack of capacity.

"Development capacity", i.e. the capacity to initiate and sustain the socio-economic development process, is the existence in society of a mix of attributes and endowments that catalyse an interplay of forces to bring about steady material, economic, social and political improvements in society, and continually raise the quality of life of the people.

And what are the constituents of "development capacity"? They are the existence within society of:

(i) skills, attitudes and knowledge that can be utilized to create capital and technology; transform the physical environment into a haven for survival and development; transform and add value to natural resources to serve the material needs of the people; build, develop and effectively manage social, economic, political and cultural institutions for the greater good of the people; create and maintain an enabling environment to promote individual and collective productivity, self-expression, self-fulfilment and a healthy discourse on the common good; and create and maintain mechanisms for promoting the growth of knowledge and regenerating social norms and values;

(ii) physical infrastructure to facilitate the smooth functioning of the state, society and the economy;

(iii) institutions that in turn create, maintain and continuously strengthen capacity; ensure that the fabric of society and the body-politic remain intact and grow from strength to strength; and provide guarantees of social, political, economic, cultural and religious protection to all, especially minority groups, the weak, the vulnerable and the needy;

(iv) a political, cultural, economic and social environment as well as a public policy environment that enables people to thrive materially and morally;

(v) an enlightened, benign and dedicated leadership that is committed to justice, fair-play, good governance, the maintenance of social and political equilibrium, socio-economic development and the common good.

This article examines the experiences of two African island countries in capacity building and retention: Mauritius where capacity <u>was</u> built and is being strengthened, and Madagascar where capacity was lost as a result of serious public policy shortcomings and flawed development strategies. The successes and failures in the two cases could provide useful lessons to other African countries on what needs to be done to build capacity as well as what ought to be avoided if capacity, once built, is to be retained.

II. Capacity Building: The Macro-economic Context

Mauritius is an exception to a general African rule: it crested the waves and turned its development constraints into opportunities to achieve socio-economic transformation. In the last twelve years, Mauritius has been able to maintain a consistently high rate of economic growth, achieve full employment and reach a commendable level of integration of its economy. Throughout the 1970s and up to 1982, the economy was plagued by high inflation, balance of payments problems, political uncertainties, decreased investments and overall stagnation. The country's fortunes began to change in 1982/83 when government decided to create an environment conducive to sustained growth and socio-economic development. The budget deficit was reduced, and strong fiscal and monetary incentives were offered to attract potential investors. The response was swift and positive and had a favourable impact on the balance of trade, the balance of payments, the budget deficit, the rate of inflation and the unemployment rate. The growth rate since 1984 has hovered around 7% while per capita income has reached US$3,000. Population is currently just slightly over 1 million people today.

Table 1: Mauritius: Major Economic Indicators, 1992-1994				
Item	Unit	1992	1993	1994
1. GDPfc	Rs m	39700	44,080	49,080
2. GDPmp	Rs m	47,000	52,600	58,600
3. Per Capita GNPmp	Rs	43,400	48.200	53,150
4. Annual Growth Rate				
Final Consumption Exp	%	3.5	4.5	3.8
Private	"	3.5	4.7	3.8
Government	"	3.8	3.8	3.8
GDFCF	"	8.6	10.1	9.8
5. Ratios				
Final Consumption Expenditure as a Share of GDP at market Prices (GDPmp)	"	75.3	74.9	74.6
Private	"	63.9	63.6	63.5
Government	"	11.4	11.3	11.2
Gross Domestic Fixed Capital Formation (GDFCF) as a Share of GDPmp	"	30.1	31.0	32.2
Public Sector Investment as a Share of GDFCF	"	32.0	32.5	32.5
Gross Domestic Savings as a Share of GDFmp	"	24.7	25.1	25.4
Source: Republic of Mauritius, Ministry of Economic Planning and Development, National Development Plan, 1992-1994, Table 2.1				

The situation in Madagascar is different. This is an island covering a total area of 590,000 sq km, making it the fourth largest island in the world. It has a population of 12 million people.

Madagascar possesses all the physical, natural and other resources required to assure socio-economic development. It is richly endowed in agricultural, marine, livestock and mineral resources. It has huge potentials in its resources of the sea, as well as in its energy and water resources. Like Mauritius, it has one of the highest adult literacy rates in Africa - 80 per cent - as well as highly developed structures for human resource development. The agro-climatic conditions are excellent in most parts of the country which is also endowed with a rich variety of soils, flora and fauna. 80 per cent of the population live in rural areas and 60 per cent are under 20 years old. The economy depends on agriculture, with the main crops being coffee, cloves, vanilla and rice. Mineral resources include gold, crystallite, elminite, precious and semi-precious stones, granite, and marble. Per capita GDP in 1993 was US$225.

The investment rate between 1972 and 1992 amounted to a mere 11 per cent of GDP. There are little domestic savings - only 1.2 per cent of GDP between 1980 and 1992. Nationals will rather invest abroad than invest at home, as a way of avoiding the steep taxes, thus rendering fiscal policy a disincentive to investment. Per capita private consumption declined continuously between 1980 and 1992 by which year, it was only 62 per cent of what it was in 1980. In 1993, the debt stock was equivalent to 126 per cent of GDP. In 1992, Madagascar was officially designated an LDC.

III. CAPACITY BUILDING IN MAURITIUS[3] AND MADAGASCAR: A COMPARISON

Up until the end of the 1970s, Mauritius was, to all intents and purposes, a one-crop economy, depending on sugarcane. Earlier attempts to diversify into coffee, cotton, indigo, spices and tea had all failed. Sugar-cane production therefore continued to dominate the economy, accounting for over 90 percent of total exports and more than one third of GDP, as recently as 1974-75. Up to now, sugar production is still the dominant activity in the economy in terms of value added and the utilization of natural resources such as land and water.

This excessive dependence on a single crop, which, by the mid 1970s had started performing badly on the world market, combined with a fast rate of population growth to pose serious threats to socio-political stability. The average annual rate of population growth had reached 3.2 per cent, the highest ever recorded anywhere, until then. Population growth had overtaken economic growth, with dire consequences for employment, poverty and the overall welfare of the people. Between the mid-1960s and the mid-1970s, the employment requirements in the economy were some 7,500 jobs per annum. Only about 2,500 jobs could be provided per annum. By the time Mauritius attained independence in 1968, unemployment had reached 20 per cent. Emigration was a favourite alternative which thousands of young Mauritians eagerly embraced.

This seemingly hopeless situation was in fact, a blessing in disguise. The Mauritian policy makers and planners saw that the whole situation was untenable, socially explosive and had to be reversed, the more quickly, the better. First, it was necessary to contain the population growth trends. A massive family planning campaign was launched, which found fertile ground in the high level of literacy in the country and the existence of a good communications infrastructure. By 1972, the high growth rate of the mid 60s had fallen to 1.96 per cent, then to 1.48 per cent by 1982 and has finally stabilized at about 1 per cent since then.

By contrast, Madagascar's real problems began in 1980 with the collapse of its commodity prices on the world market, the oil shock, a drop in its volume of exports and an increased debt burden. At the same time, domestic investments declined, imports were severely cut and widespread shortages plagued the country. Agricultural and industrial production plummetted and employment became seriously affected. A stabilization programme was put in place, followed, in 1982, by the first structural adjustment programme (SAP). Another SAP was agreed upon with the Bretton Woods institutions in 1985, which had to be put aside in the wake of the political uprisings of 1990/1991 characterised by civil unrest, massive strikes and the virtual grinding of the economy to a halt.

A transitional government was installed in 1991 and remained in power until February 1993 when, following the holding of multi-party general elections, a new government replaced it. The development objectives and strategy of the new government are contained in the investiture speech of the Prime Minister in August 1993 - "Le Discours Programme"[4]. In that speech, the main internal impediments to recovery are identified as consisting of:

- the general insecurity in both urban and rural areas;
- the excessive centralization of administrative and public financial decision-making;
- a heavy and rigid public administration system;
- the weakness of the skills base for development;
- nepotism, clientelism and excessive corruption of public officials.

In 1993, the deficit on the balance of payment amounted to US$322 million - an increase of 9 per cent over the 1992 figure. Arrears on the external account reached US$773 million, 2.6 times the value of exports in 1992. Total official reserves in August 1992 amounted to 8 days of imports. Public expenditure in 1993 had risen 23 per cent over its 1992 level. The budget deficit was 6.6 per cent of GDP.

Capacity utilization stand at between 15 and 40 per cent for most industrial establishments. The country's rich bio-diversity is being reduced and problems of soil erosion are threatening the fertility of the land in many places.

The liberalization of the economy, including a programme of privatisation is the topmost priority of the new government. Next, is transport and communications which are at present seriously underdeveloped in Madagascar and which will be turned over, to the extent possible, to the private sector. Housing, human settlements and rural development also command high priority in the new economic programme.

Policy and Institutional Support

In Mauritius, much thought had started being given to options such as diversification of the economy so as to reduce the island's dependence on sugar. As far back as 1961, seven years before independence, thinking along these lines had started to crystallize[5]. The most obvious option available, given the failure of agricultural diversification, was to branch out into industrial development. Five years before independence, the government adopted the policy recommendations of the Meade Commission, to open out new vistas in industrial development in Mauritius, by creating the appropriate investment climate that would attract entrepreneurs and investors, a solid and competitive skilled manpower back-up, good support infrastructure, attractive fiscal incentives and political security and stability.

Work started in earnest to create the requisite institutional back-up for the new development strategy. An inter-departmental co-ordinating group was set up and actions were initiated to prepare the financial sector to respond and be forthcoming with the requisite support. The Agricultural Development Bank, which had been created since the 1930s to finance sugar planters, was restructured and changed into the Development Bank of Mauritius in 1964, primarily to provide the necessary financial back-up for industrialization to occur.

Other measures taken in support of the implementation of the new policy included a vigorous programme of public investment in infrastructure development, the establishment of the first industrial estate and the institution of the Development Policy Scheme. The Scheme provided fiscal incentives to investors by way of variable tax holidays, subsidised long-term loans, duty-free importation of production inputs, tariff and quota protection, etc.

This commendable effort notwithstanding, the policy failed to attain the desired effect on growth, unemployment and development. Only 70 enterprises had been established between 1964 and 1968. Together, they had created a mere 2,000 new jobs. Unemployment had by now become widespread and the number one priority of government. The principal objective of the first National Development Plan was employment creation:

> *"Economic development means nothing, except as a figure in some statistical publication, if it means that an increasing population of working age is without work and without the means or with wholly inadequate means to maintain their families"*[6].

Bheenich reports that,

> *"The primacy of the employment creation objective, enshrined in the first development plan, was to continue with some minor modifications and occasional fine-tuning for the best part of the next two decades. This goal of full employment proved highly elusive in the beginning and first came within sight only in the mid-1980s. It was the pursuit of this goal that led to the refinement of the [import-substitution] strategy into a second-generation industrial policy focusing more directly on export-oriented industry."*[7]

As far back as 1970, an Export Processing Zone Act had been passed putting in place a scheme that was even more generous in its incentives than the Development Certificate Scheme. Entrepreneurs could enjoy them only if they intended to export their entire output. The effect was dramatic: employment exploded from a mere 650 people in 1971 to 17,500 people in 1976 in the Export Processing

Zone (EPZ). The number of enterprises operating in the EPZ in the same period grew from 9 to 85.

