

CHAPTER 2

SOUTH AFRICAN PUBLIC SECTOR REFORM ENVIRONMENT AND DESCRIPTION OF ADMINISTRATIVE REFORM

1. INTRODUCTION

This chapter describes the situation in the public sector and its readiness for reform. It then postulates a definition for administrative reform.

It will refer to the transformation and rationalisation after the 1994 elections, previous political reform and the research and findings of the Presidential Review Commission. This chapter will indicate that the government has made its intentions to reform clear, but has not as yet embarked upon a structured reform program.

The second half of the chapter will evaluate definitions of administrative reform and formulate a definition, which could serve as a guide for reformers to design a reform program to impact upon public administration systems, or a particular sector in the machinery of government. The definition will contain the essential modalities of public service reform, which have a universal application, but would be of particular value for South Africa. The reform definition with its modalities would contribute to the government's understanding of the reform process and how to proceed with it. Chapters 4 and 5 would further elaborate on the modalities contained in the definition of reform in this chapter.

No public administration is perfect, but when policies and operations represent the preferences of a small minority, such as was the case in South Africa since 1910, any new government would be expected to fundamentally transform the systems and processes of the previous dispensation. Improved administration is sought after, less for itself than for the results of the process, which adds to the quality of life of the citizens of a state.

Reformers reflect the values of society and the electorate, which they represent. Their motivation to change systems of government has its roots in the consequences of the policies of government. The outcomes of government policies impact upon the lives of people in a society. The aspirations of reformers to create a desired state of affairs, stem from the *status quo* which is no longer relevant to meet the expectations of, or are conducive to the socio-economic well-being of the citizens of a state.

The 1990s

After the elections of 1994, when the African National Congress came to power, the need for administrative reform appeared for the first time in a government White Paper in 1995. (South Africa, 1995). The White Paper is clear about the motivation for transformation and reforms. The purpose of the *White Paper on the Transformation of the Public Service* is to establish a framework to guide the introduction and implementation of new policies and legislation, aimed at transforming the South African public service (South Africa, 1995).

Departure

The government has made its intention clear to reform the public service and signalled its impatience to start with transformation and reform at the same time. It was of the view that up to the 1999 election, transformation would be the “dominant” process, thereafter, “reform will become more the order of the day.” (South Africa, 1995:11). The *White Paper on the Transformation of the Public Service* (South Africa, 1995:12) made it clear that the final constitution, the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) would to a large extent set the reform priorities for the future (South Africa, 1995:11). While the White Paper would focus on issues of immediate importance, future reform activities would require additional policies and white papers.

1995

The White Paper describes the *transformation* of the public service as a two to three year process (South Africa, 1995:11). The focus of the transformation is, in essence, restructuring and rationalising the public service, representativeness and affirmative action, transforming service delivery, improving employment and service conditions, the development of human resources and the promotion of a professional service ethos (South Africa, 1995:43-72). Provision is made for future “broader, longer-term

and on-going” reform that would ensure that the South African public service keeps in step with the changing needs and requirements of the domestic and international environments.

2. TRANSFORMATION, RATIONALISATION AND REFORM

The 1994 elections took place in terms of the interim Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993). This constitution replaced the Republic of South Africa Constitution Act, 1983 (Act 110 of 1983) in terms of which it was not possible to have a non-racial election, based on one man one vote principle. It was envisaged that the final constitution would realise only in 1996. After the ANC was elected to victory in 1994, a Government of National Unity was formed and the Ministry for the Public Service and Administration took responsibility for the administration of the state, under the leadership of Minister Z.T.S. Skweyiya. The Department produced the *White Paper on the Transformation of the Public Service* as a policy framework for the transformation and reform, which the government intended (South Africa, 1995:12).

From a reform perspective, the 1995 *White Paper on the Transformation of the Public Service* is the statement of intent of the government that it wants to voluntarily reform the public service. In practice, however, no specific reform steps have followed the adoption of the Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996), or even since 1999, when the ANC won the second democratic election. The government also did not initiate a reform program after the Presidential Review Commission, which was mandated to report on possible reform, submitted its report to the President, Mr. N.R. Mandela, on 28 February 1998.

A factor, which could have had an effect on the intentions of the ANC to reform the public service, was the retirement of President Nelson Mandela during 1999, after the general election. President Thabo Mbeki took over the political leadership of the country from Mr Mandela. A further contributing factor is the fact that the portfolio for Public Service and Administration was assigned to minister Geraldine Fraser-

Moleketi. The political leaders, which were responsible for *the White Paper on the Transformation of the Public Service* and the appointment of the Presidential Review Commission, were therefore no longer in a position to personally follow through with their initiatives.

The current situation is that the *White Paper on the Transformation of the Public Service* (South Africa, 1995) is still the only authoritative policy for transformation, rationalisation and reform. Furthermore, the report of the *Presidential Review Commission* has been duly mandated in terms of the White Paper, which stated explicitly that the work of the Commission would be followed by appropriate reform processes. Six years after the ANC came into power, it is no longer clear whether public service reform is still a priority, as no policy guidelines and a program with interventions have been accepted by the government.

2.1 Transformation

The government adopted the notion of transformation as a relatively short-term process *to reshape the public service* for its role in the new democratic dispensation (own emphasis) (South Africa, 1995: 11). The *White Paper on the Transformation of the Public Service* (1995: 17) states unequivocally that “the public service inherited from the previous governing party, in many ways promoted and defended the social and economic system of apartheid”, which was the policy of the National Party. The White Paper states that the public service is characterised by a number of “problematic” policies and practices which, if left unchanged, could seriously compromise the ability of the new government to achieve its major goals of reconstruction and development (South Africa, 1995: 17 – 18). Some of the “problematic” areas include:

- lack of representativeness;
- lack of legitimacy of civil servants;
- lack of service delivery;
- centralised control and authoritarian rule;

- lack of accountability and transparency;
- absence of affective management information;
- low productivity;
- poorly paid and demotivated staff;
- conflicting labour relations and
- poor professional ethos and work ethic.

