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Market-Oriented Public Management in Uganda: Benchmarking International Best Practise?

Julius Kiiza

Abstract: This paper examines the phenomenon of "new" public management in Uganda in the broader context of the history of administrative reform, the quality management revolution, and the rise of economic rationalism over conventional public administration. The durability of Uganda's donor-driven reforms is critically analysed. Using a Best-Practices Benchmarking (BPB) model, this paper argues that Uganda's edition of market-oriented public management is inconsistent with the logic of *consciously* benchmarking international best-practices in public service delivery. The definition of the reforms by the IMF/World Bank fraternity, as a conditionality for further "development assistance" is found to institutionalise a top-down approach which is antithetical to durable change management. If Uganda is to pursue durable reforms, a fundamentally re-engineered bottom-up approach is not optional. It is a must. The country must deploy a genuine *best-practices benchmarking* strategy underpinned by the continuous search for better quality service delivery.

Introduction

The global spread of the managerialist revolution in the last two decades has triggered a two-pronged dilemma for public sector management.[1] Public sector professionals have been urged to create more "public value" (Moore, 1995; OECD, 1997); govern "for results and accountability" (Liner and Vinson, 1999); and deliver "Best Value" (Judson, 1998; LG Act, 1999) to the public sector customers. At the same time, they are exhorted to cut the cost of service delivery by creating what the Clinton-Gore administration calls "a government that works better and costs less" (Gore, 1993; 1996). Central to the logic of *doing better with less* is the call for a fundamental restructuring of public administration and the extension of the efficiency-enhancing discipline of the market into the non-market sphere of public governance. Whether these reforms are a genuine replication of the private business culture of benchmarking international "best-practices" is still a puzzle (Camp,

1989; Foot, 1998). Available cross-country evidence, nevertheless, shows two faces of managerialism – one handsome and the other, ugly. The handsome face of managerialism appears in the developed countries where the review of bureau-pathologies associated with "governmental intervention" and "arrogant officialdom" has, by and large, been done *deliberately in Search of Excellence* (Peters and Waterman, 1992). The ugly face appears in the developing countries, particularly sub-Saharan Africa, where managerialism has been *religiously* spread by multilateral finance capital represented by the IMF/World Bank fraternity. The problem of a donor-driven top-down approach to change management is particularly evident in Uganda where market-oriented public sector reforms have become an eligibility criterion for further "development" aid.[2]

It is the purpose of this paper to examine the market-orientation of public administration in Uganda in the context of the global drive toward "new" public management. The aim is to examine the durability of Uganda's donor-driven reforms that are inconsistent with the concrete socio-demographic circumstances on the ground. It is argued that the *marketization* of public administration in a country where the private market sector is still embryonic and in dire need of babysitting cannot be justified, save from the economic rationalist perspective of multilateral finance capital. To the extent that Uganda's managerialism is driven by the short-run objective of reducing government expenditure *without* sufficient consideration of the country-specific contingencies and the need for durable cultural change within the workforce, then, it is illogical. What Uganda needs is the conscious benchmarking of international "best-practices" in public service delivery. This will not be done unless the "one-coat-fits-all" approach of the IMF-World Bank fraternity is abandoned.

The rest of this paper is organised under six major parts. Part two briefly examines the global and historical contexts of administrative reforms. Part three highlights the theoretical issues central to the market-orientation of public management. A brief treatment of the best-practises benchmarking (BPB) model is also given. Part four examines Uganda's edition of public sector reforms. Part five makes a critique of the reforms in the light of the BPB model. Part six summarizes and concludes the paper.

Global and Historical Contexts of Reform

The contemporary philosophy of "market-based" public administration or what Barzelay (1992) and others after him called *the post-bureaucratic model* cannot be full appreciated unless it is analysed in the broader context of the history of administrative reform. This contextualization serves at least two purposes. First, it exposes the weakness inherent in some of the most powerful work on "Reinventing Government."[3] Secondly, by situating this analysis in an historical context, the author seeks to highlight the important precedents to the current reforms, precedents which verify, beyond reasonable doubt, that today's "New" public management is not new; that managerialism is simply a *revised* edition of the age-old reforms of public governance.

The history of public governance is a history of continuous administrative change, from the time of the ancient Egyptian and Greek civilisations through the industrial revolution to the new millenium. The reform of public administration in order to enhance the delivery of public services has been a crucial goal of virtually all governments. For instance, as early as 300 BC the Priestly Aristocracy of Egypt was "reinventing" the government of the Nile Delta in response to the potentially destructive seasonal floods of the Nile River. The point was to improve the administrative and technological capacities of ancient Egypt in order to cope with the seasonal challenge. Even if one conceded that managerialism constitutes a fundamental review of the "traditional" culture of public service delivery, one would still contend with the fact that the "new" paradigm is not the first. It is historically and empirically, a *third* wave of radical reforms of running the business of the modern state. The first wave of civil service reforms appeared in Britain in the second half of the 19th century. The second wave, which was dubbed "progressivism" (Yeatman, 1994: 288f), occurred in the USA in the second and third decades of the 20th century. A critical catalyst of these reforms was the industrial revolution. The impact of the industrial revolution was two-dimensional. First, it revolutionized the method of organising economic production at the factory level. The size of business organisations, and with it, the *modus operandi* of business management, changed fundamentally. Business entrepreneurs realised the need to abandon the "corrupt" and inefficient spoils system, based on affection and family ties, and, in

their place, adopt new entrepreneurial ethics guided by the virtues of merit, economic sense and business acumen. A critical component of this revolution was the standardisation of output, a development whose climax was the institutionalisation of mass production or what is commonly termed "Fordism".

