



Institute of Social Studies

Graduate School of Development Studies

**THE KENYA CIVIL SERVICE REFORM PROGRAMME:
ANALYSIS OF THE DESIGN AND IMPLEMENTATION OF
RETRENCHMENT POLICY**

A Research Paper presented by:

STEPHEN MWORSHO LORETE

(Kenya)

In Partial Fulfillment of the Requirements for Obtaining the Degree of:

Master of Arts in Development Studies
Specialization:

Public Policy and Administration

Members of the Examining Committee:

Dr. Dele Olowu

Dr. Joop de Wit

The Hague, December 2002

This document represents part of the author's study programme while at the Institute of Social Studies; the views stated therein are those of the authors and not necessarily those of the Institute.

Research papers and theses are not made available for outside circulation by the Institute.

Enquires:

Postal Address:

Institute of Social Studies
P.O. Box 29776
2502 LT, The Hague
The Netherlands

Telephone : -31-70-4260460

Telefax: -31-70-4260799

e-mail: postmaster@iss.nl

Location:

Kortenaerkade 12
2518 AX, The Hague
The Netherlands

DEDICATION

To my parents Isaac Atemongole Lorete and Louise Chepokonchro Atemongole whose philosophy of life is captured in the following quotation. "Study to show thyself approved unto God, a workman that needs not to be ashamed, rightly dividing the word of truth"^(2Timothy,2:15). This study is a partial fulfillment.

TABLE OF CONTENTS

Dedication.....	ii
Table of content.....	iii
List of tables.....	v
List of Abbreviations.....	vi
Acknowledgements.....	vii
CHAPTER 1.....	1
1.1 INTRODUCTION.....	1
1.2 Statement of the Problem.....	3
1.3 Research Hypothesis.....	4
1.4 Research Objectives.....	4
1.5 Research Questions.....	4
1.6 Justification.....	5
1.7 Conceptual and Theoretical Framework.....	5
1.8 Research Methodology.....	7
1.9 Scope and Limitation.....	7
CHAPTER 2.....	8
2.1 CONCEPTUAL AND COMPARATIVE ISSUES.....	8
2.2 Definition of Key Concepts.....	9
2.3 Conceptualization of the Meaning of Civil Service.....	12
2.4 Interest in and Determination of Civil Service Size.....	13
2.5 Analytical Framework.....	17
2.6 Other Country's Experiences.....	21
CHAPTER 3.....	26
3.1 KENYA CIVIL SERVICE BEFORE REFORMS	26
3.2 Mission of the Civil Service before CSRP.....	26
3.4 Performance of the Civil Service before CSRP.....	26
3.4.1 Over Centralization.....	28
3.4.2 Large Civil Service.....	28
3.4.3 Large Budget Deficits.....	31
3.4.4 Declining Administrative Capacity.....	32
CHAPTER 4.....	35
4.1 ANALYSIS OF DESIGN AND IMPLEMENTATION OF RETRENCHMENT.....	35
4.2 The Design and Content of Retrenchment Policy.....	35
4.2.1 Identification and Definition of the Problem.....	35
4.2.2 Objectives, Content and Strategies of the Policy.....	38
4.2.3 Stakeholders Involved.....	40
4.2.4 Institutional Framework.....	42
4.3 Context of Implementation.....	42
4.3.1 Voluntary Early Retirement Scheme.....	43
4.3.2 Compulsory Retirement.....	45
4.4 Other Downsizing Measures	48

4.5 Termination of Retrenchment of Civil Service.....	49
4.6 Linkage to other CSRP Components.....	51
4.7 Lessons from Other Countries.....	52
CHAPTER	53
SUMMARY AND CONCLUSION.....	53
BIBLIOGRAPHY AND REFERENCES.....	58

List of Tables and figures:

