

## CHAPTER 1

### INTRODUCTORY PERSPECTIVES ON POLICY AND STATE INSTITUTIONAL REFORM ON THE AFRICAN CONTINENT

#### 1.1 INTRODUCTION

African countries have been repositioning their economies for sustainable growth over the last two decades. Lately, the repositioning has been guided by various tailor-made and not one-size-fit-all policies including fiscal and monetary policies. These policies promote domestic investment, employment generation and growth. As a result of these policy interventions economic growth increased steadily, albeit from a low base of 2,1% from 1985 to 1994, to an average of 3,7% from 1995 to 2002, and from 4,1% in 2003 to 5,8% in 2007 (ECA, 2007). The Economic Report on Africa 2008 (ECA, 2008) expected Africa's grow rate to remain high in 2008. Africa as a continent, however, remains the most underdeveloped region of the world with 33 of the world's least-developed countries as classified by the United Nations.

The sub Saharan Africa region experienced the slowest growth of any region in the world. Africa remains marginalised as demonstrated by the fact that its share in global trade has declined since the 1980s despite an estimated fivefold increase in overall world trade over the last two decades (Grobelaar, 2006:36). This marginalisation has been accompanied by a widening social gap as income levels have diverged across African countries. In 1995, African countries' gross domestic product per capita ranged from \$102 to \$769 a year compared with developed countries which have gross domestic product per capita of \$15 892 to \$43 600 a year. The gross domestic product per capita of Egypt, Botswana, Mauritius and South Africa alone falls in a higher range of \$770 to \$15 891 a year (IMF, 2003:96).

The widening of the abovementioned social gap also correlates with limited state institutional capacity. A 2003 International Monetary Fund Report on the World Economic Outlook: Growth and Institutions observes that country-specific income differences, e.g. gross domestic product per capita, appear to be closely correlated with indicators of state institutional quality (IMF, 2003:95-127). Countries with low economic growth and low per capita income often have limited state institutional capacity. Conversely, countries with high growth and high per capita income often have strong state institutional capacity. The report also confirms that economic growth will need to be supported by organisational reform which aims to strengthen institutional capacity in a systematic and orderly manner.

Lately, researchers have also found that conventional growth factors e.g. labour, physical and human capital, do not fully explain the slow growth experience of Africa. Recent research considered how the lack of state institutional capacity impacts on economic growth. It was found that state institutional capacity affects growth because it impacts directly on the cost of transformation and the cost of transactions. Weaker state institutional capacity often means higher transaction cost, which translates into higher transformation cost, making a country uncompetitive and the society less productive (Aron, 2000:99-135).

## **1.2 DOING BUSINESS IN AFRICA**

African businesses are impacted on negatively, as illustrated by a World Bank report on *Doing Business in 2005* (World Bank, 2005:3) by the relatively higher costs of doing business in poor countries. The report confirms that administrative costs in poor countries can be as much as three times higher and bureaucratic procedures and associated delays twice higher than that of richer countries. It is these high costs that deter businesses from investing in Africa. These costs also

put serious obstacles in the way of African entrepreneurs, who can create jobs and boost economic growth.

A business climate survey on regional integration commissioned by the Association of Southern African Development Community (SADC) Chamber of Commerce and Industry in 2004 concurred that the private sector supported the simplification and improvement of African countries' regulatory frameworks as well as improvement in infrastructure and institutional capacity. Thomas Friedman (2005: 398 – 404) confirms the importance of infrastructure because it connects countries with the global trade system in a world that is getting smaller. He also highlights the need for a regulatory environment that makes it easy for the private sector to do business and to remain competitive if market circumstances change.

A number of countries in Africa are starting to make policy decisions with regard to regulatory reforms aimed at establishing infrastructure capacity to support economic development and remove bureaucratic red tape, which impacts negatively on enterprise development. As a result, the legislative and regulatory environment in Africa is steadily becoming more supportive and conducive to business. The gains are twofold for business. **Firstly**, businesses spend less time and money dealing with regulations and **secondly**, they have more time and money available for producing and marketing their products and services (Luiz, 2006:27).

To conclude, although the cost of doing business in Africa remains relatively high because of the abovementioned higher administrative costs and delays in terms of bureaucratic procedures there are considerable profits to be made in terms of various business opportunities on the continent. The average rate of return on investments in Africa is twice higher than in Asia and four times higher than in the G7 countries (Grobbelaar, 2006:35).

### 1.3 POLICY ON REFORM IN AFRICA

Over the past two centuries there have been continuous demands on African states for policy reform to re-assess the service delivery responsibilities of their governments through regulatory reform, privatisation, outsourcing and the competitive provision of services. The main reasons for the policy reform demands were impatience with slow and inefficient state organisations, overregulation by the state and the lack of trust that the state can deliver effective services. Another reason is the pressure from public choice theory that services delivered through the private sector operating in a competitive environment will always outperform state service delivery operating in a monopolistic environment. Additionally, these policy reforms in specifically developing and less-developing countries were conditional in terms of World Bank (WB) and International Monetary Fund (IMF) support (Cavanagh and Mander, 2004:60-63).

International organisations such as the International Monetary Fund and the World Bank have played a substantive role in the diffusion of policy reform ideas inspired by the neo-liberal ideology (Nef, 2003:523-535). Nef (2003) notes that developing states are often on the receiving end of this externally induced transplantation of policy reform ideas from other regions. Olsen (2006) highlights the problem of the transplantation of ideas that are not informed by a thorough understanding of the political, social, economic and cultural characteristics of a region or the individual countries in the region.

The following three policy reform phases, as diffused by the above mentioned international organisation, can be identified in Africa: the structural reform phase, the capacity-building phase and the service delivery reform phase. These phases are considered with a view to identify their impact on Africa. It is important to note that different phases of reform often overlap and sometimes elements of one reform phase spill over into the next reform phase.

### 1.3.1 Structural reform

The structural reform phase of policy reform came about because of the various macroeconomic and fiscal reforms that were required in terms of the structural adjustment programmes of the World Bank and the International Monetary Fund. These programmes were aimed at rationalising government to make it more efficient and economical. They include activities such as divesting non-core operations and reducing staff numbers.

Countries approached this phase differently. Some embarked on serious reform programmes. Others implemented slower and less far-reaching programmes. In general, both approaches, however, impacted negatively on service delivery and capacity, including institutional capacity. Where some gains were made, these were reversed because of the difficulty to sustain the structural adjustment interventions, the fact that the strategies were not linked to improvement of service delivery and because some interventions undermined capacity-building for service delivery. Other problems were the general lack of reform ownership and commitment, the absence of political support and lastly, limited political and public pressure for the improvement of service delivery (OECD, 2002).

A 2001 World Bank report which evaluated the impact of World Bank assistance on the state capacity found that these efforts were largely ineffective and that it impacted negatively on state capacity. One of the reasons for these failures was excessive technocratic approaches to institutional design. In addition, rigid lending instruments ignored the complexity of institutional change. Governance structure reform was also left far too late in the reform process (World Bank, 2001).

### **1.3.2 Capacity reform**

The capacity reform phase of policy reform came about because of the problems with the structural reform phase. There was a shift away from rationalisation as it became clear that weak capacity is the reason for poor service delivery. The World Bank and United Nations Development Programmes included broad capacity-building programmes such as enhancing staff skills, improving management systems and structures as well as improving the work environment.

Apparently this phase was also not a success and made no impact in terms of organisational performance to improve delivery of services. The programmes were often fragmented, piecemeal and donor-driven. They were also biased towards supplying equipment and training. In addition, the fact that the moral was low and discipline limited contributed to the problem (OECD, 2002). The World Bank report (World Bank, 2001) found a lack of focus on institutional performance and the wrong sequencing of interventions also hampered sustainable institutional improvements.

### **1.3.3 Service delivery reform**

The service delivery phase of policy reform diffused by the World Bank and International Monetary Fund appears to be prominent in many developing countries. The focus is on the improvement of service delivery because the majority of public and political leaders are of the opinion that the first two phases have contributed to severe social and political concerns.

Pressure from the public in terms of increasing demands for transparency, accountability and integrity is also a driver. In addition, the focus has shifted from market-led economy growth to private sector-led economic growth. The need to pursue an integrated systems approach providing for sector-wide support in

order to facilitate good service delivery is also acknowledged by both administrative and political leaders (World Bank, 2001).

Expectations are still high that this phase may result in sustainable capacity including institutional capacity that can provide sustainable service delivery. This phase is, however, still dependent on donor funding. Some stakeholders are concerned that the old paradigms would reassert themselves and that the new approach of the World Bank and International Monetary Fund is limited to a re-labelling exercise from structural reform to service delivery (Cavanagh and Mander, 2004:55-74). Others are, however, encouraged because developing countries increasingly appear to be taking ownership of the assistance in order to channel them more effectively in terms of the needs of developing countries (OECD, 2002).

#### **1.3.4 African Peer Review Mechanism**

In 2003, Africa introduced the African Peer Review Mechanism as a key element of the New Partnership for Africa's Development to guide and facilitate public policy reform. The African Peer Review Mechanism is an instrument that can be used by member countries of the African Union to do voluntary self-assessment of their policies and practices with a view to conform to agreed political, economic and corporate values and standards. The African Peer Review Mechanism therefore is an important tool that will be used by African governments to foster the adoption of policies, standards and practices and the creation of appropriate institutional capacity, which may lead to political stability, high economic growth and sustainable development. The African Peer Review Mechanism may also support accelerated sub-regional and continental economic integration as it facilitates the sharing of experiences and reinforcement of successful and best practice (NEPAD, 2003).

The design of the African Peer Review Mechanism provides for a Participating Heads of State and Government Committee as the supreme political authority. This committee manages and directs the African Peer Review Mechanism through a panel of Eminent Persons that are appointed as individuals.

The African peer review process in a review country has five stages. In the **first** stage the review country government does a background study, collects information and completes a detailed questionnaire. The **second** stage involves a visit by an African Peer Review Mechanism review team who consults the review countries' government, parliament and political parties as well as civil society. The **third** stage involves the preparation of a draft report by the African Peer Review Mechanism review team and discussion with the government of the review country for response. The **fourth** stage, which is crucial, involves the submission of the report to the Participating Heads of State and Government Committee for their consideration. At this stage, the Participating Heads of State and Government committee will support countries that want to rectify shortcomings. If countries, however, do not want to continue with rectification of shortcomings, a constructive dialogue process will follow. Only as a very last resort the Participating Heads of State and Government may inform the country by notice of their intention to take appropriate measures by a given date. The **last** stage involves the lodging of the report with regional and sub-regional organisations (NEPAD, 2003).

The four focus areas of the African Peer Review Mechanism are: democracy and political governance, economic governance and management, corporate governance and socio- economic development. For each area, there are objectives, standards, criteria and indicators. Each of the areas also deals with the issue of the availability of appropriate state organisational infrastructure. Questions are asked in terms of capacity, resources and functioning. The African Peer Review Mechanism thus includes the identification of state organisational



deficiencies and assessment of the needs for state organisational development and reform (Wissink and Melnyk, 2004:2-11).

Twenty-four countries have subscribed to be reviewed through the African Peer Review Mechanism and a few more have indicated their intention to join in the near future. Three countries, namely Ghana, Rwanda and South Africa, have completed their first reviews. Kenya and Nigeria have started with their reviews. Recently, countries recounted their experiences with the African Peer Review Mechanism. Many found that citizens in their countries do not understand the benefits of the African Peer Review Mechanism and that there often is public scepticism of government intention. There is a need for much dialogue among stakeholders to ensure support, buy-in and sustainability for the review process. Insufficient funding for the review process is problematic. The cost of a review is estimated at between \$1 million to \$2 million per country. Recommendations to improve the reviews are amongst others, to make the process simpler and customise the questionnaires to cater for domestic needs (NEPAD, 2006). One benefit of the African Peer Review Mechanism is that it creates a platform for national consultation on issues that never were subjected to consultation previously. In addition, it provides an opportunity for a government to educate its people and to involve them in decisions (SAIIA, 2006).

The biggest test for the effectiveness of the African Peer Review Mechanism is the extent of frankness and forthrightness of reports being published and the extent of the policy reform initiatives and action plans, including state institutional reform plans, emanating from them. Some stakeholders are questioning the voluntary nature of the African Peer Review Mechanism. Dr Bernard Kouassi, who was appointed chief executive of the African Peer Review Mechanism in January 2006, however, explains that the voluntary nature of the mechanism makes it a tool that can be used by governments without fear to reveal real issues, to discuss them constructively and publicly, with a view to find solutions.

Making it compulsory will make the African Peer Review Mechanism a policing institute that rewards and punishes (SAIIA, 2006).

#### **1.4 STATE INSTITUTIONAL CAPACITY IN AFRICA**

The importance of state institutional capacity to implement public policy has been recognised in the writings of Adam Smith and in the work of Douglas North (1990). They specifically focused their writings on the importance for state institutions to provide an enabling environment for economic development. Other research focused on sources of institutional differences across countries, how these institutions affect economic performance and the quantitative links between growth and state institutional capacity.

Government bureaucracies consist of state institutions that are responsible for the provision and delivery of public services. These state institutions are the vehicles through which governments deliver virtually every policy intervention. State institutions are important because they provide the institutional capacity that is needed to support, among other things, entry into global politics and the global economy. The identification of the full range of institutions that a state need is almost impossible. However, examples of key state institutions are health, education and infrastructure.

State institutions, including African state institutions, underwent dramatic transformations since the mid-nineteenth century. At that time the state used relatively unsophisticated methods to conduct its affairs. Today a vast and sophisticated apparatus is or should be available to deliver services to meet modern demands and needs of the public.

Institutional reform was examined by Brusson and Olsen (1993) in an attempt to better understand when reform occurs, why reform is necessary and what the effects of reform are. Brusson and Olsen (1993) established that institutional

reform occurs when a gap between institutional performance and institutional delivery is identified. The rationale for institutional reform comes from the basis that choices can be made in terms of institutional reforms with a view to improve operations and performance. They acknowledged that institutional reform has effects such as the reshuffle of power, re-legitimation, education and democratisation. These effects may benefit certain actors while threatening others.

Brusson and Olsen (1993) identified the following four attributes of institutional reform. **Firstly**, that institutional reform consists of simple and clear principles rather than detailed descriptions. **Secondly**, that institutional reform attempts to bring order into a chaotic reality. **Thirdly**, that institutional reform introduces consistency in terms of values and perceptions. And **lastly**, that institutional reform is a process rather than immediate action with a promise of future benefits.

The above attributes are important and can also be applied when state institutional reform or development is considered. If it is found that there is a gap between state institutional performance and what it is expected to deliver, the reform process should be guided by clear principles. Problems such as possible rearrangement of power, re-legitimation and democratisation, which may benefit certain actors while threatening others can be minimised if the reform process makes provision for an opportunity for all stakeholders to agree on values, perceptions and potential benefits.

## **1.5 PUBLIC POLICY REFORM AND ITS IMPACT ON STATE INSTITUTIONS**

Public policy reform is a continuous process that occurs in countries to bring about change and transformation in the context of a country's specific needs and demands. From a state institutional capacity point of view, the African Peer

Review Mechanism offers the opportunity to African governments to direct and affect the necessary reform based on benchmarking with other African member countries. It also offers governments the opportunity to not repeat the mistakes made in terms of the structural adjustment and capacity-building phases. In addition, there may be a possibility for states to build on the activities of the service delivery phase.

Chandarasorn (1998) points out that the scope of any policy reform programme will have a direct impact on the successful implementation and adoption of such a programme. Often, if the scope of the policy reform programme is large, the implementation is more difficult and the possibility for successful implementation less likely. Therefore, the greater the scope, the more necessary is stakeholder support, including political and bureaucratic support, for the policy reform programme to succeed. The reason is that a substantial policy reform programme may impact on bureaucrats at various levels who may resist the changes or feel threatened by them.

The time needed to achieve institutional reform also impacts on the success of implementation. Generally, the greater the speed at which change is required the less likely the success. The reason is that change requires enough time to create an understanding to the reform receiver, to ease the perception of threat and to ensure stability. The problem with a time scale that is too long is the perception that it is less urgent and less important. Leadership that supports the institutional reform and that plans and monitors continuously and systematically will facilitate successful implementation (Chandarasorn, 1998).

The clarity of the institutional reform objectives and goals also impacts on implementation. Clear objectives and goals translated into sub-goals and action plans that are monitored and evaluated and adjusted if necessary will result in successful implementation. The use of appropriate tools and methods, which are user-friendly and fit for purpose, will be beneficial and will facilitate

implementation. Various measures such as training, motivation and enough time for behavioural change are necessary. Sufficient resources, e.g. financial, human expertise and equipment will make implementation possible. The availability of enough resources directly collates with the chance of success. However, enough resources do also imply efficient and effective use of these resources (Chandarasorn, 1998).

Monitoring and evaluation of institutional reform in terms of both quantitative and qualitative indicators are crucial. A participating process that allows for stakeholder input and proposals for action, as well as understanding that also facilitates buy-in from these stakeholders will increase the chances of successful institutional reform implementation. Lastly, institutional reform of state institutions enabled through legislation also supports successful implementation because legislation provides continuation (Chandarasorn, 1998).