The second impact of the industrial revolution was to critically challenge the traditional structures of governance. The method of doing the business of government had to be fundamentally recomposed to cope with change. What the gurus of public governance did was to "benchmark" better business practises from the private sector of the day. Where Frederick Taylor's *Scientific Management* model summarises the then "new" culture of private business management, Max Weber's *Principles of (Public) Administration* does a great job for the new culture of public governance that was triggered by the industrial revolution.[4] The most important themes cutting across Taylorism and Weberianism are standardisation, routinization and professionalization of management, underpinned by the quest for "One Best Way" of accomplishing outcomes. Both Taylorism and Weberianism were anchored in impersonality, consistency and correctness of procedure driven by the logic of implementing the established rules and regulations ruthlessly, impartially and without fear or favour. This represented a radical break with the past. Weberianism was not meant to promote the blind pharisaic observance of official rules and procedures, as conventional critics argue. Bureaucrats were meant to be professional experts, hired on permanent and pensionable terms, and deployed in accordance with standard, unambiguous rules. Dedicated bureaucrats would not just further the public interest with speed and expertise. They were expected to exercise discretionary powers in accordance with administrative law. The source of legitimacy was no longer traditional bonds: it was the bureaucratic legal-rational. In short, Weber's model was crafted to enhance efficiency, predictability, and impartiality in the service of all public customers (i.e. the citizens), irrespective of their sex, family background, social status and other secondary criteria.

By implication, therefore, Weberianism was the first new public-management model. It was new in two major respects. First, the reforms represented an ascendancy of a meritorious system over the older ethos which had emphasised personalised loyalties to kin and kith, neighbourhood and political allegiance. Second, the

professionalization of public administration, the bureaucratization of the rules governing the delivery of public goods, and the hiring and firing of personnel on merit (rather than patronage) were all into the public arena. It was an attempt to apply industrial best-practises to public service delivery. These reforms are comparable – at least in principle – to the much romanticised "entrepreneurial" governance of present times.

Today, managerial reforms have almost assumed a global dimension (OECD, 1997). In the United Kingdom, an Efficiency and Effectiveness White Paper was issued in 1982, followed by the Next Steps program in 1988 and the Citizen's Charter in 1991. The Tony Blair administration entered the new millenium with an ambitious agenda for "modernising" public services and delivering "Best Value", particularly at local government level. Canada introduced PS 2000 in 1989. New Zealand has had a series of reform measures extending back to 1986. The Scandinavian countries have also embraced managerial reforms. In the United States, the phobia for state involvement in economic management has catapulted significant calls for governing-for-results and accountability (Liner and Vinson, 1999) in a manner that appears to constitute an American Perestroika. In the eyes of President Bill Clinton, "the era of big government is over." Developing countries have also embraced managerialism, with one significant difference. Whereas the developed countries have by and large *consciously* operationalized managerial reforms, sub-Saharan Africa in general, and Uganda for our purpose, is implementing the reforms under pressure from the free-market economic theorists, most notably, the IMF/World Bank coalition. To what extent does the marketization of public service delivery represent the triumph of economic rationalism over public administrative theory?

Managerialism: Triumph of Economic Rationalism over Administrative Theory?

The current managerial reforms are, in theory and practise, a critique of the allegedly "monolithic", "rule-oriented" Weberianism which is deemed to be antithetical to the maximisation of customer satisfaction. Heavily borrowing from free-market economics theory and the quality management revolution, managerialism is driven by the strategic agenda of replacing public governance with the logic of the market. The theoretical linchpin of

market-oriented public administration in Uganda, as elsewhere in the world, has been the Smithian economics, which has gained strong impetus from the free-market theorising of Friedman, the IMF/ World Bank/WTO nexus and other missionaries of neo-liberalism.

Two major claims have been made by neo-liberal theorists. The first is that Smith's logic of the *invisible hand* is applicable in the non-market public sector, as it is in the competitive marketplace (Rowley, 1993). The efficiency-enhancing power of the free market is seen to be applicable in the public state sector as in the private corporate sector. The second claim is that all *homo sapiens* are *homo economicus* (economically rational), whether in the market or non-market environments. Economically rational behaviour is seen to be a common denominator of all human beings and all human organisations. The doctrine of *homo economicus* implies that government officials and the various pressure groups, lobbyists, bureaucracies, legislatures, political parties and other policy entrepreneurs are driven by the motive of utility maximisation (McLean, 1990; Rowley, 1993). Guided by this interpretation, the Virginia School of public-choice theory has categorically rejected the Weberian notion of a "dedicated" *public* official who "impartially" directs official resources and programs to realise the public interest. The assumption is that there is no overarching public interest in governments and politics. State-bureaucrats, whether in government or the state-owned enterprises, are seen to be self-seeking budget maximisers who enter the political-market place on the demand side, typically as special interests unconstrained by free-rider considerations.[5] The pursuit of individual utility, defined as "some balance between expected wealth, ideology, patronage, discretionary power and ease of management" (Rowley, 1993: xvii) leads bureaucrats and other "public" officials to favour policies preferred by big businesses and other organised groups that mobilise political goods in form of votes, campaign funds, "donations" and other "bribes" to reward the government officials. In short, the argument is that government, which matches the demand and supply of legislation (and therefore, policy needs), cannot pursue an unqualified "public interest". For, government typically formulates and supplies policies and laws that benefit only the well-organized interests for whom the pro rata benefits are high.

The inference drawn from neo-liberal theorising is dismal. Governments, stuffed by unaccountable bureaucratic officials cannot

be the engine of accountable, customer-focused public management. The solution arguably lies in "re-inventing government" and re-engineering the delivery of public goods from a state-centric to a market-oriented approach. Hence the call for the rationalisation of government ministries, the retrenchment of government employees, the privatization of public enterprises, the over-hauling of central government agencies through decentralisation and contracting out, and in short, the pursuit of *market-oriented* public administration. The ultimate goal of these reforms is the erosion of government "even to the role of a night watchman state" (Goetz, 1991; cf Buchanan, 1990; Schick, 1998). This is seen to be a necessary condition for operationalizing economically rational policies and liberating the private sector from "statism."