Table 1. Gross domestic product and central government expenditure 1995.....	17
Table 2. Establishment of the Civil Service and Cost, by Job Group, March, 1990.....	30
Table 3. Total Reduction in the Size of Civil Service Establishment 1993-1997.	43
Table 4. Recommendations from Rationalization Reviews.....	45
Table 5. Establishment and Relative Salary by Job Group- June 1998 and June 2001.....	51
Fig.1. The Structure of the Civil Service Reform Committee.....	42

List of Abbreviations

CR	Compulsory Retirement
CSR	Civil Service Reform
CSRP	Civil Service Reform Programme
CSRS	Civil Service Reform Secretariat
DCSRC	District Civil Service Reform Committee
DPM	Directorate of Personnel Management
GDP	Gross Domestic Product
GOK	Government of Kenya
IDA	International Development Association
IMF	International Monetary Fund
ISS	Institute of Social Studies
KANU	Kenya African Party Union
Ksh	Kenya Shillings
K£	Kenya Pound
KIA	Kenya Institute of Administration
MCSRC	Ministerial Civil Service Reform Committee
MPs	Members of Parliament
NSC	National Steering Committee
ODA	Overseas Development Agency
O&M	Operation and Maintenance
PPA	Public Policy and Administration
PCSRC	Provincial Civil Service Reform Committee
PE	Personnel Emoluments
PS	Permanent Secretary
SAPs	Structural Adjustment Programmes
UN	United Nations
VERS	Voluntary Early Retirement
WB	World Bank

Currency Equivalent

Currency Unit	=	Kenya Shillings (Ksh)
US\$1	=	Ksh 50 in 1994
"	=	Ksh 79 in 2002
K£ (Kenya Pound)	=	Ksh 20 constant unit.

Acknowledgements

This paper has reached this stage as a result of assistance, co-operation and contribution from many other people. I would like to acknowledge sincerely that the presentation of ideas and organisation of this study would not have been as it is without the incisive comments and guidance from my supervisors Dr. Dele Olowu and Dr. Joop de Wit. Their experiences and written works as well benefited me a lot. Many thanks also goes to the ISS community and particularly PPA lecturers and classmates for their encouragement and support during my pursuit for knowledge.

My sincere thanks also go to people who helped me get information about and from Kenya without which I would be helpless. These people are my friend and colleague Mr. Albert Mokua, his wife and Hon. Samuel Poghisio and many others that I cannot mention. Special thanks go to my family members and my fiancée Dorcas Cheruto for the constant encouragement and spiritual support during my stay here in Holland.

CHAPTER 1

1.1 INTRODUCTION

Consistent with established practices in other parts of the world, African countries, have since independence in the 1960s and 1970s sought to reform their small inherited civil services to enable them to cope with the expanded developmental functions and to deal with increasing societal complexity. This was in recognition of the critical role the civil service plays in policy formulation and implementation and its immense contribution to promoting sustainable and equitable economic growth. After the two oil shocks of the 1970s, the civil service as the principal instrument of the state has attracted renewed attention during the 1980s and 1990s (Klein 1997, Kiggundu 1998, Olowu 1999).

The economic problems that African countries faced in this period led to the introduction of the Structural Adjustment Programme (SAP) that sought to reform the economy and to reduce the amount of the state involvement. The civil service was viewed by champions of reforms (Bretton Woods' institutions, neo-liberal economists, and donor countries and institutions) as being overstaffed and costly and needed to be trimmed. Ever since, African countries have either on their own accord or coerced through aid conditionalities to reform their civil service and public sector at large.

Until 1990, Kenya had been engaged in several attempts to reform its civil service using home grown reforms (commissions and committees 1971, 1979-80, 1985 and 1989-90) but from 1993 onwards, it started implementing externally led reforms: the Civil Service Reform Programme (Mbugua 2000) which was mainly financed and closely monitored by the donors. Contrary to established practice the reform was designed without due consultations and preparations to take into account the existing socio-economic, political and administrative factors.

