

**RATIONALISATION OF NAMIBIA'S CIVIL
SERVICE: AN IMPACT ANALYSIS OF
PUBLIC POLICIES, 1993 TO 2003**

**A research paper submitted in partial fulfillment of the
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ABSTRACT

This study is a critical review of the implementation of the Namibian rationalisation policies during the period 1993 – 2004. The main objective of this study was to analyse the rationalisation policies and to assess the extent to which they had an impact on the structure, shape, (and to a lesser degree) the effectiveness of the civil service. It examined the gaps and discrepancies between policy intentions, the implementation process and eventual outcomes, in terms of the size and cost of the Namibian civil service, and drew lessons from international and local experiences for future policy interventions.

The implementation of the rationalisation policy was analysed using the model of Grindle (1980) in which consideration is firstly given to the effect of policy content on implementation and secondly to the extent which a specific political and administrative context influenced policy implementation outcomes. Grindle's model was particularly useful to the policy analysis, and implementation in Namibia. Like in many other developing countries, the demands, interest representations and major conflicts occur at the output stage of the policy process and this phenomenon was also observed in the Namibian case.

From the literature and research findings, it is evident that implementation of the principles of NPM especially that of "leaner civil service", proved to be politically and administratively quite problematic in the case of Namibia. For example, implementation of the policies was filled with controversies and disagreements

among the major actors; as a result the shape and size of the public service were hardly changed because of constant power struggles and reluctant interplay between key stakeholders. Thus, although NPM is theoretically appealing as an approach to reform, the NPM model proved somewhat difficult to adopt in the Namibian civil service.

Comparison of the policy intent with the eventual outcome indicates that government failed to achieve its policy aim of reducing the size of the civil service. However, judged from the perspective of benefits accrued, the study found that the policy has been largely successful with government succeeding to a great extent in commercialising non-core functions.

Designing new civil service reform policies should take into account the lessons learnt from previous attempts, draw on international experience but most importantly it should be “home brewed”. In other words, it should be based on local preferences, requirements and circumstances.



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DEDICATION

I dedicate this work to my wife, Zelda, for having been a source of inspiration throughout my life. Her selfless attitude and encouragement to be the best that I can be, has served me well, and for this, I will always be indebted to her.

DECLARATIONS

This is a research paper submitted in partial fulfillment of the requirement for the degree of Master of Public Policy and Administration, the study programme of the University of Namibia (UNAM), in Windhoek and the Institute of Social Studies (ISS), in The Hague, The Netherlands. This dissertation is the original work of the author and it has not been submitted for a degree elsewhere. The views stated therein are those of the author and not necessarily those of the two institutions.

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ACRONYMS USED

ISS	Institute for Social Studies
GDP	Gross Domestic Product
HLC	High Level Committee
MoF	Ministry of Finance
NA	National Assembly
NEPRU	Namibian Economic Policy Research Unit
NDP I	National Development Plan One
NDP II	National Development Plan Two
NPC	National Planning Commission
NPM	New Public Management
OMA	Office/Ministry /Agency
OMAs	Offices/Ministries/Agencies
OPM	Office of the Prime Minister
PSA	Public Service Act
PSC	Public Service Commission
SADC	Southern African Development Community
UNAM	University of Namibia
UNDP	United Nations Development Programme
WASCOM	Wages and Salary Commission

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Improving the machinery for public administration and governance has been a core concern of the Namibian government ever since it launched its first National Development Plan (NDP1) in 1993. Central to this issue is civil service reform, seen to be necessary as a means to promote internal efficiency but also as an essential prerequisite to support and sustain poverty reduction and other socio-economic developmental efforts. Consequently, over the ten-year period (1993-2003), Namibia introduced a number of policy changes, including civil service rationalisation, to create a new civil service culture. These changes were also well in line with the paradigm shifts that took place during the 1980s and 1990s in both developing and developed countries (Ayeni 2001). Most reforms were based on the New Public Management philosophy of a leaner civil service focusing on core government functions. The idea of creating a leaner, more efficient and effective civil service is theoretically appealing. Practically, it is quite difficult to achieve in the face of persistent poverty, high unemployment, acute shortage of skills, and uneven distribution of income. Against this reality, it is imperative to assess the impact of civil service rationalisation to date against the government's efforts and objectives and to see what lessons may be learnt to inform future public policy and strategic regulations.

1.2 BACKGROUND

Following democratization of the African continent and in the current environment of globalisation, many countries changed the traditional and popular notion of government as the provider of services to that of enabler and empowering agent. The civil service reform processes were mostly based on New Public Management (NPM) principles, and most Anglophone African countries have followed a similar pattern. The first generation reforms dealt mainly with reducing the size and cost of the civil service to secure macro-economic stability. The limited impact of these reforms led to second generation reforms focusing on privatisation and trade liberalisation. This was followed by third generation reforms aimed establishing a performance and outcome based culture within the civil service (De Haan 1998; Nsingo 2003; Haque and Aziz 1999).

While other countries were going through a process of reconstructing their civil services along the principles of NPM, the Namibian Government focused on building a unified civil service out of the eleven central departments and ten second-tier administrations of the pre-independence Government (OPM 1993). Subsequently, the size of the civil service grew drastically during the first two years after Independence from about 42 500 in 1990 to approximately 60 000 at the end of 1991 (WASCOM 1995). Realising that a huge civil service might hinder the country's economic development, the Namibian Government decided, as early as 1992 that the size of the civil service needed streamlining; since then, various reforms have been implemented to curb personnel expenditure. These reforms have been strongly influenced by the philosophy of NPM, the first being the rationalisation exercise

during 1993/94 aimed at curbing further expansion of the civil service and improving existing structures and their performance (OPM 1993).

The rationalisation effort so soon after independence, however, had the opposite effect, i.e. expansion of the civil service. This should be seen in the light of a new government making its first steps on the road to democracy and eliminating the huge disparities of apartheid. Offices/Ministries/Agencies (OMAs) thus used the opportunity to justify needs that had not been addressed for in the pre-rationalisation structures.

In the light of the failure to achieve the intended objectives, the Cabinet decided to introduce new measures to minimize further increase in personnel expenditures. Cabinet made a resolution to freeze all vacant posts and instructed that such posts can only be activated under the strict supervision of the Prime Minister in consultation with the Ministry of Finance. Despite these drastic measures, the overall size of the civil service continued to increase; by 1996 the personnel expenditure reached a high of approximately 45% of the total budget (Melber 1999).

As a result of inadequacies in the existing policies, the Wages and Salary Commission in 1996 recommended additional interventions, such as capping cost levels to those of 1996/97 and a financial provision of personnel costs reduction of 2% per annum for the next five years (WASCOM 1995). Cabinet accepted the recommendations in principle but, despite these efforts, the personnel expenditures continued to increase, this time mainly due to the market-related pay increase

recommended by the Commission while ignoring performance enhancement measures. It is important to observe that at that point the rationale for downsizing had moved from macro-economic considerations to efficiency and performance oriented arguments.

Furthermore, the implementation of the rationalisation policy has been affected by a number of unforeseen events. For example, unemployed ex-combatants put pressure on the Government to create employment opportunities for them. After lengthy consultations, the Government agreed to absorb them into the civil service to ensure peace and stability in Namibia. A large number of ex-combatants has been employed in this manner (Melber 1999). At the end of 2002/2003 personnel expenditure stood at 43% of the total budget.

Although a number of OMAs (e.g. Ministry of Works Transport and Communication) successfully downsized staff and personnel expenditure, the aggregate figures indicate that the reform initiatives mostly resulted in mere structural changes without any long term effect on the size of the civil service or curtailing personnel expenditures.

Political patronage, constitutional guarantees to former employees of the pre-independence civil service, new functions assigned to the post-independence civil service and changes in the socio-economic environment did not give much leeway to the Government to implement the rationalisation measures. At the same time little effort was made to counterbalance the impact of new posts by eliminating

unnecessary or unimportant functions or redeploying scarce resources to priority areas.

1.3 STATEMENT OF THE PROBLEM

A Cabinet retreat in 2001 announced that the objective to achieve a leaner and more efficient civil service had not yet materialized. This view was reinforced by the 2003/2004 budget figures, i.e. 46% of the total budget was allocated to personnel expenditure, well above the 40% set as target by Cabinet in 1997. This prompted Government to announce in March 2004 that to ensure fiscal sustainability, among others, “all vacancies in the civil service, with exception of the essential posts, will be frozen” (MoF 2004).

Looking at the objectives of the rationalisation measures in Namibia as well as the frequency with which new measures are introduced, it is clear that Government did not succeed in reducing the size of the civil service. Neither did it reach the targeted 40% of the total budget for personnel expenditures. However, reliance purely on aggregated numbers and costs suggest less change than was actually achieved. The commercialisation of the bulk water supply function is a case in point. A detailed analysis is thus required to identify the policy implementation limitations in order to identify appropriate lessons for and recommendations on future measures to ensure that the Namibian civil service is adequately staffed to achieve the National Development objectives as outlined in the National Development Plans and Vision 2030.

1.4 OBJECTIVE OF THE STUDY

The main objective of this study is to analyse the rationalisation of the Namibian civil service over a ten year period and to assess the extent to which it had an impact on the structure of the civil service. It also considered why similar downsizing measures were persistently introduced with no apparent success. The study argues that the factors resulting in policy implementation failure have never been properly identified and analysed and therefore no organisational learning took place in the development of appropriate rationalisation measures.

1.5 RESEARCH QUESTION

The research paper attempts to answer the following question:

What are the tangible impacts of the 1993 - 2003 rationalisation policies on the Namibian civil service and major implementation shortcomings?

In order to answer the above question, the study posed the following sub-questions:

1. What were the rationalisation objectives and the specific measures that have been introduced since independence, and particularly after 1993?
2. What were the impacts on the size and wage bill of the Namibian civil service?
3. What were the key constraints in achieving the rationalisation objectives?
4. What are some of the important lessons and recommendations to inform policy analysis and civil service reform?

1.6 JUSTIFICATION FOR RESEARCH

Public sector reform is intrinsically linked to the higher expectation of macro-economic stability and growth in which case the civil service takes a lesser role in the commercial production of public goods and services. International experience indicates that civil service restructuring is usually done as part of the broader public sector reform and private sector development and should be therefore well defined, harmonised and decisive.

Recognising the importance of macro-economic stability and economic growth, Namibian government formulated rationalisation policies based on NPM principles. However, despite various efforts to achieve a smaller professional civil service, economists and senior government officials are still concerned about an increasing level of public debt. The huge portion of personnel expenditure in relation to the total budget is regarded as one of the major obstacles contributing to unsustainably high debt levels.

In order to address this ever increasing public debt, especially in relation to employment costs, Government needs to find alternative ways of addressing the problem. However, devising new objectives and strategy would require taking a step back in order to assess previous reforms and to learn from past failures and successes. Policy-making is a learning process. It requires careful and constant analysis of lessons learnt from previous attempts, both in national and international contexts.

The paper thus seeks to examine the gaps and discrepancies between policy statements, implementation logics and the results, in terms of the size, quality and cost of the Namibian civil service, and to draw lessons from international experiences for future policy interventions.

A better understanding of the political and administrative feasibility of reform efforts within the Namibian context is necessary, because exclusive attention on figures overlooks Government's development objectives and sometimes undermines their political authority. Measures focusing solely on wage bill reductions to ensure macro-economic stability and sustainability face many challenges and are unlikely to succeed in isolation.

1.7 DEFINITION OF KEY CONCEPTS

Before framing a theory that can address the research question, general concepts need to be defined to allow for common understanding of the rationalisation issues. This section defines the rationalisation, civil service, public policy and public policy implementation concepts, which are all considered to be important in the context of this paper.

1.7.1 Rationalisation

For the purpose of this study, rationalisation means the act of reorganizing government functions with the view to creating smaller civil service of better coordinated ministries in order to increase efficiency (OPM 1993). It is important to note that rationalisation is not synonymous with the NPM. However, in most cases it

is an important part of an overall civil service reform programme aimed at putting in place appropriately sized civil service organisations to ensure better utilisation of limited resources whilst achieving high performance.

1.7.2 Civil Service

Adamolekun (1999) describes the civil service as the body of permanent officials employed to assist the political executive in formulating and implementing government policies. In Namibia, the government regards the civil service as those persons employed in Offices, Ministries and Agencies (OMAs) as defined in the Namibian Constitution “which shall be impartial and professional in its effective and efficient service to the government in policy formulation and evaluation and in the prompt execution of government policy and directives so as to serve the people of the Republic of Namibia and promote their welfare and lawful business” (PSA 1995). This includes all staff employed by the respective OMAs in terms of the 1995 Public Service Act (Act 13 of 1995), the 1957 Defence Act (Act 20 of 1957), the 1990 Police Act (Act 19 of 1990) and the 1998 Prisons Act (Act 17 of 1998). Personnel from state owned enterprises, regional councils and local authorities are thus excluded. It should be noted that within the Namibian context “public service” and “civil service” are regarded to refer to the same categories of employees.

1.7.3 Public Policy

Nagel (1991) defines public policy as governmental decisions designed to deal with various societal problems. In other words, it means statements and actions outlining

government strategy of dealing with a particular issue. Anderson (2000) has a similar view, expressing it as “whatever government chooses to do or not to do.”

1.7.4 Public Policy Implementation

Grindle (1980) defines Public Policy Implementation as “the translation of broad statements of goals, objectives, and means into action programmes that aim to achieve the ends stated in public policy”. It refers thus to a process of administrative action on formulated policy and involves routine administration and enforcement of decisions. Nagel (1991) holds a similar view by defining it as “the process whereby it is attempted to convert a policy into benefits for those towards whom the policy is directed.” Grindle (1980) contends that it goes beyond the mechanistic translation of goals into routine events; it involves people through interaction and decision making.