Then the period 1976-78 suddenly threatened all that had been gained. There were two devastating cyclones which disrupted energy and water supply; there was industrial labour unrest with work stoppages, wildcat strikes and slowdowns; and there was the second oil shock. Then with new elections approaching in 1982, and vociferous denunciations of the EPZ from the ranks of the opposition, potential investors became reluctant to commit further investments into the economy. The economy nose-dived and Mauritius entered into its first stabilization and structural adjustment programme. It also initiated what became known as the Mark II version of the EPZ strategy.

Mark II combined modifications to the incentives regime with wide-ranging institutional reforms. The Mauritius Export Development and Investment Authority was created in 1984 to bolster the new resolve for export promotion. In 1985, the fiscal incentives were further broadened to attract investors more easily. Meanwhile, the political dust had settled with the final resolution of the fight for power which culminated in two general elections in two years and was settled in favour of a free-market approach to governance. By 1988, there were nearly six times as many enterprises in the EPZ as there had been in 1980. Employment quadrupled and export volumes shot up tenfold. Today, 60 per cent of the operators in the EPZ are Mauritians.

In addition to the institution of the right policies, there happened to be what Bheenick refers to as the "Hong Kong Syndrome":

> *"...The spectre of 1997 and the eventual loss of crown colony status pushed many Hong Kong businessmen to Mauritius in search of a new safe haven for their capital and a convenient base for their off-shore manufacturing operations."*

By 1989 full employment had been achieved in the Mauritian economy. Thus within a period of fifteen years, the effects of well-focused policies and strategies and an unswerving commitment to see them through, led Mauritius to turn all its development constraints into opportunities, in the process, creating capacities to initiate and sustain the development process.

Today, sights are set to the future. Plans are far advanced to develop the off-shore banking sector and the free port. The institutions required to have these properly established and fully operational are in the making (eg, the establishment of the Mauritius Freeport Authority). Furthermore, there exists today, a relatively young but growing and active stock exchange encouraging domestic investments and indigenous participation in the private sector.

By contrast, in Madagascar, institutional support for capacity-building has been severely weakened by serious policy lapses, unrealistic development strategies and a lack of direction and long-term vision. The context that defined the nature of institutional support to capacity building was largely absent in the case of Madagascar. Consequently, the public development institutions were not responsive to needs.

In the industrial sector, the old (pre-1989) industrial entreprises which are mostly state-owned are performing poorly and are the subject of programme of divestiture and privatization. They cannot, for the moment be relied upon to ease Madagascar's unemployment problems. Therefore, for the most part, the employment-generation strategy of the government would have to rely on a rapid expansion of the industrial free zones which are currently being developed. Already, the 113 enterprises operating in the zone since 1989 have created some 23,000 jobs - an average of 6,000 jobs per annum[8].

Industrial and private sector development institutions such as chambers of commerce and industry have been largely ineffectual in the past in contributing in any meaningful way to industrial development. This is because they were, more or less directly controlled by the government. The situation is being changed, albeit rather slowly.

Financial institutional support to entrepreneurship in Madagascar's economy has not been strong in practical ways. There exist the Banque pour le développement rural (BTM), Banque pour le commerce (BFB) and Banque pour l'industrie (BNE). Their mandate is to promote private sector activity in their respective sectors in ways that would stimulate growth in those sectors. They have, however, been operating simply as any commercial bank, concentrating on short-term credit, charging the going interest rate and contributing little to entrepreneurship development in industry, agriculture and trade. Prospective indigenous entrepreneurs cannot rely on these banks to support them with initial capital on realistic, enabling terms. The international community including NGOs have stepped in to fill this void, and in the past four years, have succeeded in assisting entrepreneurs to set up some 480 small and medium scale enterprises.

On the political front there have also been problems which further weakened capacity. For over fifteen years the Malagache one-party State was too dominant and overbearing in the country's economic life. Granted, the intention in 1975, of democratization and extending access to development resources such as education and health, as well as to empower the weak and the deprived, was certainly a noble one. But it lacked the adequate back-up of resources, and, over time, not only floundered, but spread out poverty and deprivation among the Malagache people.

Popular movements for democracy and change emerged by the mid-1980s, and by 1989, the movement had become so defiant that it successfully maintained a strike action for a full seven months. This led to all parties agreeing to the constitution of a transitional government which ruled the country for two years from 1991 to 1993. A new liberal government has just been elected from the ranks of the former opposition.

Plans are currently under way to decentralize government and to create some 23 administrative regions: three times as many as exist at present. Decentralization of the decision-making process will, it is hoped, be accompanied by a deconcentration of power and of the administration of public services. The people will also be brought in more systematically into the decision-making process.

According to the World Bank[9], the Malagache judicial system suffers from a certain amount of confusion, in so far as the respect of contracts and agreements entered into with important economic actors, such as entrepreneurs, is concerned. Laws are superseded by simple administrative instructions or circulars issued at the whim and fancy of individual public officials, and there are hardly any opportunities for recourse. For example, although foreign investors can, by law, buy property, there is a "note de service" which forbids it. The note is a simple administrative instruction which now supersedes the law. The implications for attracting foreign investments are obvious.

Building and Strengthening the Human Resource Base

The gains registered in socio-economic transformation in Mauritius would not have been possible without the human resource base to support the changes[10]. As early as the 1940s, the Mauritian people began clamouring for an egalitarian society based on "education for all". This goal was perceived to be a central pre-condition for bringing about greater social, cultural, economic and political equality in the then-colonial society. This resulted in a spectacular increase in the number of schools and in primary school enrolment. By the time independence was being attained, this growth in primary education had increased demand for secondary education as well as for vocational and technical education. Priority then was on expanding and improving the physical infrastructure. More than half the school buildings existing today, were constructed at that time. Secondary school enrolment soared and with time, led to increasing pressures for a concomitant expansion of tertiary education. The response came in the late 1960s and early 1970s with the creation of the University of Mauritius, the Mauritius Institute of Education and the Mahatma Ghandi Institute. Distance education was also initiated with the Mauritius College of the Air. To lend added support to the momentum, the government decided to make primary and secondary education free. In 1988, fees were abolished at the university.

With the rapid transformation of the economy, the need was felt to broaden the structure, and align the content, of education so that it could respond to the emerging manpower needs of the economy.

Mauritius today can boast of having attained full universal primary education; free education from the cradle to the grave for those who can and want to benefit from it; and a broad-based curriculum of general and technical education.

The authorities are, however, not resting on their oars. Some ten years ago, a Government White Paper on Education asserted that, *"Our main resource is our people. It is on their abilities, attitudes and skills that the nation's future well-being must be based. In so far as education helps to build these qualities, it is basic to our development."*[11]

It was thus on considerations such as these that Mauritius made the investments - regardless of the costs - to build human capacities for development. And even today, that concern persists:

"Labour demand projections [to the year 2000] made on the basis of a 5 per cent growth in GDP, 1 per cent increase in productivity and no change in technology, indicate a possible labour deficit of about 20,000. In quantitative terms, the bulk of the jobs will be for those with only primary school qualifications. But critical shortages will occur for tertiary and secondary school graduates."[12]

It is clear from the preceding analysis that any structural changes in production will dislodge labour, create massive unemployment and social problems, and undo all the gains achieved over the decades. Also, the situation requires a shift from labour-intensive to capital-intensive production. Consequently, Mauritius's planners are once again at work to craft out a strategy for introducing more capital and technology in industry. This would require that the present and future workforce be more highly skilled, more science- and technology-oriented and more versed in a wide range of management skills.

The school system in general, and the tertiary level institutions in particular, are therefore being prepared to take on new responsibilities. For example, the university and the Institute of Education are being equipped to produce teachers in design technology, communications technology, computer education, etc. Information technology will be introduced into all secondary schools, and computers will be provided to students at the rate of 1 to 80 students. The university itself is expected to expand enrolment and broaden the curriculum to include subjects such as biochemistry, physical and organic chemistry, biophysics, electronics, laser physics and biotechnology, so as to enhance interaction with applied areas[14].

While the education system prepares the ground and lays the basis upon which specific job skills will later be built, the national system for vocational and technical training has been established and is being continuously strengthened. In the short period of six years, the government structure created for the promotion and development of vocational and technical training in Mauritius - the Industrial and Vocational Training Board - has succeeded in expanding opportunities for formal, institutional skills training as well as in-plant and on-the-job training. The private sector is made to contribute to training development through schemes such as the training levy scheme - one per cent of the total payroll. It is also encouraged to actively undertake training, by the offer of a tax rebate of a certain percentage on annual profits for every person trained on the job. Private training institutions, which are now monitored and controlled for quality also receive encouragement from government through measures such as the training incentives scheme which provides grants and duty-free import privileges for training aids, materials and equipment. There exist therefore ample opportunities for the work force to receive training and retraining in a wide range of skills in industry as well as in public and private training institutions.

While in Mauritius the human resource base was made to be supportive of development capacity, in Madagascar it has become so weakened that it is at present a drag on the economy. It is true that considerable efforts were made to provide universal education in Madagascar in the years following independence. From 1960 to 1975, the concentration was on the creation of structures and the search for quality. From 1975 to 1985, policy sought to democratize education. Enrolments grew by 60 per cent at the primary level and quadrupled at the secondary and tertiary levels. In the process, however, without a corresponding expansion of resources to support these magnitudes of growth, quality suffered tremendously and for many years now, all that the system has been doing, is simply producing people who know how to read and write, but practically very little else, and who could therefore not be of much use to employers.

At present, 97 per cent of boys and 93 per cent of girls of the relevant age group are in primary school. In secondary education, it is 25 per cent and 20 per cent respectively; whereas at the third level, it is 5 per cent and 4 per cent respectively. Only 5.6 per cent of the workforce is employed in the modern sector.

After the introduction of the first Structural Adjustment in 1982, the gains made in the quantitative expansion of education started to be reversed. Tables 2, 3 and 4 show the declining trends.

Table 1: Primary School Enrolments and Teachers: 1983-1989

Year	No. Pupils	No. Staff	P/T Ratio
1983	1,701,601	43,898	39
1988	1,487,726	38,364	40
1989	1,534,142	37,894	40

Source: Rakotomanga, Denise et Chantal Raveloharisoa, "Analyse de la situation et des besoins en main-d'oeuvre qualifiée: Adéquation formation-emploi", Antananarivo, 1991

The annual enrolment decline was 1.7 per cent between 1983 and 1989. This was due to the SAP, with its cost-recovery and cost-containment measures. Teachers also dropped out. Secondary school enrolment decline was 2.7 per cent per annum from 1987 to 1989.

Table 2: Secondary School Enrolment: 1987-1989

	Jun. Sec		Sen Sec		
Year	Public	Private	Public	Private	Total
1987	190,608	77,867	46,598	32,823	347.9
1988	189,984	81,070	44,371	34,599	350.0
1989	177,323	78,523	42,226	31,560	329.6

Source: Rakotomanga, Denise et Chantal Raveloharisoa, "Analyse de la situation et des besoins en main-d'oeuvre qualifiée: Adéquation formation-emploi", Antananarivo, 1991

Table 3: Vocational and Technical Training: 1985-1989

Year	Students	Staff	T/S Ratio
1985	9441	1484	6
1987	8321	1160	7
1988	8037	1117	6

Source: Rakotomanga, Denise et Chantal Raveloharisoa, "Analyse de la situation et des besoins en main-d'oeuvre qualifiée: Adéquation formation-Emploi", Antananarivo, 1991

There were serious enrolment declines at this level also.

Enrolment in the vocational and technical training system is much lower than it should be, given the industrialization objectives of the country and the need for technicians, technologists and skilled workers in a modernising economy. However, because of the narrowness of the employment market, job opportunities for these skills are limited in the economy. Therefore students avoid enrolling into them. It is largely for this reason also that the former agricultural colleges and high schools were closed down.