At the time of implementing the CSRP, Kenya was undergoing political transition and economic reforms. The donors imposed aid conditionalities¹ in 1991 pending economic and political changes and this led to the first multi-party elections in 1992 and extensive economic liberalization in 1994. During these transitions that attracted attention of the people and politicians, CSRP was instituted without much opposition. As it were the opposition parties and even the media seemed to view it as further chastisement of the government in power while the government looked at it as not only reforming its civil service but also fulfilling imposed aid conditionalities. To ensure effective implementation, the reforms were placed under the Office of the President with the Directorate of Personnel Management being the facilitator.

Down the line of implementation, weaknesses emerged mostly centering on ownership, transparency and design of the reform especially on retrenchment. The ministries questioned the ownership of the programme because they were not involved in the formulation of the reform or implementation strategies. The victims and interested parties also challenged the dismissals in courts while Parliament termed the reform clandestine and blamed it for the decline in service delivery in the civil service.

It is now about a decade that CSR has been going on in Kenya and as in many countries there is yet little evidence of its intended impact (Kiggundu 1998, Olowu 1999, McCourt 1998, and Klitgaard 1997). Quite revealingly, the World Bank in a major evaluation of the CSR reported "the impact of programs to contain the cost and size of the civil service through emergency pay and employment has so far been small" (Nunberg & Nellis 1995:vi). Of importance to note is that when the evaluation was published Kenya was in the process of implementing the first phase of CSR which was containment of cost and size of the civil service.

¹ By 1991, the no. of conditionalities had reached 150 in Kenya (Cohen 1993).

1.2 Statement of the Problem

Since independence, the Kenya civil service was marked by steady growth in staff numbers mainly because of population growth and increased complexity and diversity of government functions. As the numbers increased, the wage bill grew squeezing the allocation for operation and maintenance and over time the productivity of the civil service declined. The rapid growth also led to the development of one of the most unsystematically distributed civil service in the region. The lower cadre was overstaffed while the management cadre was understaffed resulting to supervision and coordination problems. Unequal distribution also existed within ministries and across grade levels and regions.

When the government acted to arrest and reverse the situation by instituting the WB/IMF led CSRP, it stated, initially "the CSR will focus on staffing level ...[because] there is a need to reduce the size of the Civil Service" and the savings realized used "first, to improve the terms and conditions of service for the civil servants; secondly, to reduce the imbalances between the personnel emoluments and operations and maintenance; and finally, to finance high priority activities" (GoK Oct.1993: 2,3). This set the stage for retrenchment (also called downsizing) of civil servants. The exercise concentrated in downsizing rather than right sizing the civil service. Implementation, basically, became a quest for quantitative indicators - the number of the retrenched and wage bill reduction.

Despite achieving reductions in numbers in the civil service, as in other countries in Africa, retrenchment ended up being more costly financially and even politically than originally expected (GoK May 2001: 15; Olowu 1999, Nunberg 1996). Budget for O&M remained inadequate resulting to continued existence of idle capacity. The problem of uneven distribution of staff was aggravated further with some ministries/departments having adequate staff while others chronic understaffing. Loss of critical skills resulted as the best left the service. Neither were salary increments and conditions of service sufficient enough to motivate staff. What is more, efficiency and effectiveness in the delivery of service

worsened. By 1999, the Kenya Government had to announce a major public sector reform initiative, with particular emphasis on addressing further declining capacity and productivity in the civil service and by 2001 it suspended and eventually terminated the civil service retrenchment exercise in 2002. The purpose of this paper, therefore, is to examine the design of retrenchment policy and its impact on implementation and outcome. This may help to explain why downsizing was chosen instead of right sizing yet it was fully understood that the Kenya civil service was overstaffed and understaffed at the same time.

1.3 Research Hypothesis

Retrenchment has led to a leaner and financially sustainable civil service in Kenya.