1.8 SCOPE AND LIMITATIONS OF THE STUDY

Given the enormity of the subject, this study focused on the rationalisation policies over the period, 1993 – 2003.

No attempt has been made in the study to do a detailed analysis of changes in terms of cost and expenditure within the different geographical regions because of the non-availability of disaggregated data on this level. Furthermore, changes in staffing and cost of outsourced functions were difficult to trace because of the confidentiality attached to such information by State Owned Enterprises.

CHAPTER TWO

LITERATURE REVIEW AND RESEARCH

METHODOLOGY

2.1 INTRODUCTION

The chapter provides the conceptual and theoretical framework for analyzing the public sector rationalisation policy implemented in Namibia during the years from 1993 to 2003. It discusses the literature related to civil service reform, in particular rationalisation of civil services, and highlights both contemporary and controversial views. It compares trends, approaches, perspectives and implementation challenges.

The chapter introduces the emerging concept of New Public Management (NPM) and that of “right sizing” the civil service. It is followed by a presentation of the theoretical framework used, which is based on Grindle’s model of policy implementation (Grindle 1980). This model is further reinforced with arguments from Bardach (1980), Nakamura and Smallwood (1980) and other prominent authors on implementation challenges. It then discusses the key applications of the NPM theory to the Namibian situation and, in particular, suggests ways to adapt Grindle’s implementation model to serve as a theoretical framework for the analysis and rationalisation of the relevant public policies in Namibia.

Finally, the chapter describes the research approach used to collect the data required to answer the research questions.

2.2 NEW PUBLIC MANAGEMENT

The New Public Management advocates - Schick (1998), Björkman (1997), Barzelay (1992) and Taylor (2002) - argue that policy interventions within executive branch of government are the critical instruments that can either make or break institutional rules, structures, culture, organizational routines, relations, performance and eventually the budget compliance and organization efficiency. Against this background, civil service rationalisation in Namibia is seen as an attempt to adapt aspects of the New Public Management (NPM) philosophy of a leaner civil service focusing on core government functions. Hence, it is important to understand the rationale behind and the principles of NPM before attempting to explore the impact of the civil service rationalisation within the Namibian context.

Over the last three decades, there has been a world-wide policy shift from centrally guided to free-market economies. Subsequently, the role of the state moved from being a major provider of goods and services to that of facilitator of economic activity and policy manager (Agere and Jorm 2001; Van den Dool 2003). Björkman (1997) describes this new role as a “hidden hand” that guides behaviour through regulations and not having the services provided by the public sector.

The factors contributing to this paradigm shift are multiple. Globalisation (Agere and Jorm 2001); waste, inefficiency and rising costs (Nsingo 2003); weak national economies; and the failure of many developing countries to become an instrument of development (Yahaya and Bur 1984) have all eroded the traditional role of the state and forced many governments to change their political and economic philosophies.

Furthermore, in the wake of intense domestic criticism over non-performing public institutions (Nsingo 2003) as well as heightened international competition (Gustafsson and Svensson 1999), most developing countries had no option but to open up their economies and change the role of the state to that of enabler and to allow the private and non-government sectors to increase their role in economic development. This meant decreasing the civil service, reducing public expenditure levels and increasing efficiency and effectiveness, while at the same time increasing the role of the private sector in the economy through outsourcing, commercialization and privatisation (Yahaya and Bur 1984).

The new role of the state demands a professional and well performing civil service, which creates a backbone for a nation's prosperity. Civil Service rationalisation is thus founded on the realisation that a new kind of civil service is needed for a country to be competitive in the new millennium (Ayeni 2001). The rigid bureaucratic and unresponsive structures thus need to give way to flexible, needs-driven management structures (Agere et al 2001).

Many authors believe that NPM is the answer to achieving this "new" civil service. Authors, including Osborne and Gaebler (1992), put forward the idea that NPM is a prerequisite for meaningful civil service reform. They present NPM as almost a doctrine for Governments to adopt irrespective of the particular situation of a specific country. Proponents of NPM argue that it is suited for all situations and that the approach is flexible to cater for the uniqueness of specific environments (Minogue 1998, Osborne and Gaebler 1992).

Despite its wide application, the difficulty with NPM is that it in itself is not a single theoretical explanation. It is rather seen as a collection of interrelated ideas. Although there is no universally agreed concept of New Public Management, the following trends represent the core elements (Hood 1991):

- *Reducing public service growth and expenditure*
- *Outsourcing of non-core activities*
- *Promoting information and communication technology (ICT)*
- *Development of a more international agenda*

Hood also points out that not all these elements need to be equally present for a reform to be regarded as following the NPM approach. In Namibia, the elements of “*reducing civil service growth and expenditure*” and “*outsourcing of non-core activities*” featured high on the rationalisation agenda. For the purposes of this paper, attention will be given specifically to “*reducing civil service growth and expenditure*” and its implementation within the Namibian context.

The NPM approach implicitly includes the need to have an appropriate size civil service to respond effectively to the new demands. Rationalisation, in terms of size, cost and functions is thus an integral part of civil service reform, often seen as the first step in a series of activities aimed at strengthening the civil service. However, any rationalisation effort should not ignore the challenges of the change process. Governments are often not ready for their new role and the change process is often hindered by the complexity of national programmes; by severe shortage of funds and skilled human resources; by risk adverse organisational culture; and by additional

tasks and responsibilities. This indeed is a daunting task for any civil service, especially those in developing countries.

2.3 FINDING THE “RIGHT SIZE”

Rationalisation is aimed at finding the evasive answer to “what is the most appropriate structure and size for civil service given a country’s own unique setting?” Commentators agree that there is no universal formula that is applicable to all situations (Rama 1997, Osborne and Plastrik 1997, Nunberg and Nellis 1995). The size, demographics, level of development, geographic conditions, functions allocated to the civil service and other situational factors prevalent in countries vary considerably and it would be nearly impossible to establish a credible norm for the size of civil services. Despite the lack of universally accepted principles for the appropriate size of a country’s civil service, studies have shown that finding the “right size” civil service remains an important element in all civil service reform processes in both developing and developed countries (Rama 1997).

Osborne and Plastrik (1997) contend that an organisation’s form should follow function, and its size should follow strategy. A well defined and targeted rationalisation strategy based on the function and scope of the civil service within a particular society should thus be the starting point of any attempt to determine the appropriate size for a civil service. In the absence of this, the outcomes may lead to undesirable outcomes. Arbitrary downsizing or expansion of the civil service will thus not necessarily lead to improved performance and, even if positive results are achieved, they might be short-lived (Turner and Hulme 1997).

Regrettably in many developing countries the main motives are not organisational or efficiency considerations but rather economic concerns of huge wage bills and its impact on economic stability. The budget constraints and poor economic performance of developing countries are forcing governments, often under pressure of International Financing Institutions (Picard 1984), to opt for downsizing as a quick fix for economic problems (See box 1 for downsizing suggestions from the World Bank). In these instances, downsizing aims at restoring fiscal balance but in the process neglects local socio-economic and political considerations. Mass redundancies, for example, could make rationalisation initiatives politically unfeasible and thus make its long-term outcome ineffective (Rama 1997, UNDP 1999).

Box 1 : World Bank suggestions for dealing with bloated civil service:

- Removing ghost workers and non-existent names from the government payroll;
- Eliminating approved posts that remain unfilled;
- Retrenchment of temporary or seasonal workers;
- Enforcing the age of retirement and offering incentives for voluntary retirement of surplus workers;
- Freezing recruitment;
- Freezing and otherwise restraining wages;
- Eliminating guaranteed entry into the civil service from the educational system;
- Suspending automatic advancement; and
- Dismissing unnecessary staff.

Source: World Bank in UNDP 1999:35

Nunberg and Nellis (1995) studied 14 countries that introduced these quick fix solutions. Ten of those studied had an increase in the wage bill within two years. They concluded that downsizing the civil service is not very successful, except when it is driven by harsh budgetary constraints. This is especially true in developing

countries where the private sector cannot be stretched to absorb redundant public servants. Furthermore, the subjectivity and often unfairness of the process result in uncertainty and are very de-motivating for all concerned (Nunberg and Nellis 1995). Ironically, it is during this change process that more is expected from the civil service whilst resources available are severely limited.

More emphasis should thus be placed on a “coherent overarching strategy for civil service reform” if sustained improvements are to be achieved (Nunberg and Nellis 1995). As Osborne and Plastrik (1997: 10) put it:

“To succeed, you must find levers that can move mountains. You must find strategies that set off chain reactions in your organisation or systems, dominoes that will set all other falling. In a phrase, you must be strategic”

Civil service rationalisation should consist of deliberate change to functions, structures and processes with the objective of achieving more efficiency and effectiveness. This may include merging or splitting organisations to achieve sharper focus and specialization (Politt and Bouchaert 2000) or even expanding staffing establishments in areas that need to be strengthened. It is not about downsizing but about finding the “right size”.

Apart from achieving the “right size”, one needs also to recognise the importance of adequate compensation and suitable employment conditions. Even though the civil service would find it difficult to compete with the private sector in terms of salary

and wages, it can use non-monetary incentives, recognition systems and other rewards to attract and retain competent staff.

It is thus evident that there is no universal formula to determining acceptable levels of personnel expenditure or size of a civil service. It is determined by what a particular government sets out to achieve as well as other situational factors such as the size and demographic of a particular country. In the case of Namibia, with an enormous land area which is sparsely populated, determining the appropriate size is further complicated by the challenge of addressing the socio-economic inequalities due to the apartheid policies of the colonial government.

2.4 THEORETICAL FRAMEWORK: POLICY IMPLEMENTATION MODEL

Most of the literature on public policy implementation focuses on the factors that influence the likelihood of success. Imitation, incorrect diagnosis, hidden intentions, indecisive approach, a conflict between objectives and reality, institutional fragileness of states, inability to command resources, displacement of goals, non-availability of sufficient resources, non-commitment of officials and political influence of opponents of the policy are part of an almost in exhaustive list of factors cited by authors as reasons for policy failure (Caiden 1976, Grindle 1980, Harris 1990, Nakamuru and Smallwood 1980). To simplify analysis of the implementation process, Grindle (1980) argues that there are two overarching aspects impacting on the implementation process, namely the effect of content and the extent to which a specific political and administrative context influence policy implementation

outcomes. During 1991 Grindle together with Thomas expanded on this model to three areas of concern, namely the environmental context, agenda setting circumstances and policy characteristics (Grindle and Thomas 1991).

Grindle's model is particularly relevant to Namibia because as in many other developing countries, stakeholders and interest groups do not actively participate in policy formulation. At the implementation stage, realising the significance or impact of the policy on their constituency, interest groups mobilise themselves and feature more prominently to protect or enhance their own interest (Grindle 1980). In developing countries, major conflicts thus occur mostly at the output stage of the policy process. This view is supported by Nakamura and Smallwood (1980) who state that policy implementation in developing countries is not automatic and effortless due to the many forces that shape it in the implementation stage.

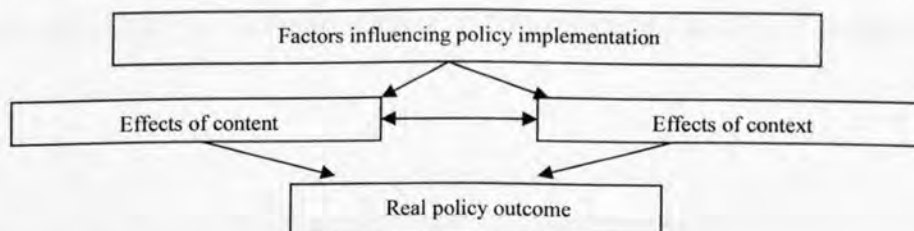
Before discussing the details of Grindle's model it is important to note that measuring the success of a policy outcome is not an exact science but requires substantial judgement taking into account the evolutionary nature of policy making and the dynamics of the environment in which it is executed (Lane 1993). According to Nagel (2002) there are a number of ways to classify policy implementation failures or successes. The first indicator is the extent to which subjective intent met the objective reality. A policy can be regarded as being successfully implemented if it achieves it all intended objectives. A second indicator of policy success is the extent to which the total accumulated benefits exceed the total costs, disregarding the policy makers' original intentions. Both can be expressed in either qualitative or

quantitative terms. For example, a policy can be regarded to be a quantitative success if the number of units achieved is greater than what were originally intended. In qualitative terms, a policy is regarded a success if it achieves more positive than negative results as measured either by the intentions of the decision makers or by objective realities regardless of intent.

It is thus clear that policies can be considered as successful even though they did not achieve their original objectives and targets. This argument is supported by Majone and Wildavsky (1979) who view implementation as an evolutionary process. They argue that because of intellectual limitations of humans and the ever-changing environment, results cannot be predicted and the outcomes are likely to be different from those sought by the policy makers. Because of the fluid nature of policymaking, policy formulation and implementation should not be regarded as distinct elements but rather as intertwined components constantly adapting to challenges.

For the purpose of this study the following adapted version of Grindle's original implementation model will be used to analyse the implementation of the Namibian rationalisation process:

Figure 1 Grindle's implementation model



Source: Adapted from Grindle 1980:11

The original model as opposed to the later version (Grindle and Thomas 1991) is chosen, due to the simplistic yet clear manner in which it categorises diverse implementation factors. To clarify what is meant by content and context, each of them will now be discussed in greater detail.