In terms of state institutional development processes, the following aspects are critical (DFID, 2003). **Firstly**, state institutional reform and development should start with an analysis of the overall institutional framework in which the state institution will have to operate and deliver. The next step is an examination of the state institution's strategic environment and the organisational problems. Then follows a review and design phase when a series of interventions is designed and the impact and risk of each intervention are considered. This phase includes a re-engineering process. The next step is the implementation phase, which will include a major change programme as well as a change management process. Lastly monitoring and evaluation are critical.

To summarise, sound approaches to state institutional reform require leadership that supports the organisational reform, takes into account the scope of the review and clarifies the institutional reform objectives and goals. In addition, enough resources should be available. Monitoring and evaluation of the process are crucial. These reforms will be continuous because state institutions will be

required to keep up with the new needs and demands of the societies for which they are established.

Over the past 30 years policy reform efforts, mostly driven from the World Bank and the International Monetary Fund, have impacted negatively on African countries. Today these failed reform efforts mean that African states do not have the necessary state institutional capacity required to support political stability, high economic growth, sustainable development, accelerated sub-regional and continental economic integration.

The African Peer Review Mechanism marks the start of a new kind of African diplomacy where African states will start to drive their own agendas and reform programmes. The African Peer Review Mechanism offers member countries the opportunity to benchmark and learn from the successes and good policies of other members. The challenge for Africa is thus to turn back the state decay by introducing targeted state reforms with a view to create political stability, high economic growth and sustainable development.

The main test for the effectiveness of the African Peer Review Mechanism is the extent of frankness of the reports being published by governments and the extent of the public policy initiative, action plans and implementation activities, including state institutional reform plans and actions, emanating from them.

## **1.6 TECHNICAL REGULATORY REFORM**

It is widely acknowledged that the explosive growth of the global economy is the result of rapid changes in world trade and investment which took place in the 1980s and 1990s. These changes include the reduction of barriers to the free flow of goods, services and capital. Mills (2000:20), however, also point out that the changes led to an intensification of non-tariff barriers including subsidies, quotas, regulations (also technical regulations) and anti-dumping policies.

Regulations in general, refer to a set of instruments that governments use to institute requirements for enterprises and people. Technical regulations, in particular, refer to a set of requirements used by governments to determine compulsory requirements for product or service characteristics or the related processes that should be complied with. Technical regulations also have specific administrative provisions and testing, certification and other conformity assessment requirements where compliance is mandatory with regard to public safety, health and environmental issues.

Some authors are of the opinion that these compulsory requirements are sometimes used by governments in excessively stringent or discriminating ways to restrict and protect trade..Cateora and Graham argue that the sheer volume of these technical regulations which require multifaceted formalities and substantial paperwork is becoming a problem in itself (2002:42). Hill (2002:538) supports this view and is of the opinion that global markets with global standards and technical requirements may still be a long way off, because national product standards and technical regulations still differs substantially.

On the other hand, Cateora and Graham (2002:454) recognise the legitimate and necessary use of technical regulations and standards to protect the consumers and the environment. The argument, however, is that countries that are not interested in using technical regulations and standards as trade barriers should look for ways to minimise trade-restrictive requirements through technical regulatory policy reform strategies.

O'Brien (2003:8) points out that technical regulatory policy reform is "the junction where the research and judgments of physical and natural scientists intersect with risk/return calculus of economists, the intricacies of the law and jurisprudence, the methods of public administration, and, to an ever increasing extent, the force of public opinion". It is, however, necessary to recognised that the identification of common practice trends, informed by international guidance

and practices, is possible and may be useful to policy makers who are responsible for the development of flexible regional policy approaches to technical regulatory reform. The application of these common practices, however, needs to be applied with caution because of different regional views and approaches and even gaps in terms of knowledge (OECD, 2003:11).

These common practice trends should therefore be understood as a flexible and not a one-size-fits-all concept that may be used by specific countries and regions to suit their specific technical regulatory needs, challenges and objectives. In the context of this research common practice means identifying patterns in technical regulatory policy approaches by various regions and countries that are similar as well as emerging policy areas that are different and that may be improved.

## **1.7 AFRICAN ECONOMIC STRATEGIES THAT ARE RELEVANT TO TECHNICAL INFRASTRUCTURE REFORM**

The New Partnership for Africa's Development identified market access as a key driver of economic growth. This encompasses intra-African trade, Africa's trade with other countries and regions and the diversification of production and exports as a key priority area for the continent. The manufacturing market access initiative of the New Partnership for Africa's Development aims to increase the production and improve the competitiveness and diversification of the private sector, with potential for increased exports and employment creation, especially in the agro-industrial, mining and manufacturing sub-sectors (UNIDO, 2001).

The Market Access Initiative provides for the following technical infrastructure objectives (UNIDO, 2001:7): **Firstly**, the plan is to harmonise the technical regulatory frameworks of African countries and to adopt a best practice framework for technical regulations that meet both the World Trade Organisation requirements and the needs of Africa. **Secondly**, the intent is to establish national standards infrastructure in African countries and to develop appropriate



regional and national standards. **Thirdly**, the aim is to establish national measurement capacity. **Fourthly**, the aim is to ensure that internationally recognised conformity assessment bodies (e.g. testing and calibration laboratories, inspection and certification bodies) are established or assisted and to establish an appropriate, internationally recognised, accreditation infrastructure. **Fifthly**, the goal is to actively participate in international standards, metrology and accreditation activities and, **lastly** the intention is to pursue mutual recognition of test, calibration, inspection and certification results with major trading partners.

The African Productive Capacity Initiative was finalised in 2003 with a view to strengthen Africa's industrial production. The initiative's objectives are to produce goods that can continue to meet present market requirements and to upgrade the quality of produced goods in order to tap into future export markets (UNIDO, 2003).

African leaders attending an ordinary session of the African Union Assembly of Heads of State and Government held in Addis Ababa, Ethiopia, in January 2008, confirmed that there are emerging opportunities for Africa to foster industrial development as an effective, socially responsible and sustainable means towards economic transformation. During this meeting, African leaders took an important decision by adopting the Action Plan for Accelerated Industrial Development of Africa which aims to establish operational priorities, programmes and projects in close co-operation with key stakeholders, such as the Conference of African Ministers of Industry Bureau members, African Development Bank, African Union, African Union Commission, Common Market for Eastern and Southern Africa, European Investment Bank, New Partnership for Africa's Development, Southern Africa Development Community, United Nations Economic Commission for Africa, United Nations Industrial Development Organisation (UNIDO) and the World Bank. In October 2008, African leaders agreed to a strategy for the implementation of the plan of action for the

accelerated industrial development of Africa (AC, 2008). The abovementioned implementation strategy includes two projects that are relevant to this study, namely the project that focuses on technical assistance to enterprises to meet international standards and technical regulatory requirements and the project that focuses on the establishment of a regional framework to coordinate standards, metrology and accreditation activities in Africa (AC, 2008:33-34).

It is crucial to note that about 80% of global trade is affected by standards and regulations that call up standards (NIST, 2000) and that the estimated cost of measurement for most modern industries is at about 10-15% of production costs (SADC, 2004:38). The lack of technical infrastructure in Africa undermines the region's competitiveness because it creates technical barriers to trade and impacts negatively on regional integration (AC, 2005).

In view of the above, the importance of reforming the technical infrastructure, e.g. metrology, standardisation and conformity assessment for Africa is highlighted. However, Van Rooyen and Peet (2007) confirm the enormity of building sustainable technical infrastructure that would meet the needs of the continent. Current positive economic outlooks for growth in the region of 5.8% for 2006 and 5.5% for 2007 also support this idea (OECD, 2006). The next section reflects on the current status of technical infrastructure co-operation in Africa.

## **1.8 COMPLIANCE COST FOR AFRICAN ENTREPRENEURS**

Global trade means that many of today's products are built with components sourced from around the world, which must fit together, perform as expected and comply with international standards and technical regulations. High compliance costs to international standards and technical regulations detract from the international competitiveness of African entrepreneurs. Businesses often need to incur quality assurance compliance costs in terms of good manufacturing practices, occupational health and safety, in-house or third-party laboratory

testing, certification, verification, quality auditing and calibration (UNIDO, 2005: 96). Table 1.1 below provides a range of quality costs relative to total sales for specific sectors.

Table 1.1: Interindustry distribution of quality expenditure

<b>Inter-industry distribution of quality expenditures</b>	
<b>Activity area</b>	<i>Incidence of expenditure in quality on selling price (%)</i>
Chemicals (granular enzymes)	0.29
Metals (aluminium and steel)	0.058 – 0.27
Vehicle parts (shock absorbers and engine valves)	0.92 – 3.19
Electric machinery (digital weighing machines and fitness equipment)	0.93
Beef	1.50
Dairy products (cheese, powdered milk)	0.66 – 9.5
Footwear (leather shoes)	2.50
Processed food (fruit juice and canned tomato)	0.2 – 2
Oil seed products (peanut and peanut butter)	0.33
Refined fuels	0.04

Source: UNIDO (2005: 96)

In addition to the above quality expenditure, African enterprises also incur additional export-related quality and compliance expenditure if they wish to export to the EU and the US (see table 1.2). These expenses exclude significant investment in process re-design, new equipment, quality auditing, product and process certification and testing which may be necessary.

Table 1.2: Export related quality and conformity expenses

<b>Export related quality and conformity expenses</b>		
<b>Activity Area</b>	<i>Incidence of expenditure in quality on selling price (%)</i>	<i>Incidence of incremental costs on selling price (%)</i>
Chemicals (granular enzymes)	0.29	0
Metals (aluminium and steel)	0.058 – 0.27	0 – 4.20
Vehicle parts (shock absorbers and engine valves)	0.92 – 3.19	0 – 4.66
Electric machinery (digital weighing machines and fitness equipment)	0.93	4.30 – 8.33
Beef	1.50	S/d
Dairy products (cheese, powdered milk)	0.66 – 9.5	1.77 – 3.19
Footwear (leather shoes)	2.50	10.73
Processed food (fruit juice and canned tomato)	0.2 – 2	2.44
Oil seed products (peanut and peanut butter)	0.33	2.04
Refined fuels	0.04	2.50

Source: UNIDO, (2005: 96)

The size of costs for quality compliance differs from sector to sector. For many sectors, it is negligible either because quality assurance is based on suppliers' declaration or because firms are part of a global production chain, which provides for an integral total quality system. An example is the vehicle parts sector. Other sectors, however, incur significant quality assurance costs. The footwear sector, for instance, and leather shoes in particular can incur costs of up to 11% of total sales. The dairy sector and the electrical machinery sector also incur high compliance costs. In the food industry, quality-related expenditure includes complying with public standards. For example, the United Kingdom's retailer standards for food, requires re-tooling, adjustments in product characteristics, which places a huge burden on exporters.

Technical infrastructure capacity becomes critical when countries start to export their products and services as it impacts directly on export companies' ability to be competitive.

### **1.9 TECHNICAL INFRASTRUCTURE INSTITUTIONAL CAPACITY TO SUPPORT AFRICAN TRADE**

The capacity of a country's technical infrastructure institutions, e.g. the standards body, the accreditation system and the metrology institute, impacts directly on the competitiveness of its private sector. It can raise or lower economic efficiency, facilitate or constrain exports, enable or exclude the participation of small and medium enterprises and block or promote competitiveness (UNIDO, 2005:94). It is particularly during the early phase of sector development that effective technical infrastructure support is necessary to support private sector entrepreneurial efforts. Technical standards help to focus the direction of collective technology search efforts. Standards foster diffusion of new innovation and technology. It also fosters efficiency gains from specialisation enlarging the scope of mass production, reduced costs and prices and enlarging the potential market (UNIDO, 2005:85).

In addition countries also have to ensure that they obtain international recognition for the national technical infrastructure, which demonstrate the equivalence between their domestic technical infrastructure and those of other countries. The domestic technical infrastructure also needs to be able to deal with fast-changing requirements from other countries.

The abovementioned demands require consistent government budgets, constant skills availability, good managerial practices and alignment of the activities of the technical infrastructure institutions. It requires careful investment by government into technical infrastructure based on careful needs assessments and economic evaluations. The investments required from government will need to provide for a

vast range of metrology facilities, a sound accreditation system that can be used to support a country's certification testing, calibration and inspection activities, a system to facilitate standards development and harmonisation and last but not least, investment in order to gain and maintain the international mutual recognition of the technical infrastructure (UNIDO, 2005:98).

Table 1.3 is a summary of the investments made by a selected group of countries in national and international standard development activities.

Table 1.3: Annual budgets for standards development in 2002 (Thousands of Swiss francs)

<b>Group 1</b> <b><u>0 – 10 000</u></b>	<b>Group 2</b> <b><u>10 001 – 40 000</u></b>	<b>Group 3</b> <b><u>40 001 – 60 000</u></b>	<b>Group 4</b> <b><u>60 001 – 500 000</u></b>
<u>Africa</u>	<u>Africa</u>	<u>Africa</u>	<u>Africa</u>
Algeria	-	Nigeria	-
Angola		South Africa	
Benin	<u>Asia</u>		<u>Asia</u>
Botswana	China	<u>Middle East</u>	Australia
Burundi	India	Israel	
Cameroon	Japan		<u>Western Europe</u>
Congo	Rep of Korea		Germany
Côte d'Ivoire	Singapore		Greece
Egypt	Vietnam		UK
Eritrea			Spain
Ghana	<u>Latin America</u>		Turkey
Kenya	Peru		France
Lesotho			
Libya	<u>Middle East</u>		
Madagascar	Saudi Arabia		
Malawi			
Mali	<u>North America</u>		
Mauritius	USA		
Morocco			

Mozambique	<u>Western Europe</u> Austria Denmark Italy Netherlands Sweden Finland Portugal		
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Adapted from Source: UNIDO (2005:101-103)

Developed countries invest a substantial amount of money in the international and national standards development process as illustrated in table 1.3. Specifications of international standards are therefore strongly influenced by the large international companies of the developed world. There is a growing concern about the use of standards and technical regulations as discriminatory technical barriers to trade. Although standards and technical regulations should be designed taking into account risk and scientific evidence, dominant groups can manipulate the standards development process to protect their interests.

In addition to the manipulation of international standards development processes by developed countries, developing countries lack the capacity to participate actively in international standards development activities. Developing countries also have limited capacity to provide credible information to defend their interests, putting developing country enterprises at a disadvantage. This, therefore, makes developing countries standards-takers and thus reactive players in the international trade system. Developing countries' enterprises are therefore at a constant disadvantage creating an asymmetric playing field. Additionally, developing countries often have to comply with numerous technical requirements of the different trading partners (Wilson and Abiola, 2003:xxxv).

The role of a country's national technical infrastructure is therefore crucial to facilitate diffusion of the international standards in order to improve the competitiveness of its domestic industries. The problem is, however, that technical infrastructure is mostly absent or insignificant in developing countries, including countries on the African continent. Investment in technical infrastructure institutional development and capacity-building is increasingly important if countries in Africa want to increase their share in global trade by assisting African enterprises in their attempts to enhance their competitiveness.

### **1.10 CONCLUSION**

This chapter considered the various public policy reform phases that occurred in Africa in order to bring about change. Many of the changes that occurred were conditional in terms of World Bank and International Monetary Fund support. Others changes, however, were the result of the African Peer Review Mechanism, which countries used to introduce policy reforms. The focus of these public policy reforms was the adoption of policies, standards and practices that can lead to political stability, high economic growth and sustainable development. So far, many of the reforms and changes have failed and this negatively impacts on among others, the state institutional capacity, which is crucial for development. The chapter therefore highlights the importance of state institutional capacity and the responsibility of government to invest in these institutions and to manage them effectively in order to support economic growth and sustainable development.

In the above regard, the chapter specifically explored the need for technical regulatory reform and the establishment of appropriate technical infrastructure in Africa in the light of current African initiatives aimed at the accelerated industrial development of Africa and market access for African goods and services as a key driver of economic growth. The current issue is that African enterprises are not competitive because of high compliance costs, the need for significant



investment in new equipment, quality auditing and product certification and testing. In addition, African enterprises lack the support of national standards, metrology and conformity assessment infrastructure to deal with fast-changing requirements of other countries that they want to export to.

The next chapter focuses on the research methodology followed to investigate the topic in greater detail.

## CHAPTER TWO

### RESEARCH METHODOLOGY

#### 2.1 INTRODUCTION

The purpose of this chapter is to describe the researcher's investigation into the importance of the research problem, the types of research approaches available to the researcher as well as the various research designs that can be utilised in order for the researcher to choose the most appropriate research methodology to solve the problem statement.

Taking into account the aforementioned, this chapter considers the need, nature as well as purpose of the study. The problem statement for the study is articulated in order for it to inform the research design and the objectives of the research. The limitation of the study is also considered.

#### 2.2 THE RESEARCH PROBLEM

A study is scientific if it contributes to knowledge through empirically driven and methodological rigorous research (Birkland, 2005:11-12). Scientific studies follow a systematic process of asking questions and seeking answers on a specific subject where knowledge is incomplete and research problems need to be solved. Scientific studies therefore aim to contribute to greater scientific knowledge and deeper detail through a process of discussion. Rossouw (2005: 37) supports this approach and confirms that science is a continuous process of persuasion, explanation and justification. Inductive argument will be used throughout this study in order to support the conclusion because it facilitates the discovery of new knowledge based on available knowledge (Rossouw, 2005:40-41). Mouton and Marais (1988:111) reach the conclusion that when a researcher

uses inductive argument, the supporting evidence may lead to highly probable conclusions through a process of gradual support.