2.2 Rationalisation as part of the transformation framework

The *White Paper on the Transformation of the Public Service* describes the need for transformation, provides the new vision and mission, and gives an indication of current challenges and constraints. It also indicates who the policy-makers in the transformation process would be and their role. The priorities and framework for transformation address restructuring and rationalisation; institution building and management, representativeness and affirmative action; transforming service delivery; enhancing accountability; human resource development and training; employment conditions and labour relations, and the promotion of a professional service ethos (South Africa, 1995: 14 – 72).

One of the biggest challenges of the Department of Public Service and Administration during 1995 was the consolidation and integration of the eleven public services, which were created during the reign of the previous government. The task of rationalisation is defined as “moving from a fragmented and dysfunctional system of administration to one which constitutes a balanced, integrated unity in which every component is essential for the effective functioning of the whole”. (PSC, 1994-1996).

2.2.1 Components of fragmented public service

The reform of the public service can only effectively take place after the rationalisation of the fragmented system of the public service in South Africa. The Public Service Commission envisaged at the outset of the process in 1994, that

rationalisation of the public service would take a year or more. The Commission conceded in 1996 that more than two years had to pass before it could be said that the rationalisation process have been substantially completed (PSC, 1997: 3-8).

The rationalisation of the public service was essential because the previous political dispensation under the National Government, fragmented the public service as follows:

- The Republic of South Africa, which could be regarded as the core system;
- the “independent states” of Transkei, Bophuthatswana, Venda and Ciskei, (TBVC states) which were previously part of the Republic of South Africa.; and
- the self-governing territories of Gazankulu, Kangwane, KwaNdebele, KwaZulu, Lebowa and QwaQwa, situated within the borders of South Africa.

In its pre-rationalised state, South Africa operated under a multiplicity of statute books and subordinate legal prescripts. Laws differed as to their territorial applicability and often in the ways in which they dealt with the same or similar matters. The rationalisation process had to take account of all the legislation, and it was therefore essential that the Ministry for the Public Service and Administration had to promulgate a number of critical prescripts to deal with human resource matters. The legislation was consolidated in the Public Service Act, 1994 (Proclamation 103 published in Government Gazette 15791 of 3 June 1994), Public Service Regulations, 1994 (Government Gazette No. 15804 of 10 June 1994) and the Public Service Commission Act, 1997 (Act No. 46 of 1997).

Section 37 of the Republic of South Africa Constitution Act, 1983 (Act No. 110 of 1983) provided for three Houses of Parliament, namely a House of Assembly for the White population group, a House of Representatives for the Coloured population and a House of Delegates for Indians. The members of each population group were determined through the provision of the Population Registration Act, 1950 (Act No.30 of 1950). This Act was repealed in 1991, through the Population Registration Act Repeal Act, 1991 (Act No. 114 of 1991).

Part IV of the Republic of South Africa Constitution Act, 1983 (Act No. 110 of 1983) provided for "own" and "general" affairs of each racial group who had their own administration and could legislate over their own affairs. "General" affairs issues were typically defence, foreign affairs, finance and security. Sub-national government in South Africa consisted of the provinces of Transvaal, the Orange Free State, Natal and the Cape Province, which could legislate through ordinances.

The National States Constitution Act, 1971 (Act No. 21 of 1971) provided the self-governing territories with a legal mandate for matters over which they could legislate. The State President of South Africa, however, had to assent to the bills. Any self-governing territory could however become independent. The Transkei was the first independent state, and in terms of the Transkei Constitution Act, 1963, (Act No. 48 of 1963) self-government was conferred on the peoples of the Transkei. The TBVC states were regarded as independent states in official South African documentation and the government of South Africa maintained foreign relations with them. At the commencement of the process of rationalisation, there were 220 800 staff members on the payroll of the TBVC states and 220 400 on the payroll of the self-governing states (Public Service Commission 1997: 3-9).

To keep the rationalisation process coherent, each of the eleven systems of government and administration that existed under the former government were kept intact until they could be integrated into the one. The various public services were bodies of persons deployed in departments, administrations, offices and services, each under the direct control of a political office holder, and having the terms and conditions of service of its members regulated by a law applying specifically to it. Section 236 (1) of the Constitution of the Republic South Africa Act, 1993 (Act 200 of 1993) determined that, after the commencement of the interim constitution, all public services, departments, administrations, forces and other institutions of the former Republic of South Africa, TBVC states and self-governing territories would continue to function in accordance with the applicable laws until they were abolished, incorporated, integrated consolidated or otherwise rationalised.

2.2.2 Challenges of rationalisation

The rationalisation process had to convert eleven public services, with varying degrees of similarity and dissimilarity, and numbering approximately 1,2 million officials, into a single public service (Public Service Commission 1997: 85). Unity of command during the rationalisation process was therefore essential, but the co-operation of the former administrations was needed. Section 237 (2) (a) of the Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993) therefore placed the responsibility for the rationalisation of all public services primarily, but not exclusively under the command of the national government.

One of the most sensitive challenges was to ensure employment security of the various public services. As part of the rationalisation, staff would be deployed in a central administration and nine new provincial administrations. The interim Constitution of the Republic South Africa Act, 1993 (Act 200 of 1993) envisaged a single public service. Employment security was thus ensured through Section 236 (5), which determined that the terms of conditions of employment applicable to a person employed by a department immediately before the commencement of the Constitution would continue to apply to him or her until amended by any other law. All personnel, who were employed on the day preceding the implementation of the new Constitution, could therefore continue with service in the employ of all former governments, with the retention of specified terms and conditions of service guaranteed.

2.2.3 Rationalisation and staffing

The rationalisation and integration of the independent states and self governing territories commenced after the Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993) came into effect on 27 April 1994. Nine new provinces were created and the principle to demarcate functional legislative areas was first established with the 1993 interim Constitution, which is currently set out in Schedule 4 and 5 of the final Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of

1996). Schedule 4 of the latter Act deals with functional areas of concurrent national and provincial legislative competence and schedule 5 with exclusive provincial legislative competence.

Due to the stipulation in section 236 (2) and (4) of the Constitution of the Republic of South Africa Act, 1993 (Act No. 200 of 1993) that all serving public servants would continue in service, on its implementation, some posts became redundant in the rationalised public service. There were simply too many people employed for the number of posts after the rationalisation process. According to the Presidential Review Commission (PRC, 1998: 88) an estimated 54 000 supernumeraries were employed in the public service in 1998. The surplus personnel were kept on the payroll, despite a voluntary retrenchment option, which was extended to them in May 1996. By 1997, only 1015 individuals accepted the voluntary retrenchment package (PRC, 1998: 89).