2.4.1 Effects of Content

Grindle (1980) claims that the content of a policy is a critical factor for implementation because of the real or potential impact it has on society. The key question is: What effect does the content of a particular policy have on its implementation?

Policy content should be based on a theory that is appropriate for addressing the issues at hand logically. Blueprint policies that are introduced without taking into consideration the local circumstances are likely to fail. Equally, policies that are not based on a proper analysis of the situation may fail to address the root cause and only deal with the symptoms and in the process waste valuable resources (Caiden 1976). Policy formulation requires an objective assessment of the feasibility of the preferred policy option given the possible trends and pressures in the internal and external environment. For example it would not make sense to introduce an NPM approach in situations where the state remains actively involved in the production of goods and services.

Ambiguous and unclear policy content leads to misinterpretations of policy intent and results in implementors being able to sway policy away from its original

purpose. In practice, policies are often adopted without explicit agreement about the goals. As Pressman and Wildavsky (1984) observe “implementation cannot succeed or fail without a goal against which it is judged”. Also, the manner in which policy goals are stated has an impact on implementation. Clarity of purpose requires a sense of direction, clear priorities and an understanding of the underlying values in order to enable the policy implementors to understand what needs to be achieved.

Policy actions seek to introduce changes in social, political and economic relationships. By its nature, most policy changes result in some sectors of society benefiting while others’ interests are threatened. Those losing certain privileges will oppose it or resist the change process (Grindle 1980). For example, rationalisation of the civil service reform, especially the implementation of downsizing measures, implies changes to remuneration structures, service benefits, promotion opportunities, status, job security and other conditions of service. This creates an atmosphere of uncertainty and nervousness among civil servants (Corkery 1995). The disquiet should be anticipated and suitable strategies developed to secure unity of purpose and reduce the level of resistance among those that are adversely affected and also to marshal the support of those that will ultimately benefit from the introduction of a specific policy. The more immediate the potential benefits, the easier it will be to obtain buy-in.

Support and agreement for the goals among key groups need to be obtained in the formulation stage, to avoid later confrontations, derailment or capture of the implementation process (Grindle 1980). The stronger the political support for the

adopted policy and its assumed goals, the greater the capacity to secure implementation (Yahaya and Bur 1984). This political dimension is often ignored and underrated in civil service reform. Many civil service reforms fail because of outside interference to improve conditions. These “advisors” do not have enough political clout to influence change (Caiden 1996). Bardach (1980) argues that convincing political leaders of a particular course of action do not necessarily lead to proper implementation because of the wider societal influence. Implementation requires interaction between many actors such as different levels of government agencies, private organisations, interest groups, professional associations and the citizenry. Complexity is also related to what Grindle (1980) terms the site of implementation. She indicated that the more geographically and organizationally dispersed the sites of implementation are, the more difficult implementation becomes.

Another problem of policy implementation is when a specific policy needs to be implemented in dissimilar circumstances. Uniform policies might not do well in situations where the areas of implementation differ significantly. To deal with this constraint, decentralizing certain aspects of the policy may be a more appropriate strategy (Van den Dool 2003).

For a policy to be successfully implemented, it needs to be backed by adequate resources. The issue of resources is a common problem in the developing countries and can be associated with many policy and programme failures during implementation. Budget provision versus actual cash flow to a project or programme can have a great impact on implementation. Altenstetter and Björkman (1981)

stressed that money is a vital link between policy planning and implementation, because it transforms policy into tangible results. So called “unfunded” policies are doomed. Even rationalisation reforms involve spending a considerable amount of resources in the short run to reap the longer term benefits (Rama 1997). One possible solution to deal with resource shortages is to phased implementation. This will allow for capacity building and achieving small successes before rolling out to all OMAs.

2.4.2 Effects of Context

Context is about the division of political and administrative power in society and the conflict and influences it has on implementing decisions (Grindle 1980). The main question to ask is: How does the political context of administrative action affect the implementation? Since policy implementation is a dynamic process, the particular organisations and institutions chosen to implement policies can significantly influence how those policies are carried out (Nakamuru and Smallwood 1980). Policy implementation programmes usually integrate a wide variety of activities executed by different agencies. The more geographically and organizationally dispersed these agencies are, the more complex implementation becomes due to the increase in decisional units involved (Grindle 1980).

Hjern and Porter argue that for successful implementation of public policies a proper structure is required (Hjern and Porter in Van den Dool 2003). Van den Dool further explains that this structure is not necessarily a single organisation, but may comprise many different organisations, each with its own goals and motives. The programme rationale, however, guides purposeful action without authority being specifically

allocated. The authority relationship is rather based on professionalism, the capacity to coordinate, resources control and other power sources (Van den Dool 2003). Conflict arises when interest groups take different positions on what exactly shall be implemented (Pressman and Wildavsky 1984, Bardach 1980).

Implementation involves many actors such as national level planners, national, regional, and local politicians, economic elite groups, recipient groups, and bureaucratic implementers at middle and lower levels (Grindle 1980). Implementation involves co-ordination of the activities of different actors operating out of different arenas in a way that will lead to successful and effective programme performance. Different actors including policy makers, formal implementers and intermediaries can exercise political leverage. Each of the actors has their own agendas and interest that they wish to pursue. Because of these inconsistencies in objectives, actors compete with each other to advance their own position (Bardach 1980, Pressman and Wildavsky 1984). Depending on their ability to influence and access to power, actors will attempt to manipulate policy. Considerable discretion in the usage of resources may add to their ability to do so. The implementers must depend on persuasion and compromise in their attempt to orchestrate the other actors who occupy the policy environment (Nakamura and Smallwood 1980).

Bardach (1980) describes implementation as massing of “assent” where the policy implementors and those affected must reach some agreement, especially those that are negatively affected. They should be listened to and where possible be compensated for losses incurred.

Bardach (1980) further argues that the policy arenas are responsive to changes in the political, organisational and technical environments. Policy making and implementation should thus be seen as a constant interaction among all actors as well between actors and the environment in which they operate. Special attention should thus be given to the organisational and political realities within which policy implementation takes place.

2.5 COMBINING THE THEORETICAL MODELS

By combining the NPM approach with the theoretical concepts of Grindle (1980), Bardach (1980) and other authors, in this study argues that although Namibia adopted a pure NPM solution to drive its civil service reforms, the actual policy outcomes have been considerably shaped by the context in which it was implemented. Despite repeated attempts to push for a leaner civil service, based on macro-economic arguments, the interplay between key stakeholders and interest groups diluted the achievement of the policy objectives and perhaps resulted in a unique Namibian solution for the appropriate size of its civil service and the role that it has to play within the Namibian society. In general, this argument is supported by Olowu (1999), who believe the failures of civil service reforms in Africa is due to an overemphasis of cost reduction measures rather than building and sustaining the institutional capacities within a specific political and cultural context.

The concept of organisational learning was also considered with the view of understanding why repeated efforts to use NPM principles to curb the size of the civil service did not result in a shift in the main thrust of the policy at the formulation

stage. Van den Dool (2003) contends that learning based on previous implementation barriers will result in remedial action, encourage innovative ideas and ultimately change previously inflexible policies and practices. If learning took place, subsequent policy changes would positively influence both the policy contents and context within which it has been implemented. As such implementation should be regarded as a vital source for further change that is available to policy makers to test and improve their policies. Learning is a continuous and never ending process because it is always concerned with improving our idea of what is the best course of action in the light of previous failures (Pressman and Wildavsky 1984).

Grindle and Thomas (1991) contend that policy failures in developing countries are largely contributable to weak implementation. Policy implementation is not regarded as an integral part of policy making process and regarded as a pure administrative function.

2.6 RESEARCH APPROACH

A combination of analytical and descriptive approaches was used to collect and analyse the rationalisation measures and output data. Analytical approach was used to capture numerical changes in both the size and wage bill. The descriptive approach was used to explain the characteristics associated with the subject population (Cooper and Schindler 2000). This approach was used to evaluate the articulation of objectives and various measures introduced as part of the rationalisation programme as well as the extent and nature of implementation

shortcomings. Its main objective was to obtain an accurate portrayal of the rationalisation policy implementation.

The research has been carried out in two distinct phases. Firstly, it focused on the identification of the rationalisation objectives and measures including the extent to which they were achieved. The information was gathered mainly through a desk study. Secondly, the reasons for the successes and failures in implementation were analysed. This part of the research is qualitative and reflects the opinions of key stakeholders, obtained mainly through structured interviews. The structured interviews were guided by a questionnaire based on the issues raised in the theoretical framework. The questionnaire was revised after two pilot interviews and adjustments were made. Because of the relatively small number of OMAs, a convenience sample was used and fourteen available senior civil officials were interviewed. Due to the small sample size, the outcome of the research is exploratory and the results are based on the perceptions of the sample population interviewed.

CHAPTER THREE

FINDINGS AND DISCUSSION

3.1 INTRODUCTION

The chapter presents the research findings and analysis of the data collected with regard to the implementation of the rationalisation policies in the Namibian civil service. Firstly, it presents a picture of the pre-1993 civil service context, followed by a discussion of the various rationalisation measures adopted by the Government over the ten year period, 1993-2003. The various rationalisation policies are shown and discussed under separate headings to distinguish their influence on the size of the civil service. It follows up with an examination of the fiscal impact of the size of the civil service. The chapter concludes with a presentation and discussion of the views of senior civil service managers on the implementation obstacles experienced and what they considered necessary to remedy the situation. Finally, Grindle's model of policy implementation is used to benchmark the discussion on the implementation of the rationalisation policies and to establish why implementation has not been fully successful.

3.2 HISTORICAL CONTEXT: PRE-1993

In order to present the findings of the research on rationalisation policies, it is important to briefly review the historic context and the legacy of the civil service. Namibia, being a fairly young country, has been spared the sometimes painful transformation processes that other countries had to go through in changing their

long established structures and ideologies. Independence brought the opportunity to start afresh. The then Prime Minister indicated that one of the first tasks of the government was to create a milieu that addressed the realities of an independent nation and the inequalities of the past (Geingob 1995). To achieve this, a strong civil service was crucial to act as an instrument of change within the Namibian society.

The Namibian Constitution written in 1989 incorporated much of the contemporary thinking on the role of the state in modern society. Namibia adopted the principles of a mixed economy with the aim to secure economic growth, prosperity and dignified life for all. In such a system the state is responsible to create a favourable environment for the private sector to prosper. Government articulated the role of the state in Namibia as follows:

"[civil service] to be the facilitator for protecting national sovereignty, provider of general government services; provider of law and order through the judiciary, police, and prisons; guarantor of national defence; and provider of infrastructure. On the welfare side, the state provides facilities, such as, free education, and free health care for anyone who cannot pay for it."(OPM 1993).

This statement provides a clear departure point for the formation of an appropriately sized and structured Namibian civil service. Achieving it, however, is much more difficult. Unsurprisingly, the size and structure of the Namibian civil service has been subjected to considerable debate and scrutiny ever since independence. As early as 1991, views have been expressed that the civil service was too large, constraining

the country's economic development (OPM 1993). Others, especially the trade unions, disputed this and argued that the civil service size should increase to better address government's social obligations to society.

A number of reasons, explanations and justifications have been provided for the sharp increase in the size of the Namibian civil service soon after independence. Firstly, the Namibia Civil Service was a mixture between old and new. The Constitution (1989) of the Republic of Namibia stipulated that "*a person holding office under any law in force on the date of Independence shall continue to hold such office unless and until he or she resigns or is retired, transferred or removed from office in accordance with law*". This provision guaranteed the continued employment of approximately 48 000 civil servants. Secondly, due to the discriminatory pre-independence policies, the demographic profile of the inherited civil servants has favoured certain population groups (mainly whites) at the expenses of others. In line with the reconciliation efforts of government, new staff was employed in an effort to correct these imbalances. Thirdly, government had to deal with the inherent problems of "decolonization of state and bureaucracy" (Melber 1999). Lastly, the new civil service had to cater for functions that were absent prior to independence. Examples are presidential affairs, foreign affairs and defence.

Mindful of the prevailing racial imbalances and to find an appropriate structure and size for the Namibian civil service, the then Prime Minister initiated the first rationalisation process in 1991. The purpose of the first rationalisation reform was to stem the further expansion of the civil service, to improve existing structures in terms

of quality and productivity of service, to deal with the duplication and overlap of functions between OMAs, and to produce OMA specific rationalisation proposals.

To drive the process, a rationalisation team comprising staff from the Office of the Prime Minister, who in consultation with senior managers of the respective OMAs, reviewed all organisational structures within the civil service. In most instances, consensus could not be reached on what constitutes the most appropriate structure for a given OMA to fulfill its respective mandate. Notwithstanding these disagreements, the rationalisation team compiled their own proposals and presented them to Cabinet. After a lengthy debate, these have been referred to OMAs for further consideration and review (OPM 1993).

According to Melber (1999), the proposals from the rationalisation team did not meet the general approval and support of Cabinet members. Subsequently, Ministers captured the process by approving in principle the need for rationalisation but at the same time tasked individual ministries to undertake the process themselves.

3.3 RATIONALISATION POLICIES 1993 -2003

The rationalisation policies during the ten-year period included the 1993 rationalisation process, the 1994 downsizing initiatives and finally the WASCOM measures of 1996. Each of these is discussed in greater detail together with its impact on the size of the civil service in the next sections.