Leedy and Ormond (2005:2-9), identify the following distinct research characteristics that make a study scientific. **Firstly**, research starts with a clear question or problem that can be stated precisely and distinctly. **Secondly**, research requires a clear articulation of the final goal of the research. **Thirdly**, research requires that the researcher plan and design his/her research in a purposeful way ensuring that the appropriate data is acquired. **Fourthly**, researchers often break the main problem into several small or sub-problems. The researcher therefore deals with each of the sub-problems with a view to solve the main problem. It is important to note that research is more often than not helical because it is seldom conclusive. One research cycle often comes across additional research problems that need resolving. The next sections look into the importance of the research problem, types of research available to researchers, the different research methods that can be employed as well as qualitative research sources available to researchers.

Leedy and Ormond (2005:2-9) emphasise that “the heart of every research project is the problem”. Stating the research problem clearly and completely is crucial because it offers both the justification for the research and it convinces readers that the research contributes to the specific academic field.

Additionally, a well-defined research problem helps the researcher to choose an appropriate method of researching to focus the researcher and improves the researcher’s efficiency. The quality of the research problem statement also determines the quality of the research design and the solution to the research problem statement. Mouton (1996:69) confirms that the logic of a research project is informed by the relationship between the research problem, the evidence provided by the researcher and the conclusion of the research.

### 2.3 THE USE OF RESEARCH

Social research has two fundamental uses. **Firstly**, research is used to advance general knowledge and **secondly**, research is used to solve specific problems. Neuman (2002:33) distinguishes between researchers who seek to understand the fundamental nature of social reality and thus engage in basic or pure research and researchers who primarily want to apply knowledge to address a specific practical issue. Applied researchers want to answer policy questions.

For this study, applied research is relevant. The objective of the study is to focus on technical regulatory policy reform in Africa and the institutional capacity required supporting future technical regulatory reform policy strategies. The aim is to apply scientific knowledge to develop recommendations for an African policy approach to technical regulatory reform that will ultimately assist African countries to grow their economies sustainability.

### 2.4 TYPES OF RESEARCH APPROACHES

Research involves obtaining scientific knowledge through various objective methods and procedures. The use of the correct research methodology is of crucial importance for the validity of the findings of the study. Lasswell (1933), a well known social scientist and reformer of the 1940s to 1960s, argued that both quantitative and qualitative research methodologies can be used to study public policy. The choice between quantitative and qualitative research methodologies is determined by the aims of a specific research study, the concept and context of the study as well as the type of research.

Verwey (2005:160-163) describes the difference between the two methodologies as follows. Quantitative research methodology is empirical and uses numerical analysis to convey results. This research approach is highly objective and uses of deductive reasoning. Quantitative research methodology findings can be

generalised, aim to be one hundred percent reliable and valid and are thus repeatable. The use of quantitative methods is also functional, specifically in the information age. Qualitative research methodology, on the other hand, is critical and uses words, symbols and metaphors to describe, decode and translate results. This research approach is subjective and makes use of inductive reasoning. Qualitative research methodology findings are limited to the sample and reliability is not so important, nevertheless it is still valid.

One criticism of the quantitative research methodology is that researchers may regard the accuracy of the measurement more important than the significance of the study. Qualitative research methodology is therefore more suitable for the study of social sciences because it focuses on exposing hidden meaning (Verwey, 2005:163). The use of qualitative methods is effective and preferred because it allows for the collection of evidence from journals, official responses to reports and others sources that are not strictly quantifiable.

Qualitative research approaches allow researchers studying public policy to understand and analyse complex situations. These approaches also provide for the use of explanatory methods to explain the work and makes extensive use of inclusive reasoning, which allows the policy researcher to make a broad range of observations that the researcher can use to identify broader or more general conclusions (Leady and Ormond, 2005:91-97). Welman, Kruger and Mitchell (2005:188) confirm that qualitative studies may lend themselves to studying cases.

In conclusion, both quantitative and qualitative research methodologies can be used to complement each other because each method provides complementary insights.

For this study the researcher will use a qualitative research design to answer questions about the complex nature of technical regulatory reform in different

regions of the world. The qualitative research design will be used to describe and understand the technical regulatory phenomena with a view to interpret the findings and to gain new insight with a view to develop policy recommendations for a African approach to technical regulatory reform.

## 2.5 QUALITATIVE RESEARCH DESIGN

The **first** aim of qualitative research is to establish the nature of the reality of certain social situations, processes, systems or people. **Secondly**, the aim is to enable the researcher to gain new insights, develop new perspectives and discover new problems within a specific phenomenon. **Thirdly**, the aim is to allow the researcher to test the validity of certain findings and generalisation and **lastly**, to provide the researcher with a means to analyse the effectiveness of policies or practices (Denzin and Linclon, 1994:4).

The following paragraphs consider some of the commonly used qualitative research designs used by researchers, namely content analysis, grounded theory study, phenomenological and ethnography designs and case study methods.

### 2.5.1 Content analysis method

The content analysis method of research focuses on a detailed examination of the contents of a particular body of information with a view to identify themes, trends or patterns. Content analysis methods often require both quantitative and qualitative analysis and in some studies appropriate statistical analysis are performed to interpret the data (Leedy and Ormond, 2005: 142-143).

### **2.5.2 Grounded theory study method**

A grounded theory study focuses on a process related to a specific topic with a view to develop a theory about that process. The grounded theory approach starts with data that is used to develop a theory. This approach is often used when current theories on a specific topic are inadequate or non-existent. The grounded theory approach involves a process of moving back and forth between data collection and data analysis. This method is also known as the constant comparative method where data analysis guides subsequent data collection (Leedy and Ormond, 2005: 140-141).

### **2.5.3. Phenomenological Study Method**

A phenomenological study focuses on the understanding of people's perspective of a specific situation with a view to use the multiple perspectives on the same situation to make some generalisations. The data collection and data analysis process requires that the researcher separate relevant and irrelevant information. Relevant information is broken into smaller parts that reflect similar thoughts. The focus is therefore on common themes that are used by the researcher to develop an overall description of the phenomenon as experienced by many people despite their diversity (Leedy and Ormond, 2005:139-140)

### **2.5.4 Ethnography method**

An ethnography study method is used when a researcher studies a specific community, group or organisation that shares a common culture. Ethnography studies focus on the understanding of complex cultures. The researcher needs a solid background in cultural anthropology if this method is used. An essential condition for this sort of study is that the researcher must be informed by prolonged engagement with the cultural group that is investigated (Leedy and Ormond, 2005:137). This allows the researcher the opportunity to observe

behavioural regularities in everyday situations and provide the deductive keys to the culture under investigation (Welman, Kruger and Mitchell, 2005:193). Data collection and data analysis often occur simultaneously during this study method. Data collection happens chronologically and data analysis identifies patterns and regularities with a view to interpret the general nature of the culture, group or organisation (Leedy and Ormond, 2005:138-139).

It is, however, important to understand that the abovementioned methods are not that distinctively different. By its very nature qualitative research is flexible enough to allow for the use of two or more methods if they are relevant to the research question.

#### **2.5.5 Case study method**

The case study method is useful when specific programmes are studied in depth with a view to understand and inform similar programmes. Case studies are generally preferred as a research strategy when exploratory questions are considered and are often used in policy and public administration research (Yin, 1994:7). In policy and public administration the distinctive need for case studies arises out of the need to understand complex social phenomena (Yin, 1994:3).

According to Yin (1994: 38-45) there are primarily two types of case study design, namely single-case and multiple- case designs. This means a researchers needs to make a decision, prior to any data collection, on whether a single-case study or a multiple cases are going to be used to address the reseach questions.

In this study the researcher will use a multiple-case design. Yin (1994:45) advises that the selection of the specific cases that will be studied should be done carefully and should serve a specific purpose within the overall scope of the study. Yin is of the view that the selection of the cases should be informed by



replicational logic. Thus, if a researcher compares multiple cases in which the same results are predicted the researcher may be able to produce evidence that the multiple cases did involve the same syndrome. If similar results are obtained from the selected cases replication is said to have taken place.

The researcher using the case study method collects extensive data on the programme which is under investigation. The data collection process includes collecting information on the context surrounding the case for example any relevant historical, economic or social factors that impact on the programme. Context is important because it helps the researcher and others that read the case study to draw conclusions about possibilities to generalise the findings for other programmes. Generally, a case study must allow the researcher and the reader to converge or triangulate the data in such a manner that all the data must point to the same conclusion (Leedy and Ormond, 2005:135-136). Case studies therefore direct the researcher to the distinctiveness and uniqueness of the case that is studied in all its complexities (Welman, Kruger and Mitchell, 2005:193).

Yin (1994:10) identified the following concerns that researchers may have when using the case study methodology. **Firstly**, the concern is that case study research may lack rigor and may allow for biased views to influence the direction of the findings and the conclusion. **Secondly**, the concern is that case studies provide little basis scientific generalisation. **Lastly**, the concern is that case studies may take to long and may be too massive in size, which make them unreadable. He, however, is of the opinion that these complaints may be appropriate for case studies done in the past, but it is not necessarily the way case studies must be done in the future.

In view of the above the concerns with the case study methodology the researcher aimed to report all evidence fairly, used the cases of the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development that started with technical regulatory for in the early 1990s as a

basis for scientific generalisation and avoided the traditional lengthy narratives which made it possible to limit the time it took to complete the study.

## **2.6 QUALITATIVE RESEARCH SOURCES**

Welman, Kruger and Mitchell (2005:40-41) distinguish three categories of qualitative research sources, namely primary, secondary and tertiary sources. Primary sources are original written information by authors based on their experiences and observations. Secondary sources are information derived from original sources. Tertiary sources include indexes, abstracts, as well as encyclopaedias and are often used to locate primary and secondary sources or to introduce a topic. Information often flows between primary to secondary to tertiary sources. As the information flows, it becomes less authoritative and detailed. Secondary and tertiary sources are also consulted to question and review the primary information (Welman, Kruger and Mitchell 2005:213).

The methodology used by the researcher for this study is the qualitative research method combined with secondary techniques. The secondary sources are relevant textbooks, web based resources, official World Trade Organisation, Asian Pacific Economic Community, the Organisation for Economic Co-operation and Development and Southern African Development Community documents and published reports.

The primary reason why this study utilizes secondary techniques is that a lot of written information is available and debates on technical regulatory reform are ongoing. The information sought in the research process is concerned with targeting some emerging common trends in technical regulatory reform and identifying the institutional capacity needed to implement these trends.

Welman and Kruger (2001: 240-241) confirmed that secondary data may be used as the basis for a research study and the reasons are the following:

- **Firstly**, secondary data may be used to seek a reference benchmark against which other findings can be tested.
- **Secondly**, secondary data keeps the researcher from trying to reinventing, allows the researcher to explore the past to contribute to the present study and helps the researcher to decide what further research needs to be done.
- **Thirdly**, primary research is difficult to conduct because of physical, legal and cost limitations.

## 2.7 NEED FOR THE STUDY

There are more than 100 000 quality standards and technical regulations, which are designed to facilitate interconnection and interoperability and safeguard health and safety around the world (UNIDO, 2002). In order to prevent these standards and technical regulations from impacting negatively on trade and creating technical barriers to trade, organisations such as the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development have both embarked on technical regulatory reforms to gain a competitive edge in global trade. The principles that these organisations apply in the reform of strategies are those that countries agreed to during the Uruguay Round of negotiations in terms of the World Trade Organisation Agreement on Technical Barriers to Trade. The agreement was negotiated because developing countries recognised the potential of standards and technical regulations to have a detrimental effect on their exports (Stiglitz and Charlton, 2007:211).

Current public policy on technical regulatory reform in Africa appears to be lagging that of the abovementioned regions thus impacting negatively on Africa's economic development and its ability to increase the African continent's share of global trade. Stiglitz and Charlton (2007:212) confirm that many developing

countries cannot assist their producers to meet international standards and technical requirements because of serious institutional deficiencies.

African countries face critical challenges in terms of improving capacity to meet quality standards as well as safety and environmental technical regulations that are required in global markets. Some of the challenges experienced in Africa are the lack of capacity to meet international standards and technical regulations, the lack of critical institutional infrastructure such as national standards development organisations, metrology institutions and accredited conformity assessment facilities, inability to verify compliance with international standards and technical regulations, inadequate inspection capacity to ensure that exports meet all the technical requirements and export bans on selected products (UNIDO, 2002:).

At continental level, African countries have unharmonised regional rules and procedures, which hampers continental trade. Soko (2004:39) points out that although regional integration has been an integral part of the continent's development strategy, most efforts to improve economic integration in Africa have been unsuccessful. To complicate matters further, the removal of trade barriers in regional blocs often benefits the most developed country within the bloc. Luiz (2006:43) illustrates this through the example of the relocation of the Volvo plant from Gaborone, Botswana to Durban, South Africa in 2005 as a result of the creation of the Southern African Customs Union.

Additionally, technical barriers to trade are expanding as developed countries also appear to use standards and technical regulations to protect local vested interests and a small number of politically powerful producers, often at the expense of the consumer (Oxfam International, 2002:58). The view is that while the standards and technical regulations genuinely aim to protect public health, these standards and technical regulations can be applied in a manner that undermines developing countries' efforts to export to developed countries (Oxfam International, 2002:103).

Gross domestic product (GDP) growth in Africa has increased over the years. This growth was underpinned by improved macro-economic policies as well as a strong demand for key African export commodities. The dependence on commodities for production, exports and growth, the limited capacity to add value to these commodities and the lack of diversification expose the region to external price shocks. Real growth rates are also still not enough to support Africa's development goals. In the light of the aforementioned African countries recognise the need to make economic diversification a top policy priority.

The Economic Report on Africa 2007 (EC, 2007) of the Economic Commission for Africa confirms that economic policies aimed at diversification have been marginalised since the 1980s because of a shift in favour of macroeconomic policies which were based on legitimate concerns such as the lack of service delivery by African governments and impatience with slow and inefficient state organisations. This marginalisation, however, impacted negatively on the efforts of the 1970s to deepen diversification. The report recommends that while macroeconomic policy remains important it needs to be sufficiently flexible to underpin economic policies on trade, finance and industry that may support diversification and transformation of the economy of Africa.

The abovementioned industry policies should also include policies on regulatory reform, creating a business environment that supports enterprise development and becomes more business-friendly. A World Bank report *Doing Business in 2005* (World Bank, 2005:3) highlights the relatively higher costs of doing business in poor countries and confirms that it is these high costs which put serious obstacles in the way of African entrepreneurs, who may support diversification, create jobs and boost economic growth. The abovementioned World Bank report confirms that the pay-off for regulatory reform appear to be as much as an increase of two percentage points on annual economic growth rates in terms of a hypothetical improvement on the ease of doing business.

A precondition for positive diversification outcomes is the strengthening of state institutions. This includes investment in the relevant institutions in a manner that is sustainable and that enhances good governance.

## 2.8 NATURE OF THE STUDY

The primary aim of this study, which is embedded in the field of Public Administration, is to investigate through a policy analysis process the extent to which Africa can provide African regulatory reform solutions for the lack of harmonised technical regulations and institutional capacity in standards, metrology and accreditation (technical infrastructure), which impact negatively on diversification, economic growth and access to global markets. The study will therefore consist of two parts.

The **first** part of the study considers the policy implications of the World Trade Organisation Agreement on Technical Barrier to Trade and the work of the Committee on Technical Barrier to Trade which is critical in that the committee provides policy principles that countries have agreed to with a view to improve the quality of their technical regulations for industry. The analysis will be done against the background of technical regulatory reform undertaken by the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development to support diversification of their products and services and to enable access to global markets. The study also considers the international, regional and national institutional arrangement for standards, metrology and accreditation, which is required to implement the policies that the World Trade Organisation Agreement on Technical Barrier to Trade.

The **second** part of the study considers the policy implications of the Southern African Development Community Technical Barrier to Trade Annex to the Southern African Development Community Trade Protocol, which aims to provide

a technical regulatory framework for technical regulatory reform in southern African. This part of the study also considers the Southern African Development Community's arrangement for co-operation on standards, metrology and accreditation. Southern Africa's participation in the international standardisation activities will be investigated as well as the status of the international recognition of its technical infrastructure institutions and current activities of the Southern African Development Community to improve the southern African institutional capacity.

The comparative analysis of the abovementioned Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development cases will facilitate an in-depth understanding of the two programmes as well as the identification of generalisations. The analysis of the Southern African Development Community arrangement will also be used to inform an approach to Africa. The set of generalisations will be used to make recommendations on an African approach to technical regulatory reform and institutional capacity-building to support the approach.

## **2.9 THE PROBLEM STATEMENT AND THE OBJECTIVES OF THE STUDY**

Governments in Africa are responsible for the development of public policies that provide an enabling environment for Africa's economic development and growth. They are also responsible for providing support to African businesses who may want to export African products and thus increase Africa's share of global trade. This responsibility includes the provision of institutional capacity that can assist African enterprises to meet international standards and technical regulations. In addition it also includes the responsibility for African government to harmonise regional rules and procedures that will support regional trade and regional integration.