The probability of situations of large scale redundancy, with serious implications for the careers and personal lives of many public servants, is a challenge, which is still facing the government. The intention of the government to “rightsizing” the entire public service was articulated in the *White Paper on the Transformation of the Public Service* (1995:46), but by 1998, the Presidential Review Commission (PRC, 1998: 89) found that the rightsizing exercise had largely failed to meet expectations. Whereas the Minister for the Public Service and Administration announced in March 1996 that he intended to reduce the number of posts in the public service with 300 000 over the next three years, he was only able to abolish 18 140 posts during 1996/97 (PRC, 1998:89).

Section 195 (1) (i) of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) stipulates that the public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation. The Public Service Commission endeavoured to monitor the filling of the rationalised structures, but

reported that it could only manage to monitor 290 000 (38%) out of the 760 000 posts. By June 1996, 161 691 (55,7%) of the 290 000 posts were filled. Of these 43,3% were filled by Blacks, 20% by Whites, 1,2 % Coloured and 1,2% Asian.

The Presidential Review Commission (PRC) found in 1998 (PRC, 1998: 123-127) that representivity still “leaves much to be desired”. Statistics revealed that the racial and gender composition of the management echelon in the public service were as follows:

<i>African</i>		<i>Coloured</i>		<i>Asian</i>		<i>White</i>		<i>Race</i>		<i>Gender</i>	
Male	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Black	White	Male	Fem.
23.4	3.8	2.8	0.7	0.7	61.8	4.0	34.2	34.2	65.8	90.8	9.2

2.2.4 Distinction between transformation and reform

The Ministry of Public Service and Administration and the Presidential Review Commission (PRC) did not define reform or make a clear distinction between transformation and reform. The only distinction, which the Ministry put forward in the *White Paper on the Transformation of the Public Service* (WPTPS) (1995), was that transformation is a short-term intervention and that reform is a long-term process. (South Africa, 1995:11) The PRC made it clear that South Africa would require administrative reform because it is not on the same level of operational effectiveness, in areas such as financial management, compared to countries such as Australia and New Zealand. (PRC, 1998: 162-163).

The following distinctions between transformation and reform could be deduced from studying the *White Paper on the Transformation of the Public Service* and the PRC report: (South Africa, 1995: 11-25) (Presidential Review Commission, 1998: 230-244):

Issue and/or topic	Transformation	Reform
<i>Objective</i>	<ol style="list-style-type: none"> 1. To remedy the imbalances of the policy of apartheid of the previous government 2. To immediately change government structures, practices and especially HR policies to be in line with democratic principles and the constitution of 1996. 	To bring the RSA public service up to international standards and world best practices in public management and administration.
<i>Short term Priorities</i>	<ol style="list-style-type: none"> 1. Rationalisation of homeland administrations and unifying the public service. 2. Accountability and efficiency. 3. Representativeness and affirmative action. 4. Providing for basic needs through improved service delivery 4. Democratisation of the state 5. Human resource development, employment conditions and labour relations. 6. Promotion of a professional service ethos. 	<ol style="list-style-type: none"> 1. Status and role of PSC (Public Service Commission Act 1997) 2. Management of the public service (The Public Service Laws Amendment Act 1997) 3. Personnel administration (Basic Conditions of Employment Act, 1997) 4. Staff code 5. Performance assessment 6. Rightsizing
<i>Long-term priorities</i>	<ol style="list-style-type: none"> 1. Transforming the structures and functions of government <ol style="list-style-type: none"> 1. Managing human resources 2. Budgeting and financial management 3. Information management, systems and technology 	Public service training and education Employment policy Human resources management (All priorities supported by White Papers)
<i>Time Scale</i>	Two to three years	On-going – during and after the transformation process

Vil-Nkomo (1999: 86) writes that when governments and societies seek transformation it is often an indication of the need to meet new priorities, policies and strategies. He is of the opinion that transformation is a long-term process whereby governments approach issues and problems in a fundamentally different way, and that downsizing and privatisation are examples of the transformation of a public service.

Vil-Nkomo argues that reform could lead to the transformation of a society. Particular complexities, such as the demise of the foreign exchange market in New Zealand led to reform actions, which culminated in transformation. He states that reform and transformation could take place at the same time because “factors to

achieve transformation implies that *reform and incremental change* in some spheres of the public service and public sector will form an integral part of transformation (own emphasis). He supports the view of the South African government as put forward in the WPTPS by stating that transformation and reform “often occur together in the short to medium term when it comes to best practices”. Vil-Nkomo (1999: 86-96).

Transition in the context of societal change came to the forefront when, by the end of 1989, the era of soviet totalitarianism collapsed and a new era of post-communist transition in Eastern Europe commenced. Mr. Tony Blair, Prime Minister of the United Kingdom used the term *transition* to state that Eastern European countries had to transform from communism to democracy. The transition was a remodelling of society from a system where there was no rule of law, where central planning was dictated and where individuals cheated the system (Blair, 1999). Mr Horst Köhler, the President of the European Bank for Reconstruction and Development used the term reform in the same context as Vil-Nkomo. Köhler (1999) encourages reform in the public sector and said that the transition of Eastern Europe will take a long time, but that a delay in “*structural reforms*, in both public and private sectors can ... threaten the success of the *transition* (own emphasis).

Thornhill (1994: 5) writes that South Africa is not changing from a pure colonial system to a post-independent state. According to him, it is changing from a “limited and fragmented democratic system to a fully democratised and integrated state”. Whilst it could be argued that South Africa also has to transform to a democracy, like the former Soviet Union countries, which has to radically transform from communism, the tenets of democracy and a free market economy is in place in South Africa. It has therefore to be concluded that it would be of little value to make use of administrative reform methodologies that are being utilised in the Eastern European countries.