Today, there are over forty-two thousand students enrolled at the six Malagache universities. Before 1975, there were three to four thousand students in the then only university of Madagascar. In 1975, enrolments doubled to over eight thousand students, then exploded to thirty-two thousand six hundred in 1982/83 and has continued the upward trend to reach the unmanageable numbers of today.

Between 1985 and 1989, the average annual output from the high-level educational institutions was[15]:

- 1018 diplomates with the "brevet technique"
- 2044 with the "Baccalauréat Technique"
- 1216 university graduates at the first degree, of whom:
    - 22.8 per cent were in management
    - 12.2 per cent, economics
    - 11.7 per cent, natural sciences
    - 8.9 per cent, Malagachy studies
    - 8.6 per cent, French studies
    - 35.8 per cent, other disciplines
- 461 Master's degree holders, of whom:
    - 52.5 per cent were in law

- 13 PhDs, 52.3 per cent of whom were in physics/chemistry and natural sciences.

- 225 medical doctors

- 70 dental surgeons

- 64 agronomists

- 190 engineers

In the thirty-odd years between 1964 and 1992, third level educational institutions turned out 2,375 agricultural technicians, and 1,630 professionals. Agronomists, agricultural scientists, etc. from the university numbered 3,200 by 1991. To these numbers must be added the many hundreds who come home every year after completing their studies abroad.

With this type of output and the performance of the labour market, some 30,000 school graduates were rendered unemployed between 1986 and 1988. Of these some 1,300 were high-level, and 8,700 were middle-level manpower on the average. According to estimates made by Malagache Ministry of Health officials, there are some 2,500 unemployed medical doctors in Madagascar today.

Over time, workers have become more and more educated and technically qualified. The quantum of skills within the workforce has improved with time, and the levels of educational attainment have certainly risen. However, the work environment has not changed and the conditions of work - including pay, level of responsibility and greater use of technology - have, at best, remained the same. In many cases, they have in fact deteriorated. Another way of saying this is that people did not have to achieve their level of education and training to be able to do the work they do. For example, no one needs the Baccalauréat (equivalent to "O" levels) to perform as a messenger. With greater levels of education and training in the workforce and the progressively lowered levels of operation, what in effect has been happening is a progressive de-skilling of the national workforce.

There are about 40 government-run training institutions, training middle- and high-level manpower in all spheres of public administration. There are over 80 private ones providing training in administration and management eg. shorthand and typing, and in some industrial skills eg. electronics. These training programmes for the most part concentrate on pre-service training. The skills, once developed, get progressively underutilized in the workplace and with time, are completely eroded.

Technical assistance has become a major capacity-depressant in Madagascar. At present, it represents 20 per cent of total development assistance. 80 per cent of all development assistance personnel are from abroad. Some ten years ago, there were some 800 technical assistance personnel working in the country and distributed among the various sectors as follows:

Table 4: Distribution of Technical Assistance Personnel by Sector, 1985

Public Works	66
Mines and energy	18
Health	116
Education	347
Planning & Finance	18
Agriculture, Livestock, Forestry and Fishing	153
Industry	18
Transport and Tourism	25
Others	37
TOTAL	798

Source: Rakotomanga, Denise et Chantal Raveloharisoa, "Analyse de la situation et des besoins en main-d'oeuvre qualifiée: Adéquation formation-emploi", Antananarivo, 1991

Counterpart training has not been in-built into technical assistance. This has led to excessive wastage: the cost of one technical assistance personnel was some US$72,000 (1988 $) per annum; the cost of training one national was US$4,890 per annum. The money spent to retain one technical assistance personnel every year, could have been used to train fifteen nationals in various fields. Furthermore, in 1988, the amount allocated for recruitment of technical assistance in Madagascar was 15 times higher than that for training. Thus, technical assistance has failed to contribute in any significant way to capacity building.

NGOs are also emerging as a new and important conduit for technical assistance in the country. There are at present some 300 international NGOs operating in Madagascar[17]. They provide training, skills, production inputs, emergency relief, etc. in education, health, family planning, technical training, agriculture and livestock, environment, community development, women in development, etc. Most of these NGOs use international expertise to deliver services, thus missing an opportunity to contribute to indigenous capacity building through training[18]

Improving the Health Status of the Population

As with the education sector, in the field of health, the basic infrastructure had been laid over the last several decades in Mauritius. The health network consists of Village Dispensaries, serving every village, and referring complex cases to the 115 Community Health Centres which serve small group of villages, from where patients may be referred to the 26 Area Health Centres covering a group of communities, and finally to the National Hospital System. The public health system is accessible to all, and is free. In addition, the traditional health system has been incorporated into the modern system: traditional midwives, for example, have been given training in modern midwifery practices and sent back to their respective villages.

In 1990, the ratio of doctors to population was 1:1000 (the average for Africa is 1:27,000) and of nurses, 1:2/300 (for Africa, it was 1:5,000). Life expectancy at birth for men rose from 60.8 years in 1973 to 64.6 years in 1988 and then to 65.9 years in 1991. For women, it was 65.9, 71.2 and 73.4 years respectively. The infant mortality rate was reduced from 65.1 per thousand live births in 1972 to 18.6 in 1991. The overall crude death rate also decreased from 7.9 per thousand people in 1972 to 6.6 in 1991.

The Mauritius Institute of Health is one of the leading institutions for para-medical training in the region and is utilized freely by other African countries. There is also an active participation of the private sector in the health sector in the form of private hospitals, clinics, pharmacies etc.

It is worth mentioning that malaria, which was a scourge on the island a few decades ago, has now been eradicated, causing huge drops in morbidity and mortality, especially of infants, and big increases in labour productivity.

The health problems and priorities of Mauritius are changing and are following the pattern of the developed countries: cardio-vascular diseases, respiratory diseases, diabetes, etc.[19] Therefore, an Action Plan for the Health Sector is being implemented to prepare Mauritius to respond to the demands for high-technology medicine, address the implications for the health sector, of such demographic phenomena as the changing lifestyles and the ageing of the population, as well as the need to create and strengthen domestic capacity to produce high-level health manpower.

By contrast, if Madagascar had succeeded in creating a strong health system for its people, that system has now been lost. The population growth rate is 3 per cent per annum. Population density is 20.6 persons per sq. km. Life expectancy at birth is 56.4 years. The doctor/population ratio is 1/16,000. Dentist/population ratio is 1/16,800. Pharmacist/population ratio is 1/54,500. Acute malnutrition affects 7 per cent of the population, whereas chronic malnutrition afflicts another 40 per cent. The public hospital beds/population ratio is 1:10,900 whereas the ratio in the private sector is 1:1,823. Since the vast majority of the population have no access to modern health facilities either because they are simply not there, or because they are unaffordable, traditional health systems, which are highly developed, are under extensive use.

Only 25 per cent of the population have access to safe drinking water, although the concentration is heaviest in urban areas (88 per cent). In rural areas, access drops to a mere 11 per cent.

The Political Class, The Civil Service and Development

The ethos within, and the performance of the public service, have contributed in no small measure, to development capacity building in Mauritius. The managers of the civil service have long realized that their role would have to change from that of regulators to one of enablers if the national development objectives were to be attained. As the authors of the development plan see it,

> *"Administrative procedures, whether in central or local authorities or in parastatal bodies, have been put in*

place very often with the main objective of ensuring checks and balances. As a result, control takes precedence over effectiveness. The bureaucratic set-up has thus become clumsy and is characterized by excessive paperwork and a slow, at times irritating, step-by step approval mechanism."[20]

These concerns may have been articulated only now, but in practice, they have engaged the attention of the managers of the public service for many years, such that in addition to an unswerving commitment to the common good, the public service has worked with diligence towards seeing to the implementation of the broad development objectives of government. The Mauritian civil service is often cited as the one island of rectitude in an ocean of corrupt civil services in Africa. This may be due to the fact that as a service, it is still highly professional, relying on qualified and experienced people to take on the positions they deserve, and also that the officers are well remunerated through a realistic salary scale and other attractive incentives and benefits.

An important prop for the efficiency and effectiveness of the civil service, has been the respect politicians have shown for the independence and professionalism of the service. Politicians and governments may come and go; the civil service goes on forever. This principle, which is still respected in Mauritius, has spared the country the evils of nepotism, favouritism, graft and all the related ills that so easily and quickly erode the capacity of the most important arm of government - the executive - to deliver the goods. Vacancy rates in the service are considered to be high on account of the difficulties of finding the right man to fill the right post, given the stiff competition the public sector has to face against the private sector. It is thus not just any party loyalist, or relative of a given politician that can be hired into any government job. Qualifications, experience and standards are still primordial in the Mauritian civil service.

Another point that needs to be made about the Mauritian civil service - indeed of the entire Mauritian society - is that it operates within an enabling context of parliamentary democracy, where there is respect for the wishes of the people; where the degree of political commitment to, and protection of the interests of the people determine which group of politicians stay or go; and where there is therefore public accountability and responsibility. The political class have to render an account of their stewardship to a highly educated and aware electorate every five years. It is therefore wise for every politician in government to utilize the tremendous talent at his disposal in the public service, to push through policies and programmes that would respond to the development needs of the people. It is this imperative for survival that has made the Mauritian political class development-oriented.

The foregoing is in stark contrast to the situation prevailing in Madagascar. The structures, procedures and practices of the present Malagache civil service are virtually what was left behind by the French colonialists when they withdrew at independence. Even in France itself, these have gone through changes over the past 30 years to bring them in line with modernity. Not so in Madagascar. The view among public officials is that the Malagache civil service has stood still for over thirty years. These officials also acknowledge that it is huge, unwieldy and inefficient. Conditions of service have remained uninspiring with the inflationary trends in the economy and the virtual stagnation of public sector salaries and other incentives. In fact, salary levels are so low, that civil servants must either engage in rent-seeking or must look for secondary jobs - on which they devote more time - in order to be able to meet their subsistence needs, at least. According to the World Bank, civil service salaries have slipped so badly that they now fall under the official poverty datum line[21].

To further compound matters, the level of skill and competence in the civil service is progressively on the decline. The service has ceased to be competitive, and the brightest and the best are moving out into the private, the local international or the voluntary sectors. The problem of an ageing service is also very much a constraining factor in public sector capacity-building. There is need for a re-juvenation of the service. Working tools are antiquated and inefficient (for example, manual typewriters are what are in use) and the ministerial libraries have long stopped trying to replenish and update their stock. Knowledge in the service is old and stale and it is very easy for a young civil servant's fresh skills and knowledge to quickly atrophy.

The Malagache civil service has been a highly politicised one. More often than not, and particularly in the old dispensation, it is the political affiliation of the individual, more than his qualifications, skills and competence that determines how fast he rises in the civil service.

Political patronage has therefore, over the years saturated the service with people who may not be well-placed to manage development. It is obvious that with time, such a practice will only lead to a serious erosion of capacity for public administration and development management.

There has been no real, systematic, long-term planning since 1982 when structural adjustment and the formulation of rolling plans - public investment programmes - took its place. And for two years, during the period of the transitional government, hardly any priority was accorded to economic issues. Work is under way to publish the first long-term strategic plan in Madagascar this year. Also, the capacity to collect, collate, analyse and publish development data and information for planning purposes was weakened progressively over the years. A project is at present underway, to rebuild these capacities. It has come up with a data base and a model for macro-economic management, but is still not being used on account of the absence of planning in the Malagache public service.

Decision-making is still too centralized and procedures are cumbersome and slow. The result is that over the years, there has been a loss of initiative and management decision-making capacity, such that today, it is almost the rule that it is the effective manager who takes no decisions or tries anything new. This in turn, has significantly lowered capacity to prosecute development policy. The civil service has been "routinized", and has become a major obstacle to change. All told, it suffers from extreme capacity weaknesses.