Currently, challenges that have been alluded to in terms of the need for the study, including the lack of technical regulatory reform in Africa and critical capacity constrains and expanding technical barriers to trade, remain. In view of these problems and in view of the fact that African governments recognised the need for increased economic development through economic diversification, the underlying problem to be addressed in this study is the absence and therefore need for an Africa policy framework to technical regulatory reform and institutional capacity-building to redress the current unsupportive technical regulatory policies and the limited institutional capacity.

The purpose of the study is thus to explore the scope for an African approach to public policy on regulatory reform, which may provide African solutions for current unsupportive regulatory frameworks, limited institutional infrastructure and a lack of capacity that impact negatively on economic growth and access to global markets.

In order to investigate the abovementioned problem the objectives of the study are to:

- Outline the relevant historical, economic or social factors which impacts on African public policy initiatives including reform and state institutional capacity-building initiatives.
- Provide a literature review of the theoretical aspects of Public Administration which form the basis for this research.
- Review international approaches to technical regulatory reform and compare two regional cases with a view to identify policy trends in technical regulatory reform as well as developments around institutional arrangements which influence policy implementation.
- Analyse the two regional case studies in order to draw conclusions about possibilities to generalise the findings in terms of common practices and areas for improvement for an African policy program.



- Develop policy recommendations for the development of an African technical regulatory policy framework responding to the needs of the region.

### **2.9.1 The research questions**

The following research questions are thus posed for the study:

- Which historical, economic or social factors impacted on African public policy initiatives including reform and state institutional capacity-building initiatives?
- Why did many of the policy reforms and changes failed in Africa?
- How did the failed policy reform efforts impacted on the state institutional capacity?
- What is government's responsibility regarding investment in specific state institutions?
- What are the theoretical aspects of Public Administration and specific public policy-making and public institutions responsible for implementing public policies?
- What are the differences in policy processes between developed and developing countries?
- What is the status of public policy in Africa?
- What is the status of institutional development in developing countries and in particular in Africa?
- What was the international response to technical regulatory reform?
- How does the international response to technical regulatory reform impact on businesses?
- What were the regional responses of the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development to technical regulatory reform?

- Which policy trends can be identified in technical regulatory reform in the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development?
- What are the policy trends in technical regulatory reform in southern Africa?
- What are the developments around international institutional arrangements which support implementation of technical regulatory reform strategies?
- What is the status of institutional capacity in Africa, in particular in southern Africa and South Africa?
- Which common practices and areas for improvement can be identified in the World Trade Organisation, the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development?
- What institutional capacity will Africa need to support implementation of an African technical regulatory framework?
- What policy options and policy recommendations can be adopted by African governments as alternative solutions to the problems identified in the research.

**Chapter 1** of the thesis outlines the relevant historical, economic or social factors that may impact on African public policy initiatives including reform and state institutional capacity-building initiatives. The chapter considers why many of the reforms and changes failed and why these failures are impacting negatively, on among others, the state institutional capacity. The chapter also investigates the responsibility of government regarding investment in specific state institutions.

**Chapter 2** of the thesis outlines the need for the study, the nature of the study, the problem statement, the research methodology and the research limitations. The chapter outlines the research problem, the various types of research approaches available to researchers as well as the many research designs that

may be utilised by researchers. The chapter also identifies the research methodology that the researcher uses for this study.

**The third chapter** of the thesis focuses on the theoretical aspects of Public Administration and reviewed relevant literature on Public Administration, and more specifically policy-making and institutional development. The chapter investigates the differences in policy processes between developed and developing countries and provides an overview of the status of public policy in Africa. The chapter also considers the status of institutional development in developing countries and includes an overview of institutional development in Africa.

**Chapter 4** reviews the international approach to technical regulatory reform and compare two regional cases in order to identify policy trends in technical regulatory reforms and state institutional capacity requirements. The review covers the World Trade Organisation, the Asian Pacific Economic Community, the Organisation for Economic Co-operation and Development approaches to technical regulations and standards. The chapter explores how the international response to technical regulatory reform impact on businesses The Southern African Development Community's approach to technical regulatory reform is also examined. The chapter also investigates the institutional arrangements for standards, metrology and accreditation at international level and reflects on the arrangement and status of technical institutional capacity in southern Africa.

**Chapter 5** identifies the principles that governs technical regulatory reform and considers the challenge for regions to develop a technical regulatory system taking account of the legislative and political system of the countries in the region. The link between technical regulatory reform policy and institutional capacity-building policy is investigated as well as the benefits of establishing reliable technical infrastructure.

**Chapter 6** concludes with a number of policy recommendations regarding an African policy framework to technical regulatory reform, the establishment of regional and sub-regional co-operation and coordination on technical regulations, standards, metrology and accreditation, the development regional and sub-regional capacity to meet the needs of the region and lastly, technical support to enterprises to manufacture and sell quality goods and services. The chapter also provides a summary of the research and a conclusion.

## **2.10 METHODOLOGY**

This study aims to contribute to greater scientific knowledge of public policy of technical regulatory reform in Africa through discussions of the technical regulatory reform practices and capacity-building initiatives that are taking place all over the world. Recommendations will be provided for an African approach to technical regulatory reform. A qualitative research strategy is employed, including the use of a comparative case study approach to test the research question because it facilitates complex investigations informed by extensive data. The comparative case study method is very useful for this study because it requires that the researchers set boundaries when the study starts but it allows the researcher to adjust the boundaries if necessary, thus giving the researcher flexibility. However, this does not mean that the intended research will necessarily be changed. Additionally, the qualitative research strategy is appropriate because the study started in chapter 1 with the relevant historical, economic or social factors that impact on African public policy initiatives. Chapter 1 provides the context for the researcher and others that read the case study.

This study uses secondary sources. The secondary sources include relevant books, journals, published reports, official World Trade Organisation, New Partnership for African Development and Southern African Development Community documents and web-based sources.

The advantages of the literature review method are that a large amount of information and data can be gathered through an interactive and cyclical process that takes into account limited timescales and costs. Lötter (2005:91) advises that the researcher must know about all the relevant literature on the topic that is researched, must judge the value of the information, must subdivide the information and must make the connections between the subdivisions of the literature. These connections need to be discussed and explained in terms of the nature of the connections and the connection with existing knowledge.

In addition, the comparative case study approach will allow for an analysis of international technical regulatory policies of the World Trade Organisation, regional policies of the Asian Pacific Economic Community and the Organisation for Economic Co-operation and Development and at African level, technical regulatory policies of the Southern African Development Community. International policy trends on standardisation, metrology and accreditation will also be covered in the case study with a view to compare it with what is happening in the Southern African Development Community. Welman, Kruger and Mitchell (2005:193) recommend the use of inductive reasoning to search for recurring patterns.

## **2.11 LIMITATIONS ON THE SCOPE OF THE STUDY**

The researcher acknowledges the following limitations: the researcher settled for a sample of literature because of time limitations and resource constraints. Not all literature on public policy for regulatory reform and technical infrastructure was studied; however, all literature that relates to the main themes of the study was covered. In terms of the comparative case study methodology, the researcher used two case studies as a sample because of limited resources and time.

## 2.12 CONCLUSION

To conclude, economic growth policy and regional development are important issues for Africa as these issues affect the quality of lives of African citizens. African countries are experiencing steady economic growth creating the policy space for interventions that can sustain these trends in a proactive manner. The research problem of this study is therefore of interest as it investigates what an African approach to technical regulatory reforms should be and which institutions government needs to put in place to support these reform. The following chapter focuses on the theoretical aspects of Public Administration in which the research topic is embedded and which forms the basis for this research.

## CHAPTER 3

### A REVIEW OF THE RELEVANT LITERATURE ON PUBLIC ADMINISTRATION

#### 3.1 INTRODUCTION

This study is embedded in Public Administration. The chapter therefore provides a literature review of the theoretical aspects of Public Administration, which forms the basis for this research. The chapter also assesses the origins and historical development of public administration studies and identifies the generic administrative functions of public administration.

The chapter provides a conceptual overview of the nature of public policy with reference to international and African material and considers public administration as it is practised at international, regional and national level. The chapter pays specific attention to one specific function of public administration, namely public policy-making. Attention is also paid to public institutions that are responsible for the implementation of these policies.

The chapter provides definitions of public policy and public policy analysis. Different policy types and levels are identified. The chapter continues with a categorisation of the types and identifies different policy levels. Various models for policy-making are investigated. This is followed by an overview of the various approaches to policy analysis, reasons for public policy analysis and advantages and limitations of public policy analysis. Policy implementation is investigated as well as policy agenda-setting.

Of particular significance is an examination of the difference between policy processes in developed and policy processes in developing countries. The chapter concludes with an overview of public policy in Africa. In terms of institutional development, the chapter includes a literature review of

characteristics of state institutions, three models of institutional theory and approaches to institutional development. The chapter also examines institutional development in developing countries and concludes with an overview of institutional development in Africa.

### **3.2. THE BOUNDARIES OF PUBLIC ADMINISTRATION**

The boundaries of Public Administration are not clearly defined because many of the theories of Public Administration are borrowed from other disciplines. These disciplines include business administration, economics, political science, philosophy, sociology, history and leadership. The result of the use of theories from other disciplines is the substantial literature and knowledge that has been developed in the field of Public Administration (Box, 2005: 14 and 32)

### **3.3 PUBLIC ADMINISTRATION**

Public Administration is a combination of theory and practice, which is used to provide a greater understanding of the relationships between government and the society it governs, to encourage responsive public policies that meet social needs and to implement effective and efficient managerial practices. The science of Public Administration relates to the broad range of theories that has been developed by Public Administration scientist and is still being developed and used by public administrators to digest and transfer public policy information. The practice of public administration relates to what public administrators do to organise and get people to implement public policy. Public administration is therefore what governments do to provide public services in a specific political context. Public administration is practised in the fields of politics, economics, society, science and technology. Public administration is practiced by government internationally, regionally, nationally, provincially and locally.



Public Administration lies at the centre of human endeavours and thus shapes and structure contemporary society (Jreisat, 2002:6). Public administration refers to government which are tasked with the responsibility to oversee, administer and manage a government's public programmes, establish laws, regulations and policies aimed at meeting the needs of the public (Reilly, 1979:5-6). The word *public* means people in Latin and dictionaries define *public* as "the people of a community, nation or state" (Rainey, 2003:65).

Public administration is "simply the collective name for the complex of state departments, local authorities, state-controlled corporations and others" according to Hanekom and Thornhill (1986:7). Nationally, it concerns all areas of government such as the executive, judicial and the legislature. In this regard, public administration includes the establishment, maintenance and execution of the administrative system of government. Public administration also entails the establishment, maintenance and management of government institutions, which implements government policies as mandated by the legislature (Reilly, 1979:5-6). In addition, public administration involves bureaucratic agents of government who often identify a problem or are informed about a problem by outside forces, shape perceptions about the nature of the problem and place them on the agenda of government. Public administration, however, also involves generic functions as described in the following elucidation.

### 3.3.1 The Generic Functions of Public Administration

Public administration consists of the following three activities. **Firstly**; the generic administrative function of public administration that includes policy-making, organising, staffing, directing, co-ordinating through work procedures, reporting and budgeting. **Secondly**, the functional activities include the activities of each state institution or department or ministry, such as finances, trade and industry, education, security and energy. **Thirdly**, there are the auxiliary functions that support both the generic administrative functions and the functional activities,

such as research, analysis, collection and processing of data, record-keeping and costing (Hanekom and Thornhill, 1986:7-17).

### *3.3.1 (a) Policy- making*

In terms of the generic functions of public administration of particular significance for this study, the **policy-making** function relates to the development of a broad framework of things that need to be done as well as the methods for doing them in order to accomplish the goals of the policy. These administrative actions are informed by specific goals and objectives that are set in terms of public policy and are often subject to environmental changes. Policy formulation, analysis and implementation are used to identify public policy needs, analyse existing policies and systems and prepare policy statements, legislation, regulations and directives. The implementation of public policy entails translating the policies into the mission and vision statement, objectives and priorities. During implementation, policy-makers should also communicate in order to establish policy shortcomings (Cloete, 1993:59).

### *3.3.1(b) Organising*

The **organising** functions relate to the establishment of formal structures of authority and the arrangement and co-ordination of work in the structures to achieve at least one common goal. Organising is used to design and improve organisational structures, divisions of functions and communication channels. It involves formalising and balancing employee relationships. In this regard, line and staff functionaries are identified as part of the organising function. Botes, Brynard, Fourie and Roux (1996:343) differentiate between the staff and line functionaries. Staff functionaries are those employees that are responsible for support to the line functionaries, such as human resource managers or financial auditors.

### 3.3.1 (c) *Staffing*

The **staffing** function relates to the personnel function that brings in and train staff with a view to retain them in a favourable work environment. Staffing also involves the utilisation of employees according to their potential. The two personnel administration areas are **firstly**, the functionally specialised activities such as recruiting, training and promotion and **secondly**, the administrative implementation activities such as training policy, training control and training management. Stahl (1976:442) highlights the importance of personnel management and states that personnel management is the responsibility of everyone in the organisation who is in a position of leadership and authority.

### 3.3.1(d) *Directing and co-ordinating*

The **directing** function relates to the continuous task of making decisions and providing leadership through specific and generic orders, rules and procedures. It includes the **co-ordinating** function that relates to the co-ordination of interrelating parts of the work. Botes, Brynard, Fourie and Roux (1996: 331) confirm that modern technology should be utilised to support the directing and coordinating functions.

### 3.3.1(e) *Reporting*

The **reporting** function relates to providing information to the executives and subordinates through records, audits and research. This function includes, according to Cloete (1993:59), the design of control systems to ensure that work standards and procedures are met while delivering services to the public.

### 3.3.1(f) *Budgeting*

And lastly, the **budgeting** function relates to fiscal planning, accounting and control. Cloete (1993:59) defines *budgeting* as the design of financial systems for the preparation of budgets and the audit of financial statements. Government is responsible and accountable for the appropriation of public money that it receives in the form of taxes, tariffs, levies and fees. The public money is used to provide efficient and effective public services. These services are provided by state institutions which cannot function without sufficient finance.

In summary, the policy-making function comes first as it determines the mandate and tasks to be executed and the organising function follows with the establishment of the institutions that will be responsible for the implementation of the policy decisions. The staffing, directing, co-ordinating, reporting and budgeting functions are elements of the management of the established institutions (Hanekom and Thornhill, 1986: 10, 17-18).

### 3.3.2 **The Historical Development of Public Administration**

In this section, the origins and historical development of Public Administration are assessed and discussed from an evolutionary perspective in order to facilitate a better understanding of the current status of public policy and public policy analysis as discussed elsewhere in this chapter.

Public Administration goes back to biblical times and before. The ancient Egyptians and Babylonians recorded substantial advice on Public Administration. So did ancient China, Greece and Rome. In the late nineteenth century, America borrowed from the European public administration experiences (Shafritz, Hyde and Parkes, 2004:2).

The late Woodrow Wilson, however, is acknowledged as an eminent writer on Public Administration. His eminence was established with his famous 1887 essay, *The Study of Administration*. The essay's main themes were that Public Administration should be separated from traditional politics and Public Administration should be based on a science of management (Wilson, 1887). This essay is still recognized as essential to the understanding of the evolution of public administration (Shafritz, Hyde and Parkes, 2004:2).

In the 1940s, Herbert Simon, made a contribution to Public Administration with his book *Administrative Behavior*. He argued for the use of logical positivism when dealing with policy-making, which entails the use of natural-scientific methods to observe and measure policies objectively, thus excluding the feelings and opinions of individuals (Simon, 2004:136-149). Simon also developed the concept of *bounded rationality* with subsequent work (Shafritz, Hyde and Parkes, 2004:78). His work focused on the behavioural and cognitive processes used by humans to make rational choices and decisions. Simon argued that policy-makers could use the method of closed systems thinking to deal with the inevitable limitations of rational decision-making, thus limiting the choice between alternatives and their subsequent consequences (Simon, 1946).

By the 1950s, the role of government and thus public administration changed significantly in Europe and America. World War 1, the Depression and World War 2 altered the size, scope and reach of governments. Public administration became increasingly sophisticated and public sector organisations progressively larger and more complex. In this context, Charles Lindblom (1959) started to question the rational models of policy formulation and policy decision-making in public administration. Lindblom recognised the complexity of policy-making and argued that a rational-comprehensive approach to policy-making is impossible. He argued for a successive limited comparison approach to policy-making where policy-making builds on current situations through a step-by-step decision making-process that introduces small incremental changes (Lindblom, 2004:177-

187). He contrasted the abovementioned approach with the rational comprehensive approach, which fundamentally starts the policy-making process from anew using only theory to take experiences and relevant knowledge into account when considering a problem.

By the 1960s, Public Administration as a social science was strongly influenced by the systems approach to analyse social phenomena. Katz and Kahn (1966) identified the fact that organisational environments were increasingly complex, dynamic and uncontrollable (Katz and Kahn, 2004:207-215). The two Public Administration scientists also argued that organisations including public sector organisations and their environments are interdependent. Their work marked the beginning of an understanding that organisations and their environments interact in an open dynamic system and pointed to the end of the closed system view of organisations.

The advancement of policy analysis of Public Administration accompanied the 1960s systems approach. Yehezkel Dror (1967) developed a practical approach to policy analysis in public administration in his 1967 article in the *Public Administration Review*, *Policy analysts: A new professional role in government services*. Dror was one of the first writers on Public Administration to call for an approach to public policy decision-making that balances economics and politics. His main concern was that policy analysis should not only be informed by economics (Dror, 1967).