The reference to transition and reform in the WPTPS is however, meaningful. Until as recently as 1990, the policy of apartheid of the National Party government excluded Blacks from mainstream political and economic activity, segregated the society along

racial divides and caused South Africa to be isolated through economic and other sanctions from the rest of the world. Due to internal political instability and pressure from the United Nations and the international community to reform politically, South Africa did not consider an extensive and complete reform of its public service. Since 1994 it had an opportunity to match trends in the Western world, notably the United Kingdom, New Zealand, and Australia.

The first opportunity for real reform came when an irrevocable transition process started on 2 February 1990, when the governing National Party departed from its policy of apartheid and the ANC and other political parties were unbanned (Independent Electoral Commission, 1994:8). The transition process became firmly entrenched after multiparty negotiations amongst the governing National Party and all other political parties and interest groups in South Africa. The transition became an official process when the interim Constitution of the Republic of South Africa Act, 1993 (Act No. 200 of 1993) came into effect on 27 April 1994. The Constitution created the framework for democratic elections in South Africa in which eligible voters of the country could, for the first time, participate in general elections since South Africa became a Union in 1910. After the Constitution became the supreme law of the country in 1994, the transition was entrenched and gained momentum.

The rationale for reform in South Africa can be related to the transition of the Republic of South Africa to a democracy and the fact that South Africa is not on par with the rest of the world, as far as modern public management and administration practices are concerned. A transition through reform, a restructuring of the public service, redesign of South Africa's social life and its economic conditions will probably continue for a number of years before stability could be expected to return to the public sector.

3. THE PRESIDENTIAL REVIEW COMMISSION

The need for the Presidential Review Commission (PRC) was first highlighted in the *White Paper on the Transformation of the Public Service* (South Africa: 1995). The

White Paper on the Transformation of the Public Service (WPTPS) proposed the creation of a number of additional structures to add impetus to the transformation process, and to ensure in particular that it was founded upon effective consultation with public service staff unions and civil society stakeholders (Presidential Review Commission, 1998:1).

3.1 Mandate and terms of reference of the PRC

The PRC was officially titled *The Commission of Inquiry Regarding the Transformation and Reform of the Public Service*. Its terms of reference were published on 8 March 1996 in the Government Gazette, No. 17020 of 1996, with the specific mandate to:

- (a) inquire into the structures and functions of the public service and its statutory bodies;
- (b) conduct an internal audit and review of each ministry, department, provincial administration, organisational component, office and agency concerning its objectives, structure, function, staffing, financing and related matters; and
- (c) conduct a review and revision of the systems, routines and procedures of planning, budgeting and financial execution in the public service, to increase public accountability.

It had to make recommendations and proposals regarding the transformation and reform as envisaged in the WPTPS. The PRC's key role, therefore was to assist in the processes of transforming the public service, from an instrument of discrimination, control and domination to an enabling agency that would consolidate democracy and empower communities in ways that were demonstrably accountable and transparent. This would require making recommendations for overcoming many of the serious challenges and constraints facing the transformation process, many of them inherited from the previous government. (PRC, 1998:2) These included:

- the lack of racial, gender and occupational representivity;
- the lack of clarity and communication in respect of the vision for change;
- centralised control and top-down management;

- low productivity;
- the low level of service delivery, especially to the majority of the population;
- a disempowering work ethic;
- the absence of clearly defined roles and responsibilities;
- the lack of effective co-ordination and communication among the key agencies of transformation, and
- the persistence of rule-bound practices and culture.

Due to a number of delays of the PRC to get started it became increasingly obvious that the original work programme of the PRC was too ambitious to complete. It was to complete its work by November 1996. The PRC had limited logistical capacity and could only draw some resources from the Department of Public Service and Administration.

The original business plan was therefore suspended at the end of 1996. The Chairperson, Professor Bax Nomvete resigned and the Commission was itself reconstituted with Dr Vincent Maphai and Professor Norman Levy appointed as Chairperson and Deputy Chairperson respectively. A new business plan was adopted in June 1996, constructed around two key components:

- the conducting of a series of public sessions of the Commission at which ministries, departments, provinces, the PSC and other relevant stakeholders were invited to give evidence and make comments on the progress of the transformation process, and
- the establishment of four small, professional task teams to consider the key areas of structures, human resource development, financial planning and management and information management and technology.

The PRC appointed task teams to assist it with its task and support was also provided by the Commission's international collaborators and in particular the Commonwealth Secretariat. The Commission did not perceive itself as a tribunal investigating crime or

misbehaviour. Its fundamental role was to understand the problems that officials within the service were grappling with and to advise the President on the strategic direction of the public service.

3.1.1 PRC: Points of departure

The PRC took the vision as stated in the WPTPS as a broad policy framework for transforming the South African public, namely that the “creation of a people centred and people driven public service which is characterised by equity, quality, timeousness and a strong code of ethics”. (South Africa,1995:14). Chapters 3 and 10 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) make provision for an integrated, inter-sectoral, and co-operative approach to governance. These provisions commit all three spheres of government (national, provincial and local) to be transparent in policy-making and inclusive in their respective approaches. The Constitution further stipulates that the public administration should adhere in particular to:

- a high standard of professional ethics;
- services should be provided impartially, fairly, equitably and without bias;
- resources should be utilised efficiently, economically and effectively;
- people's needs should be responded to;
- the public should be encouraged to participate in policy-making, and
- public administration should be accountable, transparent and development-oriented.

From the above points of departure, it could be deduced that the PRC had to make recommendations which would change the *status quo*, which was inherited from the previous political dispensation, to a desired state of affairs as set out in the vision of the public service and to comply with the constitutional requirements.

3.1.2 PRC assessment of the public service

The PRC submitted its findings in a report to President Mandela in February 1998. The Commission concludes that, given the government's stated national goals with respect to reconstruction and development, nation building, community empowerment and democratic consolidation, the role and functions of the public service have to be rethought fundamentally (PRC, 1998:13).

The PRC (1998:24) found “fundamental flaws” in the machinery of government and recommends a *reform* program. The objectives of reform were stated as:

- to formulate policies which are well-founded on relevant data, coherent and well co-ordinated, costed and prioritised within available resources, and
- to facilitate the efficient and effective implementation of such policies and to ensure that they are monitored and reviewed.