1.4 Research Objectives

1. Examine the factors contributing to poor performance of the civil service before retrenchment
2. Analyze the design and strategies of the retrenchment policy and how they were implemented.
3. To undertake a stakeholder analysis of the Kenya retrenchment policy.
4. Assess the extent to which retrenchment has led to the objective reducing the cost and size of civil service.
5. Make recommendations.

1.5 Research Questions

1. What was the mission and the performance of civil service before retrenchment?
2. What was the policy process and content of retrenchment policy?
3. Who were the key stakeholders and their contribution towards the design and implementation of the retrenchment policy?
4. How was retrenchment implemented and why was it terminated.

5. What is the relevance of “downsizing” as opposed to “rightsizing”?
6. What effect has retrenchment had on the salaries and allowances and operation and maintenance expenditures?
7. Has the implementation of retrenchment linked up positively with other aspects of CSRP?

1.6 Justification

Retrenchment policy is designed to reduce the costs and numbers of a civil service considered overstaffed, ineffective and inefficient. It is meant to make the civil service consistent with the new challenge of a minimal state that plays facilitative as opposed to its previous interventionist roles. Be this as it may, the situation in many Africa countries where CSR has concentrated on the purely technical concern of bearing down costs and size of the civil service has not been satisfactory. This has raised a lot of concern and answers are needed. Some scholar have argued that “CSRs fail because of their preoccupation with purely technical concerns of reducing the size and cost of African civil services, and their failure to tackle the more challenging task of building and sustaining the institutional capacities of African civil services within the framework of political, cultural, economic and fiscal changes in the region” (Olowu 1999: 2). These issues raised are issues of design. Ingraham presents an argument that may be relevant in evaluating retrenchment programmes and CSRPs in general. She says “Too much time... has been spent trying to determine what went wrong between point A and B when the actual problem may be the content of point A” (Ingraham 1996:20).

This paper therefore will attempt to contribute to this debate. The study takes place when retrenchment exercise has been suspended in Kenya and is therefore a post-mortem of the exercise.

1.7 Conceptual and Theoretical Framework

Retrenchment is based on the assumption that the civil service is overstaffed and needs to be trimmed in order to make it cost effective and sustainable. It also assumes that there is a size of a civil service that will match well with development endeavours of a country. This brings out the issue of optimal size termed by Moharir (1998) as arbitrary and Macgregor et al (1998) as contentious. Theoretically, retrenchment is supposed to lead to a reduction of expenditure on salaries and allowance and lead to improved allocation for operation and maintenance, salary increment, therefore improved morale and performance of those who remain. Further that the private sector is vibrant enough not only to absorb those retrenched but take up activities that the state will shed-off through contracting out, privatization and so on.

Some scholars have argued that although downsizing promises to improve incentives and produce fiscal savings, when approached as an end in itself or merely a reaction to fiscal problems, it carries major risks. Schiavo-Campo warns that the short-term risk is skill reduction especially when it is voluntary because the best staff leave. The medium-term risk is recurrence of overstaffing if personnel management and control systems are not strengthened. Long-term risks include staff demoralization, lower quality service and loss of credibility if retrenchment is perceived as arbitrary and opaque, especially in societies that are rife with ethnic, clan or religious conflict (Schiavo-Campo 1996).

In recent literature, the design of retrenchment and implementation of the whole issue of CSRs has been questioned (Olowu 1999, Kiggundu 1997, Nunberg 1996). In fact Kiggundu declares "CSR is at a cross road...it might go down in history as a passing fad in international development, or an important springboard for transforming public administration and management for much needed improvement in governance and human development in developing countries and transition economies" (Kiggundu 1998:164). The future of CSR and in this case downsizing will be determined by its success in delivering its

promises. This paper will attempt to find out the relevance of retrenchment to the reform of the Kenya civil service.