By the beginning of the 1970s, policy analysis started to focus on the evaluation of the effectiveness of policy decisions as well as the implementation aspects of policy decisions. This focus was the result of an increased recognition that many public policy decisions failed during the 1960s because policy-planning and analysis did not take into account the difficulties of implementation. In 1969, Wildavsky and Pressman (1973) initiated some of the first work in Public Administration that considered how policy analysis should include the issue of

policy implementation. In their landmark book of 1973, *Implementation*, they considered how a closer nexus could be achieved between policy and implementation.

The 1980s saw a substantial growth in the area of public policy and analysis (Shafritz, Hyde and Parkes, 2004:379). Work in the 1980s covered major areas of public policy such as policy formulation, policy analysis techniques, policy implementation, policy-planning and policy evaluation. Various excellent Public Administration journals such as the *Journal of Policy Analysis and Management*, *Policy Studies Journal*, *Policy Studies Review* and *Policy Science* were dedicated to public policy matters.

In the 1990s, John Kingdon (1995) made an important input into the public policy field with his work on what affects the setting of policy agendas, who the participants are in the setting of agenda and what the processes are for the setting of policy agendas.

To conclude, the history and the systematic study of Public Administration are now more than one hundred years old. The above description is therefore only a snapshot of the history of Public Administration that is relevant for this study.

### **3.3.3 Summary Paragraph**

The preceding sections revealed that public administration is at the centre of human endeavour and it relates to what public administrators do or not do. Public administration consists of the functions of policy-making, financing, organising, co-ordinating and directing aimed at realising specific policy objectives that are considered to be in the public interest.

The previous sections also revealed the substantive body of research done by an increasing number of Public Administration scientists because of the increased

complexity and sophistication of public administration. An outcome of the work of the scientists that focused their research on government actions and the causes, content and consequences of these actions has been the development of sufficiently distinctive features for new emerging subfields such as public policy-making, public policy analysis and public policy implementation, which will be discussed in the next section of the literature review.

#### **3.4. UNDERSTANDING PUBLIC POLICY**

The literature review of public administration sources reveals that there is no universally accepted definition for public policy or public policy analysis because there are many possible ways to define public policy and policy analysis and often it means different things to different people. A review of some of these definitions is, however, necessary since it enables the researcher and the reader to attribute certain features to public policy and public policy analysis for the purpose of this study.

Birkland (2005:19) defines *public policy* generally as a combination of goals, decisions, commitments and actions directed towards implementing and achieving a particular outcome or result, which is deemed in the public interest. Birkland (2005:19) also identifies the following attributes to public policy: public policy is public in nature because it affects a greater variety of people than does private decision, public policy is made by government, it is what government intends to do and it is implemented by public and private actors. Roux (2002:425) points out that not all public policies are in writing. Some public policies that are followed by established public institutions develop over time because of organisational culture, a particular mindset or a particular perspective of how, where and when to do things.

*Public policy* is also defined as policy made in the interest of the public, instituted by government and interpreted and implemented by public and private sectors



(Shafritz and Russell, 2005:39-42). Public policy is thus a series of actions or inactions rather than a single action by government. William Jenkins confirms in *Policy analysis: a political and organisational perspective* (1979), the view that *public policy* is a set of decisions that are interrelated. Policy-makers who aim to achieve a selection of goals within a specific situation make these decisions.

Thomas Birkland (2005:18): highlights the lack of consensus on the definition of public policy as follows:

- “the term public policy always refers to the actions of government and the intentions that determine those actions” (Clarke Cochran, Lawrence Mayer, TR Carr and Joseph Cayer)
- Public policy is “Whatever government chooses to do or not to do” (Thomas Dye)
- “Public policy is the outcome of the struggle in government over who gets what” (Clarke E Cochran Lawrence Mayer, TR Carr and Joseph Cayer)
- “Public policy consists of political decisions for implementing programs to achieve societal goals” (Charles Cochran and Eloise Malone)
- “Stated most simply, public policy is the sum of government activities, whether acting directly or through agents, as it has an influence on the life of citizens” (Guy Peters).

For the purposes of a working definition for this study, *public policy* is defined as a statement of intent with respect to a particular problem or set of problems formulated by legitimate policy-makers. Public policy is usually presented as a formal policy statement. Its interpretation and emphasis are, however, communicated verbally.

Regarding public policy analysis: Dunn (1981:35) defines *policy analysis* as a process that applies social sciences to investigate public policy used by policy-

makers to resolve public policy problems. Anderson (1994:23) confirms public policy analysis as the designated study of public policy with a view to gain a better understanding of political behavior and government processes. Dye (1984:5-7) summarises *public policy analysis* as:

- a description of public policy content and the impact of environmental forces on the content:
- an analysis of the effect of politics and institutional arrangements on public policy: and
- an investigation into the expected and unexpected consequences of public policies on society.

Hanekom (1987:65) defines *policy analysis* as follows:

“Policy analysis is an attempt to measure the costs and benefits of various policy alternatives or to evaluate the efficacy of existing policies; in other words, to produce and transform information relevant to particular policies into a form that could be used to resolve problems pertaining to those policies”.

Weimer and Vining (1989:1) define *policy analysis* as merely the following:

“.... as client-oriented advice relevant to public decisions”.

Quade (1975:4), however, offers the following much more pragmatic approach to defining *policy analysis*:

“.....any type of analysis that generates and presents information in such a way as to improve the basis for policy-makers to exercise their judgment ..... In policy analysis, the word analysis is used in its general sense; it implies the use of intuition and judgement and encompasses not only the examination of policy by decomposition into its components but also the

design and synthesis of new alternatives. The activities may range from research to illuminate or provide insight into an anticipated issue or problem to evaluation of a complete program. Some policy analyses are informal, involving nothing more than hard and careful thinking, whereas others require extensive data gathering and elaborate calculation employing sophisticated mathematical processes”.

The abovementioned scrutiny confirms the broad attributes of public policy and public policy analysis required for this study and it is therefore unnecessary to develop more definitions. In general, however, it is important to remember that public policies are developed and implemented as a collective response to deal with problematic public conditions. These conditions are often social, economic and environmental in nature and are therefore intertwined, without boundaries, interconnected and complex. With particular reference to this study the above process distinction drawn by Anderson (1994) and the summary by Dye (1984) are relevant.

### **3.5 POLICY TYPES AND POLICY LEVELS**

An increased understanding of policy issues has led to better understanding of policy types. De Coning (2006:18-29) identifies the following public policy types: political policy, which is in the form of legislation or political party policies; executive policy, which is in the form of cabinet decisions; or implementation policies of political office-bearers and high-ranking public officials; administrative policy, which is in the form of extractive policies (e.g. taxes); as well as allocative policies (e.g. education and health budgets); and regulatory policies (health safety and environmental regulations and standards).

Theodore Lewis (1964:667-715), a policy scholar of the 1960s, worked on the development of policy categories or policy typologies. He laid down the following three classical policy types: distributive, redistributive and regulatory policy.

Birkland (2005:141-146) summarises distributive, regulatory and redistributive policies as follows: distributive policies involve policies that benefit particular groups of people while spreading the cost of the policies broadly across society. Examples of distributive policies are policies on farm subsidies, aviation, highways and schools. He, however, highlights the fact that these types of policies can result in serving the interest of particular people and not the interest of the public. Regulatory policies involve policies that govern the conduct of business. Examples of regulatory policies are policies that regulate competition traders or professions as well as policies that protect the public from the negative effects of business activities such as unsafe consumer goods, contaminated food and air pollution. These kinds of policies are often resisted by businesses on the ground that the costs of regulations make them uncompetitive. Redistributive policies are policies that involve transferring resources from the rich off to the poor, e.g. among social classes or racial groups. Examples of redistributive policies are social programmes, civil rights and freedom policies. One problem of redistributive policies is that the less powerful are not organised to defend their interests and thus the more powerful prevail.

The different levels of policy-making relate to geographical levels, for example, local or municipal policies, provincial policies, national policies, regional and international policies (De Coning, 2006:20).

In conclusion, although there are persistent criticisms of the above typologies of policies and work is ongoing to refine types and levels of policies, Lewis's (1964) typology of policies is valid for this study. The different policy levels that will be considered in this study relate to international and regional policies.

## **3.6 PUBLIC POLICY-MAKING MODELS**

### **3.6.1 The rational comprehensive model**

One of the first models of public policy-making developed by public policy researchers is the rational comprehensive model. In terms of this model, the policy development process is regarded as rational and ordered. Rationally, the policy process consists of the identification of a public problem that demands a public solution or public goal worth achieving, assessment of alternatives of achieving the desired public outcome, choosing between these alternatives, implementing the preferred option and attaining the objective (Dunn 2004: 47, 48). Some of the conditions required for the rational policy process to be successful, however, are that only a small number of decision-makers should be involved, that there is a high degree of consensus on the policy problem and the desired objective and a clear understanding of the consequences of each alternative. Additionally, smooth implementation of the chosen option should occur and there should be no obstacles to achieve the policy goals (Birkland, 2005:215).

The problem with this model of policy-making is that no matter how rational a policy-maker hopes to be, no policy-maker can gather all the information and consider all the alternatives. According to Shafritz, Layne and Borick (2005:22-25) Hebert Simon therefore asserts that policy-makers use bounded rationality. In terms of this model, policy-makers will make policy decisions based on a satisfactory amount of information, which may not be optimal but which is considered sufficient enough to inform a policy decision

### **3.6.2 The incrementalist model**

The incrementalist model of policy-making, however recognise that in reality the policymaking processes, are likely to be less structured than both of the

abovementioned models. According to Shafritz, Layne and Borick (2005:22-25), Lindblom, a leading proponent of the incrementalist model, rejected a rational approach to policy-making and argued that policy-makers often start the policy-making process from current policies that are in force. He argued that policy-making was controlled and informed by specific circumstances and events and not so much by the will of the policy makers. Policy-making therefore entails incremental changes or changes from the margin. In terms of this model, policy-makers only consider a restricted number of alternatives and only a restricted number of consequences are envisaged and investigated for any given alternative

### **3.6.3 The mixed scanning model**

Subsequent models were developed such as the mixed scanning model, which proposes a combination of the two abovementioned models, **firstly**, by reviewing the overall public policy and **secondly**, by concentrating on a specific public policy problem or outcome. The mixed scanning aspires to solve the shortcomings of the rational and the incremental model. Amitai Etzioni (1967) identified the following as one of the problems of the incremental policy-making process, namely that the decisions made using this model could reflect the interests of those with the most power. Another problem is that the model ignores the fact that society is innovative and often seeks substantive and fundamental policy decisions. The mixed scanning model of policy-making recognises that most incremental policy decisions anticipate fundamental policy decisions and fundamental policy decisions often affect cumulative incremental policy decisions. Shafritz, Layne and Borick (2005:25), however, highlight that policy-making decisions are often influenced by perceptions of a situation rather than by objective reality.

Currently, it is recognised that policy-making conditions often include multiple decision-makers, little consensus, incalculable probabilities, imperfect

implementation and unknown outcomes (Birkland, 2005:181-200). Public policies incorporate continuity and dynamism and often evolve or develop incrementally and become dynamic over time. Additionally, public policy is often the result of compromise resulting from debates and bargaining between various policy contributors. Public policy often reflects the power relationships, interests and capacity of various stakeholders engaged in the policy process.

Public policy, however, always produces an output but it often has unintended effects and consequences. These may stem from the ambiguity or contradictions of the public policy, from none or unsuccessful implementation, from a lack of understanding of the policy environment or from insufficient or ineffective use of resources.

Thus, public policy can be far-reaching or adaptive and incremental, even statistic. Public policies are often intensely political, they might fail but they are unavoidable because they are the means by which society advance, control and regulate themselves.

The challenge for policy-makers is to ensure that the policy system stays in touch with the needs, demands and preferences of society. Society, however, is a complex system that continuously changes and develops. This perpetual change is valid for individuals, institutions, communities, countries and regions and should not be ignored because it may cause a gap between the policy system and society (Birkland, 2005:49).

Another challenge for policy-makers is to not only change policies on paper but to effect change in society. Policy change is often resisted or implementation is difficult. Some of the questions that policy-makers have to consider are: why do they need policy change? How can they ensure sustainability and how do they manage policy change?

To conclude, the abovementioned analysis of the most prominent policy-making models illustrates that the models are useful for actual policy-making. None of the models are, however, found to be generically appropriate and it is therefore necessary to consider the usefulness of a relevant model or parts of a model for a particular problem or application. It is also recommended that policy-makers should not regard any particular model as entirely correct. Policy-makers should thus consider the value of any particular model relative to a specific policy problem because aspects of the truth are found in all of the different models.

### **3.7 SETTING POLICY AGENDAS**

Agenda-setting is an important phase of policy-making. It is a complex phase that separates real policy issues from non-policy issues.

*Agenda-setting* is defined as the process by which specific public policy problems or issues reach the public attention. It is recognised that there exists substantial competition to set agendas for public policy in government because no society or political system has the capacity or resources to solve all public policy problems at any one time (Lasswell, 1958). Often public policy problems reach the agenda because of a specific crisis or because of a suggestion that there might be problems. Other times it is the result of increased knowledge gained by policy specialists. Birkland (2005:109) indicates, however, that even if a public policy problem gains attention the challenge remains in terms of keeping a problem on the agenda and focussing on a preferred solution to the problem. Kingdon (2005: 1-22) also warns that promulgation of a public policy does not necessarily mean that the policy will be implemented.

Birkland (2005:133-134) confirms that agenda-setting does not occur in a vacuum because various actors and groups that get involved in the policy-setting process influence it. Institutional relationship also impacts on agenda-setting as do arbitrary social and political factors. John Kingdon (1995) uses the term



*window of opportunity* for public policy change and argues that a specific matter can reach an agenda when various factors affecting agendas come together. Greater attention is then given to a matter and therefore a greater probability for policy change therefore exists.

A logical conclusion is that agenda-setting is complex because it often deals with the competing needs, values and preferences of different sectors of society. In addition, the challenge for policy-makers is to find a balance between proactive and reactive agenda-setting strategies. This entails that government policy-makers play an active role in defining policy problems with a view to introduce policy change without waiting for public demand.

### **3.8 POLICY-MAKING PROCESSES**

Public policies are developed to accomplish specific policy objectives. Policies often arise because of decisions to pass legislation or regulations on specific issues that need to be enforced and implemented by government. Various stakeholders are responsible for policy-making, namely, legislative bodies in government, political office bearers, senior government officials as well as interest and pressure groups. Public officials, which are responsible for carrying out their functions on a daily basis, are often best placed to provide valuable information for public policy-making. They are in a position to identify limitations in current public policies and to propose means of correcting such constraints (Kuye, Thornhill and Fourie, 2002:76).

Policy-making processes are influenced by a variety of internal and external factors. These factors have to be taken into consideration by policy-makers. According to Botes, Brynard, Fourie and Roux (1992:306-309) the following internal and external factors influence policy-making processes.

### **3.8.1 Internal factor**

- Government departments can only establish policy direction for matters that are within their jurisdiction.
- Policies often reflect the interest of the government of the day.
- Public sector organisations may have their personal and political agendas.
- Public policies are influenced by administrative law that prevent the infringement on the freedom of individuals and groups.
- Implementation of public policies depends on the availability of sufficient funding.
- The availability of adequate physical facilities is required for successful policy processes.
- Public policy processes are influenced by the management style of the head of a government department or a public sector organisation.

### **3.8.2 External factors**

- Unforeseen or changing circumstances such as threats of war, drought as well as international pressure may influence policy-making processes.
- Changes in policy directions are influenced by changes in political parties that govern the country.
- Relationships between representatives of leading interest groups and government officials influence policy-making process.
- Research by commissions and committees appointed by government may influence policies.
- Personal views of public officials and political office bearers also influence policy outcomes.

### **3.9 MODELS FOR ANALYSING POLICY-MAKING PROCESSES**

Models for analysing the policy-making process include the elite/mass model, the group model, the institutional model and the systems model. The following paragraphs will discuss each of the abovementioned models, its assumptions and the problems that each model experiences.

#### **3.9.1 The elite/mass model**

The elite/mass model argues that an elite group of policy-makers makes policy decisions on behalf of the masses or the broad public because the public is largely passive, “the masses are notoriously short-sighted” (Bailey, 1948:13) and are “often poor judges of their own interests”(Lasswell, 1933: 527). Thus, the assumption is that a small elite group, which is usually the government, is solely responsible for public policy-making and this small elite group therefore governs the masses. The elite group also argues that it can govern the masses because it has a common set of values that differentiates it from the masses (Henry, 1992:288). Some of the problems with this model are the notion that the elite are firmly in power, they know best and consensus exists in the elite group.

#### **3.9.2 The group model**

The group model contends that groups are absolutely crucial in public policy decision-making and that public policy is the outcome of an equilibrium reached between groups. The model is based on the assumption that different interest groups each with their own preferences and self-interest but with an equal amount of influence interact and put pressure on policy makers for specific policy interventions (De Coning and Cloete, 2006:38-39). Some of the problems with the group model are that it presupposes that policy-makers are sensitive to the demands and needs of all interest groups (Henry, 1992:289). It also assumes equal power for different groups, which is not necessarily valid.