Infrastructural Support

Mauritius can boast of the existence of a strong physical infrastructure to support and sustain socio-economic development. The public utilities - water, electricity and sewerage - have a wide coverage in the country. Potable water demand satisfaction is virtually 100 per cent. 70 per cent of households are either connected to the sewerage system or use on-site disposal systems. The network is considered too old (a good part was constructed in the 1880s) and in need of rehabilitation. This is what is the current priority.

The energy sector is also well-developed: in 1991, 73 per cent of the energy generated was from thermal sources, 17 per cent was from the sugar factories using bagasse (bio-mass energy produced from the sugar cane residue) and 10 per cent was from hydro power. Solar energy is utilized, albeit on a small scale.

The road density is about 1 per cent per sq. km. This small island has 1831 kilometres of all-weather roads. Priority during the last ten years was on an upgrading and rehabilitation programme to meet the increase in traffic over the years. As a result, not more than 50 km. of new roads were built during that period. A resurfacing and upgrading programme is currently being implemented and will be completed within two years. Priority after that will then be on a motorway development programme which should last until the year 2000. It is envisaged that the traffic problems would still not have been solved even by that time. Therefore, there is in the pipeline, the development of a mass transit system probably in the form of a light railway system that will transport commuters from residential areas to the main business centres.

This strong infrastructural support for development does not exist in Madagascar. The poor state of the transport and communications system on the island is in itself a major depressant of capacity. The road density is very low. Telecommunications are inadequately developed and have very limited spread in the country. The rail system is old and in a state of disrepair, whereas river and ocean transport systems are still inadequately developed. The economic distances have thus remained too great to adequately stimulate inter-sectoral growth and encourage an active domestic market. For example, Sambava is a region in the North-East of the country where vanilla is produced. It is only accessible by air or by sea, and it is extremely difficult to reach it by telephone.

The Food Sector

Although sugar is the dominant commodity in the Mauritian agriculture sector, the food sector is progressively being strengthened and the food security situation is progressively being improved. The dependency on food imports is being reduced and much savings in foreign exchange are being made. The country has reached high levels of self-sufficiency in the production of green vegetables, potatoes, poultry and pork products[22].

Agricultural producers enjoy a good package of incentives to encourage them to modernize and diversify. These incentives include subsidies, tax rebates, guaranteed price schemes, and other fiscal concessions available under the Agricultural Development Certificate Scheme. Credit policy is also geared towards making the farmer more productive. Special attention is given to the needs of the small-holder, who enjoys a concessional interest rate on highly flexible terms and conditions.

The main constraints facing the sector are its limited resource base - land and manpower - which is being eroded in favour of industry, the services and tourism. To mitigate these constraints, the government plans to increase the level of agricultural mechanization, rely on more capital-intensive methods of production and higher skill levels in the sector. Greater attention will also be given to research into high-yielding crop varieties, post-harvest technologies, bio-technology, etc.

By contrast, in Madagascar, agricultural productivity has remained low: 1.8t/ha for paddy rice, 350kg/ha for coffee and 800kg/ha for maize. Rice production constituted 33 per cent of the total value of agricultural production in 1989. Fishing was next with 24 per cent, whereas forestry and livestock, inspite of their huge potentials contributed only 4 per cent and 8 per cent respectively[23]

Overall, the Malagache agricultural sector has performed extremely unsatisfactorily since 1986. Rice production has been growing at an average annual rate of 2.6 per cent against a population growth rate of 3 per cent per annum. This means that there are shortfalls which are now met through imports. Thus, whereas in the 60s, Madagascar was a net exporter of rice, today, it has become a net importer. Rice imports peaked at 162,178 tonnes in 1987, but had been brought down to 58,622 tonnes by 1992. Traditional exports (rice, coffee, vanilla, etc.) have dropped both in volume and in value.

These problems persist in Malagache agriculture in spite of the fact that educational and literacy levels in the country's rural areas are among the highest in Africa. This contradiction may be explained by the fact that the rural school curriculum has little rural-life content, is too general and theoretical and does not lend itself easily to direct application by way of self-employment in agricultural production activities. If anything, it has fuelled the rural-to-urban migration trends, thus taking labour away from agricultural production. Also, for years, there has been a "rural equipment programme" run by government, through which agricultural mechanisation was introduced among the peasants, rural roads were built, water systems were erected and rural electrification and public works programmes were implemented. In the last few years, however, this programme has not been all too active on account of the crisis and the new policy to reduce government intervention in the economy.

As of now, only 28 per cent of the rural road network is useable year-round, and only 10 per cent is asphalted. Access to safe drinking water in rural areas is still very limited.

Yet there are tremendous potentials in agriculture. For example, cultivable land represents 60 per cent of total land area. At present, however, only 5 per cent of that land area is under cultivation, two-thirds of which are under permanent cultivation. Irrigation is very well developed but underutilized. The abundant fisheries resources are also underdeveloped. Extensive agricultural research has been carried out, but the application of the findings of this research, which could revolutionize Malagache agriculture, has been stymied by the absence of a strategy for propagating them among the peasantry. Also the application of modern production techniques and of science and technology to production is very limited and has thus circumscribed the capacity to attain high levels of productivity.

The policy environment is unfavourable. For example, rice is a strategic commodity, since it is the only staple food throughout the island. At the beginning of March 1994, imported rice (most of it, food aid) was selling in the open market at 30 per cent lower than locally-produced rice. Such a policy will only end up discouraging the rice producers of the nation and eventually lead to loss of food security and self-sufficiency.

Problems of access to credit also limit the type of investment the peasant could make. The rural development Bank operates just like any commercial bank, giving out short-term credit at the going interest rate, which peasants - who have no collateral to begin with - can not afford. That Bank has therefore contributed little, directly, to rural development in general, and to increasing food security in particular.

The new strategies for agriculture seek to create a favourable environment that would induce producers more. Government will provide for the requisite economic, technical and infrastructural support to be more forthcoming, particularly from the private sector. The forthcoming decentralization programme will, it is hoped, empower rural communities more to organise themselves for their own development.

IV. LESSONS IN CAPACITY BUILDING AND RETENTION

The conclusions from the foregoing comparative analysis of development capacity in Mauritius and Madagascar would, in a nutshell, be that Mauritius succeeded in building, retaining and strengthening development capacity, whereas Madagascar lost its capacity to prosecute socio-economic development.

Some have argued that Mauritius's success is owed to chance. "Being at the right place at the right time with the right thing". South Africa was facing heavy sanctions from the rest of the world and businesses were divesting from its economy. Hong Kong and the prospect of 1997 were driving entrepreneurs out of that colony and into a search for fresh havens. South East Asia had burst its quota under the fibres agreement and was anxious to utilize another country's quota under the Lome Convention to penetrate the European textiles market. Mauritius was there just at that time.

Others have attributed the country's success to its size in area and population terms, which renders it more easily manageable, forgetting that there are a number of other countries in Africa with these "advantages", but which are still in the woods.

Such explanations of Mauritius's success would indeed be too simplistic. The credit for the country's achievement of socio-economic transformation goes to the political leadership and the managers of the public service. First, they ensured that a legislative framework existed to promote the reforms that would be required for the type of economic modernization being sought. Legislation governing and regulating the activities of companies in the industrial, service and financial sectors were amended to provide enough leeway for them to manoeuvre. Secondly, they formulated the policies required to give meaning to the national development objectives, eg the fiscal policies, the financial and monetary policies and the economic policies. Thirdly, they created or oriented the relevant institutions to ensure that policy implementation was successfully seen through. Fourthly, they had the foresight to ensure that the physical infrastructure was in place to support the new strategies. Finally, they prepared their manpower resources, transforming unemployed people into a well-trained and highly-skilled workforce to man the new industries.

Madagascar on the other hand was handicapped in its capacity building endeavours by poor political leadership, flawed economic development policies and weak public institutions. The priority need now is for the country to look into its human resource development policies again. At present, there is tremendous waste in the form of under-utilization and non-utilization of educated manpower. Education it seems, is being pursued only for its own sake. Consequently, the relatively high levels of educated and skilled manpower in the economy have contributed little to productivity and economic growth. The human resources development system should be such as to ensure that the country is endowed with enlightened, healthy and well-fed people, with the right quantum and mix of technical, scientific and managerial skills among them, to efficiently and effectively operate both the public and the private sectors. There is therefore need for extensive curriculum development and reform to be undertaken at all levels of the educational system. Graduates of the third level educational system must be useable within the core of the country's manpower base. The rural school system should socialize the young into a more productive rural life, and the vocational and technical education system must be made to produce the nation's technicians and skilled workers. The health system would also have to be reformed to be of greater service and use to the people.

There is a huge pool of educated people left idle in Madagascar. They constitute the potential for the country's human capacity development. A systematic programme of re-training and re-cycling would render them employable either as wage and salaried workers or as productive own account workers in the private sector. From among them also, skills could be found to fill any gaps which technical assistance personnel have been used to fill. If the problem has been one of lack of experience, technical assistance could be used to train these people in a well controlled environment, so that they gain the relevant experiences on the job. More and more, NGOs should be required to utilize local experts where they exist, and if they do not exist, to train them.

As concerns the use of technical assistance in Madagascar, two broad conclusions may be drawn. The first conclusion is positive: technical assistance fulfilled a need and filled a gap created by skill shortages/inadequacies in the economy. It also contributed to the smooth functioning of institutions. The second conclusion which is not so positive, is that because it has not consciously sought to build capacity, by default, it has contributed to weakening development capacity, and has perpetuated a dependency on very expensive expatriate personnel. This situation has to be reviewed urgently, and redressed in favour of the building of indigenous capacities.

Over and above what is currently being done to strengthen capacity for macro-economic management, there is an urgent need for a programme of civil service training to be put in place and for the curricula and overall activities of existing training institutions to be re-examined and aligned with the new imperatives of socio-economic development in Madagascar. Serious structural reform of the service is also in order, to render it more efficient and supportive of socio-economic development across the board.

In addition to what should be done with the civil service proper, there are a number of deep-rooted changes that are required of the development financing and related institutions such as the Central Bank, the development banks and the Ministry of Finance. They must be made to change their outlook, their corporate attitudes and their skills to meet the present socio-economic development requirements.

The legislative arm of government must constantly target the need for an enabling policy environment to be created. Laws should be enabling, not unduly negative, prohibitive or punitive in ways that end up stifling creativity and innovation. In all that it does, government must create and preserve the space for people to be productive and contribute to the wellbeing of others in society.

Finally, with the tremendous potentials it has to ensure socio-economic development, Madagascar is hamstrung by its weak capacities for development. This has been caused by an interplay of a number of factors: the pursuit of flawed macro-economic and sectoral development policies, programmes, strategies and plans; the selection of the wrong people to manage and implement development policy; weak, non-performing and counter-productive development institutions; the existence of a stifling political and investment environment; lack of clarity as to the purpose of social intervention; negative, anti-developmental attitudes in the legislative and administrative arms of government. With these factors at play to a greater or a lesser degree, a situation has materialized over time, in which people get educated, but cannot apply their education in gainful and productive ways; institutions are created which operate outside their expressed mandates and contrary to the objectives for which they were established; and infrastructure built becomes a liability on, rather than an asset to the nation's development.

This is the balance sheet after three decades of development action in Madagascar.