1.8 Research Methodology

The paper will be a desk review of the literature available on the Kenya CSRP in the Netherlands and those accessed from Kenya. The work will look at a civil service that underwent reforms during transition from a single party government to multi-party democracy, economic reforms, unprecedented increase in poverty levels and the AIDS pandemic. It will analyze the design and the implementation strategies of retrenchment policy to determine the achievement of policy goals and objectives and also whether Kenya would have been better-off adopting "rightsizing" than "downsizing" the civil service. Grindle (1980) policy content and context model will be utilized to analyze the policy formulation and implementation stages of the reform. Also experiences from other countries will be examined and to draw lessons.

Comparative Perspectives

CSRPs in three countries, Tanzania, Uganda, and Ghana will be examined in order to draw lessons from their retrenchment programmes. Tanzania has been chosen because it started its retrenchment programme just as Kenya in 1993 while for Ghana, because it started earlier in 1987. As for Uganda, it has been selected because it is cited many times as a success story and also because it represents a homegrown reform (Langseth 1995).

1.9 Scope and Limitation

The scope of the study is limited to retrenchment exercise that started in 1993 and terminated by government in 2002. Since the focus of study falls under staffing which is a component of the five CSRP objectives, it will also look at how retrenchment relate or impact on the other four components. These components are - Civil service Organization, Pay and Benefits, Personnel management and Training, and Finance and Performance Management.

The major limitation of this study is reliance on secondary data which may not be as useful and up to date as primary data. Also distance away from area of study (Kenya) is a constraint since relevant information required may not be accessed. The fact that many documents may be classified as confidential by the government may further be another limitation.

CHAPTER 2

2.1 CONCEPTUAL AND COMPARATIVE ISSUES

Civil service is the operational arm of the government that if it does not perform as expected will require thorough examination and reform of its structure and functions. Although there have been numerous reforms of civil service for centuries, the on-going wave of reforms in the world aims particularly at containing the cost and growth of civil service and making it 'lean and mean'. The major assumption underpinning these reforms is that the civil service has grown too large, costly, inefficient thereby undermining the growth of the private sector. The attendant negative implications of this growth is overstaffing, redundancy, low pay, poor work morale, corruption and general institutional weakness. Consequently, retrenchment has become the cornerstone of CSRPs - virtually in all Africa. (Corkery & Land 1996).

2.2 Definition of Key Concepts

2.3. Policy Design

Policy design can be conceptualized either as a process or a product. A. Schneider and H. Ingram point out that as a process to some scholars, "policy design refers to the intentional crafting and manipulation of elements in an effort to produce some agreed-upon result (Linder and Peters, 1987)." While as a product "the term "policy design" refers to the resulting array of elements in the structural framework and logic through which effects on target populations will occur." (Schneider and Ingram 1990: 79). When it refers to policy product, "it is not simply the logical and intentional components that are important, however, as all of the characteristics of the product are part of its "design" regardless of whether these were intentional, logical, rational, or not" (1990: 79). P.W. Ingraham views policy design as "the course of events through which problems are framed and defined, goals or purposes are set, and ideas for action are crafted into fully developed policy alternatives" (Ingraham, 1992: 20). She elaborates that the questions such a perspective will ask are "whether the

problem has been identified correctly, whether valid causal links have been established, whether correct tools have been provided prior to implementation, whether those provided the tools are likely to use them, and whether use of the tools is likely to lead to the achievement of any desired goals.” Bobrow and Dryzek (1970:201) add, “ design is the creation of an actionable form to promote valued outcomes in a particular context.”

From the foregoing, the contribution of policy design to, implementation, monitoring and evaluation of policy is therefore very crucial. The above scholars argue that the success and failure of policy does not simply depend on the existence of statutes, programmes or institutions, or on level of expenditure. Rather, it depends on the content of the first principles. Weimer and Vining (1991) argue that the factors that affect failure and success of a policy can be put into three groups; logic of the policy: is the theory reasonable?; assembly: who has the essential elements?; and availability of “fixers”: who will manage the assembly? Nevertheless, Schneider and Ingram (1990: 77) put plainly “Policy failure, fundamentally, is a problem of policy design.”