The PRC (1998:24) stated in its report four reform recommendations and the implementation mechanism, which are related. According to the PRC, the four main instruments at the disposal of government to pursue its reform objectives are:

- the structures of government (including ministries and departments, organisational components, associated executive and/or advisory agencies and commissions);
- the personnel employed in government, or attached to it in an advisory or consultative role (for example from the private sector, non-governmental organisations, civics and trade unions),
- the financial and physical resources of government (including its revenues and capital assets), and
- the information base of government (the national statistical data relating to resources personnel and performance in service delivery without which government cannot effectively operate

The PRC did not provide a detailed reform strategy and program, save to emphasise that an Office of Public Management (OPM) be located in the Office of the

Presidency. Under the President, the OPM would be responsible for overall direction and co-ordination of the public service. In general the PRC is of the opinion that in addition to the OPM the Presidency must be further strengthened with a Private Office, Office of the Cabinet Secretariat and Office of the Public Service Commission.¹ The PRC recommended four major reform interventions, which are briefly summarised as follows:

Firstly to *transform the structure and functions of government*. For this purpose a national development vision to guide future transformation and reform was proposed, together with a smaller public service; a radical re-appraisal of the functions and structures of government; more effective intergovernmental relations; rationalisation of national departments; re-engineering the public service; fewer deputy ministers; only decentralising powers to provinces which have the capacity to assume such powers; the development of a professional management corps; outsourcing and public-private partnerships to improve service delivery and monitoring and evaluation systems be developed to measure the cost effectiveness of service delivery.

Secondly to *manage human resources* through planning for sufficient human resources; ensuring affirmative action programs and greater representivity; effective human resource provisioning to attract the best candidates; performance management and human resource development;

Thirdly *budgeting and financial management*, through structures to improve co-ordination strategic planning and budgetary processes and inter governmental financial relations; performance based budgeting; more effective costing of services; overcome unfunded mandates; enhance managerial responsibility and accountability; strengthen parliamentary oversight; increase popular participation in the budget process; decentralised procurement; conduct program review and efficiency reviews and enhance financial administration.

¹ Chapter 3 will describe and explain that the locus from where reform is directed in the principal reform countries is the office of the head of state.

Fourthly *information management, systems and technology*, mainly through making managers responsible for policy and not technologists, standardise information networks; to have one chief information officer and to move towards a paperless electronic government system.

4. EARLIER RATIONALISATION IN SOUTH AFRICA

From a historical perspective, South Africa has had no comprehensive administrative reform experience on the scale of what became known as administrative reform during the 1970' in particularly the *principal reform countries*². From 1910 onwards, since South Africa became a union and later a republic with the Republic of South Africa Constitution Act, 1961 (Act No.32 of 1961) as its constitution, the public services increased to meet the needs of the growing population. Thornhill's (1968: 16-55) research indicates that the Public Service Commission developed from as early as 1909, in terms of section 142 of the South Africa Act, 1909. The development of the treasury functions dates back to 1685 when South Africa had a Political Council, undergoing various stages until the post of Secretary of the Treasury was created in 1945 in the Union of South Africa within the Department of Finance (Thornhill, 1968: 45-55). These developments, as *inter alia* described by Thornhill, cannot be termed reform as is postulated in this thesis, but is part of the institutional change to service the needs of the inhabitants of the country.

The changes in the structures and practices of government and the public service since 1910 were of an incremental nature and reflected the political philosophy of the ruling parties. The incremental reform, which was instituted, was motivated by the political philosophy of the ruling governments. Under the National Party government, which governed in terms of the Republic of South Africa Constitution Act, 1961 (Act 32 of 1961) self-government was conferred to geographical areas designated for particular Black tribes in South Africa, which were recognised as independent or self-governing.

² This concept will be described in chapter 3, under heading 2.

The Republic of South Africa Constitution Act, 1983 (Act 110 of 1983) created a new political dispensation for Whites, Coloureds and Indians and confined the Blacks to the “independent” states of Transkei, Bophuhatswana, Venda and Ciskei and “self-governing” territories of Kangwane, Kwazulu, Kwandebele, Gazankulu, Lebowa and Qwa Qwa (South Africa, 1997).

Scholars such as Brynard argue that *administrative reform* has the same meaning as the *administrative development process* (Hanekom, Roland and Bain, 1986: 220). He writes: “Administrative reform is a never-ending phenomenon, and has been present in the South African public sector since *earliest times*” (own emphasis). He then states that the administrative reform program in South was known as “rationalisation”. He describes rationalisation as the process of restructuring the public sector executive institutions in order to pursue public policy more efficiently, than it was done in the past. “The term rationalisation refers, in this context, to the grouping in units of the past *proliferation* of the public sector” (own emphasis) (Hanekom, Roland and Bain, 1986: 220).

With the proliferation of the public sector, Brynard refers to the historical development of the public service from 12 government departments from 1910 to 39 before Prime Minister Botha started with the rationalisation of the public service in 1979. It also includes the establishment of control boards, research institutions, quasi-autonomous institutions, local authorities and establishment of self-governing territories and “independent” states in South Africa. (Hanekom, Rowland and Bain, 1986: 221-223) According to Brynard, problems emanating from the increase in state institutions were proliferation of government institutions and increased spending.

During 1979, the cabinet of Prime Minister P.W. Botha approved a rationalisation program. Brynard, refers to the rationalisation as “reform”, which cannot be classified as reform as is postulated in this thesis. The impact of the program was briefly the following (Hanekom, Rowland and Bain, 1986: 221-223):

- Restructuring.
 - The 39 government departments of the South African government were reduced to 22 and the quasi-autonomous government institutions were reduced and linked to government departments for budgeting and reporting purposes.
- Personnel system development
 - A new personnel classification and remuneration system was introduced.
- Rationalisation of legislation
 - The South African Law Commission was instructed to rationalise legislation, which were outdated and unnecessary.

4.1 Critique on the earlier rationalisation in South Africa

The salient results of the 1979 rationalisation were described by scholars as having the result that a smaller number of departments were created and a decrease in the number of quasi-autonomous government institutions occurred. The third result was a clear division between the functions of government and quasi-government institutions. (Roux et al, 1997: 40). No scholar reported that the “rationalisation” program, which was launched in 1979, had any cost efficiency impact on government spending. Any possible gains from the 1979 rationalisation were negated by the constitutional changes introduced through the Constitution of the Republic of South Africa Act, 1983 (Act 110 of 1983) and the subsequent dispensation for the different racial groups.

