

CHAPTER 8

SUMMARY AND CONCLUSION

The objective of this study is to propose a definition for administrative reform and to identify essential modalities, which could guide South African reform programs. It was therefore necessary to conduct a literature study of reform to propose a definition and conclude which reform approaches in industrialised countries could serve as guidelines for a reform program in South Africa. The reform, which the government has indicated through the *White Paper on the Transformation of the Public Service* (South Africa, 1995) has not been realised by March 2000. The thesis postulates that South Africa could embark on a successful reform program if it is willing to extract lessons of reform by studying the experiences of other countries. This thesis provides such a study and proposes a definition and approaches to reform, which could serve as guidelines for a reform program for South Africa.

Chapter one of the thesis provided the problem statement, research hypothesis and also described and explained the research methodology and key concepts to be used in the context of this thesis. The first chapter put forward the hypothesis of this study, that effective administrative reform in South Africa requires that the reform program be directed by the President and that interventions which are designed, take cognisance of experiences of international reform practices in industrialised countries.

Chapter two described the South African context wherein administrative reform concepts were introduced and proposed a definition. The reform context was described in terms of the *White Paper on the Transformation of the Public Service* (South Africa, 1995) and the report of the Presidential Review Commission. The White Paper provided policy guidelines for the process of

transformation, rationalisation and reform. The transformation of the public service included the rationalisation of the public service, short-term interventions and longer-term reform interventions.

The chapter concluded that the motivation for the reform in the South African public service emanated from its political past. Due to racial political policies, the government evolved into a White public service, a Coloured public service, an Indian public service and separate public services for four independent Black states and six self-governing Black territories. Reform programs since 1910, were of a limited political nature. Three constitutions, namely in 1909, 1961 and 1983 contributed towards creating the basis of a segregated public services within 73 years. The racial segregation policy caused a duplication of structures and, despite the rationalisation of the public service from 1994-1996, the Presidential Review Commission (PRC) concluded that that the departments appear strong on policy, but weak on delivery. The PRC found that the system of governance in the Republic of South Africa is in a number of crucial respects not working well. It reported that deficiencies and shortcomings in the public service and the machinery of government were serious, and require a number of deep-rooted interventions. Particular recommendations were recommended to the President.

The chapter also proposed a definition of reform. The definition consists of modalities, which are inclusive of a motive, an institution, a reform process dimension and the issue of human behaviour. The chapter concluded that an accurate definition of reform will serve South African reformers to understand the nature and scope of public sector reform and improve faults or imperfections in the operational systems of the public service.

Chapter three provided a survey of reform tendencies in industrialised countries and contrasted such reform with Sub-Saharan African countries. Voluntary reform programs in industrialised countries were explained and described and juxtaposed against induced reform in Sub-Saharan Africa. It was argued that South Africa differs from the rest of the Sub-Saharan African countries, due to its level of economic development. The South African economy is performing

have to rely on the institutions such as the World Bank and European Union to assist them with financial aid. Most financial assistance by external agencies include structural adjustment programs, of which administrative reform made out an element.

It was concluded that South Africa has a transitional economy and took the first initiatives towards voluntary reforms, as was indicated through the *White Paper on the Transformation of the Public Service* (South Africa, 1995) and the Report of the Presidential Review Commission (South Africa, 1998). The initiatives for reform have emerged from within South Africa during 1995. However, the political party, which initiated the process, must take the responsibility to ensure that the reform process is scheduled and carried through.

It was further concluded that South Africa would consider the best practices of reform programs in industrialised countries and implement modern reform interventions. The Government of South Africa has also proved that it is favouring modern constitutional and reform notions, which have been adopted by industrialised countries. It could therefore pursue the most effective reform practices of industrialised countries, but should ensure that such practices are adapted to suit the South African political, economic, physical and social conditions.

Chapter four described and explained motivations for reform and what institutional arrangements are made to guide and monitor reforms. It was argued that the nature and contents of voluntary reform and reform interventions, which are externally induced by agencies, such as the World Bank and the International Monetary Fund, differed. It was indicated that politicians in opposition parties are the prime motivators of voluntary reforms. Politicians are sensitive to their socio-political environment, from which they received their mandate to govern or to represent a particular viewpoint as a non-governing political party.

It was indicated that the motivation for reform differs in countries according to the domestic situation. Most reform programs in the principal reform countries were motivated by a depressed economic situation, and some interventions were

were motivated by a depressed economic situation, and some interventions were directed to improve the efficiency of the machinery of government. It was concluded that in South Africa, the motivation for reform is related to the fact that in the past reform programs were of a constitutional nature and that the rationalisation of the public Service since 1994 did not have the desired effect to ensure an efficient and effective public service. The Presidential Review Commission has confirmed this situation

The choice of the institutional configuration to guide and monitor the reform takes on different forms in different countries. In essence, countries adopt two forms of organisational arrangements to steer and monitor reform. The committee model stands in contrast to the Prime Minister led model. The PRC resembled a committee of officials, but there is no indication what role the President is going to play in a future South African reform program. President Mbeki, who succeeded President Mandela, (who commissioned the PRC), has not responded to the PRC report by February 2000, two years after the report was submitted. It was concluded that the government is however, committed to reform as has been evidenced by the *White Paper of the Transformation of the Public Service* (South Africa, 1995), and it could therefore be expected that administrative reform would be forthcoming.