3.3.1 Rationalisation of the Civil Service 1993

3.3.3.1 Rationalisation Measures

At its 2nd Special Meeting held in Swakopmund in December 1992, Cabinet resolved that the process of rationalisation be continued by various Offices and Ministries

Box 2: Measures of the Rationalisation Process 1993

- Identifying and eliminating duplications with other Offices and Ministries;
- Streamlining operations to delineate clear lines of authority leading to better communication;
- Examining all vacant posts to ascertain if they are really necessary; and abolishing redundant posts

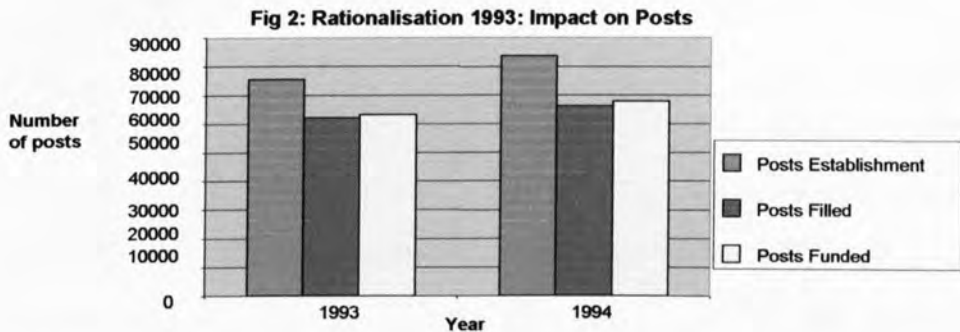
Source: OPM 1993

according to the specific guidelines (see Box 2). It was widely expected that these measures would be sufficient to curb the size of the civil service.

On the basis of parameters set by the Cabinet, the various Offices and Ministries reviewed their organisations and establishments, which, after approval in principle by the Cabinet, were referred to the Public Service Commission for technical input. All the organisations and establishments of the respective OMAs were recommended by the PSC and approved by Cabinet (PSC 1993).

3.3.1.2 Impact of the 1993 rationalisation policy

The graph in Fig. 2 illustrates that impact of the process on the staffing establishment.



Source: MoF 1991 – 2003

It is thus clear that the restructured civil service that followed the 1992 Cabinet decision did not achieve the objective of a reduced civil service but instead resulted in an increased civil service establishment of more than 8000 positions. Only 3600 of these could be funded. OMAs used the process to within one year fill an additional 4000 positions. Closer scrutiny of statistics revealed that the most significant changes occurred in OMAs as outlined in table 1.

Table 1: Significant increases in staffing establishments after 1993 rationalisation process

Office/ Ministry/ Agency	Increase of the staff establishment
Ministry of Education	7 039 posts
Ministry of Regional, Local, Government and Housing	615 posts
Ministry of Environment and Tourism	330 posts
Ministry of Agriculture, Water and Rural Development	511 posts

Source: MoF 1991 – 2003, PSC 1991 - 2003

The staff increases in the Ministry of Agriculture, Water and Rural Development and the Ministry of Regional, Local Government and Housing as indicated in table 1 was mainly due to incorporation of staff already employed by Water Affairs Construction Unit and the Peri-Urban Board within the civil service and thus do not represent a real increase.

Other OMAs argued that these new positions were necessary because of the pre-independence inequalities both in service delivery and staff employed as well as new functions that had to be adequately staffed. It is thus contended that although the process had not reduced the size, it achieved greater efficiency and effectiveness by strengthening inadequately staffed service delivery areas and a more equitable distribution of posts within specific service delivery areas.

Criticism raised against the process is that the new structures were based on a hierarchical setup of functions with no consideration or definition of results orientated goals or financial constraints. OMAs simply used the existing establishments as the starting point, ignoring the possibility of redundant vacancies or scaling down less important functions. The outcome of the post rationalisation civil service was an additional salary and wages expenditure of N\$ 134 million (WASCOM 1995).

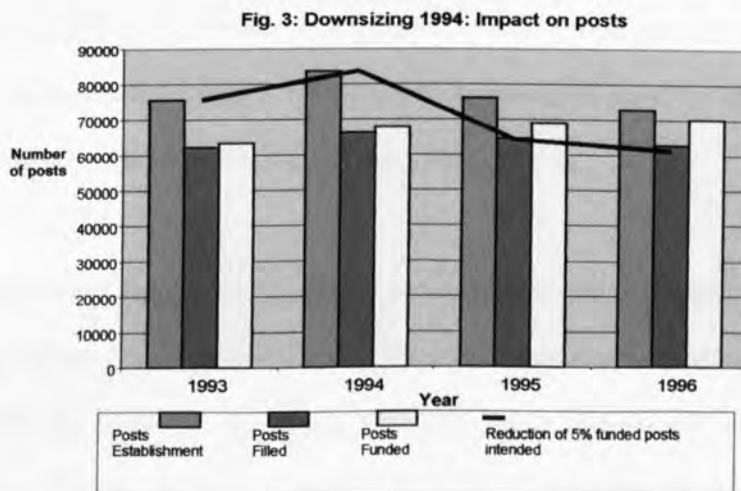
3.3.2 Downsizing measures 1994

3.3.2.1 Objective and measures

Realising the disappointing results of the 1993 rationalisation efforts, Government reacted swiftly to avoid an unsustainable wage bill increase by introducing new specific measures to curb the size of the civil service. Early in 1994 Cabinet decided on the following: no additional funds for personnel expenditure; freezing of appointments; 5% reduction in funded posts; abolition of unfunded vacancies; and introduction of rationalisation measures to bring down the personnel expenditure to 40% of the total budget.

3.3.2.2 Impact of the 1994 downsizing policy

The diagram in fig. 3 depicts the changes in staffing numbers over the period.



Source: MoF 1991 – 2003

It is clear that the impact of the rationalisation measures has been positive, at least in the short term. Although on aggregate, it did not achieve the 5% reduction target set

by Cabinet (see line chart on fig. 3), it turned around the trend of civil service expansion. The net effect was that the total establishment of the civil service was brought back within 1% of the 1993 figures. Even more successful was the freezing of vacancies that resulted in a total of 1571 fewer “positions filled” than the previous year and by 1996 the number of positions filled reached a period low of 62814. The main contributors to the reduced civil service are presented in table 2.

Table 2: Significant decreases in staffing establishments after 1994 downsizing process

Office/ Ministry/ Agency	Decrease of the staff establishment
Ministry of Education	7 871 posts
Police Department	1 664 posts
Ministry of Agriculture, Water and Rural Development	2 703 posts

Source: MoF 1991 – 2003

The reductions in the Ministry of Agriculture, Water and Rural Development is due to the commercialization of bulk water supply and that of Education to a reversal of new posts created under the 1992 initiative. No information could be obtained as to the reasons for the reduction in police staffing requirements.

Although the overall impact of the initiative was positive, the disappointing aspect is the non-implementation of the decision to abolish all unfunded vacancies. At the end of the 1994/95 financial year more than 7000 unfunded vacancies still existed on the staffing establishment. This provided OMAs with the loophole to obtain funding during then next financial cycle. OMAs used the opportunity to obtain funding for more than 1000 of the previously unfunded positions during 1995/96 financial year.

This failure had a negative impact on the longer term sustainability of the 1994 rationalisation efforts.

3.3.3 WASCOM downsizing measures 1996

3.3.3.1 Downsizing Measures

Following calls for a pay increase in the Namibian civil service in 1994, Cabinet approved the establishment of an independent Commission to review the pay structure of the Namibian civil service. The Wage and Salary Commission was officially established the following year, with the specific task of drafting a remuneration policy for the Namibian civil service (Melber 1999). Despite having a specific focus, the Commission realised that remuneration is intrinsically linked with the size and structure of the civil service and any salary increases should be linked to downsizing (Melber 1999) and improved performance. The commission also expressed its reservations for the need for large numbers of employees in the middle and lower echelons of the civil service. It recommended that non-performing staff should be forced out of the service (WASCOM 1995).

Members of the Salary and Wages Commission concluded that the previous

Box 3: WASCOM downsizing recommendations

- Reduction of 2% annually for five years using the budget estimates of 1995/96 as baseline figures. Half of the amount required for annual pay increases found within the reduced provision.
- Personnel audit be conducted to determine the exact size of the civil service and identify any ghost workers that may exist;
- Small committee of civil servants be established to review each Ministry's restructuring plan within a tight budget constraints; and
- Programme for outsourcing be developed.

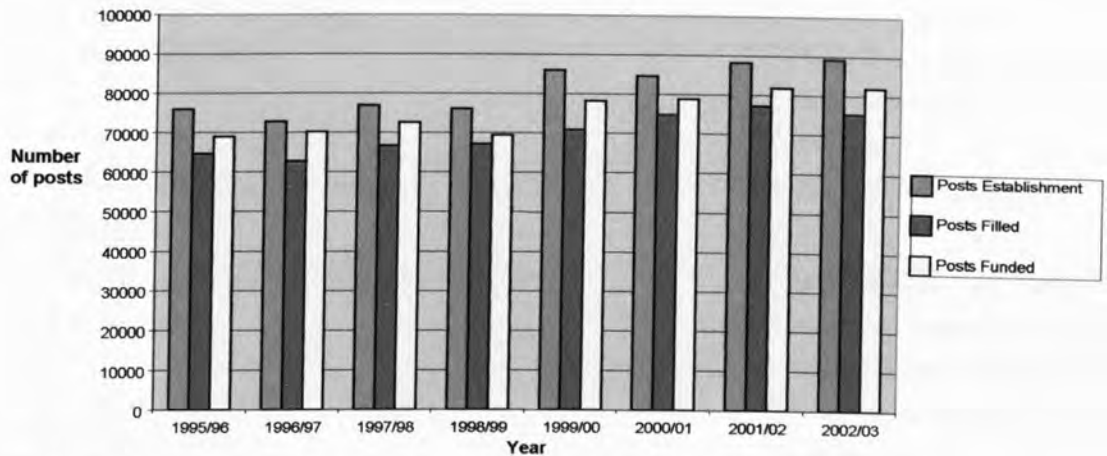
Source: WASCOM 1995

measures introduced as part of the downsizing efforts proved inadequate to deal with the size of the civil service. They believed that there was great room for reductions and as such recommended that OMAs should be pressurized by reducing the annual budget amount available for wages and salary expenditure. They cited the United Kingdom and Zimbabwe as examples where such measures were successfully introduced to reduce the size of the civil service drastically. With regard to the size of the civil service the Commission recommended an annual reduction of 2% for five years using the budget estimates of 1995/96 as baseline figures. Half of the amount required for annual pay increases was to be funded within the reduced provision (WASCOM 1995). The Commission also made a number of other recommendations aimed at reducing the size of the civil service (see Box 3).

The recommendations of WASCOM were approved by Cabinet, specifically the principle of compensating reductions and downsizing as outlined in the WASCOM report. That meant that no additional posts could be created without giving up an equal value of posts.

3.3.3.2 Impact of the WASCOM downsizing measures

Fig. 4 illustrates the changes to the establishment after the implementation of the WASCOM recommendations.

Fig. 4: WASCOM: Downsizing impact

Source: MoF 1991 – 2003

The graph indicates that in 1998/99, the recommendations had a short term positive effect in reducing the number of vacancies by approximately 3000 and the number of posts on the establishment by 800 but failed to stem the actual number of filled positions which increased with approximately 500 during the same period. The figures also indicate a huge increase in posts filled, funded and the establishment during the next four years.

The aggregate figures are misleading however, since the bulk of the increase is due to the strengthening of uniform personnel (police, defence and prisons). Together they represent a total increase of 21146 posts. This means that the remainder of the OMAs reduced their establishments over the same period with 4057 posts. The main contributors to this reduction are depicted in table 3.

Table 3: Significant decreases in staffing establishments after WASCOM downsizing process

Office/ Ministry/ Agency	Decrease of the staff establishment	Reason
Ministries of Education	1 544 posts	Change of the teaching norm from 1 teacher for 30 learners to 1 for every 35 learners
Ministry of Regional, Local Government and Housing	535 posts	Transfer of staff to local authorities
Ministry of Works, Transport and Communication	5 109 posts	Commercialisation of non-core functions by creating an Airports Company, Roads Authority, Roads Contractor Company and Road Fund Administration.

Source: MoF 1991 – 2003

A key factor impacting the overall rationalisation efforts was the employment of approximately 9000 unemployed ex-combatants in a civil sector employment programme referred to as a “Peace Project”. The main reasons behind this were that the Government prevented them from destabilizing the country and at the same time recognizing their contribution to the liberation of Namibia. It was clear that although the project contributed to peace and stability, it undermined the stated downsizing policy. The combatants have mainly been absorbed in the defence, police, health, agriculture and environment sectors in unskilled job categories. The Minister of Finance acknowledged failure in achieving the original intention of the reform effort as envisaged by WASCOM (Melber 1999).

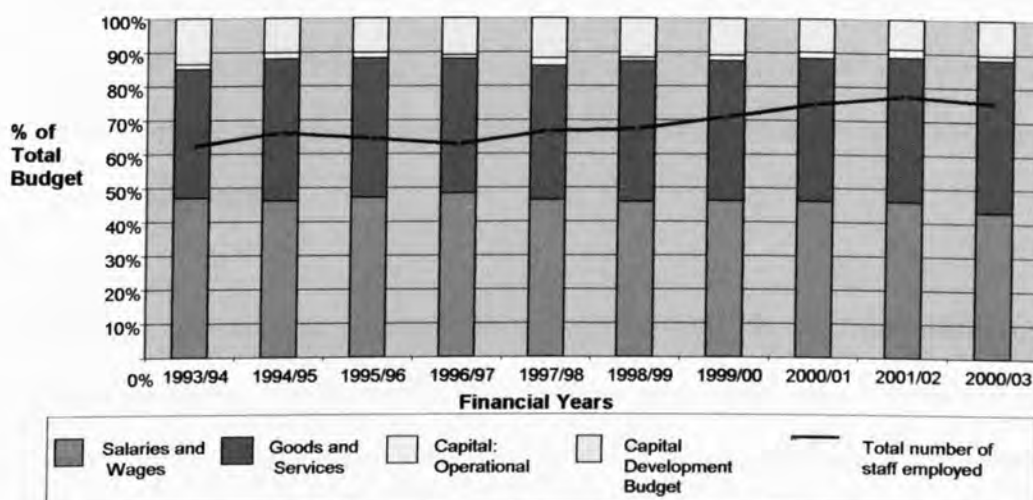
The overall impact of the WASCOM recommendations was thus short-lived due to unforeseen events. It is interesting to note that although WASCOM severely

criticized the non-achievement of earlier rationalisation measures, the impact of its own recommendations (or non-implementation thereof) did not achieve any positive impact on the size of the civil service.