Organisational restructuring does not constitute reform *per se*. It could yield reform results if it was intended as a measure to improve the public administration to benefit

the public. Reform, in most countries is publicly known and the outcomes visible, with cost savings and an improvement in the outputs and outcomes of a department, such as was the case with the reform in the United Kingdom (UK). In the UK more cost effective and productive service delivery organisation units were created which were meant to reduce the size of the public service and give public managers more freedom to manage. (United Kingdom, 1988). One of the focus areas of the 1997 “reform” in South Africa was personnel administration. The personnel classification system created new job titles and more opportunities for promotion due to the larger number of ranks. No evidence exists however, that it increased the efficiency of the public service.

According to Caiden, (1971: 123-127) the managers responsible for reform must identify the root causes of undesirable outcomes, be able to formulate feasible corrective measures and be willing to overcome historical, cultural, economic, social, political and administrative obstacles. In comparison to the actual transformation initiatives and reform intentions of the ANC government after the 1994 election this can not be argued as true of the 1979 rationalisation interventions, which scholars such as Brynard refers to as “reform”. The economic, social and political dispensation remained unchanged until after the unbanning of the ANC and other political parties, and real change was ushered in with the 1994 general election. After 1994, the public service went through transformation and rationalisation, but has yet to be reformed as contemplated in the WPTPS and as proposed in the report of the PRC.

The political roots of the proliferation of the public service, up to the unbanning of political parties in 1990, was only effectively addressed with the Constitution of the Republic of South Africa Act, 1993 (Act No. 200 of 1993) and the later Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996). Although the public services for Whites, Coloureds, Indians and Blacks were consolidated after 1994, comprehensive administrative reform in the public service has as yet to be instituted.

5. ADMINISTRATIVE REFORM: ORIGIN AND DEFINITION

Caiden writes that there has never been a period in recorded history when men were not experimenting with reforms, but not until the present century has there been a concerted effort to approach the subject systematically. (Caiden, 1969:17 – 23). The notion of reform as a way to improve government was refined towards the end of the 1900's but its application became widespread only from the 1970's onwards.

In 1995 when the WPTPS was gazetted in South Africa, the concept of public sector reform was relatively unknown among senior managers in the public service (Visser, 1999) (Fifield, 1999). Although some of the senior managers in the South African public service were aware of reform which were introduced in the United Kingdom in the 1970's, and 1980's, their attention was directed to managing a political reform process. In the 1980's the formulation and implementation of the Republic of South Africa Constitution Act, 1983 (Act No. 110 of 1983) required the attention of most senior managers in the public service. At a time when Prime Minister Margaret Thatcher in the UK, in the early 1980's, was implementing a radical public service reform, the South African State President, P.W. Botha, initiated political reform through the Constitution of the Republic of South Africa Act, 1983 (Act 110 of 1983). It could therefore be concluded that South Africa was never subjected to administrative reform to the extent that countries such as the United Kingdom, New Zealand, Australia, or the Eastern European countries, after the collapse of communism, introduced.

5.1 Origin of administrative reform

The theory of administrative reform has its roots in the United States of America. The reform movement started in the USA in the early 1800's when the opposition party and academics became dissatisfied with the way government was conducting its business (Caiden, 1969:17).

During the second half of 1800's economic development was slowing down in the USA. Public services were rendered in an inefficient manner, and political scandals gave the opposition parties ample reason to take action to change the situation. Opposition parties began to question the role of government and in particular the spoils system. The spoils system, initially intended as a democratic guarantee that not only politics but also the public service was "for, through and by the people" had deteriorated in to political clientelism, nepotism and corruption within the administration. Between 1870 and 1917, the main opposition parties brought the situation under the attention of the media, educational societies and professional associations. When they were ensured of adequate support, and started to challenge the ruling party (Caiden, 1971).

Woodrow Wilson, an academic and leading member of the National Service Reform League, played a critical role in conceptualising public administration as a discipline. (Wilson, 1887). In dealing with the influential role of politics in administration at the time, he argued that politics and administration must be separated³. This concept was also espoused by Goodnow, a contemporary of Wilson. Goodnow was a professor in administrative law at the Columbia University and also interested in the reform drive. In 1900 he published a book *Politics and Administration* (Goodnow, 1900) which, in the contemporary idiom of reform could be described as having defined one of the motivations for reform interventions, e.g. the established government agencies. Government agencies are accountable to ministers but have more operational discretion than a departmental head.

Goodnow's publication, intended as a theoretical introduction to comparative administrative law, was a polemic on the need for extensive overhaul of the American system of government (Caiden: 1971). Goodnow believed that political control was too strong in the United States. It undermined efficient administration. He argued (Goodnow, 1900: 85) that non-partisan administrative functions should be depoliticised. Like Wilson, he emphasised strengthening the executive over the

³ Chapter 4 (2.1.1) will indicate that the separation of politics and administration is one of the principles which motivated the "next steps" agency concept in the United Kingdom.

internal administration and the reduction of legislative control. Perhaps the most important contribution that Goodnow made to the reform movement, was his argument for the distinction between politics and administration.

Goodnow (1900: 85) motivated the separation between politics and administration by stating that there "...is a large part of administration which is unconnected with politics, which should therefore be relieved very largely, if not altogether, from the control of political bodies". He reasoned that some parts of administration are unconnected with politics because it embraces fields of semi-scientific quasi-judicial and quasi-business or commercial activity – work which, according to him, has little if any influence on the expression of the true state will.

Goodnow's distinction between administration and politics is indeed a sound principle which was for the first time effectively used during the reforms in the United Kingdom, which started in 1979. The government agencies created during the "next steps" program are responsible for performing operations for government departments, while the policy function remains with ministries. (United Kingdom, 1991: 9).