### **3.9.3. The institutional model**

The institutional model looks closely at government institutions such as the judiciary, legislature, presidency and the bureaucracy and how they interact and impact on policy-making processes. The model assumes that public policy shaped government institutions and that cross-institutional and intergovernmental connections often need to be considered during the policy-making process. The institutional model argues that public policy-making is the product of public institutions and that the structure of a public institution can have a substantial impact on public policy results. The model therefore argues that public policy should always take the structure of the public institution into account (Dye, 1978:20-21). A problem with this model is that it often ignores institutional linkages (Henry, 1992:290).

### **3.9.4 The systems model**

The systems model contends that public policy is the response of the political system to the demands and needs of interest groups. This response is, however, influenced by the political, social, economic, cultural and technological environment. The model assumes that policy-making processes can be depicted at a general systems level, which identifies major subsystems and processes (De Coning and Cloete, 2006:40-42). The value of the systems model lies in the fact that it highlights the cyclical nature of policy-making (Fox, Schwella and Wissink, 1991:32). The argument is that policy-making starts with a public policy demand that is converted into policy outputs, followed by a policy statement. Policy implementation is then evaluated and monitored and may trigger new demands, restarting the cycle. Some of the problems with this model are that it does not take into account that various interest groups with specific powers influence policy-making. The model ignores the fact that policymaking is not orderly

because multi-factors and processes impact on public policy-makers and policy-making processes (Fox, Schwella and Wissink, 1991:32).

To conclude and in view of the problems that each of the policy-making model experience it is recommended that the abovementioned models should be used in a flexible manner. Anderson (1994:35) recommends that the uses of a specific model or a combination of models may depend on which seems the most useful in explaining policy-making. It is therefore necessary to acknowledge the value of each model relative to the specific policy that needs to be analysed. There are also a wide variety of other models such as symbolic, optimal, chaos, complexity and quantum models, which may be used in conjunction with the abovementioned models. It is also clear from the above description that policy-makers should not regard any particular model as entirely correct. In addition to the various models available for policy analysis, the following section considers various policy analysis approaches available to policy-makers.

### 3.10 APPROACHES TO POLICY ANALYSIS

It is necessary to consider the different methodologies to public policy analysis as different approaches can be used to analyse different aspects of policy. Each of the approaches is examined in the following paragraphs. Wissink (2006:77) developed the following table to model four major policy analysis approaches:

Table 3.1: Approaches to policy analysis

Analytical approaches	Analytical focus	Analytical instruments
Policy content analysis	Interpretation of policy content	Judicial practice Administrative law
	Comparative policy analysis	Correlation of policy content
	Policy dynamics	Indication of policy changes
	Policy pathology	Problems and ailments of the policy process

Policy systems analysis	Policy behaviour studies	Influence and decisions of shareholders and stakeholders
	Policy institutional studies	Role of institutions and related organisations
	Policy process studies	Agenda-setting procedures of policy-making bodies and committees
Policy issue analysis	Policy problem structuring	Structure of the nature of policy problems
	Policy recommendations and advocacy	Determining and forecasting policy solutions
Policy outcome analysis	Policy monitoring	The outcome of policy actions
	Policy impact evaluation	The value of policy actions
Policy value analysis	Community values and general morality or moral guidelines	Values and ethical considerations supporting specific policy choices and actions

Source: Wissink (2006:77) In Cloete

### 3.10.1 Policy content analysis

Policy content analysis focuses on the analysis of similar types of policies applied, changed and adapted in different environments. The aim of policy content analysis is thus to inform policy makers of how different policies can be adopted to suit specific environments (Wissink, in Cloete 2006:78).

### 3.10.2 Policy system analysis

Policy system analysis concentrates on the study of relationships and interaction between different stakeholders and policy-makers who participate in the policy-making processes. The aim is thus to explain how policy actors, policy

institutions and policy processes contribute to the outcome of policy decisions (Gilbert and Specht, 1986:12-13).

### **3.10.3 Policy issue analysis**

Policy issue analysis focuses on investigating specific policy issues for which government is responsible. The aim is to provide policy-makers with a specific methodology to solve policy issues. The analysis starts with the identification of the problem by the policy analyst. The analysts then consider different solutions while taking into account the effect and impact of each solution. This forms the basis for a specific policy decision. The next phase involves monitoring and evaluation of the implementation and impact of the policy (Wissink, 2006:79).

### **3.10.4 Policy outcome analysis**

Policy outcome analysis concentrates on the study of the actual effect of public policy. The aim is to analyse through the monitoring of policy outcomes and the evaluations of policy performance whether a policy did change, redirect, improve or preserve social conditions (Wissink, 2006:79).

### **3.10.5 Policy value analysis**

Lastly, policy value analysis focuses on the examination of the underlying values of a specific policy decision as well as the morality of those decisions. This is of particular relevance in heterogeneous societies where conflicting values can create difficulties in solving specific public policy problems (Wissink, 2006:79).

In summary, specific policy analysis approaches provide methodological ways to solve particular problems in government. The framework developed by Wissink (2006:77) is very useful because it links specific policy analysis approaches with specific analytical focuses, instruments and applications. The specialised

information that is provided through policy analysis is, however, not only used for policy-making. It is also used for academic debate and for impact assessments in organisations. For the purpose of this study the policy content and the policy systems analysis is used in chapter 4.

In conclusion, the researcher acknowledges that a full discussion of policy analysis is not possible for the purpose of this study. It is, however, clear from the literature review that policy analysis has evolved in a post-industrial society, which needs an increasingly professional and scientific approach to the analysis of public policies that are multidisciplinary and interdisciplinary in nature.

### 3.11 REASONS FOR AND ADVANTAGES OF PUBLIC POLICY ANALYSIS

The main reason why it is imperative to analyse public policies is to determine whether these policies are in effect producing the desired impact to improve the well-being of society (Hanekom, 1987). **Firstly**, public policy analysis can provide insights into the political and administrative dynamics that influence policy decisions. **Secondly**, public policy analysis can identify the principles and values as well as the assumptions, whether normative, philosophical or ideological that influence the substance of public policies (Cloete and Wissink, 2000:V).

Dye (1987:5) categorised the reasons for public policy analysis as follows:

- Scientific reasons

The basic intention of scientific research is concerned with determining the cause and effect of particular public policy decisions in order to extend the knowledge of society.



- Professional reasons

The basic intention of the professional use of scientific knowledge is concerned with creating a better understanding of factors that influence particular public policies or the potential results of a public policy in order to provide advice to policy-makers.

- Political reasons

The basic intention of the political use of scientific knowledge is concerned with ensuring that government follows appropriate public policy approaches realise the desired policy objectives.

Hanekom (1987:66) provide the following reasons for public policy analysis:

- Scientific reasons

The scientific reason for policy analysis is to determine the feasibility of a specific policy decision in terms of politics (what is the impact on the executive institutions?), society (is it socially acceptable?), technology (can it work?), economics (what are the resource requirements?) and time (can it be implemented within a reasonable period of time?). Answers to the above mentioned questions may contribute towards narrowing the gap of uncertainty (Hanekom 1987: 66). The intention is to determine the causes and results of particular policy decisions in order to extend knowledge of society or to identify the environmental factors and characteristics that have an impact on the content of the policy. Another reason is to investigate the impact of policy on the environment and the political system. The scientific knowledge of the causes and results of public policy may be used by public officials to achieve a better understanding of social issues or to identify

factors influence public policy which enable them to advise the government on how to proceed to achieve policy objectives.

- Professional reasons

Professional reasons for policy analysis relates to creating scientific knowledge that may be used to inform policy-making to resolve social problems. Professional reasons for policy analysis include searching for and assessing alternative policy options by forecasting the direct and indirect impacts and long-range effects of existing or proposed policies by applying cost-benefit analysis, modelling or simulation to the different options (Hanekom 1987: 66).

- Political reasons

Political reasons for policy analysis are concerned with providing the political office-bearer with the information that may enable him to understand the complexity of the public issues that has to deal with and to make feasible policy decisions that may ensure that the desired aims are realised by appropriate policies (Hanekom 1987: 67).

Hanekom (1987: 65) confirms that public policy analysis provides information on priorities, certainties or uncertainties to the policy-maker. Public policy analysis contributes towards the making of rational public policy decisions because it makes it possible for the policy-makers to take into account the probable consequences of selected policy options. Public policy analysis also helps various stakeholders to understand the roles of values, it identifies particular interests and it recognises the political considerations in selecting a particular policy option.

Modern policy-makers must be able to establish clear public policy objectives, determine and weigh measurable targets, compare costs to benefits and measure performance. The various steps in public policy analysis allow for careful reasoning and the interpretation of knowledge and information about a specific policy problem or situation, for comparing costs to benefits and for measuring of performance.

Lynn (1980: 5) confirms that sophisticated policy analysis may be used to improve the basis for public policy decisions. He, however, warns against a narrow dependence on benefit-cost calculations to guide policy decisions. He argues that policy analysis may be used to understand complex public policy issues, to identify a range of appropriate alternatives, to provide evidence of the social consequences of each policy alternative and to allow for the discovery of the principles that ought to inform particular policy choices. Bresnick (1989:165) is also of the opinion that policy analysis may be used to anticipate the impact of public policy choices with a view to make better choices, which will result in better utilisation of resources and to reduce costs.

It is, however, important to realise that policy analysis has limitations. Dunn (2004:58-59) states that policy analysis has some or all of the following limitations: **Firstly**, policy analysis is seldom used directly as a basis for improving specific policy decisions. Policy analysis is often used in an indirect and general manner and as part of a larger body of information on a public policy issue. The main reason for its indirect and general use is the complex nature of policy-making processes which composed of numerous policy phases, ranging from termination and succession to adaptation and short-circuiting. **Secondly**, policy improvement may be controversial. The question of what constitutes a public policy improvement depends on the political, ideological or ethical stance of stakeholders and it often involves the selection of some values and norms over others. **Lastly**, policy analysis often reflects personal, professional and institutional interests.

Hanekom (1987: 71, 72) identifies the following constraints that limit the impact of the results of policy analysis. Societal problems are often defined in relative terms, which complicate the development of options to address those policy problems. Political considerations are important and thus policy-makers may only consider policy recommendations that are politically feasible. The results of policy analysis may support a preconceived idea and a policy analyst may use an analysis to promote his/her own views. Policy analysis which concentrates only on the effect a particular policy without also considering the effect it should have is ineffective. Over-emphasising the specific results of a policy may lead to unintended effects of the policy. Policy analysis is always incomplete because it is impossible to predict the future and thus a degree of uncertainty is always present.

Heineman, Bluhm, Peterson and Kearny (1997: 61, 62) agree that policy analysts have accumulated and developed numerous techniques that are sophisticated and powerful in their capacity for providing data, analysing relationships and clarifying alternatives. He, however, indicates that the use of the work of policy analyst in the policy-making process remains limited for the following reasons. Policymakers often are faced with information overload. In particular when contentious policy issues are being considered and where various stakeholders have an interest. In addition policy makers often use policy analysis primarily for the reinforcement of policy choices that policy-makers already made. Another problem relates to the politicisation of research which may result in opposing research by interest groups and other political actors. This may lead people to see research as a commodity to be bought and may impact negatively on the value of the research. Another problem relates to the fact that policy analysts may lack an independent power base or political acumen. Sometimes, analysts may be politically innocent which means they do not understand the importance of political considerations. Policy-makers need to take this into account.

Another limitation of policy analysis relates to the fact that policy analysts may provide useful information about a particular policy, they however give very little guidance on how the policy should be implemented. Because policy analysts may fail to understand the constraints on policy makers, they may develop policy recommendations that are implausible, impractical and unrealistic. Policy analysts should therefore put a higher priority on implementation issues, including how the policy recommendations may be operationalised and administered. Consideration of the implementation issues of the policy recommendation may increase the use of policy analysis (Heineman, Bluhm, Peterson and Kearny, 1997: 61, 62).

Roux (2002: 91-93) stated that the following limitations should also be borne in mind by the policy analyst:

- Budgetary constraints

The policy option may look good in principle but it is influenced by the realities of life. For example government budgets may be insufficient, specifically in developing countries, to satisfy all the needs of society and the policy analyst should therefore opt for objectives that are practical and affordable.

- Political constraints

Certain politicians may be more interested in policy options that support party politics and they may therefore not choose policy options or alternatives that are necessary in the interest of society in general.

- Organisational constraints

Ineffective institutional capacity, organisational structures and work processes and inadequately human resources may hamper the implementation of particular policy options. The analyst should therefore make allowances for capacity constraints when specifying policy alternatives.

- Inadequate information

Important policy information may not be available to the policy analyst that therefore limits the policy analyst's ability to specify clear policy proposals.

- Legal constraints

Legislation and departmental regulations may also limit the achievement of policy objectives. It is therefore important that the policy analyst understand the legal parameters for policy options before recommending policy options that are feasible in terms of legislation.

- Information overload

Information overload may have negative effect on policy analysis because it impedes or distorts meaningful interpretation, systematisation and classification of facts and data. This may make it difficult for the analyst to identify precise policy proposals.

- Fear of change

Government officials may be reluctant to change long-established government programmes. Policy analysts should therefore advocate incremental changes which are less radical.

- Over quantification

Policy analysts often use of quantitative data and econometric models when analysing public policies. It is, however, argued that the social needs and values of society can not always be measured in quantitative terms. The view is that some public policy matters may be better analysed by using common sense and good judgement rather than by using mathematical equations. When determining policy options, over quantification may become a constraint, and the analyst should in some cases rather opt for qualitative criteria.

- Subjectiveness

Subjectivity and prejudice on the part of the policy analyst may cause the final policy recommendations to be invalid. Analysts should strive to be as objective as possible when approaching policy problems.

- Inadequate satisfaction of divergent needs

It is often difficult to describe public questions in absolute terms. They are often complex and connected to a multitude of other concerns. Therefore making policy proposals for one problem may complicate others policy questions.

In summary, policy analysts should avoid the limitations that they can and keep the limitations that are unavoidable in mind when approaching policy problems and making policy recommendations..

### **3.12 THE PUBLIC POLICY ANALYSIS PROCESS**

According to Quade (1989: 48, 49) the search for policy options takes place in five stages that must be appropriately linked together and that may have to be repeated several times. These stages are:

- Formulation: Clarifying and constraining the problem and determining the policy objectives
- Search: Identifying, designing, and screening the policy alternatives
- Forecasting: Predicting the future environment or operational context of the policy
- Modelling: Building and using models to determine the impacts of each policy option and
- Synthesis: Comparing and ranking the policy alternatives.

Quade describes each of the abovementioned stages and identifies the activities peculiar to each as follows.

#### **3.12.1 Formulation**

Formulation entails identifying the policy questions or issues involved, determining the context within which these policy issues are to be resolved, clarifying the policy objectives, discovering the major factors that are present and understanding the relationships among them. At this stage the relationships may be hypothetical and information may be in short supply. The attempt to clarify the above matters may, however, help to determine the logical structure of the analysis. The formulation stage is one of the most important stages, because it requires that the analyst defines the policy problem in different ways in order to identify viable policy options. Objectives can be set once everyone has a fair idea of what can be done. New alternatives can not be designed until the hidden deficiencies in the original possibilities are uncovered. The boundaries of an



investigation are influenced by how well the proposed policy solutions may behave and the true nature of the problem may not become clear until the policy analyst has what appears to be a solution. In addition feedback from the decision-maker may imply further iteration (Quade 1989: 51, 52).

A thorough investigation of the objectives of the policy-maker or the public institution is necessary. It is therefore recommended that the policy analyst should focus the inquiry on values and ultimate goals.

Academics and practitioners may differ in their interpretation of concepts such as goals and objectives. It is thus essential for the policy analyst to have a clear understanding of the meaning of these terms, how they differ and how to identify them for the purpose of analysing public policy (Roux 2000: 117). The Public Administration Dictionary (Fox and Meyer, 1995: 55) defines a *goal* as “an unrealised state not yet achieved by the members of an organisation but which they regard as desirable”. The Public Administration Dictionary (Fox and Meyer, 1995: 88) *defines* objective as “a short-term goal that can be deduced from an organisation’s mission and that could be stated by means of a process of negotiation”.

According to Dunn (1994: 195), goals and objectives are both future oriented. However, goals express broad purposes while objectives set forth specific aims. The following table illustrates the differences between goals and objectives:

Table 3.2: Differences between goals and objectives

<b>Characteristics</b>	<b>Goals</b>	<b>Objectives</b>
Specification of purposes	Broadly stated (e.g. to upgrade the quality of health care)	Concrete (e.g. to increase the number of physicians by 10 percent)
Definition of terms	Formal (e.g. the quality of health)	Operational (e.g. the quality of health)

	care refers to accessibility of medical services)	care refers to the number of physicians per 100,000 persons)
Time period	Unspecified (e.g. in the future)	Specified (e.g. in the period 2005 to 2007)
Measurement procedure	Non-quantitative (e.g. adequate health insurance)	Frequently quantitative (e.g. the number of persons covered per 1000 persons)
Treatment of target groups	Broadly defined (e.g. persons in need of care)	Specifically defined (e.g. families with annual incomes below R5000)

**Source: Adapted from Dunn (1994: 196).**

The identification of policy goals and objectives is important in view of the continually developmental and changing nature of the needs of the public or the beneficiaries of public policy. The environment within which the government operates also changes because of changing socio-economic, technological and political values that may necessitate a redesign of existing public policies. Questions that may assist the policy analyst in identifying new and relevant policy goals and objectives are listed in Table 3.3.