The rationalisation policies introduced during the ten year period, resulted in moving out large parts of the civil service to commercialised entities, roads construction, and had in real terms no impact on the size of the civil service. However, constant efforts to reduce to size of the civil service have successfully prevented any major increase or reversed earlier increases, for example Ministry of Education, that could not be fully justified in the light of severe budgetary constraints. Looking at the disaggregated figures, it is clear that there is a mixed bag of successes and failures in the implementation of the rationalisation policies. The section will explore this in greater detail.

3.4 CHANGES IN THE SIZE OF THE CIVIL SERVICE AND PERSONNEL EXPENDITURE

The graph in fig. 5 below represents the overall changes to the actual expenditure and size of the civil service for the period 1993 to 2003.

Fig. 5: Distribution of actual spending

Source: MoF 1991 – 2003

From the bar graph (fig. 5) we can infer that the average percentage of personnel expenditure has remained fairly constant over the ten year period, averaging 46 % and reaching a period low of 43% in 2002/2003. However, from the line graph (fig. 5), depicting the overall size of the civil service, it is clear that this decrease in personnel expenditure is actually not a result of a reduction in the number of staff. Over the period the staff on average increased from 62100 to 75300 representing an average annual increase of 1.3%. It thus appears that the reduction in the wage bill as a percentage of the total expenditure is largely a result of wage bill compression rather than of rationalisation efforts.

3.5 VIEWS ON THE RATIONALISATION POLICY FORMULATION AND IMPLEMENTATION

Looking at the impact of the different rationalisation measures on the size and wage bill of the civil service it is clear that despite the three attempts, a reduced civil

service was not achieved. The opposite occurred: the civil service staff establishment increased from 62 171 to 75 329, an increase of 21.2% over the ten year period. It is thus essential to find reasons why despite focused attempts the civil service continued to expand.

Fourteen government officials who were involved in the formulation and implementation of rationalisation policies were interviewed and a summary of their responses are presented and analysed below. The list of interviewees is attached as Annex A. The questions have been divided into five categories, namely objectives and measures; policy formulation process; policy implementation; changes to adopted policy and suggestions for improvement. The questionnaire is attached as Annex B and a questionnaire template to interpret the interview as Annex C.

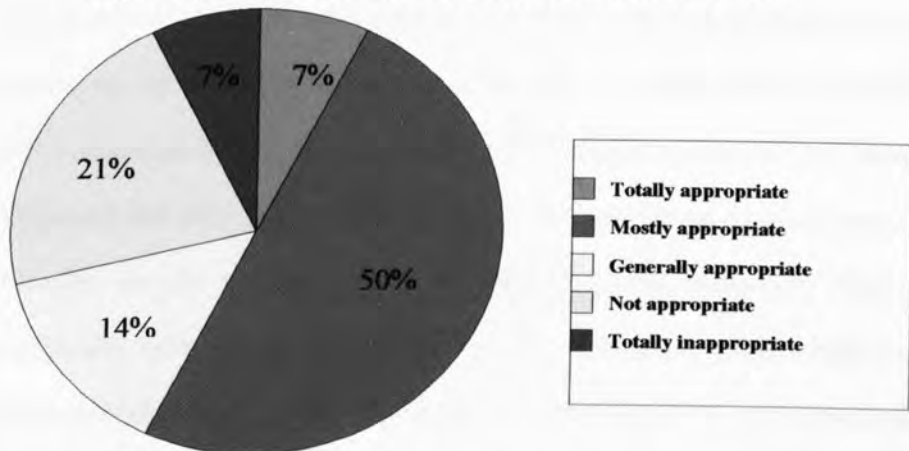
3.5.1 Clarity of objectives and measures

With the exception of the 1993 rationalisation exercise, 100% of the interviewees report that the objectives and measures were clear and unambiguous. Regarding the 1993 process there are conflicting views as to the policy intention; those who were involved in implementation mostly think that it was aimed at “right sizing” whilst those who were involved with policy formulation believe that it was aimed at creating a smaller civil service. According to the latter, OMAs used the process to “right size”, thereby expanding their staff complements in areas that required strengthening. 100% of the interviewees agreed that one of the objectives was to reorganize the civil service in order to achieve greater efficiency.

3.5.2 Appropriateness of objectives and measures

Regarding the appropriateness of the policy objectives and measures, the interviewees responded as indicated in fig. 6.

Fig 6: Appropriateness of objectives and measures



57 % of interviewees believe that the objectives and measures were totally or mostly appropriate while a significant percentage (28%) think that the measures were not appropriate or totally inappropriate.

The latter based their arguments on the continued unavailability and inequitable delivery of services to large parts of Namibia. Furthermore, they argue that the objectives of downsizing were contradictory to other government policies. For example: expecting the civil service to create a more equitable workforce reflecting the demographics of the country or addressing poor service delivery in rural areas, and at same time restricting any establishment expansion. Their disagreement is

more vocal with regard to the 1993 rationalisation process, pointing out that any downsizing effort would have impacted negatively on the ability of the Government to fulfil its election promises, for example “education for all”.

A second argument supporting the inappropriateness of the policy is that the NPM philosophy on which rationalisation objectives and measures were based, did not consider the local context. Some pointed out that the public sector in Namibia is not only concentrating on steering functions. Through a number of state owned enterprises, the state is actually involved in the production of goods and services. Examples are the tourism, construction and the hotel industries. NPM may be theoretically tempting, especially the idea of a small leaner civil service but, given the unique challenges within the Namibian context, it is not considered to be politically feasible. In the view of interviewees, key policy makers have been to a large extent influenced by the NPM philosophy instead of commissioning an objective appraisal of what was required, given Namibia’s unique socio-economic environment.

Those interviewees that believe in the appropriateness of the objectives and measures based their argument on the increasing budget deficit and the high proportion of personnel expenditure in relation to the total budget.

All interviewees agree that rationalisation is a concept that should be introduced as an integral part of any civil service reform process. However, most of them have their own interpretation of what is meant by rationalisation, some defining it as

putting in place a lean, professional and well paid civil service, while others believe that it refers to a “right sized” civil service.

3.5.3 Actors: Policy Formulation

This part focuses on the policy formulation process and in particular the actors of the process and external influences. This is of particular importance because of Grindle’s observation that one of the implementation problems in the developing world is due to non-participation of key stakeholders and interest groups in the formulation process, i.e. policies are formulated and adopted without any support by those who can influence the implementation process. This non-participatory approach resulted in a more active and vocal contribution of interest groups against policy measures during the implementation stage.

The interview responses overwhelmingly (100%) indicate that the process was driven by the former Prime Minister and his Office and that other stakeholders, in particular the policy implementors and civil servants, were not consulted during the formulation stage.

86 % of the interviewees believe that there were no external institutions, such as the World Bank or International Monetary Fund, driving or influencing the process. 14% however, believe that the institutions were indirectly influencing the process through the eminent threat of intervention in the event of an economic crisis.

29 % of the respondents also pointed out that the content of the policy has been greatly influenced by consultants promoting NPM ideas, especially the idea of a smaller civil service which was introduced in many African countries during that period. It can thus be interpreted as “outside” pressure that was put on the Government to conform to popular civil service reform ideas. All the rationalisation policies, especially WASCOM recommendations, drew on worldwide experiences, in particular those of the United Kingdom. These ideas have been promoted to a large extent by advisors from the British Civil Service who were seconded to the Office of the Prime Minister. As such the perception exists that Namibia adopted a number of NPM principles pressured by indirect outside intervention without carefully considering the local situation.

3.5.4 Actors involved in policy implementation

From the responses of the interviewees it is evident that each OMA has followed its own approach to implementation, mainly since the rationalisation policies did not prescribe any implementation strategies apart from who has the authority of approval. In the OPM for example each Department and Directorate was required to evaluate all its positions and then make suggestions to senior management on areas for possible reduction. In other OMAs, it was mainly the personnel office that was tasked with the implementation process. The Ministry of Basic Education, Sport and Culture employed a consultant who worked with senior managers of the Ministry and came up with comprehensive proposals during the 1993/94 rationalisation process. Many other OMAs organised workshops for senior management to discuss and review their structures according to the Cabinet decisions.

Interviewees indicate that all OMAs took the process seriously and that many senior management teams worked after hours and over weekends to compile their rationalisation proposals. This urgency and need for restructuring was not necessarily driven by their commitment to downsizing, but rather the need to protect or expand their territory. OMAs were aware that vacancies might be arbitrarily removed in line with the Cabinet decision and therefore made a huge effort in justifying the filling of these vacancies.

One of the main concerns was that staff members were not properly informed and thus perceived the exercise as a threat. According to the interviewees, many civil servants approached the implementation with suspicion. They did not fully support the implementation programme as they believed that it was imposed. Some OMAs thus did not co-operate whole-heartedly in the spirit of reducing the civil service and instead protected their territory.

3.5.5 Resources availability in support of policy implementation

The issue of “lack of resources” has been raised by 93% of the interviewees. According to them, no or limited resources were made available to support the process. Staff members who were found to be redundant were kept additional to the fixed establishment until such a time that they could be suitably placed. In a number of cases, persons in addition to the fixed establishment are after eight years still carried out of adjustment and have not been suitably placed or retrenched. Funds set aside for early retirement were redirected after a decision had been taken not to proceed, due to the potential outflow of competent staff.

3.5.6 Structure and process of policy implementation

78% of the interviewees indicated that no or insufficient structures and processes have been put in place to implement the rationalisation process. They contend that the changes in the size of post establishments have been done subjectively without any proper job evaluations or work load assessments. In most cases the “rule of thumb” was applied to establish post requirements. Another key concern was that the structures were adjusted according to people. Several interviewees mentioned that the rationalisation process was used to get rid of specific individuals and to create better positions for others.

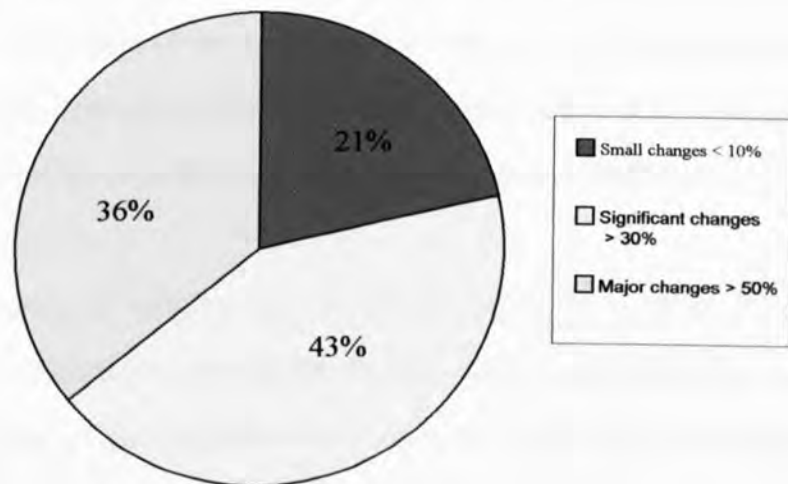
The lack of a proper communication strategy was also mentioned as one of the weaknesses of the process, with many staff members resisting the change process. The purpose, reasons behind and possible implications of the rationalisation policies have never been communicated to them. Ownership, support and understanding of the process were thus lacking.

Furthermore, interviewees think that the frequency of new policies actually stifled any positive prospects because the restructuring of the OMA in terms of one initiative were rendered superfluous by the next. When dealing with human resources issues, especially employment contracts, one cannot expect OMAs to reduce the number of staff employed within one or two years. It is a long term process.

3.5.7 Policy changes during implementation

Fig. 7 indicates the responses of interviewees as to whether the policy intention has been changed during implementation.

Fig 7: Changes to policy during implementation



It is interesting to note that none of the interviewees indicated full implementation or no implementation. This indicates that OMAs did take the process seriously. The interviewees pointed out that in the light of their OMA's unique mandates and in addressing the inequalities of the past, their OMAs used the opportunity to emphasize to Cabinet the weaknesses and inadequacies of their past establishments in order to get approval for the additional positions required. Many OMAs argued that any reduction in posts would negatively influence staff performance and productivity. They complained that regional offices are not adequately staffed and as such that they would not be able to serve all the people of the country properly. Others argue that they are already operating on a skeleton component and that the

existing vacancies are a consequence of the non-availability qualified staff in the labour market and not that of having too many positions.

According to interviewees, the greatest change in policy intent happened with the shift from downsizing to rightsizing. Ministers collectively agreed with the policy of downsizing in the light of severe economic constraints, but during implementation, they regard the circumstance of their OMAs as unique, requiring an expansion of the establishment to accommodate new functions and increased workloads.