Chapter five described and explained firstly the process dimension of administrative reform and secondly the role of human nature and attitudinal changes. It was argued that reform is a time consuming process. It was concluded that reform in the principal reform countries was incremental, did not rely on pre-determined interventions and was conducted over more than one election period. It comprised several interventions during a long-term reform process. The changes which had been implemented, served as the foundation to plan and implement further initiatives. Reform interventions are introduced through a variety of instruments, such as white papers, legislation and circulars, which depends to a large extent on the culture and style of management, which is prevalent in a country, or the personal choice of the head of government.

The second half of the chapter indicated that comprehensive reform in the principal reform countries created organisational structures, which were conducive to change the behaviour and attitudes of managers and staff. Where countries followed a market type reform strategy, government agencies were established. These agencies are managed like private sector institutions and managers were granted performance contracts which requires business plans and performance targets without being inhibited by government orders and rules, which prescribed management behaviour or initiatives. After having studied the experiences of the principal reform countries and countries such as Malaysia and Singapore, it was concluded that there is no one single set of best practices to positively influence the behaviour and attitude of employees towards efficiency and effectiveness in the public sector. Although the models followed by the principal reform countries and Malaysia and Singapore differed, both have increased efficiency and productivity. It was concluded that South Africa should not transplant any of the two models, without adapting them to local circumstances. South Africa has a culture, public service systems and human resources, which differ from the countries where the models were developed. Although South Africa must consider the approaches employed by other countries, they cannot be duplicated without adaptations.

Chapter six described and explained the nature and contents of administrative reform in the past two decades in the Commonwealth and OECD countries. Since the United Kingdom started with reform measures in 1979, many countries which initiated reform programs, incorporated some of the principles which were developed by the British. Most reform outcomes resulted in transformed governments with a smaller stake in the economy, a downsized welfare state, decentralised, reduced bureaucracies and smaller central government administrations, with public managers having more management autonomy and becoming more output conscious and goal orientated. These reform initiatives became known as new public management (NPM).

The new public management and administration reform programs departed from the traditional public administration where the focus was on policy-making and implementation. New public management effected a paradigm shift, which

redefined the role of government in relation to the nature and scope of its services and its role in the economy. It firstly has an unambiguous focus on results in terms of efficiency, effectiveness, and quality of service, and secondly, the replacement of highly centralised hierarchical structures with decentralised management agencies.

The arguments in this chapter indicated that the two most frequently used NPM-type voluntary reform outcomes were market strategies, such as privatisation and the creation of market type mechanisms to improve service delivery, and managerial autonomy. It was found that no basis existed to argue that South Africa's political views on issues of privatisation is different from countries in the rest of the world, which have embraced NPM-type reforms. It was indicated through the reports of the Auditor-General that financial management and control are not efficient effective in within the national and provincial spheres of government. These management functions could effectively be improved through privatisation and contracting out, provided that such capacity exist in the provinces such as the Eastern Cape where the extent of the problem exceeds that of other provinces.

It was concluded that the NPM-style reform indicated a shift in the role and functions of government, which stand in contrast to the traditional concepts of public administration, based on the Weberian bureaucracy and responsible administration. Since the early 1980, the so-called "entrepreneurial and managerial reforms" or "new public management" became an international phenomenon. South Africa must study the effects of NPM and reconsider some of its current management practices in order to become internationally economically competitive. NPM is replacing traditional concepts of public administration, which could serve the country well as reform alternatives to improve the current state of public administration and management.

Chapter seven examined reform approaches and strategies in the OECD countries to determine what could be applicable in South Africa. The two most salient reform practices, from which South Africa could draw guidelines for its reform program, are firstly political leadership and secondly, reform strategies.

It was concluded that if the President of South Africa does not personally lead the reform process, he must at least be involved in the process to ensure political support. His constitutional role as head of state and the requirement to co-ordinate the functions of state departments makes his involvement a *sine qua non*.

It was further concluded that political leaders must be vigilant to seize reform opportunities. The conclusion was drawn that the President must display leadership to realise the reform opportunity, which the Presidential Review Commission created. An opportunity exists to make public the need for reform and add value to the reform notions as outlined in the report of the Presidential Review Commission. The opportunity, which has presented itself in the PRC report would disappear as the contents of the report becomes outdated and the political issues, which have to be contested at the next election, begin to take precedence in the programs of ministers.

It was concluded that the reform program must be directed and managed from the Office of the President. An official must be assigned the responsibility for the process and the reform outcomes. Ministers must take responsibility for the implementation of reform in their departments. Co-ordination of reform interventions will be possible through cabinet meetings and parliamentary debates. The parliamentary Portfolio Committee on the Public Service and Administration is well placed to monitor the reform program.