Policy Implementation

Policy implementation involves “the creation of “policy delivery system,” in which specific means are designed and pursued in the expectation of arriving at particular ends” (Grindle 1980: 6). Lester and Goggin (1998: 5) see it as “a series of subnational decisions and actions directed toward putting a prior authoritative ... decision into effect”. It means translating the policies’ broad goals, objectives and means into concrete action programmes so that desired ends are achieved. In contradiction to position held by Ingram, Schneider and Ingraham, Polidano (2001) argues that it is the strategies and tactical decisions made during implementation that are crucial. He concurs with others that the nature of implementing agencies, donor, political and other stakeholders’ interests influences the performance of a policy (Klitgaard 1997, Palumbo & Calista, 1987, Grindle 1980). Bijorkman, however, takes a holistic view “implementation cannot

be guaranteed as a matter of course, it must be taken into account when policy is formulated and monitored through out the process” Bjorkman (1994: 374).

Policy Evaluation

Policy evaluation “refers to the production of information about the value and worth of policy outcome” (Dunn, 1981: 340). As opposed to policy monitoring that asks the question “ what happened, how, and why?” Dunn adds, policy evaluation answers the question “what differences does it make” in satisfying needs, values, and opportunities that constitute a ‘problem’. In determining whether a policy has contributed to achievement of values, criteria for policy evaluation such as effectiveness, efficiency, adequacy, equity, responsiveness, appropriateness, political and administrative feasibility and so on may be applied as the situation demands, either retrospectively (ex post) or prospectively (post ante) (Dunn 1981, Dror 1971, Moharir, 1991). Policy evaluation, therefore, guided by the various criteria, may help to bring out the underlying assumptions underpinning a policy design and appreciation of the various views of the policy stakeholders and how they impinge on realization of the policy objectives.

Downsizing and Rightsizing

Downsizing refers to the process of bringing down the size and cost of a civil service considered overstaffed and overextended and having excessive wage bill. The term retrenchment refers to the same process especially in this paper. However, sometimes it is understood or used in a narrower manner to mean “ the direct and explicit dismissal of redundant civil servants” (Nunberg and Nellis 1995:18). Rightsizing is the alternative to downsizing and entails putting in place the right quantity and quality of civil service personnel that suits the reorganized structure and functions of the government. “This approach may well incorporate laying off redundant staff, but it would also include the recruitment of staff with badly needed skills” (Olowu 1999: 9).

2.3 Conceptualization of the Meaning of Civil Service

According to the WB civil service refers to distinctive employment status for public servants, generally defined by law and has the following characteristics:

"Civil servants are "appointed" by decision of an authorized public institution in accordance to with the civil service law. A decision by the representative of the state to "appoint" a civil servant must conform to established rules that structure the hiring process."

"Once appointed, there are many constraints on dismissal. This is because civil servants are not simply the employees of the state; they also have constitutional role. The intent of civil service legislation is to balance the requirement that these employees be responsive to the government of the day, with parallel requirement that they respect and maintain the state institutions over time. In other words, additional security is provided in order to prevent short-term political pressure from leading to inappropriate personnel changes."

"There are constraints on the actions of the civil servants than on other group... because of the strategic and constitutional role of civil servants."

"Civil servants are part of the employment [category of public service]" (World Bank 2002: 3).

This stress on the firm legal foundation that the civil service is based and its onerous duty of serving the government of the day but at the same time be insulated from arbitrary political interference.

The UN defines the civil service as "an institution which carries out the business of the government and directly affects the quality of governance and management of national affairs" (UN1985: 30). Here, the civil service is the instrument of governance vested with requisite powers to execute and achieve the will or objectives of the government.

