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EXECUTIVE SUMMARY

SOUTH AFRICA'S PUBLIC SERVICE

Learning from success

This is an executive summary of CDE Round Table no 13, *South Africa's Public Service: Learning from Success*. The full-length publication is available from CDE, and can also be downloaded from www.cde.org.za.

AN EFFICIENT PUBLIC service is vital to a well-functioning country that maximises its developmental potential and the welfare of its citizens. As the executive arm of government, it translates policies and legislation into practice, provides citizens with essential services, and plays a key regulatory role.

The public service should play a particularly important role in developing countries, working to extend services and reduce inequalities, and demonstrating to citizens that their society is capable of organising itself in an efficient way untainted by corruption.

In South Africa today the public service is – unfortunately – rapidly gaining a reputation for inefficiency, corruption and incompetence. Many national and provincial departments, local governments and other state entities routinely receive qualified audits. According to the Public Service Commission (PSC), more than half of national public service departments perform more poorly than they should. Increasing numbers of community protests about service delivery are another worrying litmus test. In the process the civil service is undermining, rather than maximising, the country's development potential.

In September 2009 CDE held a Round Table to discuss how the South African public service can work in smarter, faster, more accountable ways to deliver better services to citizens. The proceedings were enriched by the participation of two international experts: Gary Reid, lead public sector management specialist at the World Bank, and Jennifer Widner, professor of politics and international affairs at Princeton University.



There are success stories in the South African public service and the Round Table focused on these in an attempt to identify and define best practice in a local context.

WHAT'S WRONG WITH THE PUBLIC SERVICE, AND WHY?

Robert Schrire, professor of political studies at the University of Cape Town, argued that individuals and organisations act in response to the incentives in their environment. In South Africa the same party has been in power for 15 years and everyone expects it to remain there for at least another 15 years. Consequently there is a very weak relationship between performance and accountability in South African politics. To improve the public service the country needs to focus on ensuring there are incentives for good governance and efficient delivery, rather than patronage, inefficiency and corruption. It needs to work out how to create a sense of urgency without political or social turmoil, given the reality of single-party dominance. It also needs to move beyond transformation and recognise that every loss of growth through politically correct measures, including affirmative action, actually hurts the poorest rather than promoting change.

Roger Southall, professor of sociology at the University of the Witwatersrand, argued that pre-democratic South Africa had important colonial features, including a tendency for the public service to be used a vehicle of class formation and wealth accumulation. As a result of this legacy, many people regard public service employment primarily as a means of accumulating personal wealth rather than the desired ethos of honour and trust, where public money is used to provide services to the country. If South Africa is going to provide quality services, it needs to figure out how to achieve transformation without reducing accountability. As things stand the state is failing to meet the basic needs, including physical safety, of many of its citizens. Only the well-off can afford private services and so transformation is harming the poor.

Discussants argued that efficient service delivery depends on motivated civil servants. This is threatened when loyalties are primarily political or based on patronage. The ANC's deployment strategy places loyalty ahead of merit and is a serious obstacle to an efficient public service. There have to be serious consequences for proven instances of corruption, including termination of employment or removal from office.

LESSONS FROM INTERNATIONAL EXPERIENCE

Gary Reid said those implementing reform need to understand why a system has become stuck in an unsatisfactory state, and then work on building a strategic coalition to change it. Stakeholder analysis can be helpful in understanding the reasons for the unsatisfactory state of affairs and building such a coalition. When implementing a reform effort it is essential to have definite, measurable and realistic goals. Progress towards those goals needs to be measured and reported, so that the information can



be used to ensure accountability and help build support. Without accountability for success and failure (including corruption), reform efforts are unlikely to succeed.

LEARNING FROM AFRICAN SUCCESSES

Jennifer Widner pointed out that even when the political side of reform is handled correctly there are still serious managerial challenges. Tanzania illustrates many of the points made by Gary Reid. It implemented a reform process that simplified and improved administration, and introduced performance management. The process relied on management consultants and led to the creation of independent agencies to handle some government functions. This resulted in some dramatic improvements in delivery. A key contribution to Tanzania's success was the fact that the reforms were supported by the office of the President.

SOUTH AFRICAN SUCCESS STORIES

Melanie Da Costa, director, strategy and health policy at Netcare, said that public-private partnerships vary in risk and complexity but, when properly set up, they can lead to improved delivery, including delivery of clinical services, without increasing costs. She described a number of programmes in the United Kingdom and southern Africa illustrating the challenges of, and gains from, public-private collaboration. Given the serious and ongoing inefficiencies of the public health system in South Africa, additional public-private partnerships should be considered. Although collaboration with clinical services is difficult to set up, it can lead to significant gains in health outcomes.

David Beretti, executive director: corporate services of the City of Cape Town, described its various administrative successes, and some of the practices that had achieved them. These include a commitment to public consultation; designing institutions so that structure follows strategy (with clear job descriptions, responsibilities and reporting lines); commitment to hiring the best available people; meaningful commitment to clean government; and strict focus on service delivery with accountability for performance.