The lessons of a success story from the Mauritian experience are six-fold:

First, capacity is not built overnight; it takes decades to produce it. The first development Bank in Mauritius was created in the 1830s; the chamber of commerce came into being in the 1850s; the nucleus of the educational system was created in the 1930s; only about 50 km. of roads have been built in the last ten years - the bulk of road infrastructure having been laid decades ago; there has been an active class of entrepreneurs for over one hundred years.

Second, leadership both in the legislative and in the executive arms of government must be committed to something other than their own interests and survival. Without an unswerving commitment to the wellbeing of society, legislation and policy will be formulated off track or will lack the necessary zeal and commitment to ensure their implementation.

Third, there must be a certain amount of conviction to a cause. Education in Mauritius was long seen as a social good. And come good times and bad, no politician or public official ever dreamt of reducing the access of the people to it. Today that conviction has paid dividends: a fully literate society has been able to receive and internalize the development process. And when the import-substitution development strategy became an acknowledged failure, policy did not shift from industrialization to fisheries development or to mining. It stuck resolutely to the priority to develop the industrial sector. That consistency has also paid off today.

Fourth, the development institutions must be empowered to perform. The central bank, the various government ministries, the schools, colleges and university, must be given the wherewithal, both materially and morally to deliver on their mandates.

Fifth, the public itself, as well as its interest groups, non-governmental organisations, and voluntary associations, must be in a position to respond to stimuli coming their way from government. The chambers of commerce and industry, the business and professional associations, the trade unions, and the entrepreneurs themselves, must all be enabled to react to cues and participate in the process of development.

Sixth, there must be democracy, public responsibility and accountability from the nation's leadership.

Over and above these, there are two vital pre-requisite for capacity, once acquired, to be retained: The first is never to feel complacent. In spite of the impressive development gains in Mauritius, public officials still do not feel that things are good enough. It is government policy to make things better, and that is the essence of the numerous action plans and programmes in all the key sectors. The second is to constantly set one's sights higher and to look into the future. In Mauritius today, there are several scenarios being built into a strategic plan of a twenty- to thirty-year perspective. Measures are being put in place now in anticipation of a changed world in which Mauritius will have to be competitive in the future. This pro-active attitude to development is vital for capacity retention.

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The Cultural Dimension in Modern Management: A Critical Review of Assumptions and Lessons of Experience

W.N. Wamalwa

Introduction

Tracing the relationship between cultural patterns and managerial effectiveness is a risky undertaking. Drawing a causal relationship between the two variables is an impossible mission. Yet, neither the risk nor the clearly visible impediment has deterred the search for a universally acceptable explanation of why some cultures prosper while others stagnate. As to be expected, the heroic efforts of scholars to provide a clue have not been amply awarded. While particular cultures have been credited with the attributes supportive of development and "modernisation", cultures with dis-similar attributes - those that were, a few years ago, condemned to perpetual under-development - have turned out to be equally "development - oriented". The latter set of cultures have "modernised" and developed despite their conservative, nay, inhibitive social values.

That raises the question whether any society could not grow along its own path. This question is particularly relevant to Africa where stagnation has been regularly attributed to cultural and institutional factors. Specifically, do we have to re-work our cultural equation in order to be able to manage our resources effectively? If the answer is yes, how do we go about re-arranging our values and customs to meet the requirements of modern management? If the answer is negative, how do we make what we have work for us? In answering these wide-ranging questions, this paper begins with a conceptual framework tracing the links between culture and management. The second part of the paper focuses on the known deviations from the western cultural standard - Japan and the Newly Industrialized Countries. The third part looks at the traditional African society, and particularly, aspects of the society's cultural values which have been held responsible for the continent's economic stagnation. The fourth part examines the options open to Africa in harmonizing its cultural outlook with its economic and managerial aspirations.

I. Culture and Management : A Conceptual Framework

Not long ago, the relationship between culture and management was viewed from one standpoint - that of the western, industrialized societies. As early developers, these societies supplied the standard by which cultural attributes and management practices were judged. This otherwise, ethno-centric approach to the evaluation of human progress was accorded intellectual respectability by scholars such as Max Weber, David McClleland, Daniel Learner, and Zbigniew Brzenzinski.

Proceeding from the Calvinist philosophy, Max Weber undertook a comparative study of societies in both the west and the east. He came to the conclusion that capitalism was the dynamo of economic growth, and that it (capitalism) was likely to thrive best in societies with a Protestant work ethic. Briefly defined, a society under a Protestant cultural influence is one which shuns magic and superstition, and, prefers instead to resolve daily problems by putting them to rigorous scientific tests. To quote Weber,

> *"That great historic process in the development of religions, the elimination of magic from the world which had begun with the old Hebrew prophets and, in conjunction with Hellenistic scientific thought, had repudiated all magical means to salvation as superstition and sin, came here to its logical conclusion."*[1]

In a world ruled by science or "reason", there is no room for the traditional medicine man whose only claim to fame lies in his mysterious concoctions and unfathomable incantations. By the same token, a rational state has no place for a leader who rules by divine inspiration, an administrator whose career is directly related to his blood ties, or a business-man not skilled in the science of profit-making. In a culture governed by science cold, hard facts take the place of emotions in conferring honours, stripping the elevated of their titles, and resolving conflicts.

Three concepts stood out clearly in Weber's analysis - capitalism, democracy, and bureaucracy. The basic pre-requisite for economic advancement is capitalism, but this hinges not only on the ascetic religious spirit (fostered by the Protestant ethnic) but also on democracy - particularly, the extent to which all actors are able to exercise their free will. Both (capitalism and democracy) will, in any case, not survive for long unless there are formal bureaucratic organisations to accomplish laid down objectives.

Weber's definitions of the key concepts further provide a clue to what distinguishes a Protestant culture from other cultures. Democracy, as pointed out earlier, has to do with the expression of free will. This covers a wide field - ranging from academic freedom, through the freedom of the press and association, the freedom to supply or withhold labour, to the freedom to buy and sell.

Capitalism is not as easy to define. According to Weber, greed or the impulse to acquisition is not synonymous with capitalism. He adds,

> *"Unlimited greed for gain is not in the least identical with capitalism, and is still less its spirit. Capitalism may even be identical with the restraint, or at least a rational tempering, of this irrational impulse."*[2]

If capitalism is equated with asceticism, thrift, and the restraint of the consumptive urge, what is a bureaucracy? Perhaps, the best way to answer the question is by re-stating the attributes of a legal-rational order mentioned by Weber, viz:

(a) continuity: business is carried out in perpetuity;

(b) legality: official transactions are defined by law, rules and regulations;

(c) impersonality: decisions are taken in the name of the organisation and without regard to the person of the decision-maker(s) or those affected by the decisions;

(d) hierarchy: each office is under the control of a higher one;

(e) specialization: recruitment and promotions are based on the employee's specialized knowledge;

(f) accountability: politics is separated from administration, and private from official accounts;

(g) achievement: not only is selection based on potential contributions, but ascription is deliberately discouraged;

(h) record-keeping: transactions are based on written documents and decisions are based on precedents[3].

Max Weber saw early the contradiction in the Protestant ethic. The culture of self-denial which the ethic produces, would in good time, lead to accumulation of wealth which would, in turn, give birth to faithlessness. In saying this, he was merely echoing John Wesley who once declared:

> *"I fear, where riches have increased, the essence of religion has decreased in the same proportion. Therefore, I do not see how it is possible, in the nature of things, for any revival of true religion to continue for long. For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger, and love of the world in all its branches."*[4]

Despite the threat it poses to pre-modernization institutions - particularly, the institution of religion - the capitalist culture has been touted as reason's gift to mankind. It is the culture which facilitates the management of far-flung empires; invents steam locomotion, designs super-sonic transport, and puts man on the moon. Even the peasant in a remote corner of Africa, Asia or Latin America cannot resist the lure of a culture which supplies his electricity needs, purifies his water, and puts a transistor radio within his reach.

It does not come as a surprise therefore that the societies where the capitalist culture first developed were used by scholars and the generality of the people as the "model" in designing the political and managerial institutions for the rest of the world. The model societies are the "achieving societies" which David McClleland used as his bench-mark in estimating different cultures'economic growth potential. Since he drew his inspiration from societies familiar to him - the western, industrialised societies - he concluded, among other things, that Muslims had a generally low n-Achievement, and to that extent, stood little chance of developing[5]. Zbigniew Brzezinski, a former U.S. Presidential adviser, is even less-informed than McClleland. According to him, Brzezinski, *"Islam's dominant strain of fatalism... has worked against the presence of at least that element of tension between 'eternal peace' and 'heaven on earth' that is so strong in Christianity and that has prompted its repressed activism..."*[6]

Other cultures, apart from Islam, have been viewed as an obstacle to development and modernisation. The traditional African society, with its belief in superstitions, ancestral gods, and the wisdom of the elders, is generally regarded as the least likely to succeed in its developmental aspirations. The Far East and South-east Asia, and the Indian sub-continent were expected to remain backward so long as their cultures continued to be based on other-worldly philosophies (Karma, Buddhist, and Confucian) instead of modern, scientific laws.

It is worth noting that the African societies which tie their 'modernisation' hopes to the adoption of western cultures and institutions have not done well in management and in terms of economic growth. In contrast, and as discussed further in the next section, Japan and the Newly Industrialised Countries of Asia have made rapid advances without bartering away their cultural heritage. That poses the question as to how they (Japan and the NICS) pulled it off. What was it that changed in their ways of life, and what was it that endured?

II. Japan and the NICs: Stability and Change in Modernising Cultures

This is not the place to trace the economic and cultural history of Japan, or, for that matter, any of the Newly Industrialised Countries. One thing is clear: all of these societies prospered in spite (or probably because) of their cultural heritage.

It must be pointed out at the outset that the countries belong to diverse cultures, and even where they seem to be inspired by the same values, they have conflicting interpretations of the values.

Apart from Japan, the 8 Newly Industrialised Countries (South Korea, Taiwan, Singapore, Hong Kong, China, Malaysia, Thailand, and Indonesia) have recorded exceptionally high growth rates. The United States' trade deficit with Japan has widened in recent years. In the 1980s, China and Korea grew on an average three times faster than the OECD countries. All the 8 NICs "have proved that they can sustain growth rates of 7% a year."[7] If the trend continues, by the year 2000, the average Taiwanese will be richer than most New Zealanders, and almost at par with most Australians. Hong Kong will be richer than its former coloniser, Great Britain, and Singapore will be more prosperous than Italy[8].

If macro-economic statistics do not tell much about human welfare, the micro-economic indicators are quite explicit. Average life-expectancy has gone up in Hong Kong to 78 years - second only to Japan, and a few years longer than the USA. Life expectancy for women in China and Indonesia increased respectively from 59 and 45 to 71 and 63 years in 1989.

Between 1966 and 1985, the real earnings of South Korean manufacturing employees increased at an average rate of 8.1 per cent a year.

Factors in Growth Revisited

The logical question is "What made all these possible?" Just as the western scholars were apt to attribute the older industrialised societies' economic fortunes to the prevailing cultural climate, the NICs believe that their miraculous achievements would have been impossible if they had been disconnected from their cultural roots. The former Prime Minister of Singapore, Lee Kuan Yew begins with a question:

> *"The key question is, if countries have access to more or less the same technology and the same resources, and they all operate essentially free-market systems, competing on a level playing field, what makes some more successful than others?"*

The answer, according to Mr. Lee lies in

> *"the coherence of a society, its commitment to common ideals, goods and values...(among which are) belief in hard work, thrift, filial piety, national pride."*[9]

The conclusion that Confucian values underpin the rapid development of the NICs will, no doubt, make a number of observers uncomfortable. After all, these were the values which not long ago, were alleged to have held back the growth of the societies.