In Kenyan context civil service is the machinery through which the government translates basic policy objectives into workable programmes for the benefit of society (GoK May 1999). It is the operational arm of the government charged with the analysis, recommendation and administration of public policy. It comprises individuals who are paid directly from the budget of the central

government but excludes the employees of parastatals, local authorities and teachers.

In order to understand what the civil service entails, Olowu gives three ways through which it can be conceived. One it can be conceived as a system of employment, focusing on the size of the civil services, and rules of civil service employment as these relates to such issues as recruitment, selection, job evaluation, training and development, performance appraisal, and the role and composition of the higher civil service against the rest of the service. Two, it can be conceived as instrument of governance, institution that serve as the bridge between the state and specific administrative organs. Three, civil service can be defined in terms of their role in the policy process. He concludes that the civil service derives its importance from the above mentioned roles in the society and the economy: as organs of employment, governance and policy-making (Olowu 1999: 2-3).

2.4 Interest in and Determination of Civil Service Size

Renewed interest in the civil service is being driven by concern about size, functions and the costs. Nunberg and Nellis and in this case the WB conceive the major problem especially in the developing countries to be that the "The civil services are too large in the broad sense that in many states the public sector is overextended, that is, it possesses too many agencies and organizations, charged with too broad a span of responsibilities; and in the narrower sense that too many of these agencies employ a number of people excessive to requirements. They are too expensive in the sense that public sector wage bills constitute too high percentage of total government revenues and account for too high a percentage of GDP." Consequently, this has led to extremely low remuneration scales, severe wage compression making the agents within the civil service to be poorly motivated and insufficiently productive "in the sense that they do not fulfill the tasks assigned to them (they are ineffective), or they carry

out their assignments partially, with great delays, at high cost (they are inefficient)" (Nunberg and Nellis, 1995: 1-2).

The interpretation of the causes and possible solution to the problems afflicting the civil service has polarized reformers and scholars into two schools of thought; the ideological and the pragmatic group and this is the origin of the renewed interest in civil service. The ideological group has its basis on the emergence of neo-liberal theories in the late 1970s and the 1980s, the rise of conservative governments in the USA and UK at the time and the growth of New Public Management concept (Minogue 2001). It advocated the superiority of the market economy, the private sector over the public sector in the development and general allocation of resources. Inevitably, being an instrument of the state, the civil service came to be seen as a major impediment to the realization of the ideology. Nunberg and Nellis (1995: 1) in support of the argument says "This growing concern with containing the size and improvement of the civil service signifies a redimensioning and redefining of the state, reflecting a fundamental shift in the direction of economic development policy. The new wisdom is to "manage less-but better". This school of thought buttresses its argument on cost of the public service which they say results from the government engaging in myriad of activities other than the core functions. Gwartney et al (1998: 27) comments "There are certain core functions of the government that assist economic growth by protecting property rights and creating an environment conducive for growth. As economies expand beyond these core functions, larger governments impede growth of: (a) the disincentive effect of taxes, (b) the tendency of government to expand into areas that are better suited to private sector production, (c) increased rent seeking (rather than productive) activities, and (d) the crowding out of private investment." Consequently, the government becomes too large, costly and unsustainable.

The pragmatic group acknowledges that the civil services have management problems but are of the view that the problem is not of size or cost as of capacity

and functions. Ozgediz (1983), for one, argues that the quality of staff in the public service in developing countries has affected efficiency leading to low productivity. He further says that most countries that are in early stages of development and that have extremely low levels of institutionalization find it necessary to rely heavily on the machinery of the state to produce goods and deliver the most essential services. Olowu (1999) in support says that building and retaining of institutional capacity of the state for penetration, regulation, resource mobilization and utilization is of paramount importance and this requires not necessarily smaller but a more capable and reconfigured civil service. The concern of the pragmatic school is how to develop a civil service that is capable and has capacity to adapt to the unique cultural, social, economic, political and geographical features obtaining in individual countries.