However, policy of compensating reductions introduced as part of the 1994 downsizing measures has been cited by the respondents as the single most important factor that kept a huge increase at bay. OMAs no longer could just request new positions without partly funding them by abolishing posts of equal worth. Examples are the creation of the Efficiency and Charter Unit in the Office of the Prime Minister, funded by abolishing an equivalent number of posts in other directorates.

Interviewees also believed that the rationalisation policies had a number of other positive outcomes. Apart from halting civil service expansion, it instilled a culture of looking inwardly for savings before new requests were submitted. The need for a more efficient civil service is also now better understood by all civil servants. Civil servants also have greater ownership of their organisation and establishments. To a certain extent the blaming culture was removed, because organisations and establishments were compiled largely by ministerial staff and therefore central agencies cannot be blamed for inadequate provision. OMAs now have greater

competency to deal with organisation and establishment issues. They also had an opportunity to reflect on what is core and non-core and some OMAs developed a comprehensive programme to commercialise non-core functions. Namwater and the Airports Company are the outcome of this process.

Another observation from the interviewees is that during policy implementation, the socio-political situation changed due to pressure from ex-combatants and concerns over job losses by the labour unions and their constituencies. This sent mixed messages to OMAs and the rationalisation process came to a halt. Another example is that OMAs were expected to establish a presence in all thirteen (13) regions, putting more pressure on the civil service to respond to the regional needs.

3.5.8 Interest groups influencing the implementation process

The political will to sustain the efforts was questioned by 87% of the interviewees and it is believed that lower level civil servants, management and political officer bearers acted with a great deal of self interest.

Although the decisions were taken by Cabinet, whose members in terms of the Constitution are collectively accountable and responsible for implementation of the rationalisation policy, not all OMAs responded positively to the calls for a smaller civil service. Many of the interviewees believed that there was no real political commitment in the implementation phases. Instead of maintaining a common position, many politicians lobbied for exemption of their portfolio from the downsizing measures adopted by Cabinet. However, in the cases where success was

achieved, the commitment and drive of the then Prime Minister has been cited as one of the important levers for such success.

The lack of commitment and support for rationalisation among most Cabinet ministers and key administrators as well as the ambiguous and conflicting policy content (especially with the 1993 rationalisation policy) resulted in implementors changing policy intent to satisfy own ministerial requirements. The 1994 rationalisation policy, which was much more specific in what was required, yielded much better results by turning around the tide for civil service expansion.

It is also interesting to note the power relationship between OPM and OMAs changed after the 1992 rationalisation attempt. This process was mainly driven from the center (OPM), which reported to Cabinet on organisation and establishment matters. Following the Cabinet rejection of the 1992 rationalisation proposals, OMAs were given access to Cabinet to get their proposals approved in principle, resulting in “hands off” attitude from technical staff of OPM and the Public Service Commission. OMAs thus gained a lot of power and this to some extent explains why OMAs could change the policy intent from downsizing towards right sizing.

3.5.9 Suggestions and recommendations from interviewees

Finally, interviewees were asked for suggestions and recommendations to improve the future rationalisation efforts. Overwhelmingly the response was that other strategies should be developed to deal with the size of the civil service.

Interviewees suggested that the best solution to achieve a leaner civil service is by squeezing the budget allocation. Using the budget allocation as leverage, OMAs will be forced to manage their resources better, including careful consideration of the filling of vacancies and redirecting funds to higher priority areas.

They thought that restructuring by OMA staff led to a very subjective outcome and suggest that in future competent external teams should be tasked with the rationalisation process and work in co-operation with the in-house team. This will result in more objectivity rather than present structures mostly based on people.

Incentives, such as early retirement, have also been suggested as a means to generate support. This should go hand in hand with creating of favourable environment to encourage retired civil servants to start their own businesses. This will reduce the risk of redundancy and secure a safe landing for them.

It has also been pointed out that rationalisation is a change process and should be managed as such. A clear vision is required that will guide purposeful change by helping to direct, align and inspire the actions of all civil servants. A communication strategy should be devised and senior managers should be made aware of the urgency of the situation by providing them with constant updates and encouragement. Major change requires all stakeholders to be on board and often requires individual sacrifices for a better future outcome.

Finally and perhaps most importantly, sustained political commitment and tenacity has been mentioned as key to any change process. Unless all Cabinet members are fully supporting and actively championing the process, bureaucrats will not follow and will always find a way of twisting the policy intent towards a more self-serving outcome.

Most interviewees believe in “right sizing” as opposed to downsizing. The main reason is that one still finds a huge deficit of competent staff in the same service delivery and policy making areas, while other areas may be hugely overstaffed or non-value adding. According to the Affirmative Action statistics of 2000, more than a quarter of the staff employed in the civil service is in the unskilled category. This oversupply of unskilled labour is artificially bloating the size of the civil service, especially in an era where according to Caiden (1976) labour-saving technology requires skilled labour and unskilled labour is reduced. Such a reduction will free up resources for value-adding activities and ultimately increasing productivity.

3.6 DISCUSSION OF THE IMPLEMENTATION OF THE RATIONALISATION POLICIES

From the interview responses and relevant literature, it is clear that the rationalisation policies introduced had offered mixed results. On the one hand, they did not achieve any of the downsizing targets as set by Cabinet; on the positive side they stabilized the number of civil servants employed at about 78 000. Furthermore, they resulted in hiving off a number of non-core functions to commercialised entities such as Namwater, Road Authority and many more. Finally, looking at individual OMAs it is

clear that some were more successful than others and that the total number of civilians employed in the civil service (opposed to uniformed personnel) decreased with more than 4000 over the ten year period.

However, despite these “successes”, it is evident that ample scope remains for reducing the civil service, especially in the light that personnel expenditure is consuming more than 43% of the total budget. In order to successfully achieve such a goal, the Government will have to identify and overcome barriers that hampered the three previous attempts to rationalise the civil service.

For the purpose of identifying those barriers, the rationalisation policies are analysed from the perspective of NPM and Grindle’s implementation model as described in chapter 2.

3.6.1 Content of the Namibian rationalisation policy

Grindle(1980) claims that policy content is critical to successful policy implementation. It is clear that the content of the Namibian rationalisation policy indeed had a significant impact on the eventual outcome of the rationalisation process. The research revealed that the following factors in particular, had a strong influence on the policy implementation process:

- *NPM and its appropriateness within the Namibian context*

Civil service rationalisation in Namibia was mainly based on New Public Management (NPM) philosophy of a leaner civil service focusing on core

government functions. NPM requires a smaller civil service, reduced public spending and at the same time increasing the role of the private sector in the economy through outsourcing, commercialization and privatisation.

The latter has indeed been achieved with the Namibian rationalisation process serving as the starting point to commercialise a number of non-core functions such as bulk water supply, telecommunication services and road construction. In this way more than 11000 posts have been transferred to commercialised entities. Whether or not these entities are indeed performing better outside the perimeters of the civil service has been questioned by many but falls outside the remit of this study.

Achieving greater efficiency and effectiveness through downsizing in line with the NPM principles of a leaner civil service, is the area of rationalisation that was not achieved. The main reason for a reluctance to implement this “ideal” is the argument that such a paradigm shift does not make sense given prevailing socio-economic realities within Namibia. Due to the apartheid policies, large parts of the country did not have adequate access to basic services such as water, electricity, educational and health facilities. Secondly, functions such as presidential affairs, foreign affairs, defence, trade and industry were performed during the pre-independence era by South Africa and thus no positions and expertise existed within the country. Thirdly, the need for adequate representation reflecting the demographics of the country within the civil service had to be addressed while at the same time due consideration was given to the employment protection to pre-independence civil servants. These factors were thus paramount in the reasoning of implementors to change the policy

intention away from looking at purely efficiency considerations to one addressing other socio-political issue. It is thus argued that a pure NPM approach for a leaner civil service was not appropriate within the first ten years after independence.

Mass redundancies, especially considering the inequality in employment and service delivery would have made rationalisation initiatives politically unfeasible. With an already high unemployment rate of 34.7% (NDP 2000) the private sector is not in position to absorb redundant civil servants.

- *Subjective approach to rationalisation*

Osborne and Plastrik (1997) contend that an organisation's form should follow function, and its size should follow strategy. A well defined and targeted rationalisation strategy based on the role and functions of the civil service within a particular society should be the departure point in determining the shape and scope of the civil service. Furthermore, national development objectives and priorities should influence staffing decisions. Within the Namibian context, the process of determining the staffing requirements has been largely subjective, ignoring "scientifically based" organisation and work study or job inspection techniques. The only exception was the Ministry of Prisons and Correctional Services that contracted organisation and method study practitioners from the South African counterpart ministry to assist with the restructuring process. In the absence of any proper staffing needs assessment the whole process becomes prejudiced, relying purely on the judgement of those tasked with restructuring. The structures become people driven and OMAs adjusted their structures according to the people that they have on board

and, in some cases, even used the process to get rid off those who did not fit in with the current organisational culture. Such an approach is open to abuse and nepotism and may result in undesirable outcomes. Perceptions of favouritism result in a demotivated work force and lower productivity.

- *Ambiguous and unclear policy content*

The rationalisation policy of 1993 sent mixed messages to different stakeholders and thus gives rise to misinterpretations of the policy intent. This resulted in implementors being able to sway the policy away from its original purpose. As Pressman and Wildavsky (1984) observe “implementation cannot succeed or fail without a goal against which it is judged”. In the Namibian rationalisation process, there are a number of examples where the purpose has been left open-ended, - for example, requiring downsizing whilst affirmative action is actively pursued. Furthermore, whenever policy decisions are taken, attention should be given to possibly conflicting policy agendas. Creating job opportunities within the civil service for ex-combatants while trying to make serving civil servants redundant sent mixed messages to implementors and discouraged those that were supporting the rationalisation process.

Clarity of purpose requires a sense of direction, clear priorities and an understanding of the underlying values in order to enable the policy implementors to understand what need to be achieved. This is especially true in dynamic situations because clarity of purpose will help implementors stay on course.

This requires a clear communication strategy that will target all stakeholders in order to obtain their support, commitment and understanding. The strategy needs to include a proper feedback loop that will provide stakeholders the opportunity to air their views and give constructive criticism on the feasibility of a particular policy. Any contradictions and inconsistency with other policies should be highlighted in order to indicate specific preferences in such situations in line with national development priorities.

- *Support and commitment*

Support and agreement for the goals among key groups need to be obtained in the formulation stage, to avoid later confrontation, derailment or capture of the implementation process (Grindle 1980). The stronger the political support for the adopted policy and its assumed goals, the greater the capacity to secure implementation (Yahaya and Bur 1984). This political dimension has to a great extent been lacking during the rationalisation process. Apart from the then Prime Minister and Minister of Finance, no other politicians have been publicly supporting rationalisation process. This might have created the perception that individual politicians are pursuing their own agendas. Without the public backing of other Cabinet members, bureaucrats in OMAs were reluctant to downsize and rather used the opportunity to justify the need for vacancies and establishment expansions.

- *Complexity of rationalisation process and site of implementation*

Many times the complexity of implementation rationalisation policies is underestimated. Implementation requires cooperation between different levels of

government agencies, private organisations, interest groups and customers are involved in the implementation process. The fact that its outcome is affecting an individual's livelihood and aspirations is making it even more challenging. Complexity is also related to what Grindle (1980) terms the site of implementation. She indicated that the more geographically and organizationally disperse the site of implementation is, the more difficult implementation becomes.

Because of the time limits involved and the wide dispersion of offices throughout the country, senior management had to rely on the advice of middle management and even lower levels as to the number and levels of posts required to fulfil a specific activity in a particular region. These dissimilar circumstances complicated the implementation process because these individuals did not have the required competency to determine the appropriate staffing requirements. An example is that feedback from the regions in terms of staffing requirements often resulted in varying requests for the same function. However, applying uniform norms might also not serve all needs adequately. Although self selection or decentralizing some aspects of the policy may have an appropriate strategy, the necessary capacity building should have taken place before implementation.

- *Non-availability of resources*

Ironically, rationalisation and many other civil service reform initiatives took place during a period when more is expected from the civil service whilst resources available are severely limited. The Treasury is sometimes oblivious of the fact that it

takes money to save money. Although they support civil service reform, the importance of these initiatives is not reflected when it comes to budget provision.

As pointed out by Rama (1997), even rationalisation initiatives involve spending a considerable amount of resources in the short-run to reap the longer term benefits. No funds and other resources were made available to support the rationalisation process within Namibia. Those who compiled the rationalisation proposals had to do it on an ad hoc basis while still performing their normal duties. OMAs that have succeeded in downsizing to the required level were not rewarded. It was actually a disincentive because in many cases the majority of OMAs did not downsize and had more staff and higher levels of posts to perform the same functions. An example is the abolishment of the positions of Deputy Permanent Secretary in the Office of the Prime Minister and the National Planning Commission, while the position was retained in many similar sized OMAs. People who were found to be redundant were kept in addition to the fixed establishment, since positions that might have opened under a voluntary retrenchment scheme, were still filled. Rationalisation can be very costly, especially the retirement packages, and one possible solution to deal with resource shortages is to implement in phases. This will allow for capacity building and achieving small successes before rolling out to all OMAs.

3.6.2 Context of Namibian rationalisation policies

Context is about the extent to which the political situation of administrative action affects the implementation (Grindle 1980). Policy implementation is a dynamic

process influenced by responsible organisations and institutions tasked with the process.