If the Confucian (rather than the Protestant) ethic serves as the spirit of capitalist development in the NICs, what exactly does it mean in terms of the actual management of resources? The Protestant ethic, as we noted earlier, has implications not only for political ideology and economic theory, but also for the organisation of socio-economic systems.

Confucianism has all these implications as well, although the operationalisation of the Master's ideas varies from one society to another. In South Korea, for example, the basic features of Confucianism are noticeable in every aspect of life - particularly, the features of a homogenous, centralised and hierarchical society. This alone explains why the government plays a pervasive role in every sector of the economy. However, the image of a "hard state" presented by Robert Wade in his landmark contribution[10] has been slightly modified by Tony Michell. According to the latter,

> *"...the way in which government decisions were often, though, not always, reached, involved a wide degree of opinion-taking and modifications, and even formulation of policy from the bottom rather than the top."*[11]

If the Confucian heritage has any meaning in South Korea, it is in highlighting the importance of personal relationships, as well as the power and status of the bureaucracy.

As regards personal relationships, the Koreans attach much importance to loyalty to family, and deference to authority, position, age and sex. While the individual sometimes challenges authority by applying the concept of Kunja (what the conscience deems to be right), hierarchy is a fact of life in Korea. No where is this demonstrated more clearly than within the bureaucracy which is roughly stratified into yangban (the gentry or the elite) and "the others." Within the yangban there is a small minority that belongs to Kunja (the super elite). The Kunja may argue among themselves, but among "the others" not the slightest trace of dissent is permitted[12].

Confucian influence also permeates the bureaucracy which enjoys a high status and wields immense power. But neither the status nor the power is conferred for nothing. The bureaucracy, particularly, after the late Park Chung-Lee launched a comprehensive economic growth programme, became a major force in Korea's economic nationalism. Two agencies have since emerged as the "shakers and movers" of economic growth - the Economic Planning Board, which formulates economic policy, and the Ministry of Commerce and Industry, which, like the Japanese Ministry of International Trade and Industry (MITI) watches out for the country's economic interests.

It is clear from the preceding analysis that the Confucian ethic does for the east what the Protestant ethic does for the west. Since the two cultural influences follow different paths to what appears as the <u>same</u> destinations, what then are the unifying or recurring values? Obviously, national consensus or homogeneity, loyalty to national values, purposeful leadership, a motivated followership and hard work, are some of the variables which both the east and the west have fallen back on in managing their resources. They are values which are traceable to both the Protestant and the Confucian ethic different as the two bodies of thought would first appear to be.

The question is whether there is a distinct African ethic which could be adapted to the requirements of growth and development. This is a question which the next part of the paper seeks to answer.

III. African Traditional Cultures : Interface with Modern Management Practices

Africa's contact with modern management practices started with the colonial bureaucracy, but in view of the fact that pre-colonial Africa had its own ways of transacting public business, conflicts were bound to arise. As K.E. de Graft-Johnson once noted, the bureaucratic

> *"system was seen as the 'white man's' way of doing things, and therefore as alien and unsympathetic to African ways and sentiments."*[13]

What are these "African ways and sentiments", and how resilient are they compared with the system introduced by the colonial powers, or the Confucian heritage which served as the moving spirit behind the rapid industrialization of Japan and the Four Tigers?

The verdict so far is that the "African way" is yet to be coherently presented as a credible alternative to the Weberian, bureaucratic theoretical scheme. For example, based on a survey of African traditional institutions, cultures and values, Balogun has come out with a conceptual scheme summing up the African world view[14] Theory N, as he terms it,proceeds from the following assumptions:

(i) Truth depends upon who is telling it; relatives do not lie, but strangers are never to be trusted;

(ii) The perfect order of things can only be guaranteed by steering clear of trouble or by avoiding unnecessary risks;

(iii) Wisdom consists in following the ways of one's ancestors and maintaining the solidarity of the kinship group, the clan, or the tribe;

(iv) The Devil rules the earth and if one does not want trouble, one should not cross his path or challenge his authority;

(v) The Kingdom of the Devil is inhabited by chaos, corruption and brigandage; to wish to restore order in place of chaos, or to suggest decency as a possible alternative to corruption is, at best, to attempt the impossible, at worst, to invite the wrath of the Devil with its dire consequences;

(vi) Success in life's pursuits is, in any case, not due to one's efforts or good deeds, but to the capricious behaviour of nature or the support of powerful patrons (mostly, blood relations or acquaintances);

(vii) By the same token, lack of progress at work or instability on the home front is attributable not to one's own actions, but to the whimsical behaviour of nature, evil spirits, or the conspiracy of powerful adversaries;

(viii) Material progress is a sign that the stars are in one's favour;

(ix) The wise person makes the best of his opportunities for material advancement; if his star shines, he should put something aside in anticipation of the time when the star falls; and

(x) A constant pledge of allegiance to powerful groups and/or individuals is likely to help put the shine back on a fading star[15].

Balogun is the first to admit that the diversity among African societies makes generalization a hazardous exercise. He is also fully aware that the Africans, like the other peoples on earth, have a sense of right and wrong, and that the religiously inclined among them go further to distinguish between "pious" and "sinful" conduct. Yet, the diversity which cautions us against sweeping generalisations also provides a clue to what might appear as the rapid withering away of norms - particularly, the norms of loyalty (to a modern nation-state rather than to a clan or tribe), probity, accountability, industry, thrift and self-denial.

But even where the values have not collapsed under the weight of political modernization, it is possible that administrative action would be thwarted by what de Graft-Johnson refers to as "fictive thinking". To quote him,

> *"Investing phenomena with a mystic purpose, using teleological arguments to explain natural cause and effect, equating motive with intention, are all characteristics of 'fictive thinking'. Another characteristic of fictive thinking is the provision of ready-made answers ...to puzzling or unpleasant happenings... The boss falls seriously ill, and his deputy is immediately under suspicion."*[16]

And according to Balogun,

> *"The interpretation which is given to daily occurrences provides a clue to the African people's definition of the nature of man. It is assumed either rightly or wrongly that one person's misfortune is brought on by the evil machinations of another. In most cases, the notorious villains are the evil spirits working hands-in-gloves with the Devil."*[17]

In any case, fictive thinking serves as a cloak which shields the wearer from responsibility. To that extent, it is antithetical to the management of modern, complex organizations, or, indeed, the administration of any going concern.

What is left of the African heritage after we have taken out the negative values - or at least, the negative interpretation of the values? Surely, the traditional African society did not lack policy-making and administrative institutions. Before the 19th century scramble for Africa, African societies operated different socio-political systems. First, there were the "stateless" societies - small, acephalus societies with loose, some would say, decentralised structures in which authority was exercised by clan heads, native medicine men, religious leaders, age-grades, and totem groups. Examples of the stateless societies are the Konkombas, the Ibo (Nigeria) the Masai (East Africa) the Bakiga (western Uganda), and the Tallensi (northern Ghana).

In the second category are the intermediate societies - societies with recognised political, administrative and judicial institutions, but limited centralized authority. The Yoruba-speaking people of south-western Nigeria fall under this category.

The third group comprises societies with centralised political authority, fairly well-defined administrative and judicial institutions, and sharp divisions of rank, status, and wealth. Examples of the centralised political systems are the Hausa-Fulani (Nigeria), Ashanti (Ghana), Banyoro (Uganda), Baganda (Uganda), and the Amhara (Ethiopia).

The problem is that, in most cases, colonial rule led to the forceful integration of all the traditional systems into single nation-states while preserving the primordial institutions and loyalties. The challenge of independence lies in welding the diverse groups into homogenous societies and propagating supra-ethnic ideals. Except in a few cases, it does not appear that this challenge has been seriously taken up by the leaders and their followers.

IV. Management and Culture: The Way Forward

Before we consider what needs to be done to evolve a culture that is compatible with Africa's development aspirations, we should bear at least two lessons in mind: The first is that there is no universally valid formula for organising or engineering human development. Japan and the NICs have, by their experience in harmonising their cultural heritage with their management practices, debunked the theory that the secret to industrial success lies in the Protestant ethic, in Smithsonian economics, or Weberian bureaucracy[18].

The second lesson is that a culture is a collection of 'mental programmes' which individuals inherit or acquire in early child-hood and reinforced by schools, work-places, and peer groups[19]. It therefore takes leadership with vision and exceptional skills and attributes to change or adapt the programmes to suit the requirements of a developing society.

As far as Africa is concerned, the starting point in changing the "mental programme" is theory N as presented by Balogun and summarised earlier. Serious consideration needs to be given to how to operationalise and propagate an alternative i.e., theory P. The basic premises underlying Balogun's positive suggestion are a complete reversal of theory N, viz:

(i) Truth is independent of who is telling or denying it; the first test of truth is whether it welcomes or discourages independent verification and inquiry;

(ii) Wisdom consists in assessing the ways of one's ancestors in the light of new knowledge, goals and challenges;

(iii) The perfect order of the world is guaranteed by assuming the perpetual motion of the planets, and anticipating what changes we need to effect as inhabitants of our own planet to ensure constantly harmonious rather than discordant movements;

(iv) The Cause of all causes, the Mover of everything that moves, the Creator of whatever is, rules the universe; the sometimes invisible but ubiquitous Devil is one of the creatures operating in parts of the universe;

(v) This Devil is powerful; it/he/she is capable of victimizing, cajoling, bullying, ensnaring, enticing, blackmailing and corrupting its victim. It (the Devil) will succeed only with those who accept its authority and who look for short-cuts to wealth and power, but not with those who persevere against all odds and are devoted to the cause of truth, fairness and excellence;

(vi) Man's illusion of a world without work, sweat or pain ended when Adam was evicted from Paradise; the reality on our planet, Earth, is that man cannot survive or grow if he refuses to observe certain natural laws particularly, the laws of cause and effect, and of retribution;

(vii) By the same token, he who plants bananas cannot expect to harvest coffee;

(viii) Material progress may prove to be a mirage; a good name and a clean record are a lasting asset;

(ix) No condition is permanent; one who accumulates ill-gotten gains may be called upon by a "corrective regime" to explain his sources of income;

(x) When the time is up, no earthly power can put the shine back on a fading star[20].

Finally, it should be stressed that management development agencies and institutions have a crucial role to play in exploring the relationship between culture and management practices; and in ensuring that cultural questions which had hitherto laid dormant are brought to the surface - particularly, where they are deemed relevant to the on-going quest for excellence and professionalism in management.

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WORKER PARTICIPATION IN PUBLIC ENTERPRISE MANAGEMENT: A TANZANIAN CASE STUDY

El-Khider A. Musa

I. Worker participation in Tanzania: Historical Background and Objectives

The philosophical and political origin of worker participation (WP) in Tanzania can be traced back to the constitution of the then Tanganyika National Union (TANU)[1]. TANU, established in 1954, has enshrined democracy, government control of the major means of production and eradication of exploitation in its 1958 amended constitution. The close alliance between the political party and the trade union in the struggle for independence was one of the foundations of WP. The reorganization of the trade unions leading to the formation of the National Union of Tanganyika Workers (NUTA) did much to facilitate the introduction of some aspects of WP.

WP in Tanzania as practised today was therefore a conscious act introduced from above by the political elite in an attempt to respond to the circumstances and expectations created after the attainment of independence, particularly after the adoption of socialism and self-reliance as the means and ultimate goal of development. Thus, the Arusha declaration of 1967 provided the bed rock of WP[2]. In April 1969, a committee consisting of representatives of government and NUTA met to discuss the introduction of WP. The NUTA representatives demanded full WP at once, and rejected the idea of introducing it in a gradual manner. Government representatives were however, of the opinion that the then existing economic setting could not permit full control by the workers. They preferred a step-by-step introduction of participation starting with the nationalized industry and public enterprises. These meetings culminated in the issuance of the Presidential Directive No. 1 of 1970, that introduced WP in the country. The structure of WP as created by this directive seems more to reflect the views of the government representatives than NUTA's demand.