The Neo-statist Critique

Scholars who fall on the left-of-centre side of the ideological spectrum have been uncomfortable with the neo-liberal armchair theorising. The neo-statist critique has centred on the attempt by neo-liberalism to apply the equilibrium price theory of *laissez faire* economics to the non-market sphere of public governance. Political scientists, welfare economists and other philosophers who advocate a central role of the state both in the productive activities and in the re-distributive delivery of social equity have rejected the economically rational neo-liberal theory as being too "econocratic" and uni-directional, or even too *doctrinaire* and *puritan* (Pusey, 1993; Gray, 1994 for example). Commenting on the "Fallacy" of the minimum state and the "mirage" of *laissez faire*, Gray contends that:

> The scope and limits of government cannot be determined *a priori*. Time, place, and historical circumstances are of crucial importance in determining the range and character of intervention by the state in civil society. To assert this necessary indeterminacy in the functions of government is to go against a powerful tradition of classical liberal thought, which has sought to specify the proper activities of government by a universal doctrine. The simplest (and least compelling) of these is the doctrine of the minimum state ... Classical liberal conceptions of the role of the state

> that are spelt out in terms of a principle of *laissez-faire* suffer from the disability that that principle is itself practically vacuous. In civil society, the sphere of independence is constituted by a most complex structure of legal immunities, forms of property, and personal and economic liberties - a structure whose specification is given us by no general theory. The contours of the sphere of independence are not natural truths, but instead artefacts of law and convention, subject to the need for recurrent redefinition and sometimes expressing a balance between competing interests and values. The ideal of *laissez-faire* is only a mirage.(Gray, J. in McKevitt and Lawton (eds), 1994: 25-26).

In the US, the claim that the era of big government is over has recently come under attack. Light (1999) for example, argues that the US federal government is bigger and stronger that it was 30 years ago. While *prima facie* evidence suggests that portions of government shrank, the true size of the US government is 17 million people, or more that eight times the standard head count of 1.9 million used by Congress and President Clinton to declare that the era of big government is over. Succinctly stated:

> With nearly 17 million people working directly or indirectly for Uncle Sam, the era of big government is far from over. Despite declarations to the contrary from elected officials across the political spectrum, the federal government is much bigger, not smaller, than it was 30 years ago. Only by using the narrowest possible definition of the true size of government headcount in the federal civil service could President Clinton declare that "the era of big government is over" in his 1996 State of the Union address. Although Clinton's declaration earned a roar of applause from both sides of the aisle, it was a partial truth at best, a false claim, at worst. Counting all the people who deliver goods and services for Washington, while removing the masking effects of the huge Defense Department downsizing, Clinton would have been much more accurate to say that the era of big government was continuing pretty much unabated.[6]

Outside the US, Kiiza (1997; 2000) and other critics of neo-liberalism have argued that the globalization of the notion of market-oriented public governance does not take cognizance of the fact that the market has historically failed to deliver social equity, handle externalities and produce non-market values such as law and order, issues which have been resolved in the non-business arena outside the terrain of *homo economicus.* Moreover, the assumption that *homo economicus* is the fulcrum of all human behaviour is not universally applicable in all countries at all times. This assumption would lead to the uncritical transplanting of private business practises into the public sector. Yet, successful change management in Uganda and other reforming countries calls for selective and conscious benchmarking of international best-practices.

Best-Practices Benchmarking (BPB) Model

Benchmarking was initially developed by land surveyors as a point of known elevation *f*rom which quality or excellence would be measured. This concept was apparently first used in business by the Japanese after World War II. The logic of *dantotsu*, a Japanese term which means striving to be the "best of the best", was in the 1970s, copied by Xerox Corporation as a purely competitive comparison tool (Camp, 1989). Today, *dantotsu* or benchmarking international best-practices, has become a critical component of both public and private business management. In current usage, benchmarking falls in the broader stream of quality management, continuous business improvement and the pursuit of competitive advantage via "customer-driven" and "outcomes-oriented" management.[7] Three major forms of benchmarking exist. One is *intra*-organisational benchmarking, which takes place in the same firm or department. The second is external or industry-level benchmarking which involves different firms within the same industry. The third is *best-practices* benchmarking, which is not tied to a specific firm or industry (Macneil, et al, 1994; Foot, 1998 for details).

In this essay the term "best-practices benchmarking" or simply, the BPB-model, is used with reference to the third category - the benchmarking of international best-practices, defined as the deliberate and continuous search for, adoption and absorption of

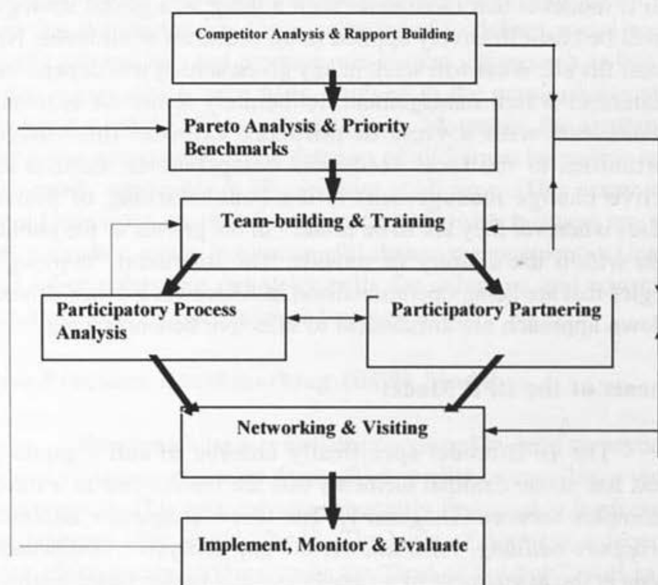
the *best-of-the-best* practices of doing business. The "business" of interest here is the delivery of "public value" to a reasonable degree of quality, consistency and predicatability. A crucial assumption of the BPB model is that there is no such a thing as a global strategy that will be cost-effectively applied in all countries at all times. No one coat fits all. What will work in any given setting will depend on the extent to which management deliberately scans the external environment, with a view to tailoring external innovative opportunities to the local needs and competencies. Central to effective change management is the benchmarking of better practises wherever they are to be found - in the private or the public sector, within the country or outside. The uncritical "copying" strategies that are being operationalized in Africa via a donor-driven top-down approach are antithetical to effective benchmarking.