- *Appropriate institutional structure*

Key to successful implementation is establishing an appropriate institutional structure to manage the implementation process and to deal with possible conflict situations. No structure or institutional arrangements have been built-in as part of the implementation of the rationalisation policy. OMAs thus had a free hand in deciding how to implement the policy. With no organisation capacity and experience in organisational restructuring and not having the required staff competencies, OMAs had no choice but to rely exclusively on line managers' judgement for the most appropriate structure. The short time period given to complete the task also jeopardized a proper review. Changes to the staff establishments thus were arbitrary and not based on a systematic analysis of workload and organisational capacity.

Furthermore, asymmetry of information resulted in management not being able to challenge the recommendations of middle management and regional staff regarding the number and level of posts required. The outcome was organisation and establishment proposals that were totally subjective and based on accommodating and even upgrading staff already on board. Such subjectivity has damaged the credibility of the process and accusations of favouritism demoralized staff.

Within the broader context, the organisation and establishment experts, who were centralised within the Office of the Prime Minister and tasked with providing

technical input had been isolated due to a climate of mistrust that existed since Cabinet rejected its rationalisation proposals in December 1992. For their technical input, they were presented with ministerial proposals that have already approved in principle by Cabinet. Their input was thus restricted to minor corrections, e.g. span of control rather than detailed studies of staffing requirements.

OMAs pursued their own goals of achieving an “adequately staffed” establishment based on socio-political needs, while the downsizing efforts, although backed by specific Cabinet decisions, were circumvented. Key to this failure was Cabinet unwillingness to enforce its earlier decisions. Instead, it exempted some OMAs from the downsizing proposals. The subsequent chain reaction resulted in “right sizing” becoming the norm rather than the exception.

What were required are an overarching purpose, strategy and structure to guide action and foster a unity of purpose among key stakeholders. The lack of unity of purpose allowed the policy formulators, implementors and other stakeholders to take different positions on what needed to be done. Implementors gained the upper hand by political lobbying to get the support from the highest level of authority, thus making all earlier decisions redundant.

- *Interplay between stakeholders*

Most policy changes resulted in some people benefiting while others' interests were threatened. Grindle (1980) maintains that those losing certain privileges will oppose or resist the change process. This is especially true for the implementation of the

Namibian rationalisation policies. The policy clearly had the expectation of impacting on financial rewards, career opportunities, status and job security. This produces an atmosphere of uncertainty and unease within the civil service. Taylor (2004) suggests that conventional wisdom is that organisations are conservative, often unable to detect their own shortcomings and will not easily “cut into their own meat”. Unless carefully managed, this will drive a wedge between the rationalisation goals and stakeholder aspirations. Depending on the power relationships among stakeholders the outcome may be completely different from what was anticipated.

Apart from affecting civil servants, rationalisation involves many other stakeholders such as national and regional politicians and bureaucratic implementers. Implementation requires co-ordination of the activities of different actors operating out of different arenas in a way that will lead to successful and effective programme performance. Co-ordination is even more important when policies emanating from the center needs to be implemented in other constituencies, each with own agendas and management culture. According to Bardach (1980), each of the stakeholders may have a particular interest in the policy and the goals of the stakeholders may be in conflict with each other, each attempting to influence policies in a way that will advance its own interest. Those having power, whether through access to resources, expertise or interpersonal linkages, are in a strong position to redirect policy towards their particular aims. This has indeed been the case with rationalisation where the OMAs as implementors, had an abundance of power sources that enabled them to shift the policy intent.

Downsizing effort also has indirect impact on stakeholders outside the civil service. Households are affected because in many instances extended families to a large extent depend on “civil service” salaries as the only source of income. Furthermore, great discrepancies existed in the level and kind of services that were delivered in the various regions within Namibia, mainly because of the apartheid policies of the previous regime. Rather than to close offices, there was strong political pressure from regional councilors to open more offices and facilities in their respective regions. Any proposal to reduce the number of offices or staffing levels was met with fierce resistance from regional interest groups.

On a political level, resistance to downsizing has also been experienced. Proposals to reduce the number of OMAs have been rejected, since it was a constitutional right of the President to decide on the number and functions of OMAs. Some indications are that Ministers affected by such recommendations also were against it. Reducing the size of the various OMAs was also not popular with most politicians since it was construed as affecting the status and power of those particular Ministries.

These perceptions, uncertainties and fears should be anticipated and suitable strategies should be developed to secure unity of purpose and reduce the level of resistance among those that are adversely affected and also to marshal the support of those that will ultimately benefit from the introduction of a specific policy.

Those promoting the policy of downsizing should have used persuasion and compromise in an attempt to get great consent and commitment to the policy. Those

adversely affected should have been provided with some incentive to compensate for the loss of status, job security and career opportunities. This could for example be done by providing redundant staff with counseling, training and financial support to start their own businesses.

- *Changes in environment*

Bardach (1980) argues that the policy arena does not remain static, but that it responds to changes in their political, organisational and technical environments. This highlights a concern for important questions of public management sensitivity to socio-political realities.

Against the background of widespread poverty, the Namibian Government has put emphasis on social spending. A serious concern to government has been the rising unemployment rate, especially among the youth. High unemployment results in a number of negative social consequences such as criminality. However, despite concerted efforts by government the unemployment rate continues to increase. Rationalisation with the view of downsizing the civil service will thus lead to further increase in the unemployment rate and eventually increased poverty. If pursued, this policy is seen by some as political suicide and may alienate government supporters and may even lead to civil unrest.

CHAPTER FOUR

CONCLUSION AND RECOMMENDATIONS

4.1 CONCLUSION

It is evident from the literature, research findings and the discussion that implementation of the principles of NPM especially that of a leaner civil service, is not politically easy. In the case of Namibia, the policies were at best received with controversies, and implementation were dogged by disagreements among the major actors (politicians), and implementers (civil servants), on timing, sectors, pace, etc. The outcome was shaped by constant power struggles and reluctant interplay between key stakeholders.

A comparison of the policy intent with the eventual outcome indicates that the Government failed to achieve its policy aim of reducing the size of the civil service. Furthermore the frequency of changes to the rationalisation policy indicates the frustration of OPM as custodian of the policy, with reality of non-compliance of OMAs with the spirit of the policy. Notwithstanding these criticisms, there have been a number of positive outcomes. The Government to a great extent succeeded to commercialise non-core functions and the subsequent transferring of large number of staff to commercialised entities. More importantly, the constant rationalisation efforts have successfully prevented any major increases or reversed earlier increases, for example earlier expansions in the Ministry of Education that could not be fully justified in the light of severe budgetary constraints. The Government also

successfully managed to reduce the personnel expenditure as a portion of the total budget from 46% to 43% within the ten year period.

4.2 RECOMMENDATIONS

Despite these noticeable accomplishments, the ever-increasing public debt spiral continues to compel the Government to take drastic action in order to reduce public expenditure. The Government needs to find alternative ways of addressing the unsustainable levels of public expenditure, and especially the huge portion of budget allocated to personnel expenditure that crowd out expenditure on developmental objectives such as financing public investments for social and infrastructure development.

Finding a solution is more complex and difficult than in the case of developed countries because of the tension between reducing public expenditure on the one hand and inadequate access to and poor quality of public services on the other hand. A possible solution to this paradox is striking a balance between restructuring the civil service and concerted efforts to simulate private sector development. This will enable access to employment for many people that are currently unemployed and underemployed and in the medium term has the potential to attract civil servants to take up private sector employment or to become self employed. An equilibrium thus needs to be struck between economic stability and the socio-political reality in the country. The formula for achieving this crucial balance will require further in-depth research into economic, political and administrative feasibility of the different policy alternatives within a given context.

Whatever these new policies might be, the Government needs to successfully deal with policy implementation constraints prevalent within the Namibia context. To this extent, this exploration into the Namibian rationalisation experience has highlighted four key factors that are a prerequisite to achieve success in future policy implementation, which are discussed in detail below:

(1) Before embarking on civil service reform and rationalisation in particular, it is important to first identify the “root cause” and not simply assume that NPM principles will solve public debt and economic issues. What have worked in developed countries should not be copied to Namibia. NPM represents an ideology of how government should operate and may have unintended consequences or may even be disruptive if it does not fit strategically within the local context. NPM or any other public management philosophy or approach should not be introduced in isolation, but as part of a comprehensive programme of political and institutional reform. Subsequently, the role, scope and functions of the civil service need to be critically reviewed and redefined in line with the overall agenda to form the departure point of putting in place an appropriately sized, efficient and effective civil service. Without such holistic approach, policy inconsistencies and short sightedness will negatively impact on its achievement. Long-term policy objectives and desired outcomes should be robust, clear, well formulated and aligned to broader development objectives in order to guide the implementation process. It should be based on proper environmental scanning aimed at understanding the local socio-political situation and government’s developmental priorities.

(2) Rationalisation is a change process and should be managed as such. It should be realised that civil service reforms is administratively complex and requires a deliberate change of functions, structures and processes with the objective of achieving policy outcomes. It should not be done in an arbitrary manner but based on an analytic assessment of what is required in terms of the functions and scope of the civil service. This needs to be backed by adequate resources in support of the process. If adequate resources and time for transition are set aside, the likelihood for success will increase substantially. Capacity building is paramount to any reform process to ensure that people with the right technical competencies, commitment and institutional arrangements are in place to take the process forward. To effectively address this, the capacity gaps need to be clearly identified and defined; and interventions well targeted. Without the required resources and institutional capacity, policy intent would largely remain rhetoric.

(3) Public policy making in Namibia should be subjected to a consultative process whereby all actors have the chance to provide their input and concerns regarding any new policy direction. If not, the lack of political consensus and diverse interests will hamper progress and interest groups may capture the process and sway policy intent or if they lack power of authority make use of other tactics such as delays or “tokenism” (Bardach 1980). This is especially true for rationalisation policies where interest is embedded in the existing organisational setup. The stronger the consent for and commitment to the adopted policy and its implicit goals, the greater the chances are to secure full implementation. Furthermore, the policy needs to be accepted, internalised, understood and carried by the members of an organisation to be

effective. A clear communication strategy is thus required to get hold of the support, commitment and understanding of all relevant parties.

(4) Policy making is an open system and should thus benefit from lessons learnt from previous attempts as well as international benchmarking. Van den Dool (2003) points out that learning from past failures will result in corrective action, embedding new ideas in policies and ultimately change organisational policies and practices. Effective policy making is thus a learning process in which policy changes would draw on the key lessons learnt to avoid a repetition of the same mistakes. Policy failures and even successes should be properly analysed and conclusions drawn that will guide successive policies. Pressman and Wildavsky (1994) underscores this by viewing learning as a continuous process that will never be finally achieved because it assist in determining the best course of action in the light of past failures. If Namibia wants to succeed, it needs to consider past failures and successes as apart of the learning curve to build stronger and more innovative policies for the future.

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Annex A

List of Interviewees

Permanent Secretaries

Mr. N. Ndjaba	Permanent Secretary: Ministry of Works, Transport and Communication
Mr. K. Kauure	Permanent Secretary: Ministry of Agriculture, Water and Rural Development
Mr. W. Barth	Deputy Auditor General

Key Actors in rationalisation policy formulation

Mr. Gerson Tjihenuna	Under Secretary: Cabinet Office and Policy Analysis
Mr. Koos Brandt	Deputy Director: Resource Management
Mr. Dup Engelbrecht	Chief Efficiency Analyst: Management Services
Mrs. Milly Jafta	Senior Efficiency Analyst: Resource Management

Key Actors in rationalisation policy implementation

Mr. Axel Kessler	Director: Human Resources Management
Mr. Piet Weitz	Deputy Director: Ministry of Agriculture, Water, Rural Development
Ms. Annie de Klerk	Chief Personnel Officer: Office of the Prime Minister
Ms. Evelyn Hansen	Chief Personnel Officer: Ministry of Information and Broadcasting
Ms. Johanna Engelbrecht	Chief Personnel Officer: Ministry of Fisheries and Marine Resources
Mr Johan Loots	Chief Personnel Officer: National Planning Commission
Ms Inge Murangi	Chief Community Liaison Officer: Ministry of Regional, Local Government and Housing

Annex B

Questionnaire for identifying the implementation shortcomings of the rationalisation objectives and measures of the Namibian Civil Service undertaken during the period 1993 until 2003.

Personal Details

Office/Ministry/Agency (O/M/A)

.....

Name of Interviewee

.....

Current Position

.....

Structured Interview Questions

General

1. Have you been involved in the formulation and/or implementation of the rationalisation objectives and measures introduced during the period 1993-2003? If yes, briefly explain your role.

Objective and measures

2. What was your understanding of the overall objective of the rationalisation process?
3. What was your understanding of the measures to be introduced as part of the process?

4. According to the official documents the overall objective of the 1993 rationalisation program was to *“increase efficiency; reduce the size of the civil service; and bring about equity in the light of the constitutional provisions”*¹ (Namibia, 1993:31). Were you in agreement with this overall objective of the rationalisation process? Please, motivate your answer.

5. According to the official documents the measures introduced as part of the 1993 rationalisation program were the following:
 - a. *“Articulating the essential functions of government and identify the ministries required to carry out the functions*
 - b. *Identify functions that could be carried out by other levels of government*
 - c. *Identify activities that can be floated as parastatals; or privatised*
 - d. *Determine how best the functions allocated to ministries can be carried out, and the optimum size and level of staff required*
 - e. *Identify suitable staff from among the present to fill the identified posts and perform the functions*
 - f. *Establish mechanisms to transfer staff from the public service to other levels or organs of government for activities entrusted to these levels or organs of government”* (Namibia, 1993:31-32).²

Were you in agreement with the measures introduced to achieve the overall objective? Please, motivate your answer.