Colin Jordaan, commissioner of Civil Aviation, and CEO of the Civil Aviation Authority (CAA), described the turnaround at the CAA, which was threatened with having South Africa's aviation status downgraded a few years ago, but is now performing well. Making the change required meeting various challenges, including overcoming a 'civil service' mentality among staff, and replacing it with a proactive problem solving one; analysing business processes so that they could be simplified; and cracking down on corruption. Focusing on staff training, mentoring programmes using retired pilots, technicians and engineers, really helped the organisation to deliver services.



TOWARDS A TURNAROUND

Mavuso Msimang, director-general of the Department of Home Affairs, described initial successes in the ongoing attempt to reform the department. An inquiry found that management was badly misaligned; staff turnover was too high with good staff members leaving; corruption was rife; IT systems were used inappropriately; and levels of inefficiency were very high. As a result the Minister had appointed a group of consultants with experience in helping government departments to initiate turnarounds. Successes so far have been achieved by:

- hiring some top management on limited contracts at market-related salaries;
- deploying consultants in specific weak areas, with a view to transferring technical and management skills; and
- re-engineering some processes, which among other things reduced the time taken to issue an ID book from over 120 days to about 40 days.

Corruption remains a problem, and long chains of reporting and decision-making still lead to inefficiencies.

THE NEED FOR ACCOUNTABILITY

Indran Naidoo, deputy director-general of the PSC, described the work of the PSC, which monitors and reports on government departments, including local government. The national monitoring and evaluation strategy is supposed to improve democracy, policy and efficiency, but for this to happen the reporting has to be acted upon. This often does not occur. The flagship report of the PSC, the State of the Public Service Report, is now in its ninth edition and raises similar issues to those raised five years ago. Departments continue to receive qualified audits and HR practices remain poor. Corruption is extensively reported, but not enough action is taken. While the PSC has taken some steps to improve its reporting, what is missing is the political will to act on well-documented failings.

KEY INSIGHTS FROM THE ROUND TABLE

Reform must be affordable. Public services are large, complex institutions and reforming them can be expensive. Two ways of funding reform are through maximising economic growth, and cutting back on inefficient service delivery mechanisms.

Pressure must be exerted from the top. Every success story about public service reform emphasises the vital role of political leaders. Conversely, many failed initiatives have lacked high-level political support. Any serious attempt to improve the South African public service as a whole should be championed by the Presidency, and implemented or co-ordinated by a capable state entity answerable to the Presidency.

Reform requires strategic coalitions. Attempts to reform any organisation will always antagonise those with vested interests in the status quo. In the case of the South Afri-



can public service, this includes trade unions, those who benefit from corruption, and those sheltered from the costs of their incompetence by political loyalty. Reformers need to understand who is likely to oppose them and why; to build alliances of supporters, including those suffering from poor service delivery; and work to reduce fears about the transition.

Reform needs clear goals, effective monitoring and accountability. Successful institutional reform programmes need clear, realistic and measurable goals; their progress should be regularly and accurately monitored; and they should be held accountable for their performance. Much of the South African public service seems to lack clear goals as well as accountability mechanisms/processes.

The ANC's 'deployment' policy should be abandoned. Good services cannot be delivered by personnel who are not qualified to perform their duties or feel that, given their political loyalty, their competence has little or no bearing on their employment.

Corruption must be fought far more effectively. Corruption harms the effectiveness and public image of any institution. Combating corruption in the public service requires strong political support, systematic monitoring and effective processes for dealing with offenders. Corrupt individuals weigh up the chances of being caught and punished.

Good management practices are essential. Efficiency can be increased by working out how an institution should be changed to improve key processes. Many of the success stories presented to the Round Table included periods of 'process re-engineering,' often with the temporary help of expert consultants.

Human resources must be well managed. Procedures need to be developed to identify present and future skills gaps to recruit suitable staff and to manage their performance. Very senior managers should probably serve for longer periods to properly institutionalise processes and systems. Poorly performing officials should be demoted or dismissed, and corrupt officials or those committing other criminal acts should be prosecuted.

Affirmative action should be carefully handled. Structural inequalities inherited from the previous social order should be redressed and affirmative action is one way of doing so. However, depending on how it is implemented, it can have negative consequences, notably the abrupt loss of skills, experience and institutional memory. Redress and efficiency need to be carefully balanced. Effective performance should not be sacrificed, while appointments and promotions need to be driven by merit.

One size doesn't fit all. Although some lessons apply to the entire civil service, it comprises bodies which differ widely in size, function and technical demands. Reform strategies should be individually tailored.

Focused agencies can be more effective than large bureaucracies. Some of the success stories showed that relatively small and specialised agencies can be far more efficient than larger government bureaucracies. Many of the services delivered by the public



service could be offered in more focused ways and policy-makers should seriously consider this option.

Public-private partnerships can work well. Many public service functions can be contracted out to private providers (for profit and not-for-profit organisations), which could deliver these services far more efficiently than the state. Getting these partnerships to work requires careful planning and state capacity to manage these contracts, but net gains are possible in the vast majority of cases.

Institutional culture matters. Not all organisations have performance-oriented cultures. Networks of corruption, and loyalties to goals other than performance, can be deeply entrenched. It can take work and time to make employees accept a new set of rules, and to learn to work with new systems for monitoring their performance. Success stories demonstrate the importance of regular and specific monitoring, which – if acted upon – can help to entrench a culture of performance.

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