Elements of the BPB Model

The BPB-model specifically tailored to suit Uganda's context has seven cardinal elements that are intertwined in a fluid and complex network (Diagram 1). The first is *competitor analysis and rapport building.* Also known as "gap-analysis", competitor analysis is the assessment of an organisation's performance against that of the best-in-class performers. Competitor analysis is a prime factor in the assessment of the external environment of organisations (Ghoshal and Kim, 1986; Frost and Pringle, 1993). It involves a critical analysis of why and how the best-in-class organizations out-perform their rivals. This information is then used as baseline data for intervention strategies and target-setting. By implication, benchmarking utilises the strategy of "industrial espionage" or business intelligence, defined as "the collection and analysis of information on markets, new technologies, customers, competitors and broad social trends" (Ghoshal and Kim, 1986: 49). But, benchmarking is more than competitive intelligence. Effective benchmarking views the building of rapport among the employees of the organisation as a critical factor in change management.[8]

The second element of the BPB model is *Pareto analysis and benchmark prioritization.* Pareto analysis and the prioritization of the world-class examples of systems, products and process technologies to be benchmarked against are central to successful benchmarking. Pareto analysis is driven by the need for screening

Diagram 1. **The Best-Practices Benchmarking (BPB) Model**



Source: Adapted from NIES, Benchmarking Self-help Manual: Your Organisation's Guide to Achieving Best Practice, 1995 Exhibit 3.1, pp. 22.

the "vital few" causes of mal-business performance from the "not so important many" causes. This is in accordance with the Pareto principle which states that 80% of the (social, technical or organisational) problem will be explained by 20% of all possible causes (Walsh, 1995). The point of Pareto analysis is to identify the strategically important problems that must be targeted as a matter of priority.

The third ingredient of a BPB model is *team-building and training*. The search for best-practices cannot become an accepted culture unless it is embraced by a significant portion of the employees (Camp, 1989; Foot, 1998). An indispensable tool for furthering this cause is the mobilisation of the employees (and otherfinancial and material resources) to target the priority problem(s). This mobilisation must involve conscious training and team-building

endeavours. It must also involve the assigning of process ownership to individuals (or teams, if the situation allows). The point is to create champions who would be accountable for performance outcomes.[9] Process ownership fosters empowerment, multi-skilling, and cross-functional training of employees. It also enhances industrialdemocracy, employee morale, and team-building, thereby maximising the probability of successful change management.

The fourth element of the model is *participatory internal process analysis.* The BPB-model proposes the use of participatory internal process analysis as a way of involving employees in self-assessment. Self-assessment is the proactive deployment of the workforce in the evaluation of the current state of affairs against the most competitive bench-mark (i.e. "best" practices). It also involves the road-mapping of strategies to bridge the discrepancy. The information generated in the process of self-assessment must not be imposed through a top-down approach, as the wisdom of donor-driven reforms would suggest. It must be a product of a "team effort". As Ghoshal and Kim (1986: 55-56) persuasively argued, intelligence gathering will be effective only when it becomes a widely shared part of the "organisational Gestalt".

The fifth element is the *participatory selection of partners.* In addition to self-assessment, effective "change masters" must encourage the participatory selection of benchmarking partners. Under the BPB-model, the employees should be integrated into a consultative process of choosing the candidate(s) to benchmark against and what *best-practice* practises to adopt and adapt. The financial and social costs of changing the existing culture and implementing better business practises will be minimised if the employees are involved in decision-making, as much as is practicable.

The logical extension of the purposive selection of partners is actual networking and visiting. This is fundamentally important. It reflects the ultimate choice between benchmarking the near rivals (whose product and process technologies might be fairly easily attainable), and the international best performers (whose standards might be too hard to reach). This is the dilemma underpinning the "small-steps" TQM-type of incremental improvements vis-à-vis the path-breaking "Big Steps" improvement strategies, expected to flow from best-practises benchmarking. Even when this dilemma has been resolved, benchmarking teams need to note, as Tyndall cautioned,

that "... the real cause of effective results - the operating methods underlying performance - are not learned from public documents such as corporate plans and annual reports" (Tyndall, 1990: 19). Bench-marking teams and professionals must *actually* visit the benchmarking partners and understudy the real practices and methods in the work place.[10]

The climax of bench-marking is the implementation of the benchmarked products and methods. The cost of benchmarking cannot be justified unless the intervention strategy has a high probability of delivering better practises. Better practises can be measured through reduced production costs, shorter product-cycles, empowerment and motivation of employees, increased profitability and stream-lined business processes that are re-engineered to maximise customer satisfaction. To the extent that these are the critical goals of bench-marking, then, continuous monitoring and evaluation should be part and parcel of the change management strategy. The purpose of continuous monitoring and evaluation is to assess the extent to which the change-efforts are delivering desirable outcomes. If the outcomes are positive, well and good. If the outcomes are unsatisfactory, management might have to decide on whether or not more intelligence gathering, priority re-definition, and Pareto analyses are necessary.

It can be inferred from the above that the question of reforming established business practises is not as simple as the IMF/World Bank fraternity would have us believe. It is not a simple question of copying or transplanting foreign (OECD) practices, however successful they might have been elsewhere. Sustainable benchmarking is a complex issue of sieving the feasible aspects of best-practices from the impracticable. To what extent is Uganda's market-oriented public management consistent with the above model of benchmarking?