Actors: Policy Formulation

6. Who in your opinion were driving the rationalisation process?

¹ The specific objective will vary depending on the specific rationalisation process in which the interviewee has been involved

² The specific measures introduced will vary depending on the specific rationalisation process in which the interviewee has been involved.

7. Were there any external actors involved in the process? If yes, to what extent did they influence the eventual outcome?
8. Which stakeholders were involved in the formulation stage of the measures? How did this impact on the eventual implementation?

Policy Implementation

9. How did your O/M/A approach the implementation process?
10. Who was responsible for implementation in your O/M/A? Were they the most appropriate persons to perform this task?
11. What structures were put in place to ensure full implementation?
12. Was it clear what needed to be implemented? Please, motivate your answer.
13. Was the O/M/A in agreement with the objective and measures? Please, motivate your answer.
14. Were the measures relevant to (1) your specific O/M/A and (2) other O/M/As (specify), (3) the civil service in general?
15. Which of the measures were not implemented in your O/M/A? Please, motivate your answer.

Policy Changes

16. To what extent did other stakeholders (1) within or (2) outside participate in the implementation process?

17. Did you encounter any pressure (1) within or (2) outside the O/M/A not to implement? Please explain.
18. Were the original objectives and measures changed during implementation? Please explain.
19. Were there any factors that positively influenced the implementation process in your O/M/A? Please, motivate your answer.
20. What constraints hampered the implementation process? Please, motivate your answer.

Way forward

21. Any suggestions or recommendations on how the content and implementation process of future rationalisation policies can be improved?

Rationalisation objectives and measures for the period 1993 - 2003

Rationalisation of the Civil Service 1993-1994

Objective: To curb to size of the civil service and restructuring of the civil service to improve efficiency and effectiveness by eliminating duplications, establishing lines of authority and improving communication.

Measures of the Rationalisation Process - 1993

- Identifying and eliminating duplications with other Offices and Ministries;
- Streamlining operations to delineate clear lines of authority leading to better communication;
- Examining all vacant posts to ascertain if they are really necessary; and abolishing redundant posts identified during the process of rationalisation.

Source: OPM 1995

Downsizing measures 1994 – 1995

Objective: To downsize size and wage bill of the civil service

Downsizing measures February 1994

- Allowing no additional requests for funds for the 1993/94 budget, especially personnel expenditure.
- Freezing all external personnel appointments, except for those to highly skilled and professional groups; using only internal recruitment to fill vacancies.
- Developing an early retirement scheme; awaiting the placement of staff in new structures to deal with redundancies.
- Introducing personnel rationalisation to bring down personnel expenditure to 40% or less of the total budget.
- Setting directives for treatment of the personnel affected by rationalisation.
- Streamlining functions to contain the growth of expenditure and improve efficiency." Adherence to the retirement age: employment of personnel over the retirement age restricted to those cases in the interest of the Civil Service.
- Abolition of unjustified vacancies not funded, but on the establishment.
- Direction that there will be reduction of 5% per annum in funded posts, implemented on a differentiated basis.
- Computerization of personnel and financial management systems to control and contain the growth of the Civil Service.

Source: OPM 1995

WASCOM downsizing measures (1996-1997)

Objective: To introduce new measures to downsize the civil service.

WASCOM downsizing recommendations

- Reduction of 2% annually for five years using the budget estimates of 1995/96 as baseline figures. Half of the amount required for annual pay increases found within the reduced provision.
- Personnel audit be conducted to determine the exact size of the civil service and the identify any ghost workers that may exist;
- Small committee of civil servants be established to review each Ministry's restructuring plan within a tight budget constrained; and
- Programme for outsourcing be developed.

Source: OPM 1995

Annex C

INTERVIEW RESPONSES

Clarity of objectives and measures

Very clear and well defined	Too a great extent clear and well defined	Mostly clear and understandable	Not clear and ambiguous	Totally unclear and confusing
2	9	3	0	0
14%	64%	21%	0%	0%

Appropriateness of objectives and measures

Totally appropriate	Mostly appropriate	Generally appropriate	Not appropriate	Totally inappropriate
1	7	2	3	1
7%	50%	14%	21%	7%

Actors: Policy Formulation

Office of the Prime Minister	Line OMAs	International organisations	Consultants
14	0	2	4
100%	0%	14%	29%

Actors involved in policy implementation

Senior management	Middle management	Operational staff	Consultants	Personnel Office
14	3	0	2	3
100%	21%	0%	14%	21%

Resources availability in support of policy implementation

All OMA resources at disposal	High level of resources available	Sufficient resources available	Inadequate resources available	No resources available
0	0	1	3	10
0%	0%	7%	21%	71%

Structure and process of policy implementation

Very good structures and processes put in place	Good structures and processes put in place	Sufficient structures and processes put in place	Inadequate structures and processes put in place	No structure and processes put in place
0	0	3	10	1
0%	0%	21%	71%	7%

Policy changes during implementation

No changes	Few changes	Significant changes	Major changes	Non-implementation
0	3	6	5	0
0%	21%	43%	36%	0%

Interest groups influencing the implementation process

Trade unions	Staff members	Political office bearers	Management	Consultants/other
0	14	14	14	0
0%	100%	100%	100%	0%

Annex D

BUDGETARY IMPLICATIONS OF THE RATIONALISATION POLICIES

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Budget									
Personnel	1547	1694	1868	1956	2634	2968	3611	3724	4281
Goods & services	1199	1403	1632	1941	2120	2789	3059	3462	4070
Capital Operational	55	55	92	83	143	91	115	162	239
Capital Development	436	481	583	725	856	792	860	944	1012
Total Expenditure	3238	3633	4176	4704	5753	6640	7645	8292	9602
Actual									
Personnel	1555	1689	2034	2652	2830	3202	3614	3959	4507
Goods & services	1255	1532	1778	2175	2427	2892	3235	3627	4155
Capital Operational	45	69	75	67	138	79	122	152	228
Capital Development	452	373	441	596	728	810	859	840	872
Total Expenditure	3307	3664	4328	5490	6123	6983	7830	8578	9762
Difference									
Personnel	8	-5	166	696	196	234	3	235	226
Goods & services	56	129	146	234	307	103	176	165	85
Capital Operational	-11	14	-18	-16	-5	-12	7	-10	-11
Capital Development	16	-107	-142	-129	-128	18	-1	-104	-140
Total Expenditure	69	31	152	786	370	343	185	286	160

Dec 1992: Reduce size, unnecessary vacancies abolish; abolish redundant posts

Personnel: Intended by Cabinet									
	1547	1547							
Personnel: Actually Budgeted									
	1547	1694							
Difference									
	0	147							
Total									
	3238	3633							
Percentage Budgeted									
	47.8%	46.6%							
Percentage Intended									
	47.8%	42.6%							
Posts Establishment									
	75461	83540	76072	72731	76958	76140	85992	84656	88174
Posts Filled									
	62171	66179	64608	62814	66733	67230	70895	74750	77191
Posts Funded									
	63228	67730	68946	70201	72614	69478	78249	78831	81794
Vacancies									
	13290	17361	11464	9917	10225	8910	15097	9906	10983
Funded Vacancies									
	12233	15810	7126	2530	4344	6662	7743	5825	6380
Change in size (establishment)									
	0	8079							
Change in funded vacancies									
	0	3577							

Feb 1994: No additional requests until 40% of total budget; abolition of unnecessary vacancies; reducing of 5%

Personnel: Intended by Cabinet			
	0	1670	1882
Personnel: Actually Budgeted			
	1694	1868	1956
Difference			
	1694	198	74
Total			
	3633	4176	4704
Percentage Budgeted			
	46.6%	44.7%	41.6%

Percentage Intended		0.0%	40.0%	40.0%					
Posts Establishment	75461	83540	76072	72731					
Posts Filled	62171	66179	64608	62814					
Posts Funded	63228	67730	68946	70201					
Vacancies		17361	11464	9917					
Funded Vacancies		15810	7126	2530					
Change in size (establishment)		0	-7468	-3341					
Change in funded vacancies		0	-8684	-4596					
Number of unfunded vacancies			7126	2530					
Reduction of 5% funded posts intended	75461	75461	64344	61126					
Difference actual minus intended			4603	9075					
Nov 1996: 2% annually for 5 years using 1995/96 budgeted as baseline									
Personnel: Intended by Cabinet			1868	1831	1794	1758	1723	1689	1689
Personnel: Actually Budgeted			1868	1956	2634	2968	3611	3724	4281
Difference			0	-125	-840	-1210	-1888	-2035	-2592
Total			4176	4704	5753	6640	7645	8292	9602
Percentage Budgeted			44.7%	41.6%	45.8%	44.7%	47.2%	44.9%	44.6%
Percentage Intended			44.7%	38.9%	31.2%	26.5%	22.5%	20.4%	17.6%
Difference Budget - Intended				2.7%	14.6%	18.2%	24.7%	24.5%	27.0%
Posts Establishment			76072	72731	76958	76140	85992	84656	88174
Posts Filled			64608	62814	66733	67230	70895	74750	77191
Posts Funded			68946	70201	72614	69478	78249	78831	81794
Vacancies			11464	9917	10225	8910	15097	9906	10983
Funded Vacancies				7126	2530	4344	6662	7743	5825
Change in size (establishment)					-3341	4227	-818	9852	-1336
Change in funded vacancies					-4596	1814	2318	1081	-1918
Nov 1997: 2% annually for 5 years using 1997/98 budgeted as baseline									
Personnel: Intended by Cabinet					2634	2581	2530	2479	2429
Personnel: Actually Budgeted					2634	2968	3611	3724	4281
Difference					0	-387	-1081	-1245	-1852
Total					5753	6640	7645	8292	9602
Percentage Budgeted					45.8%	44.7%	47.2%	44.9%	44.6%
Percentage Intended					45.8%	38.9%	33.1%	29.9%	25.3%
Difference Budget - Intended						5.8%	14.1%	15.0%	19.3%
Posts Establishment					76958	76140	85992	84656	88174
Posts Filled					66733	67230	70895	74750	77191
Posts Funded					72614	69478	78249	78831	81794
Vacancies					10225	8910	15097	9906	10983
Funded Vacancies					4344	6662	7743	5825	6380
Change in size (establishment)						-818	9852	-1336	3518
Change in funded vacancies						2318	1081	-1918	555
Posts on establishment	75461	83540	76072	72731	76958	76140	85992	84656	88174
Posts filled	62171	66179	64608	62814	66733	67230	70895	74750	77191
Posts funded	63228	67730	68946	70201	72614	69478	78249	78831	81794

Percentage Intended		0.0%	40.0%	40.0%
Posts Establishment	75461	83540	76072	72731
Posts Filled	62171	66179	64608	62814
Posts Funded	63228	67730	68946	70201
Vacancies		17361	11464	9917
Funded Vacancies		15810	7126	2530
Change in size (establishment)		0	-7468	-3341
Change in funded vacancies		0	-8684	-4596
Number of unfunded vacancies			7126	2530
Reduction of 5% funded posts intended	75461	75461	64344	61126
Difference actual minus intended			4603	9075

Nov 1996: 2% annually for 5 years using 1995/96 budgeted as baseline

Personnel: Intended by Cabinet		1868	1831	1794	1758	1723	1689	1689	1689
Personnel: Actually Budgeted		1868	1956	2634	2968	3611	3724	4281	4719
Difference		0	-125	-840	-1210	-1888	-2035	-2592	-3030
Total		4176	4704	5753	6640	7645	8292	9602	10258
Percentage Budgeted		44.7%	41.6%	45.8%	44.7%	47.2%	44.9%	44.6%	46.0%
Percentage Intended		44.7%	38.9%	31.2%	26.5%	22.5%	20.4%	17.6%	16.5%
Difference Budget - Intended			2.7%	14.6%	18.2%	24.7%	24.5%	27.0%	29.5%
Posts Establishment		76072	72731	76958	76140	85992	84656	88174	89242
Posts Filled		64608	62814	66733	67230	70895	74750	77191	75329
Posts Funded		68946	70201	72614	69478	78249	78831	81794	81973
Vacancies		11464	9917	10225	8910	15097	9906	10983	13913
Funded Vacancies		7126	2530	4344	6662	7743	5825	6380	7269
Change in size (establishment)			-3341	4227	-818	9852	-1336	3518	1068
Change in funded vacancies			-4596	1814	2318	1081	-1918	555	889

Nov 1997: 2% annually for 5 years using 1997/98 budgeted as baseline

Personnel: Intended by Cabinet					2634	2581	2530	2479	2429	2388
Personnel: Actually Budgeted					2634	2968	3611	3724	4281	4719
Difference					0	-387	-1081	-1245	-1852	-2330
Total					5753	6640	7645	8292	9602	10258
Percentage Budgeted					45.8%	44.7%	47.2%	44.9%	44.6%	46.0%
Percentage Intended					45.8%	38.9%	33.1%	29.9%	25.3%	23.2%
Difference Budget - Intended						5.8%	14.1%	15.0%	19.3%	22.8%
Posts Establishment					76958	76140	85992	84656	88174	89242
Posts Filled					66733	67230	70895	74750	77191	75329
Posts Funded					72614	69478	78249	78831	81794	81973
Vacancies					10225	8910	15097	9906	10983	13913
Funded Vacancies					4344	6662	7743	5825	6380	7269
Change in size (establishment)						-818	9852	-1336	3518	1068
Change in funded vacancies						2318	1081	-1918	555	889
Posts on establishment	75461	83540	76072	72731	76958	76140	85992	84656	88174	89242
Posts filled	62171	66179	64608	62814	66733	67230	70895	74750	77191	75329
Posts funded	63228	67730	68946	70201	72614	69478	78249	78831	81794	81973