The objectives of WP as described in the Presidential Directive of 1970, seems to reflect the philosophical, ethical, political and economic origins of WP in Tanzania. The Presidential Circular outlines the structure and functions of three participatory structures at the enterprise level. These include the Workers' Council (WC), the Workers' Council Executive Committee (WCEC) and the Board of Directors (BOD). The Directive then specified the following five objectives of WP in the country:

i) participation in the decision-making process at the enterprise level;

ii) acceptance of responsibility by the workers and the opening up of chances for them to become more creative and accomplish stated objectives;

iii) increasing the level of self-discipline that would result from a stimulated sense of ownership and partnership;

iv) increasing productivity; and

v) humanization of the production process by making managers look at workers not as purely other means of production, but as a major part of the enterprise.

This case study is prepared within the framework of the WP in Tanzania. The objectives of the case study are two-fold. First, to describe WP in a public enteprise. Second, to draw the necessary policy implications for the development of WP in public enterprises.

II. Case Study Research Techniques and Limitations

This case study used a variety of research techniques to collect data. The major research technique used was the interview. Individual and group interviews were conducted involving 109 persons representing the management of the company, members of the participatory structures, the trade unions and workers (male and female). By virtue of its flexibility, personal interviews helped investigators to probe many emerging issues. Also, to a limited extent, investigators collected data through observation. The frequent visits by investigators to the company enabled them to gather data using the participant observation method. Two investigators were permitted to attend the meeting of the WC which coincided with the conduct of the case study. A third technique which was used is document analysis. These documents include the Presidential Circular 1970, the agreements between the Organization of Tanzania Trade Unions

(OTTU) and the management of the company, and the minutes of the meetings of the OTTU branch committee and WCEC. Optimum use of these diverse research techniques was hoped to create a good data base, enrich analysis and ensure high quality case study.

Nonetheless, this case study has its own limitations, just like any other case study[3]. The major limitations of this case study is that it does not provide adequate basis for making generalizations on the role of WP in the public and private sectors of Tanzania.

III. Background Information on the Case Study

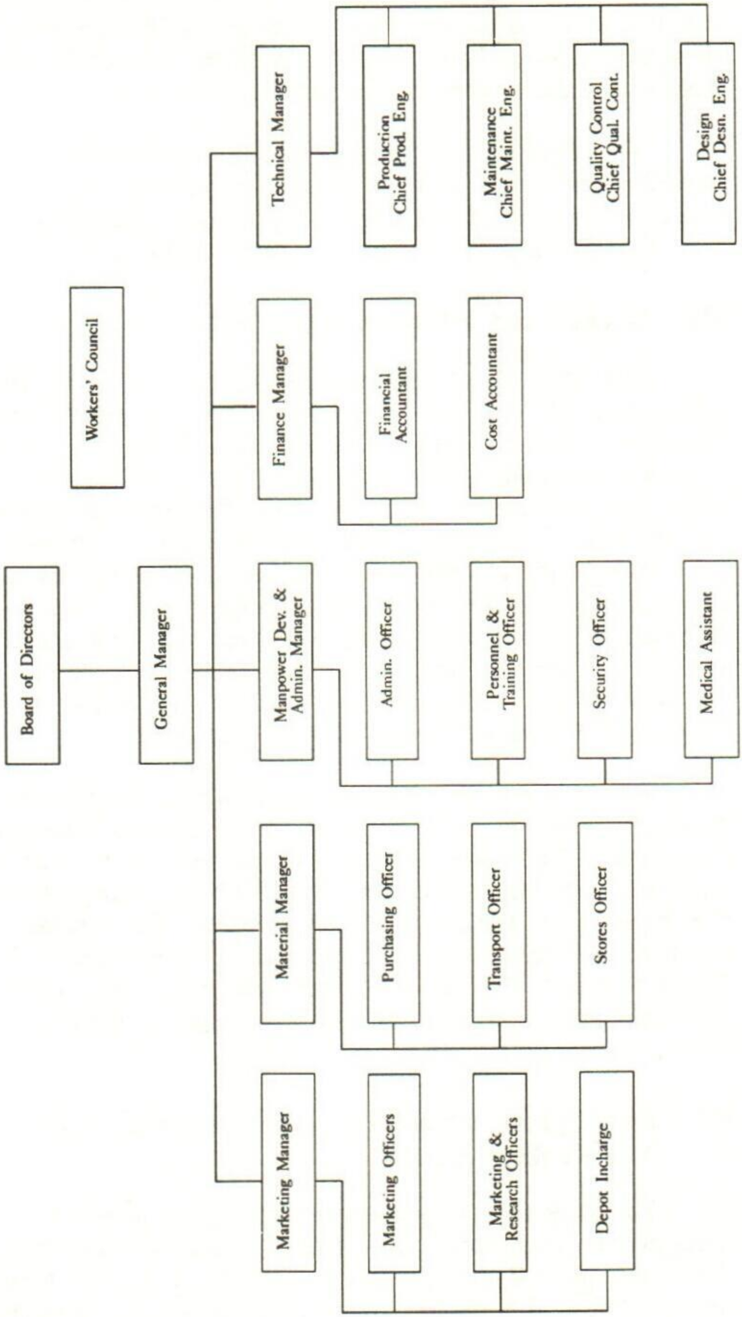
The subject of this case study is one of Tanzania's manufacturing companies. The plant was built during 1978-82 with financial assistance from the Netherlands. The company employs a total of 271 workers out of whom 49 are female. 222 workers out of 271 are on permanent contract. The other 49 are temporary workers. In addition, the company employs 15 seasonal workers. The operations of the company were characterised by various types of problems. These problems include shortage of spare parts and raw materials as a result of insufficiency of hard currency in the country, problems of transport, communications and marketing. As a result the company has incurred huge financial losses since its inception. The company is 100 per cent owned by the government.

Figure 1 shows the organization structure of the company. Like other parastatals in Tanzania[4], most of the business decisions are made outside the company. Thus, strategic decisions such as pricing and investment decisions are referred to the holding corporations and the Ministry of Industry for final approval. Furthermore other decisions may be made by other specialized government bodies. Decision on pay increase, for instance were at one time made by the Steering Committee of the Parastatal Organizations (SCOPO) before its dissolution.

IV. Participatory Structures and Functioning of WP: The Workers' Council

The participatory structures in the company were created in an agreement between management and OTTU branch committee within the framework of the Presidential Circular No. 1 of 1970. According to this agreement, three participatory structures were to be created:

Figure 1: Organization Structure of the Company



the Workers' Council (WC), the Workers' Council Executive Committee (WCEC) and the the Board of Directors (BoD). This section discusses the composition, responsibilities, frequency of meeting and the functioning of the WC.

According to the 1970 agreement, the WC consists of:

(a) Ex-officio Members, viz:

i) the General Manager (GM) of the company	1
ii) heads of Department of the company	5
iii) members of the OTTU branch committee	14

(b) Members elected by workers i.e.

i) representative of the Technical Department	1
ii) representative of the Department of Finance and Administration	1
iii) representative of the Department of Marketing	1
iv) representative of the Department of Materials and Transport	1
v) Member of OTTU District Office	1
Total members of the WC	26

The responsibilities of the WC are to discuss:

i) the income and the expenditure of the company,

ii) the company plans and the best way to implement them,

iii) education and skill training programmes for workers,

iv) the best way to implement wages policy and how to motivate workers,

v) manpower development programmes,

vi) the company balance sheet.

To discharge these responsibilities, the 1970 agreement provides for the creation of two key offices: the Chairman and the

Secretary. The agreement states that the GM shall be the Chairman of the first term. In the second term, any member of the WC, including GM, can stand for election as Chairman. In practical terms, however, the GM was the Chairman for as long as ten years. The Finance Manager is presently the Chairman. The Secretary of the WC was in addition to be elected by the WC members from among two persons recommended by management. The agreement vested the Chairman and the Secretary of WC with a wide range of powers in arranging and conducting meetings, discussions and preparing recommendations.

The provisions of the 1970 agreement made it clear that the WC has the role of advising the company board of directors (BoD) on all matters. Moreover, the agreement stipulated that all discussions and papers prepared for the WC meeting were to be confidential. According to the agreement, no member of the WC was allowed to disclose information except after receiving directives from the WC. The recommendations of the WC shall be presented to the BoD by the GM, who is also an ex-officio member (of BoD). The term of office of the WC is three years.

The WC meets twice a year. The first meeting takes place at the end of each year (November/December) to evaluate the performance of the company for the subsequent year(s). The second meeting takes place in mid-year (June/July) to evaluate the performance of the company for the first half of the year. In addition, the WC may convene emergency meetings if the need arises. Proposals for agenda of meetings by members of WC shall be sent to the Secretary of WC not less than two weeks before the meeting. Agenda for WC meetings shall be listed by the WC Secretary after they have been approved by the Chairman and the WCEC.

Ideally, the preparations for the meeting of the WC for the beginning of the year should start several days before the meeting actually convenes by distributing the basic documents, that is, the company plan and the agenda, two weeks earlier. In practical terms, however, members of the WC almost invariably got the company plan one day before the meeting. Not only that: some members would receive the document few minutes before the commencement of the meeting. In the course of our discussion with the Secretary of WC, we noted that he received many telephone calls inquiring about the company plan. And when we asked managers and other members of the WC whether they received information and agenda of the meeting, the answer was always 'no'. Two reasons were given for sending information rather late. First, Heads of Department did not submit information to the WC Secretary on time. Second, the poor typing facilities at the company were a constraint. The company plan is prepared in English with some summary in Swahili. It was also not unusal for the issues discussed at WC meeting to be beyond the comprehension of some participants, especially the workers' representatives. The company plan for instance covers the period 1992-96 and consists of three main sections:

i) executive summary: this part gives a review of the previous year's performance and the problems encountered,

ii) assumptions for the 1992-96 plan regarding the expected devaluation of the Tanzanian Shilling, inflation rate and the government trade policy, the company's marketing plans and the expected problems, and

iii) management request to the BoD to approve the five-year plan for 1992-96. The agenda of the meeting, which two investigators attended, included four items:

a) confirmation of the minutes of the previous meeting,

b) matters arising,

c) company plan for 1992-96, and

d) any other business (AOB).

At the beginning of a meeting at which we were present, the Secretary of the WC asked members to go through the file which contained the basic documents to ensure that they had all the relevant information. Some of them discovered that they had incomplete files - a situation which was subsequently rectified.

The Acting Chairman (the GM) then went through the minutes of the last meeting page by page and members made the necessary corrections. The minutes were then confirmed and signed as the correct record of the previous meeting. On the second item of the agenda, the GM explained the company's efforts to repair the company bus. The Chairman then proceeded to the third item of the agenda, that is, the company plan for 1992-96. The GM presented the company plan and apologized that the paper was written in English. He explained that this was because English was the mode of communication at BoD meetings. One of the participants invited from outside the company complained that about 75 percent of the WC members could not properly follow the presentation in English. So the GM presented the paper in Swahili. He went through the various sections of the company plan and gave detailed explanations for its various sections and the expected problems. The meeting then broke for tea and resumed 20 minutes later.