Uganda's Edition of Market-Oriented Public Management

Uganda and other sub-Saharan African countries embraced *economic rationalism* in the 1980s, under covert pressure from the IMF/World Bank coalition. Economic rationalism, which appears to constitute Africa's Perestroika, has taken the form of Structural Adjustment Programs (SAP). The SAPs are macro-level reform policies designed to reduce the role of the public state sector vis-a-

vis the private business sector in the economy. The theoretical justification of the SAPs is that the governments in post-colonial Africa assumed gigantic roles which would have been better managed by private entrepreneurs (World Bank, 1995; 1999). The entrepreneurial class, which would have allocated resources efficiently under the guide of the invisible hand, has arguably been suffocated by government omnipresence in the economy. Using the invincible power of their purse, the IMF and the Bank have directed - through a top-down approach - that all forms of state controls and subsidies must be dissolved; that the countries of sub-Sahara Africa must fully liberalise their economies, privatise state-owned enterprises and implement retrenchment (or down-sizing) in the public sector. Public service provision, it is argued, must be delegated to the private sector. Thus, the marketization of public administration in Uganda is a mere subset of the main-stream neo-liberal agenda, driven by the universal assumption that the fulcrum of economic management and service delivery, is the entrepreneurial sector. Hardly any attention has been given to the embryonic character of the private sector in sub-Sahara Africa, the existence of a huge non-market sector and other concrete socio-historical realities on the ground (Kiiza, 1997). In other words, the *context* of administrative reform has been ignored.

Context of Administrative Reform in Uganda

Durable administrative reform in Uganda must take cognisance of two major sets of variables – the socio-demographic and the socio-historical. The socio-demographic characteristics of Uganda define the country as one of the poorest in the world (see Appendix I). On the basis of the human development index (HDI), for example, Uganda's HDI value of 0.327 registered in 1994 placed her at 159th out of the 175 countries in the international ranking, and 29th in the league of 44 sub-Sahara African countries (Gov. of Uganda, 1998). UNDP's *Human Development Report* of 1999 shows that by 1998, Uganda had made a one-step improvement to 158th position with a slightly higher HDI value of 0.386. Consistent with the low HDI are a number of socio-demographic characteristics.Of the country's 22 million people 90% is rural, predominantly deriving their livelihood from peasant farming. Peasant farmers live in a science and technology museum. The crude hand-hoe and the hand

axe are the major instruments used. A significant proportion of peasant output is for subsistence. Indeed, the country has a huge subsistence or non-market sector (Uganda, 1998; 1999). Coffee, produced by peasant farmers, has traditionally been the largest source of foreign exchange earnings. The government is the largest employer of skilled labour. Of the 1992 total of 395,100 people in formal urban employment, government (including central and local government, state owned enterprises and statutory bodies) provided 320,000 jobs or over 80% of the total. Formal private sector employment accounted for only 80,400 or less that 20%. With "down-sizing", the public sector now employs only 150,000 people (Gov. of Uganda, 1998). This has worsened an already "unacceptable" level of unemployment. The informal sector, which accounts for about 46% of urban employment, offers no viable alternative to government employment. It predominantly comprises tiny firms, employing 1-5 persons (Kiiza, 2000).

The socio-historical contingencies of Uganda do not lend credence to economic rationalism either. At the time of political independence in 1962, the country had one of the most promising economies in sub-Saharan Africa. Public service delivery was under the stewardship of a relatively small, but well remunerated and motivated civil service. The civil service inherited from Britain had the limited objective of maintaining "good" government. Under colonial Machiavellianism *good governance* meant two things: the ruthless pacification of the natives, - which was dressed up as "law and order" maintenance – and the uncompromising pursuit of economic efficiency. The traditional civil servants under both colonialism and the first independence government, were apolitical Weberian implementors of public policy. The machinery of government seemed to work smoothly. And this raised hopes of political "modernization" and economic development along the footpath of Western liberal democracies.[11]

In the 1970's, however, all these hopes evaporated in thin air. This was largely due to the rise of Idi Amin – the most catastrophic phenomenon in the history of Uganda. Amin's draconian dictatorship and human rights violations are widely known and need not concern us here. One crucial issue, however, needs to be underlined. Aminism led to substantial erosion of public sector ethics in Uganda. This had a two-pronged consequence. First, patrimonialism became the basis for recruitment and promotion in

the public service. Second, corruption became a huge problem (and appears to have gotten worse today). By the end of Amin's regime in 1979, Uganda's civil service, which had been hailed as the best in sub-Sahara Africa in terms of efficient and effective performance had become inefficient, corrupt and unresponsive to societal needs' (Uganda, 1994; 1999).

Yoweri Museveni

Against the above background, President Museveni's government which came to power in 1986 after a guerilla war (1981-1986), set up the Public Service Review and Re-organisation Commission (PSRRC) in 1989 by Legal Notice No. 2, 1989. The Commission worked within the terms of reference covertly dictated by the IMF/World Bank fraternity (Uganda, 1990; Kiiza, 1997). In line with the World Bank (1990) "public choices for private initiatives" and the broader managerial model of the OECD countries (OECD, 1997; Hughes, 1998), the Ugandan government has, since 1989 been implementing radical public sector reforms. The goal has been to create a leaner, thinner and fitter government, with a view to reducing the cost of public service delivery. Indeed, the Commission's terms of reference covered three critical areas. One was the organisational structure of the public sector. Two, was public personnel management. Three, was the question of working conditions (Uganda, 1991; Table 1).[12] The PSRRC submitted its report to government in September 1990, making 225 recommendations that were approved by Cabinet with some amendments. It is the overt recommendations of the Commission, and not the subtle priorities and programs of the IMF and the World Bank magnates that are the official basis of the on-going *marketization* program.

Diagram 2.

Major Aspects of Market-oriented Public Management in Uganda.