Had it not been for protagonists such as Luther Gulick, who did not support the politics-administration dichotomy, the USA could have been the first country to apply the separation in a practical manner like the United Kingdom. Gulick became the first director of the National Institute of Public Administration in 1921 and had a profound influence in demolishing the politics-administration dichotomy. Gulick (1933:63) argued that elected legislative and executive officials do not interfere with the details of administration, and conversely, the rank and file of the permanent and skilled staff do not meddle with politics, because "...this division of work makes use of specialisation and appears to give better results than a system where such a differentiation does not exist"

According to Caiden, (1971: 119 – 121) the USA was one of the first countries to commission administrative reform. In 1933, President Roosevelt appointed the Social

Science Research Council (SSRC) to carry out an investigation into public personnel administration. The commission of inquiry consisted of Gulick, Merriam and Brownlow and the final report was issued in 1936.

In March 1936, President Roosevelt appointed the same team, as the President's Committee on Administrative Management, to review the federal machinery of government. Its task was to advise the President on *the principles* of reorganisation, not the details. The Committee produced what became known as the Brownlow report. The thrust of the report was to make the federal democratic government modern, efficient and effective in carrying out the national will. To this end, simplification of systems, better methods and higher official salaries were needed. In particular, the report found that (Caiden, 1971: 120):

- white House staff needed to be increased;
- agencies such as those responsible for the budget, personnel and planning, needed strengthening;
- the merit system need to be extended to all non-policy-making posts;
- service in the federal government should be made an attractive career option;
- all agencies should be organised into a few large departments, and
- the fiscal system should be organised to reflect the best governmental and private practices.

The President of the United States of America made his own inputs to the report, which was presented to Congress on 12 January 1937. The recommendations, after a debate and revision of the proposals were accepted by Congress in 1939.

From the earliest time where administrative reform was commissioned to improve the machinery of government, some reform practices began to emerge. Firstly, the head of state takes the responsibility for the effective functioning of the public service experts to investigate what could be improved. Secondly, the legislature approves the proposed administrative reform interventions and, thirdly, the reform interventions were monitored after they were introduced.

After the Second World War, Western Europe became the cradle of the modern administrative state. It became the major inspiration for administrative experimentation and reform. Kickert (1997: 17) writes that the 1980's and 1990's were the "golden age" of administrative reforms in the Western World.

The most obvious need for reform was based on the financial- economic need to reform. In the 1980's it has been the British government under Prime Minister Thatcher who took bold steps to change an entrenched system that has previously defied all attempts to change the pervasive administrative culture. According to Caiden, (1991: 210) no other country in Western Europe came near to such radical reform.

5.2 Defining administrative reform

As early as 1905, Webster's dictionary, of American origin, put the word "reform" in the context of improving government. It described reform as an "amendment of what is defective, vicious, corrupt or deprave" and "to put or to change into a new form or condition, to amend or improve by change of form, removal of faults or abuses, or the like, to restore to former good state, or to bring from bad to good". This description is confirmed by the Concise Oxford dictionary (1964) which states reform as "the removal of *abuses in politics*, or make better by removal of abandonment of imperfections and faults or errors" (own emphasis).

Administrative reform, as a phenomenon to improve the performance of government, is distinctly different from management consulting interventions. Unlike interventions to improve performance, which are mostly motivated by heads of departments, administrative reform requires the attention of politicians and the involvement of a substantial number of senior public officials. Reform cannot be instituted or carried out by a single person. Individuals could be prime movers, or have a strong personal influence, but for a reform to be successful it must be able to generate the support of many (Karim, 1992:31).

Reforms are normally introduced through direct involvement of politicians who respond in terms of government policies. Reform interventions are aimed at improving the operations of government and public administration. Quah, (1992: 121) describes reform as...”a deliberate attempt to change both (a) the structure and procedures of the public bureaucracy (i.e. reorganisation or the institutional aspect) and (b) the attitudes and behaviour of the public bureaucrats involved (i.e. the attitudinal aspect), in order to promote organisational effectiveness and attain national development goals”. Thus it could be argued that the scope of reforms would include changing the operational structures of governments, namely their departments, altering their work methods and procedures and the behaviour and attitudes of the managers and operational staff. This would apply when a comprehensive public sector reform is introduced or whether it is only focused on improving the functioning of the public service.

By public bureaucracy Quah means a “civil service system” (1992: 121). According to Quah, quasi-governmental bodies or public enterprises or institutions such as the armed forces in the Philippines, Singapore and Thailand, is not part of the public service system.

For purposes of describing bureaucracy in an administrative reform context, it means senior officials, who are influential in policy-making. The view of Dror (1989: 95) is supported, who writes that the political executive and bureaucracy (and sometimes the party bureaucracy in single-party states) form a symbiosis. He is of the opinion that the political executive may control the operations of the bureaucracy closely, while the bureaucracy may enjoy extensive *de facto* and even *de iure* autonomy from the executive. He writes (Dror, 1989: 95) that the general tendency is that the bureaucracies are becoming “more influential for most policy issues, because the issues are becoming more complex and because government tends to depend more and more on organisational decision-making processes”. It is thus obvious that senior managers could have an influential role in initiating administrative reform. Senior managers which act as advisors to their political heads of departments, could interpret

critique from the political opposition on the functioning of the machinery of government and advise his or her political head to initiate a civil service reform process to improve the overall efficiency and effectiveness of government.

Both politicians and the bureaucracy play a role in administrative reform programs, which may take different forms and use various approaches and methods of intervention, depending on the country's heritage. (United Nations, 1983:1) The bureaucracy is however, influential in implementing proposed reform interventions of politicians, of which the efficiency and the effectiveness of the public service is of primary importance. The World Bank (World Bank, 1994:1) states unequivocally that in many Sub-Saharan countries the "development efforts are threatened by the ineffectiveness of the civil service". Caiden (1991:1) is also convinced of the crucial role of the public service in attaining political objectives and defines administrative reform as "the induced systemic improvement of public sector operational performance".

By definition, major reforms are distinct from normal and continuing administration and management improvement activities. The process of reform includes political decisions and the adherence of officials to such guidelines. Reforms require particular reform outcomes. For this purpose, the reform objectives, such as organisational restructuring and changing the attitudes of officials need to be defined by reformers.

Thornhill (1994: 4) writes..."reform refers to the *process or procedure* of becoming better by removing or abandoning imperfections faults and errors". It stands to reason that those objectively perceivable imperfections, faults and errors must be a motive or rationale for reform. Not all political bodies, or governments, would regard the same set of circumstances as imperfections or faults, but it would depend on their values and political persuasion. Neither would all political institutions have the political support to attempt to take action to change undesirable imperfections faults or errors. Only a government, who has political support and is a legitimate government, would have the opportunity to muster resources and rely on popular support, as opposed to active or passive resistance, to change undesirable situations.