Table 3.3: Checklist for identifying new and relevant goals and objectives

Question	Practical implications/meaning
Where are we now?	Determine the present position and determine why a change of direction is necessary.
Where do we want to be?	Determine the desired route to follow as well as the means to get there.
What is hindering us?	Identify the constraints upon intended action or impediments to a desired line of advance.
What do we need from other institutions?	Determine what might be needed from other institutions and whether interdepartmental action will be required.

What do we require from whom in our institution?	Determine what actions are required within your institution to achieve your objectives, and determine who the role-players should be and at what level in the hierarchy.
How well do we handle multiple objectives?	Determine the financial and human resource capacity of the institution and its structural ability to deal with multiple objectives. Prioritise objectives and goals within the realistic capacity of the institution to execute a policy.
What will we regard as success?	Establish means not only to evaluate the anticipated effectiveness of particular objectives, but also to establish whether your judgement of success matches the perceptions of those affected by policy outcomes. Cultural and value considerations will be important here.
Should success be quantified?	Determine whether achievements should be quantified as an indication of success, or whether non-quantifiable indications should be applied to determine real success in achieving a policy objective.
On what conditions does success depend?	Determine on a small scale whether assumptions about particular policy outcomes per goal or objective are realistic before embarking on a large-scale and costly implementation of a policy. A particular course does not necessarily imply a particular effect.
What will we do if objectives are not achieved?	View plans or policies as conditional and design alternative contingency options. Be flexible in order to avoid failure. Make remedial adjustments to the policy.

**Source:** Roux 2000: 118,119

In order to establish the effectiveness of various policy alternatives in achieving the specific policy objectives it is also necessary to determine a way to measure their effectiveness against the identified values and goals. In addition, the policy analyst needs to develop criteria that can be used to rank the policy alternatives. The criteria may help the policy decision-makers to choose between the different policy alternatives. A policy analyst, however, must remember that objectives and criteria for public policy goals must be set by the policy-makers who are

responsible for the policy decisions that are informed by the policy analysis (Quade, 1989: 52, 53).

During this stage the policy analyst needs to look at the problem as a whole, not just at its separate parts. Quade (1989: 53, 54) warns that the process of formulation of the policy problem is highly subjective and recommends that a systematic approach should be followed to determine the problem. Only when the real problem has been defined and the issues clarified will the policy analyst be able to determine whether the investigation will be worthwhile.

### **3.12.2 Search**

The search phase entails identifying policy alternatives informed by the information and relationships of the policy analysis. The policy alternatives may include combinations of alternatives or modifications of those policy alternatives that have been identified. If no policy alternatives can be identified then there is nothing to analyse or to choose between. If a specific policy alternative is recommended by the policy analyst that policy alternative must have been discovered during this phase. Thus it is important that the policy analyst considers a wide range of possible alternatives.

Sources for alternatives include ideas of policy makers and other stakeholders that may have an interest in the policy analysis. In addition, the set of alternative policies may include the current policy as an alternative if it is viable. By comparing the effects of alternative policies to the current policy the policy analyst may be able to determine whether any of the alternative policy proposals are better and to estimate how much of an improvement may be likely (Quade 1989: 54).

In some instances policy analysts may borrow policy alternatives from other jurisdictions. They may consider how other regions or countries have handled

policy problems similar to the one that they are analysing. If other jurisdictions appeared to have handled a problem particularly well the policies adopted by those jurisdictions may be a source of policy alternatives (Weimer and Vining, 1999: 279).

Weimer and Vining (1999: 280 - 282) further states that the policy analyst should not expect to find perfect policy alternative because public policies deal with complex problems and often multiple goals. He warns that the policy analysts should not recommend policy alternative which the analyst may prefer or compare the analyst's preferred policy alternative with less unattractive policy alternatives in order for the alternative to look more attractive. The policy analyst should ensure that the policy alternatives are mutually exclusive and that they provide real choices. In general terms alternatives should be consistent with available resources, including jurisdictional authority and controllable variables.

Quade (1989: 54, 55) highlights the role of supporting studies (scientific, engineering, political, etc.) in policy analysis. He argues that a rational policy recommendation to a complex policy question requires much relevant information, insights and judgements about the policy question. Supporting studies may therefore be useful. Policy analysis can not be done based on superficial knowledge of the policy problem. The information used by the policy analyst needs to be reasonably in accord with reality if the recommendations are to be useful to policy-makers.

### **3.12.3 Forecasting**

Forecasting the impacts of policy alternatives depends on the properties of the policy decision, the situation or environment that exists when the policy is implemented as well as the time during which the policy alternatives are implemented. If the period for which the policy analyst must forecast lies relatively far in the future, or the environment is uncertain, the policy analysts

may need to make several assumptions of the conditions under which the policy alternatives will be implemented. The policy analyst thus projects the impacts of the policy alternatives for each assumption.

Dunn (2004:130) identified three forms of forecasting, namely projections, predictions, and conjectures. **Firstly**, projections are forecastings that are based on the extrapolation of current and historical developments into the future. **Secondly**, predictions are forecastings that are based on explicit theoretical assumptions. Lastly, conjectures are forecastings that are based on informed or expert judgements about future states of society.

Various forecasting models such as statistical techniques, quantitative models and scenario writing are available to the policy analysts. Dunn (2004: 142) advises that a useful way to think about these methods and techniques is to group them according to the bases of the forecasts. Table 3.4 outlines the three approaches to forecasting, their bases, appropriate methods and products as described by Dunn (2004: 142).

Table 3.4: Three Approaches to Forecasting

Approach	Basis	Appropriate Technique(s)	Product
Extrapolative forecasting	Trend extrapolation	Classical time-series analysis Linear trend estimation Exponential weighting Data transformation Catastrophe methodology	Projections
Theoretical forecasting	Theory	Theory mapping Causal modelling Regression analysis Point and interval estimation Correlational analysis	Predictions
Judgemental forecasting	Informed judgement	Conventional Delphi Policy Delphi	Conjectures

		Cross-impact analysis	
		Feasibility assessment	

**Source: Adapted from Dunn (2004: 142).**

Quade (1989:55) is of the view that statistical techniques and quantitative models are of limited usefulness for policy analysis. Quade points out that the prediction of changes in social and political values and attitudes or in technology may best be done through human judgement. In view of the above policy analysts often use scenario writing to predict future policy environments. In policy scenario writing the focus is on a description of the essential features that may affect the implementation of the policy alternatives that are investigated (Quade 1989: 56).

### 3.12.4 Modelling

The modelling phase is used to compare the costs and impacts associated with different ways of implementing a future policy recommendation. The policy analyst needs to estimate the performance of the system required to implement the policy option over a range of conditions. The standard approach that policy analysts may apply is to build a model of the system and its environment. The same model may be used to project the outcomes of alternative systems. Models may consist of a set of tables or graphs or they may be written in mathematical language, such as algebraic or differential equations or as computer programs (Quade 1989: 56).

Model building is a creative activity that necessitates iteration and adaptation as more information becomes available. Policy analysts need to be experienced in order for them to decide which type of model should be used in any particular situation. The model building process should, however, be subservient to the objective to optimise the performance of a system. The policy analyst may combine theoretical analysis with empirical research. The theoretical analysis will

inform the gathering the correct data to which sophisticated analytic techniques can be applied (Quade 1989: 57, 58).

### 3.12.5 Synthesis

The synthesis phase is used by the policy analyst to prepare a comparison of the policy alternatives in order to identify the differences and similarities and to rank the policy alternatives according to one or more criteria so assist the policy-maker to make decisions. Quade is of the view that the decision making process may be enhanced if the policy maker has the option to choose from a closed or at least a restricted set of alternatives (Quade 1989: 58).

Analysts may use two conceptual approaches to rank the policy alternatives. The **first** approach is to determine the task or the level of effectiveness and to then determine the alternative that is likely to achieve this level of effectiveness or accomplish the task at the lowest cost. The **second** approach is to establish the budget available to the policy maker to attain the policy objective and to then determine which alternative may produce the highest effectiveness (Quade 1989: 58, 59).

Policy-makers are also required to judge whether or not a given public policy is worth the cost. A common approach is to express the benefits and costs associated with each policy alternative and to then compare the policy alternatives on the basis of the present value of the net benefits (Quade 1989: 59).

Quade points out that public policy problems can rarely be exhaustive. It is almost always impossible to collect, process and interpret all the information that may be needed for policy analysis. Policy analyses are therefore mostly partial and policy-makers often need to make decision without full information. Policy analyses cost time and money. In view of the above, policy analyses are often far



from finished, when it is presented to the policy-maker. There are almost always unanswered questions that could be investigated further. Because policy analysts must so often present their results before they are fully ready their recommendations may be wrong. Policy analysts therefore accept a certain amount of uncertainty and run the risk of being wrong (Quade 1989: 62).

Other public policy theorists have also developed various presentation of the policy analysis process in addition to that of Quade. Table 3.5 below presents some examples:

Table 3.5: Stages in the policy analysis process

Theorists	Stages in the policy analysis process
Stokey and Zeckhauser (1978:5-6)	<ol style="list-style-type: none"> <li>1 Determine problem and objectives</li> <li>2 Identify alternatives</li> <li>3 Predict consequences of each alternative</li> <li>4 Determine criteria for measuring the achievement of alternatives</li> <li>5 Indicate the preferred choice of action</li> </ol>
Patton and Sawicki (1986:29-38)	<ol style="list-style-type: none"> <li>1 Verify, define and detail the problem</li> <li>2 Establish evaluate criteria</li> <li>3 Identify alternative policies</li> <li>4 Evaluate alternative policies</li> <li>5 Display and select amongst alternative policies</li> <li>6 Monitor policy outcomes</li> </ol>
Walker (1993:6)	<ol style="list-style-type: none"> <li>1 Identify the problem</li> <li>2 Specify the objectives</li> </ol>

	<ol style="list-style-type: none"> <li>3 Decide on criteria</li> <li>4 Select alternatives</li> <li>5 Analyse alternatives</li> <li>6 Compare alternatives</li> <li>7 Implement chosen alternatives</li> <li>8 Monitor and evaluate results</li> </ol>
Anderson (1997:39-49)	<ol style="list-style-type: none"> <li>1 Problem identification and agenda format</li> <li>2 Formulation</li> <li>3 Adoption</li> <li>4 Implementation</li> <li>5 Evaluation</li> </ol>

Source: Roux 2002: 93-94

Roux notes the following similarities of the abovementioned presentations. All of them start with problem identification and end, mostly, with the focus on monitoring and evaluations (Roux, 2002:94).

Roux (2002:94-95) proposes the following three phase presentation that may ensure that policy analysis is conducted in a systematic and reasonably scientific manner.

Table 3.6: Phases for conducting policy analysis

Phases	Stages in the policy analysis process
Phase 1: Preparatory phase	<ol style="list-style-type: none"> <li>1 Preliminary identification of apparent problem (need assessment)</li> <li>2 Collect information relevant to policy formulation</li> <li>3 Categorising/systematizing</li> </ol>



	<p>information</p> <ol style="list-style-type: none"><li>4 Identify and define the real problem and the real client (determine priority)</li><li>5 Account for possible effect on the environment</li><li>6 Decide whether analysis should be undertaken by oneself or by consultant based on the cost of investigation</li></ol>
Phase 2: Theoretical construction	<ol style="list-style-type: none"><li>1 Theoretical foundation</li><li>2 Choice of a approach and model</li></ol>
Phase 3: Real analysis	<ol style="list-style-type: none"><li>1 State facts</li><li>2 Develop alternatives</li><li>3 Analyse alternatives in respect of effectiveness, values and cost benefits</li><li>4 Choose the best alternative</li><li>5 Forecast</li><li>6 Simulation, if possible</li><li>7 Verification (control)</li><li>8 Recommendation</li><li>9 Implementation</li><li>10 Re-evaluate: begin with phase 1</li></ol>

Source: Roux, 2002:94-95

Roux (2002: 95) recommends that policy analysts should remember that it may not be necessary to follow all of the abovementioned phases. Depending on the circumstances analyst should decide whether a complete analysis is required. In addition Roux argues that the phase steps of the analysis may follow in a linear way and not in steps.

### 3.13 POLICY IMPLEMENTATION

Together with policy-making and policy analysis, policy implementation forms a critical pillar for public administration. Successful policy implementation provides confirmation that the policy is successful. More often than not, however, the result of the implementation of public policy is mixed. The implementation of public policy may have both positive and negative effects depending on whether the public policy allows for discretion and flexibility or whether it is inflexible and rigid. The implementation of public policy also depends on the logic, appropriateness and predictability of the policy and whether the policy can be internalised. Furthermore, implementation becomes increasingly complex “the longer the chain of causality and the more numerous the reciprocal relationships among the links” (Pressman and Wildavsky, 1973:xi-xvii). Additionally, the short-term and long-term effects may differ (Olsen, 2006).

Pressman and Wildavsky (1973) highlight the fact that policy-making should include the issue of policy implementation if it is to be successful. Public policy administration is more than just policy formulation or policy in theory. It is also about policy implementation or policy in practice, namely the making of decisions and policy interpretations that contribute to an overall policy process (Hanekom, Rowland and Bain, 1987:36-44).

Two models of policy implementation were developed in the 1970s and 1980s. **Firstly**, the top-down implementation approach starts from the premise that an authoritative policy decision is made at the top level of government. The implementation officials and institutes are then required to take action consistent with the objectives spelt out in the policy (Sabatier, 1986:22). **Secondly**, in response to the above-mentioned approach, the bottom-up approach to policy implementation argue that policy decisions should start with those officials or institutions that is responsible for implementation of the policy decision because

input from lower levels is necessary for successful policy implementation, which meets local needs (Lipsky, 1978:398).

The debate between the two approaches is not yet concluded. Wissink (2006:191) states that although there are differences between the two approaches they also have much in common. Both views acknowledge that implementation is complex and dynamic. Implementation also involves multi-actors and institutions and happens at different levels. Often implementation happens simultaneously within a framework of pressure from the top and from the bottom.

Warwick (1982) developed another model of policy implementation called the transaction model. This model argues that it is important that policy implementation provides for negotiation among parties with conflicting or diverging interests. The models also argue that implementation direction, actions and parameters to achieve the policy results should be provided. (Warwick, 1982:181). Warwick (1982:90) concludes that the key to successful implementation is continuous willingness to acknowledge and correct mistakes and to learn out of the mistakes and the successes.

In addition, Kuye and Mukamunana (2005:595) add that policy implementation becomes very multifaceted and complex at the international and regional level because it depends largely on the willingness of individual countries. The authors advise that implementation in Africa therefore should be supported by appropriate and targeted policies designed as part of development strategies for poverty alleviation, sustainable development, women empowerment, human rights, environmental protection and good governance.

In summary, it is important to note that the abovementioned models are often applied simultaneously because of pressure from the top down, from the bottom up and from parties with diverging interests. Frequently, the specific features of a

certain implementation case may make one approach more relevant than the other. But it is also recognised that the need exists to synthesise the major features of the models with a view to develop one model that maintains the strengths of the different models.

In conclusion, the literature review shows that common theory on policy implementation is continuously under construction. There is, however, agreement by researchers on the critical explanatory variables of policy implementation. These variables include the following: the policy content, the institutional context, the commitment and capacity to implement as well as support from those that have an interest in the policy. These variables are interconnected and act concurrently. Thus a change in one variable will impact on the other variables, which creates both opportunities and threats to implementation.

### **3.14 IMPROVING PUBLIC POLICY IN DEVELOPED AND DEVELOPING COUNTRIES**

A relationship exists between the level of development of a country and the public policy of that country. The same relationship also exists between the level of development of regions and the public policies of that region. Cloete (2006:84) points out that the level of development of a country is initially determined by the starting social, cultural, economic, political, organisational and technological conditions and later by the policy decisions and actions taken by policy-makers impact on those conditions.

Horowitz (1989:197-212) confirms the abovementioned view and states that policy-making frameworks of developing countries differ substantially from those of developed countries. The main reasons are that there is a significant difference in terms of the capacity of the countries, the power of the state in the countries and the availability of resources and institutional capacity. He also indicates that the differences in public policy processes between developing and

developed countries are more a matter of degree than a matter of kind. Often these small differences in policy processes may result in large differences in the public policy product and the outcome of the public policy product (Horowitz, 1989:197-199)

In view of the above, it is necessary to consider the different public policy characteristics of developed and developing countries and the differences in the policy-making processes between the different societies. Public policies in developed countries are relatively stable because they have developed over time. Policy changes are therefore often incremental except when policy changes are the result of changes to the democratic regime. From a socio-economic perspective, most developed countries have a high income per capita, they are less dependent on foreign donors and employment levels are higher on average when compared with developing countries. In addition, resources are relatively equally distributed, which means the gap between the rich and the poor is small. The economies of developed countries are mainly based on manufacturing and services. Effective infrastructure such as transport, telecommunication, water and energy are available in urban and rural areas (Cloete, 2006:88).