1. **Organisational Re-structuring** - Rationalisation of ministries - Restructuring of government departments - Create "steam-lined" policy-focused "core" departments - Decentralisation to local governments - Privatization of state-owned enterprises
2. **Review of Public Personnel Management** *Down-sizing* of the workforce through: - Expulsion of "overdue" leavers (ghost-employees & the aged 55 years' - Expulsion of habitual drunkards; absentees; unskilled employees; & the corrupt - Retrenchment of *bona fide* employees rendered "redundant" by reforms
3. **The Conditions of Service** "Motivate" employees by - Computerisation of information management - Improve salaries & wages - Minimum "living wage" by July 1996?

Sources: Computed from World Bank (1990; 1999); Uganda (1994)

Organisational Re-structuring

A major component of the reform program has been the rationalisation of ministries and the restructuring of government departments. Whereas the PSRRC recommended a reduction in the number of Ministries and Departments from 29 ministries and 15 quasi-ministerial agencies to 24 ministries only, ministries were (in July 1991) reduced to 21 through a presidential directive. This re-engineering exercise has resulted in mega-ministries (such as the ministry of Environment, Energy and Mineral-Resources) where coordination problems have arisen. More importantly, the number of ministers has swollen again to 62, thanks to the patrimonial role of ministerial appointments in mobilising political capital for the incumbent President.

But not all is negative. The decentralisation of decision-making authority to the local governments is clearly a positive aspect of organisational restructuring. The nuts and bolts of decentralisation have been error-prone.[13] But the principle of furthering democratic governance through popular participation is a great idea. Indeed, theWorld Bank deserves recognition for

crafting a new Local Government Development Program (LGDP) that significantly departs from the flawed top-down approach to change management.[14]

The worst aspect of the reform agenda has been the privatization of state-owned enterprises, the most extreme form of decentralising power to the private entrepreneurs.[15] In the name of "re-inventing government" and restricting government to "core departments" whose role should be policy-making as opposed to program management, enterprises which were set up using taxpayers' monies are being privatised with no clear accountability for the monies realized. Moreover, the President, in alliance with the donors, has used arm-twisting tactics to bull-doze parliament and dictate public policy. If there is any form of re-inventing government that Uganda needs urgently, it is the re-inventing of the *modus operandi* of public enterprise reform.

Public Personnel Management

In addition to the re-engineering of the ministries and the public organisational structures, Uganda has embarked on public personnel management reviews. A critical aspect of this review has been the down-sizing of the workforce to "cost-effective" levels. For purposes of reducing the size of employees on the government's payroll, public servants have been grouped into two. The first category comprised the "overdue" leavers, defined as the individuals who did "not legally" enter the public service, and who were therefore ordered to leave before retrenchment could begin.[16] The second category is that of the true "retrenchees". These were defined as the bona fide public servants who had the requisite skills and satisfactory performance records, but had been rendered redundant by the reforms, and therefore had to quit the public service, in the interest of "good" government. The sum-total of these innovations is that by February 1994, Uganda's Public Service had been reduced by 45,000 from 320,000 employees. An additional 18,000 were removed from the pay-roll by July 1994. Today, the public sector employs only 150,000 people (Uganda, 1998). Interestingly, the number of ghost workers on the government's payroll has again become a point of concern, thanks to the lack of durable cultural change in the reform agenda.

Conditions of Public Service

The most important point of concern under Uganda's reforms has been the review of the conditions of service. In particular, there has been need to address the working environment, including the salaries and wages and the office equipment. This has involved proposals for the computerisation of the business of public governance and the payment of a "minimum living wage". The wage is in fact a bachelor's (or spinster's) wage. It assumes that public sector workers have no dependents and no financial obligations beyond Abraham Maslow's physiological needs. Aside from the incremental pay rises that public servants have got since 1996, the conditions of service remain pathetic. The dream of re-creating the motivated, well remunerated public service of the sixties remains exactly that – a dream.

Was Uganda's Perestroika Necessary?

No scholar or practitioner worth the title would question the necessity of public sector reform in Uganda. The massive deterioration in the recruitment, deployment and remuneration systems during Amin's dictatorship translated into poor public service delivery. As already indicated, Amin's Machiavellianism and the misgovernance of the post-Amin period were characterised by massive erosion of civil service ethics, underpinned by full-scale violation of public service laws.[17] Political mismanagement triggered massive breakdown of the disciplinary and other control measures. The performance appraisal systems collapsed. The terms and conditions of service deteriorated. And a mismatch arose between the quality of the people that were being recruited and the requirements of the established jobs (Uganda, 1990). Lots of employees entered the public service through patrimonial ties with well-placed public officials. A structural surgery was, therefore, necessary. The introduction of *results-oriented management* (ROM) and other aspects of quality management were unquestionably good. The question, then, is not why Uganda embarked on the reforms, but how?

The "how" question points to two puzzles. First is the nature of the reforms; the fact, that is, that the Uganda Perestroika

has been driven by the efficiency-enhancing logic of the market in a country where the concrete socio-historical contingencies would have dictated otherwise. Uganda has a significant non-market sector. Government is the largest employer of formal workers. The private sector is still embryonic and in dire need of babysitting. The only eligible babysitter of kindergarten private firms, all over the world, has been the state, the very institution that is being kicked out of the economy in Uganda. In view of these contingencies, only economic rationalism would have the wisdom to heroically advocate free market-oriented reforms driven by the logic of the liberating the private sector from "statism". The second puzzle is the *modus operandi* of the reforms. Uganda's reforms have been imposed via a top-down approach by the IMF/World Bank fraternity. Reform has been a conditionality for further "development aid". The top-down, one-coat-fits-all approach needs to be scrutinized a little further from the perspective of the best-practices benchmarking (BPB) model

In the Eyes of the BPB Model

It has already been emphasized that best-practices cannot be forcefully transplanted root and branch from abroad. Under the BPB model, a company or country whose goal is to benchmark international best-practices must search for the "best-of-the-best" Contrary to the advocacy by international best-practise reformers for the establishment of a culture of team-work through conscious training and "multi-skilling", Uganda's reforms have emphasised "down-sizing". The point has been to cut the cost of public service delivery. As already indicated, the institutionalization of culture change has been virtually neglected. No individuals or teams have been empowered, through training, to take accountability for the performance of quality-driven, customer-focussed outcomes. Continuous training and retraining is not and integral part of the reform agenda. With a few notable exceptions, inter-departmental cross-functional committees hardly exist for purposes of fostering team-work and cross-pollination of ideas. It is highly doubtful whether the marketization of public administration will foster "results-oriented" management in the context of the old mind-sets.