The chairman then invited members of the WC to discuss the company plan. Throughout the remainder of the meeting, various members of the WC made comments and contributions and some of them asked questions related to the various aspects of the company plan. Sometimes the GM responded himself to these questions and in many cases referred them to the relevant Heads of Department. Following these comments, questions and contributions, the GM then asked if there was anyone who objected to the approval of the company plan. All members then agreed to pass the company plan as submitted and for the consideration of the BoD.

The discussions of the WC covered a variety of topics including, among others, the following:

- customers indebted to the company,
- product marketing,
- purchase and rehabilitation of machines,
- budget allocations,
- production targets and problems,
- workers' training.
- price increases,
- capital expenditure,
- workers' loans,
- workers' leave and illness,
- working time,
- overtime
- bonus.

Two of the case study investigators who attended the meeting subsequently compiled a report. They observed that some members of the WC (mainly workers) went through their documents just before the meeting started. Others went through the material during the meeting with the help of calculators. Also, it was observed that few worker-members of the WC made contributions during the meeting. Some worker-members were hardly awake. Finally, it was observed that the atmosphere at the meeting was friendly, but some times it got tense. At one time, as an invited workers' education officer put it, "the WC is being turned into a court room over the issue of overtime pay".

V. Participatory Structures and Functioning of WP: The Workers' Council Executive Committee (WCEC)

In this section we will discuss the composition, responsibilities, frequency of meetings, status and functioning of the second participatory structure, that is, the WCEC.

The WCEF consists of the following members:

i) the company GM (also the Chairman of WCEC)	1
ii) all Heads of Department of the Company	5
iii) elected worker members from the WC, provided that their total number does not exceed one-third of membership of WCEF	3
Total membership	9

The WCEF was created to assume the following responsibilities:

i) to review income and expenditure programmes prepared by management before they are sent to the WC,

ii) to review company plans, education and skill training programmes, as prepared by the management and OTTU branch committee,

iii) to advise management on day-to-day work,

iv) to advise on management policy as proposed by the WC and approved by the BoD, and

v) to advise on better ways of motivating employees for higher productivity.

The WCEC was supposed to meet at least twice a year to prepare for the meetings of the WC. Our investigations, however, showed that the WCEC did not meet regularly. Thus, the WCE did not meet before the last meeting of the WC. The fact that the WCEC did not meet regularly had negative implications for the effectiveness of the WC. It put more pressure on the time available for discussions in the WC. This is because the WCEC was supposed to scrutinize and advise the WC on various issues, and follow up the implementation of the decisions of the WC.

It would be wrong, however, to conclude that senior managers do not meet frequently behind the scenes. We were told that the senior management of the company met once a week to discuss reports from the various departments, oversee the overall performance of the company and solve the problems facing the company. During our visits to the company we came to know that senior management of the company held a meeting in preparation for the meeting of the WC.

In any case, the WCEC is purely an advisory body, both in its relations to the GM and WC.

According to our discussions with members, the WCEC functions as follows. Firstly, the Secretary of the WCEC invites members for meetings. Although he is supposed to do this <u>one week</u> before the meeting, in practical terms the Secretary forwards this invitation <u>a day</u> before the meeting. When the meeting convenes, the GM, who is also the Chairman of WCEC, initiates discussions. Then follows the questions of the worker representatives who also make valuable suggestions. The decisions of the WCEC, like those of the WC, are reached by consensus and are not communicated to the workers at the grassroots level. Our inspection of the minutes of WCEC showed that the following issues, among others, were discussed:

- procurement of spare parts and materials,
- subsequent meetings of WC (date, venue and agenda),
- production problems, debts,
- orders of raw and consumable materials,
- product marketing,
- product pricing,
- salaries,
- workers' motivation
- canteen,
- workers' scheme of service,
- workers' education.

VI. Participatory Structures and Functioning of WP: The Board of Directors (BoD)

Finally, we discuss the composition, responsibilities, frequency of meetings and the functioning of the third participatory structure, that is, the BoD.

The BoD consists of 7 members appointed by the parent ministry, the Ministry of Industry, as follows:

- Chairman of the BoD,
- a member who represents OTTU (the OTTU Regional Secretary),
- a member who represents the Ministry of Industry,
- a member who represents the Ministry of Agriculture,
- a member who represents the holding corporation,
- a member from a minority shareholder bank,
- a member from the Centre of Agricultural Mechanization and Rural Technology.

According to the 1970 agreement, the BoD shall have the power to prepare organization policies to be followed by management to achieve organizational objectives. As we have already mentioned, the BoD may refer some decisions to higher government bodies like SCOPO and the Ministry of Industry.

The BoD meets four times a year. Normally, fixing the date for the following Board meeting takes place in an ongoing meeting. A reminder will then be sent to members one or two weeks before the meeting actually convenes. This reminder is accompanied by the file which contains the agenda and the other relevant documents - basically the company plan as described earlier. Issues are brought to the Board for approval, but even then they are discussed thoroughly and decisions were made either by consensus or by voting. According to a worker representative in the BoD, the BoD discussed the following items at its last meeting:

- company's progress report,
- trading business,
- credit policy report,
- report on stock discrepancies,
- staff matters, and
- AOB.

The worker representative in the BoD, who comes from outside the enterprise, said that he does not communicate the deliberations of the Board to workers and that management of the company is supposed to do that. On representing workers' interests in the BoD, he mentioned that he "always tries to side with workers, but there were times when he took a neutral stand because he felt that certain decisions may lead to management losing out". He believed that in the long run it is ideal to elect a worker from the enterprise to sit on the Board as workers' representative.

It is worth mentioning that the GM of the enterprise is also a member of the BoD by virtue of his position. He takes part in the Board discussions. Sometimes department heads may attend the meetings of the Board if they are held in the Board room at the enterprise. This gives senior management staff of the company a comparative advantage over workers who are hardly represented on the Board.

VII. Evaluation of WP in the Company

In this section we provide a critical assessment of the effectiveness and meaningfulness of WP in the company. The evaluation will be conducted against two dimensions: the structure of WP and the extent of achievement of the stated objectives of WP.

Our previous discussions on the participatory structures of the company shows that workers do participate at the enterprise level through the WC, WCEC and to a limited extent the BoD. WP in these structures, however, is considerably limited and negatively affected by the proportion of worker representation and the degree of participation, as will be discussed in the following sub-sections.

Our discussion on the functioning of the participatory structures showed that a variety of issues have been covered in the deliberations of these structures. These issues related to welfare, personnel, organization, production, investment, marketing and profit and loss. Despite this wide coverage of issues, WP has been significantly limited either because of low (or lack of) worker representation in some of these participatory structures or because the degree of participation is limited to consultation.

The proportion of worker representation in the participatory structures varies considerably. Workers are fairly represented in the WC. Out of the 26 members of the WC, 19 members (that is 73 percent) are elected by workers either through the trade union (14 members) or through the elected worker representatives (5). This means that workers constitute the majority in the WC. In fact, it is abnormal to find some managers on the WC. This is because, according to the strict definition of WC, it should only comprise workers' representatives and not managers. The right term for this participatory structure in the company is Labour Management Council, which involves both managers and worker representatives. Theoretically speaking, this could have led to meaningful and effective WP in the WC. This has not been the case, however.

In the WCEC the worker representatives are in a minority, that is, 3 out of 9. This is in compliance with the agreement between OTTU and management according to which the total number of worker representatives in the WCEC should not exceed one-third of the total membership. Workers' representation on the WCEC is further undermined by the fact that WCEC is not functioning properly. To add to these limitations, the agreement provided that the WCEC has an advisory role to the WC and GM.

In the BoD, which retains the prerogative of making most of the enterprise decisions, workers are hardly represented. The worker representative on the BoD is the Regional Secretary of OTTU who comes from outside the enterprise. As we have already mentioned, he did not seem to be well aware of the problems of workers. In fact, he himself agreed that in the long run "it will be ideal to elect a worker from the enterprise to sit on the BoD as workers' representative."

Besides workers' low representation in some of these participatory structures, some workers' representatives may find themselves in a situation of having "divided loyalty". This arises as a result of being part of the middle or lower level management and representing workers' interests at the same time.

Bernstein outlines four degrees of WP.[5] At the lowest degree of participation, workers merely provide written or oral suggestions which are later reviewed by management. Management can accept or ignore these suggestions. The second form involves discussion between workers and management. The workers have the right to be informed, to discuss their interests, to protest and to offer suggestions through employee confluence. However, the management structure still makes the final decisions. The third form is joint management, or co-determination, in which both of the parties have the right to veto decisions or form joint decision committees. The most advanced form is self-management, which provides for the full participation of all the members of the firm, with workers having total control over decision-making.

Our discussion of the functioning of the WC, WCEC and BoD show that WP in the company have gone no further than the second degree - the right to information and consultation. Even so, because of poor education, late receipt of information and preparation of information in English, worker representatives have not made full use of information and consultations.

Another measure for evaluation of WP is to judge the extent to which WP has achieved its stated objectives which were outlined in Section 1. The first and most important objective is the workers' participation in the decision-making process. Our previous discussion has shown that workers hardly participate in decision-making. This is because the role of the participatory structures is reduced to an advisory one and some strategic decisions are beyond their jurisdiction. The shortcomings of the information received by members of the WC reduced its role to a rubber stamp. In the BoD, which wields substantial decision-making authority, workers of the enterprise are not represented.

Many members of the WC and WCEC have expressed their dissatisfaction with this consultative role. The situation has been aggravated by the fact that workers at the grassroots level were kept completely in the dark. There is no dissemination of information from the proceedings of the WC and WCEC. This had created an "information gap" among the workers at the grassroots level. In fact, the requirements that the deliberations of the WC be kept confidential defeats the stated objectives of WP.

It would be wrong, however, to conclude that WP has been completely meaningless and ineffective. First and foremost, it gives workers access to information which otherwise workers could not have got. Second, through consultations workers have secured the following achievements:

- securing payment of workers' salaries on regular basis,
- getting a litre of milk,
- supply of medicines through a dispensary,
- provision of training opportunities,
- easing the transport problem, and
- providing sport facilities (sports club and equipment).

VIII. Conclusions and Policy Implications for Effective WP in the Company

Although workers participate in the WC, WCEC and BoD, the effectiveness of WP has been seriously limited by:

i) workers' low representation in the WCEC and BoD,

ii) limiting WP to consultation,

iii) late receipt of information which proved to be difficult to digest because it is prepared in English,

iv) workers' poor education on the operation of WP systems.

Nonetheless, workers have managed to record some achievements on various welfare issues and secured the right to information. Thus, although there is dissatisfaction with the functioning of WP in the enterprise, workers have showed enthusiasm to develop the system. To this end, they made constructive comments and recommendations for more meaningful and effective WP in the company.

Almost all members of the OTTU branch committee requested that the Presidential Directive of 1970 should be legalized and protected by law. This implies that members of the WC and WCEC be protected by law against any disciplinary action taken by management because of participation.

In general, if WP is to be strengthened, it is necessary that additional measures be considered. Among these are:

i) the election of worker representative in the BoD from inside the enterprise;

ii) the increase in the frequency of meetings of the WC say, to four times a year;

iii) the vesting of WC with decision-making authority;

iv) preparation of documents partly in Kiswahili and partly in English for the benefit of various users. Also, this information should be sent well ahead of the meetings of WC and WCEC.

Many members of the WC and WCEC have put more emphasis on arranging frequent training courses as a pre-requisite for a meaningful and effective WP. Lack of knowledge and information on WP has been identified as one of the most serious problems. Although by virtue of the 1973 Presidential Circular "every parastatal will be expected to set aside a special fund which will be used to meet all the expenses connected with workers' education", lack of funds has always been a stumbling block.

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