

EAGER

Policy Brief

NUMBER 24 / JANUARY 1999

GOVERNMENT AND BUREAUCRACY

Large government bureaucracies are widely seen as one reason for the poor economies in Sub-Saharan Africa. However, African public bureaucracies are not as large as often imagined. Relative to other states, African countries have a small proportion of their populations employed in the civil service. In addition, the number of bureaucrats in Africa has been falling in the past two decades. African countries have poor economic performances because their bureaucracies are ineffective, not because they are too large. Botswana and Mauritius have relied on large, but well-managed, bureaucracies to become two of Africa's fastest growing economies. By following the model set by these countries, African leaders can learn to use their bureaucracies to stimulate, rather than hinder, economic growth.

Size of Africa's civil service

Overstaffed public bureaucracies do not explain Africa's lower than normal economic growth. Africa has fewer government workers per capita than any other developing region. Similarly, the mean number of state employees in Africa falls below the international norm. The comparatively small bureaucracies may reflect the low standard of living of the region. Government spending tends to grow disproportionately with national income. In other words, as societies get richer, individuals demand more government services. Furthermore, Africa's ratio of wages and salaries to other goods and services is below average for less developed countries. This implies that excessive spending on personnel has not distorted African government budgets to an abnormal degree.



*Equity And Growth through Economic Research—
an activity of USAID, Bureau for Africa, Office
of Sustainable Development, Strategic Analysis Division*



Civil service reform

Both domestic governments and external donors have implemented civil service reforms in Africa. Reform packages usually consist of wage and hiring freezes followed by early retirement incentives and layoffs. In the 1980s and 90s, countries implementing reform experienced a decrease in both public employment and spending on wages and salaries. However, these cuts have not been associated with economic growth. On the contrary, economic growth tends to be higher in countries where the civil service wage bill is growing, not shrinking. For example, Botswana and Mauritius have both experienced economic growth while increasing the number of workers in public employment and the amount of money spent on central government wages and salaries.

Civil service cuts hurt economic performance by making it more difficult for bureaucracies to maintain the quality of services they provide. Voluntary retrenchment causes a moral hazard because it is the most desirable workers who have the best prospects to find other jobs and are therefore the most likely to take advantage of early retirement packages. The resulting staff reductions are apt to leave some units or skill areas below the strength needed to function. On the other hand, just hiring more civil servants will not create an economic revival. To raise national incomes, African countries need to build an experienced and reliable civil service capable of implementing appropriate public policies.

The special problem of parastatals

After independence, many African governments tried to encourage national development by direct public investment in parastatals, or state enterprises. A parastatal is an enterprise that sells goods and services for profit, but has an implicit guarantee from the government to compensate any losses. Africa currently has more parastatals than any other developing region. Many African governments rely on parastatals because they believe that the local private sectors are too backward to take advantage of market opportunities and that multinational corporations are uninterested in investing in the region. However, the small parastatal sectors in Botswana and Mauritius prove that African nations can prosper when they leave private goods production to the profit-seeking sectors.

Lessons and Implications

As African governments try to stimulate economic growth, they should look to Botswana and Mauritius for lessons on how effective bureaucracy can create a supportive environment for private investment and commerce. Although both nations have large bureaucracies, they also have reputations for administrative integrity and capability. After independence, most African countries moved quickly to Africanize their civil service by replacing Europeans at the professional and managerial levels with local people. While the colonial staffs were well educated, experienced, and socialized to professional norms, the new

recruits tended not to be. The result was a disruption in public service in a majority of African countries. Mauritius and Botswana, however, both benefited from long transitions to independence, during which there was a gradual change over in administrative staff.

Unlike most African countries, Botswana and Mauritius have independent administrative bodies responsible for the recruitment and promotion of civil servants. Botswana's Central Civil Service Commission and Mauritius's Public Service Commission insulate their bureaucracies from inappropriate political meddling. In each country, the president is entitled to make only a few senior appointments and employees have the right to appeal personnel decisions. Other African countries have patrimonial systems of public rule, where promotion depends more on personal connections than on performance, and corruption is commonplace.

Finally, an effective organization depends on capable workers, and for workers to remain with an organization, they must be paid fairly. Not surprisingly, Mauritian and Botswanan civil servants are well compensated. In the rest of Africa, salaries for bureaucrats have not kept up with inflation. Official pay for many government workers fell substantially in real terms during the 1980s, sometimes below poverty levels. Workers adjusted in many ways, such as by pilfering and cutting hours. Spending in other areas of bureaucracy, including operations and maintenance, also suffered, which further incapacitated the civil service.

Conclusion

Botswanan and Mauritian civil services are effective because the political leadership in these two countries made a sequence of prudent choices regarding the structure and operation of their bureaucracies early on. Corruption has never been a major issue as in other African countries, because relatively transparent and competitive political systems would not tolerate it. Bureaucracy and economic growth appear to have reinforced each other. As Botswana and Mauritius grew more affluent, they could afford to hire more public workers, who in turn provided the services needed by a growing economy. In the rest of Africa, political interference and low standards set during the early days of independence interacted later with poor working conditions and low pay in a classic vicious cycle. Bureaucracies provided inadequate services in the context of economic decline, and economic decline allowed for even less adequate services.

To begin reform of the public bureaucracies, African nations can create a new agency responsible for one specific duty (tax collection, for example) and managed according to a results-oriented program. If successful, this agency can be used as a model to inspire similar changes elsewhere in the bureaucracy. However, this method may be harmful to other units of the government if it denies them resources or creates interdepartmental jealousies. To avoid these problems, a government may renovate the entire civil service

system from top to bottom. This is a difficult approach, as it requires radical new leadership that is un beholden to the interests in the existing bureaucracy.

Authentic and sustained civil service reform in Africa is possible, given domestic political consensus that bureaucratic incompetence and corruption are serious obstacles to development. Botswana and Mauritius

stand as exemplars of apolitical excellence and democratic supervision of the bureaucracy. However, the history of public administration in most of Africa raises doubt that rational legal systems will soon replace patrimonial ones.

This brief is based on the article Africa's Overgrown State Reconsidered: Bureaucracy and Economic Growth by Arthur A. Goldsmith, John Hopkins University Press, World Politics, 1999.

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