Participatory Process Analysis and Selection of Partners

The top-down approach, which underpins the economic rationalist agenda of the IMF/World Bank fraternity, is antithetical to the emergence of a new and durable human resources management culture. Like Britain's Citizens' Charter, which was announced to Parliament by the Prime Minister By Order *of Her Majesty,* the marketization program in Uganda was announced by the President by covert order of the IMF and the Bank. The only difference is that in Britain, the monarchy has political legitimacy which the IMF-World Bank fraternity does not command in Uganda. And this questions the durability of these reforms, not least because of the absence of effective networking and implementation strategies.

Networking and Implementation Strategies

Uganda's public managers have paid lip-service to the need for conscious identification and selection of benchmarking partners and the involvement of the people in the new "cultural" paradigm. This has consequently given rise to poor networking and implementation strategies. No cooperative change-management networks have been established with the reforming OECD countries. What Uganda has done quite impressively is to read the official documents of the IMF and the Bank. It is also evident that Osborne and Gaebler's model of *Re-inventing Government*, Britain's *Next Steps Agencies* and other market-oriented managerialist documents have been studied. But, these have been adopted without adaptation. What Uganda needs to learn is that *the operating methods underlying performance are not learned from public documents* (Tyndall, 1990: 19). There is no short-cut to durable change management. Bench-marking teams must not only visit the benchmarking partners; they must manifestly be seen to understudy the actual practices and methods that underpin superior business performance.

Monitoring and Evaluation

As already pointed out, any intervention strategy which marginalizes monitoring and evaluation mechanisms can only be

expected to end up in a quagmire. Even if Uganda's public managers had benchmarked international best-practices, they would do well to know that best-practises are a moving target. The technologies, methods and systems that constitute best-practises are not constant. They are dynamic. Thus, the static equilibrium theory of the neo-classical tradition, and in particular, the simplistic assumption of "other things being constant" is a powerless guide to best-practises benchmarking in a highly dynamic world. Serious benchmarking calls for the continuous modification of the benchmarking strategies, and an innovative approach to competitor analysis, Pareto assessment, monitoring and evaluation, issues which neither the IMF-World Bank econocrats nor the country's free-market technocrats appear to have internalised.

Conclusion

This paper has examined the phenomenon of "new" public management in Uganda in the broader context of the history of administrative reform, the quality management revolution, and the rise of economic rationalism over Weberian public administration. Two conclusions emerge from this study. The first is that the durability of Uganda's edition of managerialism is highly questionable. For the marketization agenda is terribly inconsistent with Uganda's country-specific socio-demographic variables, all of which point to the centrality of strategic state action in the delivery of social equity, the babysitting of kindergarten private sector firms and the creation of markets. The markets have got to be created before they can be subjected to the efficiency-enhancing discipline of economic rationalism. The second conclusion is that the definition of the reforms by the IMF/World Bank fraternity as a conditionality for further "development" aid has practically institutionalized a top-down one-coat-fits-all approach, which is antithetical to durable change management. This will inevitably defeat the logic of consciously benchmarking international best-practices in public service delivery. If Uganda is to pursue durable reforms, a fundamentally re-engineered bottom-up approach is not optional. It is a must. The country must deploy a genuine best-practices benchmarking strategy underpinned by the continuous search for better quality service delivery.

Appendix 1

Selected Socio-Demographic Characteristics of Uganda

Variable x Time	1980	1983	1986	1989	1992	1995	1998	1999*
Total Population (million)	12.3	13	14.2	15.7	16.7	18.2	20.2	22
Life expectancy at birth (years)	46	48	46	47	48	48	47	43
Access to safe water, total (% of popn)	11	15	16	34	33	36	46	39.4
Access to safe water, urban (% of popn)	45	43	44	37	47	47	50	na
Access to safe water, rural (% of popn)	08	12	11	18	32	32	35	na
Population per physician ('000s)	24.0	22.4	25.2	22.6	23.1	25.4	18.6	18.6
Population per nurse ('000s)	03.2	02.5	05.6	08.0	07.2	07.7	07.0	07.7
Person per hospital bed	na	na	na	na	1200	na	na	na
Infant mortality rate (per 1000 live births)	124	117	118	116	122	97.0	88.0	88.0
Total fertility rate (births per woman)	7.0	7.2	7.1	7.2	7.2	6.9	6.9	6.9
Maternal mortal. rate (per 100,000 live births)	380	440	410	n.a	606	506	500	500
Illiteracy rate, total (% of pop aged 15+)	na	na	58	52	49	40	38.2	38.0
Illiteracy rate, female (% of female aged 15+)	na	na	73	66	63	52	53	na
Pupil-teacher ratio, primary	33	32	30	34.8	36.7	34.2	88.6	na
Pupil-teacher ratio, primary	23	21	19	19	16.5	16	19.2	na
Total labour force (millions)	6.2	6.7	7.3	7.9	8.6	8.7	9.6	na
Labour force in agriculture (% of total)	86	na	n.a	84	84	80	80	na
Labour force in industry (% of total)	04	na	na	05	6.7	08	10.2	na
Female labour force (% of total)	43	42	42	41	41	40	43	na
Calories per capita	na	na	na	na	2800	na	na	na

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Endnotes

[1] In this essay, "managerialism" and *market-oriented public management* are used to refer to the same phenomenon: the ascendancy, successfully or otherwise, of the economic rationalist theories and the private business virtues of efficiency and economy over the conventional theories and practices of Weberian public administration.