It could be further argued that the process or procedure of becoming better is a premeditated action that requires the continued exertion of authority by politicians over the bureaucracy, until results are attained. Reform programs therefore unfold over time, and have a process dimension. The process dimension is part of Thornhill's definition of reform. In this regard he writes that should the "process or procedure aimed at becoming better be related to constitutional and civil service reform, it would require that particular attention be devoted to *policy-making processes, organisational structures and personnel matters as well as managerial issues*".

It could therefore be further argued that Thornhill implies that particular interventions are required to give effect to a government's intention to embark on a reform process. This could include policy-making processes, organisational structuring or restructuring, human resource development or personnel administration, which are the results of the reform *process*. The process dimension thus denotes the time dimension wherein reform ideas take root and are shaped into practical interventions. The reform process may produce any result, depending on the focus of the reformers and how they want to change the undesirable *status quo*. The approach of reformers during the reform process, which could be incremental improvements or a strategic departure from the *status quo*, determines the nature and extent of reform interventions.

Thornhill points out that of all the objects of change in administrative reform, the human dimension is the most difficult. He writes: "...institutional and procedural changes could be developed and implemented with relative ease. *Attitudinal change*, which lies at the root of reform is, however, the most difficult to achieve". (Own emphasis). The reason he gives is that to a large extent, human nature is difficult to change and even more so the culture and "collective attitudes of individuals comprising the public service." (Thornhill, 1994: 5).

Thornhill's definition of reform implies that it consists of a number of modalities⁴. It has been argued that the definition of reform has a number of inherent modalities, which have a direct bearing on the outcomes of reform interventions. If these modalities are extrapolated, they would have the following meaning:

- a *motive* to reform which is perceived by politicians and which emanates from the socio-political environment, which calls to change the *status quo* towards a desired state of affairs;
- a legitimate *institution* to design a strategy and oversee the implementation thereof to compare the outcomes with the desired state of affairs;
- a *process* modality which produces interventions to change imperfections and faults in the machinery of government to achieve a desired state of affairs; and
- a *human resource modality*, and in particular the attitudes of officials and politicians through which all governance, management and administrative actions are directed towards public goods and services.

The nature and contents of the modalities of reform will be further explained and described in the following chapters. Chapter 4 will contain the motivational and institutional modalities and chapter 5 the process modality and issue of human behaviour in administrative reform.

Most definitions of reform contain one or more of the modalities, which Thornhill implied in his definition of reform. Most definitions tend to be very cryptic and fall short of the essence, contained in the above modalities, of what has to be included in the process and method of administrative reform.

⁴ The term, modality is described and explained in chapter 1 (6).

If politicians have a fundamental understanding of the modalities of reform, they could confidently initiate and guide reform programs. A better understanding of reform could improve that chance for a sound beginning and eventual success.

6. CONCLUSION

After the elections of 1994, South Africa embarked on a societal transformation process. The transition process is from a limited democracy and fragmented society to a fully fledged democracy. The transition is especially evident in the public service, which was fragmented into eleven ethnic and racial units.

The policy framework to transform the public service is being done through the *White Paper on the Transformation of the Public Service* (WPTPS) of 1995, which projected the transformation of the civil service as a process which would have to end just before the elections of 1999. During the transition, reform would also take place, but it is envisaged that administrative reform would start only after the transformation of the public service.

The transformation focussed in essence on affirmative action, employment and service conditions, the development of human resources and the rationalisation of the public service. The rationalisation of eleven public services into one had to deal with separate entities with their own public service commissions or other form of central personnel authority. Legislation was necessary to re-order the personnel corps to establish uniformity in structure and terms and conditions of service. This was essential in order to ensure that every class of official, and indeed every individual official, would be absorbed into the new public service without infringing on their rights.

After the rationalisation process has been completed, the government has indicated its intention to reform the public service, through the publication of the WPTPS. The purpose of the WPTPS is to establish a framework to guide the process and methodology of transformation and reform.

Administrative reform had its origins in the United States of America during the early 1900's. The development of the concept came as a necessary outgrowth of the development as the discipline of Public Administration, which contributed towards the debate on government efficiency and effectiveness. Scholars such as Goodnow and Wilson argued that political control was too strong in the United States and that it undermined efficient administration. Non-partisan administrative functions, which he indicated, should be depoliticised. Like Wilson, he emphasised strengthening the executive over internal administration and the reduction of legislative control.

Although the administrative reform movement had its roots in the United States of America, countries such as the United Kingdom, New Zealand and Australia, were the first to transform their public services. Concepts such as the separation of the operational and policy functions, the establishment of government agencies to render public services, greater management autonomy and accountability to manage the agency like a business, were first introduced in the United Kingdom. Other countries such as Australia and Canada later adopted these practices.

Administrative reform could be defined as the process or procedure of becoming better by removing or abandoning imperfections, faults and errors in the structures and operational systems of government. The definition of reform implies that it consists of a number of modalities, which in essence refers to a motive to reform, a legitimate institution to design a strategy and oversee the implementation thereof, appropriate reform interventions, and a human resource element.

The notion of administrative reform is not generally known in the public service, because South Africa has not undertaken fundamental administrative reform such as the United Kingdom, New Zealand and Australia. Administrative reform could be defined as the process or procedure of becoming better by removing or abandoning imperfections faults and errors.

The rationale for reform for South Africa can be related to the transition of the Republic to a democracy. Prior to 1994, the previous National Party government introduced political reform, the last one in the early 1980's which resulted in the adoption of a new constitution in 1983. At a time when fundamental reforms were introduced in the Commonwealth and OECD countries around the world, the South African government was introducing political reform to maintain a non-democratic ideological policy of apartheid.

It could be concluded that the government is aware of the need to reform the public service. It has expressed itself through white papers and has commissioned the Presidential Review Commission to review practices in the public service with a view on what has to be done to improve service delivery. The proposed reform still has to be defined in terms of the exact nature and scope in the public service. Only then could it be officially launched and the implementation commenced with.