From studying reform strategies in the OECD countries, it was concluded that that South Africa must align its reform strategy to deal with its particular problems. Since the early 1980's most countries adopted reform strategies to develop models of *entrepreneurial governance* which is replacing the *welfare* assumptions about the state. The four dominant strategies are:

- market driven reform;
- managerial reform;
- program review reform and
- incremental reform.

To consider which strategy would be applied for the reform needs in South Africa, the demands that the strategies would place on the government was analysed. It was concluded that a *market* strategy would require research into the transaction costs for government, the cost to maintain an extensive contract network and research to determine whether the private sector could effectively provide the government services to be contracted out. The issue that South Africa has to address satisfactorily before a *managerial* strategy is embarked upon, is therefore an adequate accountability mechanism for managers. Performance contracts and benchmarking techniques would have to be introduced to ensure the performance of chief executive officers and decentralised service institutions.

A *program review* strategy for South Africa would require that South African politicians commit themselves to prioritise government objectives, and that politicians and officials analyse current policies and programs and reallocate them within the current budgetary constraints against the socio-economic priorities of the country. The program review strategy would require government to abolish some of the existing programs and introduce new ones, alternatively current programs could be redesigned, and resources reallocated in terms of a new priority. An *incremental reform* strategy for South Africa would embrace a variety of issues such as deregulation, an ongoing review of government legislation, the regulatory environment and practices to streamline management and remove wasteful controls. It was concluded that due to its long-term nature, it will not suit the current reform demands in South Africa, because interventions are needed to resolve issues that have already reached crisis proportions and require fundamental and wide ranging reform throughout the country. A comprehensive reform program, which allows provinces to determine the nature and content of subsequent incremental interventions, will be difficult to direct from a national perspective.

It was concluded that the comprehensiveness of the public administration and management problems in the public sector in South Africa, mitigates against an emphasis on a particular strategy. It was concluded that an eclectic approach would combine the need for a program review to reprioritise and reallocate resources for the government's programs with market and managerial

interventions. Market and managerial interventions could be applied in the public sector where the private sector could support such interventions, and audit capacity exists in government departments to hold managers accountable.

1. RECOMMENDATIONS

The *White Paper on the Transformation of the Public Service* (South Africa, 1995) created the environment and provided some policy guidelines for a reform program. It also provided for the appointment of the Presidential Review Commission, which in its report proposed short-term interventions and longer-term reform for the public service. This thesis has however, indicated that South Africa could learn from international experience how to institute and proceed with a reform program to ensure that the reform programs are successful. The recommendations which will be made in this section will be based on arguments and conclusions reached in the chapters of this thesis.

Firstly, it recommended that the Office of the President take responsibility for the South African reform program. The Office of the President must take cognisance of the report of the Presidential Review Commission, and make public its program to make the government departments more efficient and effective. It must:

- appoint a competent reform manager with a few senior staff members to support him/her to ensure that the implementation of the reform program is managed efficiently and effectively and sustained until results are produced in accordance with the planned interventions;
- co-opt the Ministry of the Public Service and Administration and the Department of Finance to manage the reform program, in order to ensure that human resource issues, the budget and financial management are integrated in a long-term reform process;

- involve renowned South African scholars and practitioners to conduct empirical research to verify the viability of reform strategies and interventions.

Secondly, the Office of the President and the reform manager, must through their leadership ensure that ministers participate and support the reform program and only interventions, which could be effectively implemented, be announced.

Thirdly, the reform process must involve the parliament and the legislature to:

- ensure all political parties take cognisance of the process and contribute towards articulating reform needs and to participate in the process;
- scrutinise and review the legality of the process, interventions and results;
- create awareness through debates to be reported in the media;
- require the president account to parliament for the results of the reform program, and
- ensure that the reform process is carried through elections and sustained until results are evident.

Fourthly, the reform strategy must not be a single solution for all departments and provinces, but be sufficiently flexible to deal with a diversity of problems in departments and provinces, as pointed out by the PRC report and with due cognisance of NPM. The strategy must be *eclectic* and provide for:

- *market strategy* principles to divest particular government tasks or activities and introduce competition, pricing of service delivery, decentralised service agencies and contracting out in order to reduce costs, even if the public service is reduced in size;
- *managerial strategy* principles to grant public managers more power and discretion to manage operations, and to monitor their performance,

behaviour and effectiveness through audits and accountability mechanisms, and

- *program strategy* principles to optimise socio-economic outcomes by shifting resources from lower to higher priority programs through techniques such as policy analysis and value for money evaluations within current financial resource constraints.

In conclusion, it can be stated that the hypothesis is true. The President of South Africa does not play a leading role to direct initiatives related to the overall efficiency and effectiveness of the public service. South Africa must therefore observe the lessons of experience from industrialised countries, which have conducted reform programs, in order to successfully launch and implement administrative reform for South Africa. The president has an obligation as head of government and the public service to initiate and direct administrative reform.