[2] Uganda, a former British colony, is an East African country with a population of about 22 million people. 90% of these live in the rural areas primarily as peasant farmers using poor production technologies (Uganda, 1998; 1999). The economy is predominantly agricultural (43% of GDP), compared to only about 38% and 19% for the services sector and industry respectively. Uganda's "strategic" vision – code named Vision 2025 – is to become an industrial economy by 2025. The gigantic task of transforming the economy is put in the hands of the embryonic private sector. This is inconsistent with the concrete realities on the ground (see Appendix I).

[3] Osborne and Gaebler, (1992). Also see: Al Gore (1993) *From Red Tape to Results: Creating a Government that Works Better and Costs Less*, Report of the National Performance Review, New York: Plume, September pp. 21-25. A crucial follow-up to this was Al Gore's (1996) Speech on *Reinvention's Next Steps: Governing*

in a Balanced Budget World, March 4 on http://www.npr.gov/library/papers/bkgrd/balbud.html

[4] The increased demand for industrial and plantation wage-labour, for example, brought health and safety issues to the fore. This resulted in demands for new industrial relations legislation. Similarly, the need for governments to improve tax administration, travel, communication, and other spheres of regulation led to the continuous reform of public administration. The private business sector could not have unilaterally influenced the conduct of governmental business. The very "... concept of a mass affordable consumer good (which underpinned the Fordist approach to economic production) presupposes the equalitarian ethos of a democratically oriented society." (Yeatman, 1994: 288).

[5] This view is rooted in Anthony Down's (1967) *Economic Theory of Bureaucracy* which gains prominence in later public choice studies (Buchanan, 1990; Rowley, 1993 for example).

[6] Light (1999) adds the 1.9 million full-time permanent civilian employees who get their paychecks from "Uncle Sam"; the 1.5 million uniformed military personnel; and the 850,000 postal service workers who were federal employees till their department became a quasi-government corporation. This brings the figure to 4.25 million. To this he adds the 12.7 million people who work under federal contracts and grants or mandates. The "true size of government" in 1996 comes to nearly 17 million…" (Light, 1999).

[7] While benchmarking is a radical "Big-Steps" antithesis of the "small-steps" Total Quality Management, the two approaches to business improvement are guided by the same philosophy, namely, working with suppliers, continuous staff analysis of work processes, and working with the customer. A major difference is that while TQM believes in incremental changes to foster "system maintenance", benchmarking strives for revolutionary changes to the existing culture, through, for example, re-engineering work-processes (Walsh, 1995 for details).

[8] The rationale for rapport-building is that the employees, including those who handle the factory machines and office equipment, are knowledgeable about the problems of their work; that mostemployees will change their culture, attitudes and "mind-sets" if they see themselves as part of the change process; and that the

cost of organisational conflicts and resistance to the new business culture will be reduced if the people are involved in the change management process (Camp, 1989; Kanter et al., 1992).

[9] According to Harrington (1991) a process owner must be answerable for the performance of the complete integrated process; have most to gain (or lose) from the performance of the process; have most interest in or knowledge of the process; and have sufficient authority to cut-across functional boundaries.

[10]The tendency of businesses to hide "secret" intelligence from direct competitors is one strong justification for benchmarking methods, practises and technologies even if they are not from direct competitors.

[11] In line with the trendy welfare economics of the post-World War II period, Uganda's independence government promised a fundamental departure from the oppressive colonial legacy to programs designed to provide full employment and improve the people's standards of living in the shortest time possible. Government created state-owned enterprises in virtually all the sectors of the economy - agriculture, trade and commerce, industry, and banking. Nationalization of assets was also undertaken. The unstated goal was to "knock-out" the private sector. This error has been matched in magnitude by the on-going donor-driven privatization program. The haphazard sale of public enterprises is driven by the goal of "kicking" the state out of the economy, in the name of economic rationalism.

[12] The fourth aspect of the terms of reference - public financial management and accountability - has deliberately been left out in the interest of brevity and selectivity.

[13] Decentralisation first took the form of de-concentration under which the crucial decision-making authority and the necessary financial resources were left under the control of the parent ministries. Today there has been a qualitative shift toward devolution of powers and resources to the districts and Local Councils. Some of the local governments still lack the very basic

infrastructure to run public business. But these are not insurmountable hurdles, if only the right priorities could be defined.

14 The new LGDP is action research-based, flexible, participatory and capacity-building. For once, the Bank has conceded that no one coat fits all; that "local level priorities will differ from one local government to another". The new program still has provisions that are inconsistent with the concrete realities on the ground (eg. the call for "user-fees" requiring the poor peasants to pay for local government services). But the Bank (1999) appears to be learning to be realistic.

15 The Uganda government set up a Public Enterprise Reform and Divestiture (PERD) Secretariat in 1991. PERD is a lead agency in the privatization of public enterprises in Uganda.

16 The "overdue leavers" included (i) the *ghost* employees, ie people who appeared on the government's pay roll but were not actually in service. They were either deceased, or had been added on the pay-roll by corrupt senior officers who would actually receive the salaries and wages. The Teaching Service alone had an estimated 15,000 ghost employees (Uganda, 1994); (ii) those who had reached the mandatory retirement age of 55 years; (iii) the poor performers, namely the habitual drunkards and absentees; and (iv) those who lacked the necessary skills or/and had bribed their way into the public service outside the civil service legal provisions.

17 The laws of the Uganda Civil Service are found in (a) the Public Service Regulations of 1964, which lay down the rules of operation, and the matters related to recruitment, control, discipline and dismissal; (b) the Public Service Act, 1969 which defines the procedure, composition and method of work of the Public Service Commission (the recruiting organ of Uganda's public service); (c) the Public Service Standing Orders, 1964 which inter alia lay down the civil service ethics, dos and don'ts; (d) the Constitution of the Republic of Uganda, 1995, Chap. 10; plus various memoranda, minutes and circulars.