In comparison, policy processes in developing countries are often macro in nature and happen every few years when a new regime is elected. Policy changes are therefore complex because they do not develop over time, are far reaching and not incremental and require considerable changes in behaviour. From a socio-economic perspective, most developing countries have a lower income per capita, they are dependent on foreign donors and employment levels are low on average. In addition, resources are unequally distributed, which means the gap between the rich and the poor are vast. Poverty is endemic and widespread. The economies of developing countries are frequently based on subsistence farming activities combined with mineral extraction and production. Infrastructure such as transport, telecommunication, water and energy is not available in rural areas and very basic in urban areas (Cloete, 2006: 90).

The negative impact of the abovementioned variables, on developing countries policy processes and the incapacity of the governments of developing countries to even achieve basic policy objectives, are confirmed by various scholars of public policy. Rondinelli (1982: 43-73) highlights that often the policy elite and the masses at which the public policies are aimed do not expect the policies to succeed. One reason is that many of the policies are aimed at taking away or balancing the power and privileges of existing interest groups thus resulting in fierce resistance against implementation. Other implementation problems such as a lack of finances, poor infrastructure and limited expertise also contribute to the failure of otherwise well-developed public policies.

Public policy-planning is impeded by a lack of guidelines for implementation and availability of sufficient information needed to make decisions and evaluations (Rothchild and Curry, 1978:23). Kiggurdu (1989) argues that inconsistent public policy and the lack of strategic public institutional capacity rather than a lack of resources impact negatively on public policy implementation in developing countries as well as on the development level of those countries. He observes, however, that developing countries are not very successful in utilising and managing resources that are available. Taylor (2003) confirms that the low level of development in developing countries is also the result of public institutions performing inadequately. He also highlights that the difference in development levels between developing and developed countries is the result of a lack of political leadership.

On the whole, the policy process characteristics of developing countries impact negatively on the policy-making and implementation. The policy processes in developing countries are therefore less effective in terms of protecting, regulating and developing in a sustainable manner.



### 3.15 PUBLIC POLICY IN AFRICA

Public policies adopted in Africa over the last decade often had mixed results. Some of the reasons for failure of public policy are widespread corruption, misallocation and misappropriation of finances and resources, poor accountability and the non-enforcement of laws and regulations. Other reasons are political interference and government initiating too many policy changes at the same time while resources and institutional capacities are limited (Taylor, 2005:116).

Today, public policy in Africa is still focused on fundamental public administration reform. This involves the control of costs and the number of officials as well as the rationalisation and restructuring of government departments and public institutions. Despite policy decisions to decentralise and to focus the work of government on policy development, standards-setting and monitoring government departments remain unnecessary big (Kiragu and Mutahaba, 2005:6).

In addition to fundamental public administration reform, many African countries are pursuing public policies aimed at improvement of service delivery and response to the public demands. The aim is to improve accountability and transparency and to shift African economies to market economies where the private sector leads economic development. In terms of responding to public demands, however, many African countries claim to have processes in place to consult the public. These consultation processes in practice often just give a semblance of participation rather than actually sharing power between the policy elite and masses (Kiragu and Mutahaba, 2005:8-9).

Policy implementation in Africa also varies from country to country. Kiragu and Mutahaba (2005:14-16) explain the variations in the effectiveness of public policy implementation in terms of a comparison that was made between 10 southern

and eastern African countries. **Firstly**, in a country such as South Africa,,, successful implementation of multiple policy reform initiatives is often linked to early stage liberalisation of countries. The reason is the high degree of legitimacy of the ruling party and the fact that sufficient resources are made available to fund policy changes. In addition, vigorous measures are put in place to integrate government departments and agencies with a view to improve service delivery and accountability.

**Secondly**, in countries such as Botswana, Tanzania, Namibia and Rwanda, policy change and implementation is successful because these countries adopt a systematic and continuous approach to fundamental public administration reform. These policy changes are driven from the top and are taking place in an environment that also enjoys a high level of political legitimacy. These countries have stable and growing economies and good international relationships, which allow them to fund policy reform initiatives with their own resources as well as with resources of development partners.

**Thirdly**, another set of countries such as Zambia, Malawi, Kenya and Uganda, that is less successful with implementation of policy change are those that have good public policies on paper but where limited implementation occurs. The implementation problems are mostly linked to a lack of political leadership. The political and economic environment is unstable. Economic growth is often negative because the macro-economic fundamentals are problematic; therefore access to funds internally and externally is extremely difficult. **Lastly**, Mozambique like South Africa is in its own class. Mozambique is the least successful with policy changes compared to the other countries because of civil war, low human resource and financial capacity.

It can be deducted from the above explanations that there are a number of conditions for successful public policy-making and policy implementation, which may apply to most African countries: **Firstly**, there must be a shared vision and

recognition for the need for policy change. **Secondly**, political legitimacy needs to be in place to provide for political space that focuses on consistent and systematic policy reform even if the policy reforms are substantive. **Thirdly**, sufficient resources need to be available because policy changes often are expensive. **Lastly**, a growing economy is conducive for policy change because it can sustain and finance policy changes. In addition, development partners and foreign donors may be willing to support the policy reform efforts. In the long run, however, policy changes need a critical mass of local resources, including local expertise.

With regard to foreign aid in Africa, Calderisi (2006:141-149) explains some of the conditions that continue to impact negatively on the development of Africa. He argues that African politics have been repressive and divisive. African economic policy has been neglected. Most African governments do not share basic economic facts with their citizens. Africa's agricultural industry has been hindered because of bad public policy. Africa has not concerned itself with foreign markets and has thus also not capitalised on the crucial link between trade and development. They, therefore, undermined private sector development and were bypassed by foreign investors. Calderisi warns that there is not enough foreign aid to stem the economic losses that Africa continues to face. Where foreign aid is available, it is often used ineffectively and is thus wasted because it is not supported by good public policy.

In conclusion, Nzwei and Kuye (2007:202) highlight the fact that there are no quick fixes in terms of the development of public policies and institutions that are required for economic growth in Africa. The authors recommend an approach that is based on the unique social, cultural and historic exigencies of the continent. It is, however, also important to recognise that what should be done or not done cannot ignore the demands from transformation towards a capitalist economy, the development of drivers of production and the promotion of open market-friendly economies (Nzwei and Kuye, 2007:197).

### 3.16 STATE INSTITUTIONS

In this part of the literature review, various perspectives on institutions and the theory of institutions are examined. Specific aspects of state institutions will be covered as these institutions are responsible for public policy-making and implementation.

State institutions in the context of this study are a collective of people that deliver public goods and services to people outside the institutions, rather than to people inside the institutions. State institutions include government, government agencies, government co-operation and sometimes non-profit institutions. These institutions can be described in terms of the following characteristics: they are created by society to formulate, interpret and implement public policy; they are publicly owned and controlled; they are funded by taxes, user fees and government appropriation; they usually do not seek profits; and they are sometimes part of a government agency with some independence (Henry, 1992:304).

In addition to the abovementioned characteristics, Umar and Kuye (2006:218) highlight the fact that state institutions should be understood in the broader context of the state and its politics, which implies that state institutions have to meet competing and often contradictory values from the state and the various stakeholders. In the developing country context in particular, it is important to recognise that developing countries are not a homogeneous unit. These countries are heterogeneous in many aspects including geography, social and economic development, size, density of the population, urbanisation, technological advances, and availability of natural resources, political systems, culture and religions (Kiggundu 1989:11). Other differences relate to distribution of income, wealth, quality of life, opportunity and organisational depth. Kiggundu (1989:11) confirms that these differences are so compelling that it requires a

cautious approach in terms of generalisation. He, however, also argues that in spite of the abovementioned differences, these developing countries have so much in common, particular as it relates to a lack of infrastructure, an absence of administrative and governmental expertise and the inability to make the transition to globalisation at the same rate as developed countries, that it makes sense to deal with them as if they are a homogeneous group.

### **3.17 MODELS OF INSTITUTIONAL THEORY**

Henry (1992:51-64) divides institutional theory into the following three models, namely the closed model, the open model and the synthesis model. Each of the models has its own features, which are to some extent different and in other cases similar.

The closed model of institutions has the following features as identified by Henry (1992:51): tasks are routine and occur in stable conditions, they are specialised and they are prescriptive in terms of the way tasks are done; conflict in a closed model institution comes from the top of the institution and the institution is perceived as a hierarchic structure; responsibility is emphasised with a focus on the institutional subunit; interaction in the institution is vertical and the style of interaction is informed by clear super-ordinate and subordinate relationships; and loyalty to the super-ordinate is often emphasised at the expense of performance.

In comparison the open model of institutions has the following features (Henry, 1992:54): tasks are non-routine and occur in unstable conditions; common tasks are informed by specialised knowledge and they are aimed at getting the task done; conflict in the open model of institution comes from interaction with peers and the institution is perceived as a network structure; responsibility is emphasised in the context that all institutional members contribute to all institutional problems; interaction between people in the institution is vertical and

horizontal and the style of interaction is informed by advice to accomplish certain outputs; and performance of tasks is often emphasised at the expense of obedience to the super-ordinate.

Henry (1992:60-62) describes the following differences and similarities of the two models: the first difference involves the assumptions about the institutional environment. The closed model assumes a stable, routine environment. The open model assumes an unstable, non-routine environment. Both models, however, assume that the institution will take action to thrive and adapt to survive. In this regard, the closed-model institutions often have to adopt to meet demands from an unstable environment. Conversely, open-model institutions have to adapt to meet demands to determine some structure and routine relative to their environment. Thus, whether open or closed, institutions must change as their environments change. Another difference involves the assumptions about the nature of human beings. The closed model assumes that people do not like to work, needs supervision, are motivated by threat or punishment and cannot contribute to the solution of institutional problems. The open model assumes that people like to work, exercise self-control and are motivated by social and ego rewards and can contribute to the solution of institutional problems. In this regard, it is clear that institutions predicated on any one of the two models will attract people that find a specific model appealing.

The essence of the third model, the synthesis model, is that an institution often operates as an open model, in an uncertain environment with a collection of people that each has his/her own goals. These institutions, however, introduce routine and rationalise internal work procedures and external relationships whenever possible (Henry, 1992:64).

To conclude, institutions are often required to adapt to a changing environment if they want to survive and thrive. This is true whether the institution is based on the closed, open or synthesis model of institutions. To adapt to a changing

environment is difficult because it involves human complexities, are often characterised by formal and informal relationships and are integrated into a larger social system, which requires sustained co-operative arrangements.

### **3.18 STATE INSTITUTIONAL DEVELOPMENT**

Institutions are often evaluated by society for effectiveness, efficiency or relevance depending on the nature of the institutions. Henry (1992; 68-70) differentiates between the following institutional tests. The effectiveness test assesses an institution's ability to fulfil and complete its mandate without taking into account how many resources are consumed to achieve the mandate. The efficiency test assesses an institution's ability to fulfil its mandate while using the fewest resources possible. The social test assesses an institution's ability to remain relevant and useful in achieving specific social goals. Both the efficiency and social tests are useful tools that society can use to evaluate state institutions.

Evaluations of institutions often identify the need for change. Institutional development is the process of planned institutional change that is deep and long-lasting and responds to the internal and external environmental dynamics. The aim of these developments is to increase institutional effectiveness and efficiencies by integrating individual growth with institutional goals (Shafritz and Russell, 2005:260-261).

Institutional change must be planned in advance and implemented gradually if it is to be successful. It requires top management support and commitment. It also needs a specific strategy such as institutional diagnosis, process consultation, team building and conflict management (Shafritz and Russell, 2005:261). Massamba, Kariuki and Ndegwa (2004:34) confirm the importance of leadership for institutional development because institutional reform needs to be supported by changing behaviour of top management. They also advise that state

institutional change is often slow due to its inherent conservatism and because change is often a function of its legal mandate.

### **3.19 INSTITUTIONAL DEVELOPMENT IN DEVELOPING COUNTRIES**

The need for developing countries to develop its institutional capacity in a globalised economy offers an opportunity for the development of creative responses (Massamba, Kariuki and Ndegwa, 2004:30), which meet the needs of their societies and take into account regional and national interest. Maur (2008:2) highlights the fact that institutional development should be approached in a holistic manner in order to seek regional solutions to deal with market failures. Approaching regional institutional development in a holistic manner in Africa could in theory mean that institutional capacity that is in the regional interest can be provided by any country in Africa. This, however, will require co-ordination between countries in order to ensure a fair distribution of the institutional capacity between countries. It could also mean that countries with stronger institutional capacity provide assistance to countries with weaker capacity. Lastly, it could mean that countries network increasingly and that this provides improved institutional capacity through the sum of the efforts of the participating countries (Maur, 2008:15).

One of the benefits of regional institutional development is that it offers cost-saving institutional capacity, which enables government to meet demands for regional public goods (Sandler, 2006). Another benefit is that regional institutions are in a better position to carry forward regional institutional agendas and lastly, that regional representation can increase the bargaining power of its constituency in international negotiation forums, such as the international standards-setting organisations (World Bank, 2005). It is however also important to ensure that regional institutional development takes into account international rules in order to guarantee that it is recognised internationally (UNIDO, 2006).



In conclusion, regional institutional development can be developed to address capacity needs, which are often expensive and difficult to provide. Regional institutions may be able to deliver more over a shorter period of time provided, however, that the political will for policy integration exists.

### **3.20 INSTITUTIONAL DEVELOPMENT IN AFRICA**

The African Union Economic Report on Africa of 2007 (EC, 2007:12) confirms the need for strengthening its institutions as a prerequisite for economic growth through diversification. The abovementioned report highlights the need for appropriate institutional development if Africa wishes to achieve both its macro-economic and new sector and industrialisation policies (EC, 2007:163). The report further promotes the consolidation of institutional development both at an aggregated level (e.g. the legal system) and at a micro level (e.g. business regulations).

Furthermore, Caulfield (2006:17) is of the opinion that countries in Africa share common institutional reform experiences largely because of policy conditionality of multilateral donors and aid dependency. Policies of the last 15 years reflect a preference for downsizing of institutional capacity. New approaches to institutional development aimed at service delivery include the establishment of semi-autonomous state institutions, public-private partnerships and the reform of public utility companies. Kiggundu (1989:3) confirms the need for attention to develop and sustain effective state institutions if development initiatives by governments, aid agencies, non-governmental organisations and the private sector are to be successful.

Commentators on development often argue that institutional development is constrained because of weak state capacity which in turn is undermined by slow economic growth, a growing aid dependency and an underdeveloped civil society (Caulfield, 2002). Caulfield (2006:16) states, however, that the above argument

gives insufficient recognition to the political prominence of the African public sector and ignores the African history of autonomous public bodies. It also ignores the reality that necessitates public officials to play the aid game because of the realities of aid dependency while at the same time responding to the expectations of the public.

Hirschmann (1999:287-305) confirms that the focus of structural adjustment programmes to downsize state institutions and devolve responsibilities may have gone too far. The view is that deregulation strategies and decentralisation should have been supported by strengthening of state institutional capacity. In addition, it is important to take into consideration the different approaches to institutional development between francophone Africa and English-speaking Africa as a result of linguistic and economic linkages with former colonial powers and as a result of policy choices of these powers. Francophone countries that received donor support from France had to introduce structural adjustment programmes focused on deregulation of the public sector and specifically its state-owned enterprises. English-speaking countries, in contrast, had to introduce structural adjustment programmes that focussed on personnel reforms, skills development and establishment of service delivery institutions (Caulfield, 2006:18). Although different in focus, the overall direction of institutional development across both francophone and English-speaking Africa confirms a donor policy preference for downsizing and devolution.

Finally, however, both deregulation and devolution have implications for government oversight over state institutions and public entities. The main implication is that government capacity needs to be strengthened in the context of decentralised reforms. The focus should be on their oversight and steering role in delivering institutional development. The aim should be to ensure ownership at a political level and effective communication between the bureaucracy that develop public policies and the technocrats that need to implement the policies and deliver public services.

### **3.21 CONCLUSION**

This chapter provided an overview of the literature on public policy-making and policy analysis as a field of study because public policy is what government chooses to do or chooses not to do.

The chapter concluded that although there is no universally accepted definition, theory or model in this field of study, a wide variety of definitions, theories and models are available and used to study this field in detail. Research and the collection of information on Public Administration are over 100 years old although public administration has been practised for millennia. Some of the very early Public Administration research work, for example the work of Woodrow Wilson, is still relevant to the current main theme of Public Administration.

The chapter discussed the various models of policy-making that have been developed. Each of these models or parts of these models may be appropriate and useful for specific policy problems. In addition, the origins and development of frameworks for policy analysis over the past years point to the increased need for specialised information in changing societies. The chapter also considered the various stages of the public policy analysis process that a policy analyst may use to scrutinise public policy and develop policy options.

The significant differences that exist in policy processes between developed and developing countries were highlighted in this chapter because it often impacts on the policy-making and implementation processes. African public policy initiatives are still very fundamental. Therefore, the policy space needs to be created for public policy initiatives that support development and allow for a pragmatic approach to policy reform creating a balance between macroeconomic reform policies and economic policies. African economic policies need to be developed

to redress the negative impact of macroeconomic reforms on diversification and transformation of their economies, which that started in the late 1970s.

The theory on institutional development confirms that institutions, irrespective of the theoretical model the institution is based on, will have to respond to a change in their environment if they want to survive. Institutional development in Africa has the opportunity to respond in a creative manner, which may include the establishment of regional institutions meeting regional needs and demands for public services.