Determination of the size of civil service is contentious. Nevertheless, there are measurements that are most often used and these are; the overall government budget, revenue, per capita income, the GDP, or total recurrent expenditure. Other common measures are; number of government employees to population, share of government employees to total employment, and so forth. Applying several measures to examine the pervasive assumption that the developing countries and especially in Africa have "too big" public service that has been growing "too fast" and therefore has too much "fat" is necessary. Using per capita income measure, Ozgediz (1983) has come with interesting findings. He says that empirical evidence shows that industrialized countries of the Organization for Economic Co-operation and Development (OECD) now have more than twice as many public employees as the developing countries: 77 public servants per 1,000 population as against 29 for the 31 developing countries surveyed by IMF. He adds that on average, African countries have fewer public employees per capita than Asian or Latin American countries. Schiavo-Campo (1998) using data of early 1990s came to a similar conclusion by looking at government employment as a percentage of population. He says the percentage is relatively largest in the developed market economies of the OECD at 7.7% of population

followed by Eastern Europe and the former Soviet Union at 6.9%. The Middle East and North Africa have 3.9% while the Latin America and Caribbean 3.0%. At the end are Asia and Africa with 2.6% and 2.0% of the total population. There is a law called the Wagner's Law² that explains why countries with strong economies employ more people (Abizadeh & Basilevsky 1990).

Regarding the financial burden of government employment at the same time, Schiavo-Campo says though, it is significant, it is less than commonly believed. The central government wages and salaries bill as a percentage of GDP stood as follows; Middle East and North Africa had the largest 9.8%; Africa 6.7%; Asia, the OECD countries and Latin America are all between 4.5% and 5% of GDP, and the lowest is in former Soviet Union and Eastern Europe. Olowu (1999) argues that although wage bills in many African countries account for 70 – 90% of current government expenditures, total recurrent government expenditures were only 15 – 40% of GDP. He adds that this latter figure compares favourably with industrialized country governments, which spend between 23- 55% of GDP. He concludes, “ it is... difficult to understand how civil services can be regarded as 'too big'. In reality, African civil services lacked the numbers and quality of civil servants required” (Olowu 1999: 10). Table 1 depicts these comparisons well.

Some scholars have come to question the validity of the assumptions behind the renewed debate on the size of the civil service. They assert that the overriding factor is not really the size but the ideology or the ideal conception of the functions of government in relation to the private sector. Klein says the debate about size and downsizing masks the real debate, which is about ideology –most particularly about what should be the relationship between the individual and the state and more specifically about the role and responsibility of each in enhancing the life process for all. He adds that when it is said that the government has

² “Wagner Law” hypothesizes that increased industrialization opens up possibilities which lead to a corresponding expansion of those functions which government alone can perform- administrative and protective functions of the state, ensuring proper functioning of market forces and provision of social and cultural goods.

grown too large or too fast, it implies that "its size or rate of growth was previously appropriate, no one ever says when this halcyon time was" (Klein 1997: 603). He concludes that the debate about downsizing is the latest battle cry of the "new classical" (Say's Law, Pareto optimum and laissez-faire systems) against the welfare norms painfully established in the past half-century.

Table 1. Gross domestic product and central government expenditure 1995

Country	GDP (us \$)	Government expenditure (% of GDP)	Budget deficit/surplus (% of GDP)
Sierra Leone	180	19.8	-5.0
Madagascar	230	18.8	-4.8
Kenya	280	27.4	-3.2
Gambia	320	15.5	-3.5
Ghana	390	20.6	-2.5
Zambia	400	16.8	-2.9
Cameroon	650	15.5	-1.9
Namibia	2,000	40.7	-4.8
Botswana	3,020	38.3	-
South Africa	3,160	33.2	-6.2
Mauritius	3,380	23.2	-1.4
Korea	9,700	17.8	-0.2
United Kingdom	18,700	49.9	0.1
France	24,990	46.8	-5.5
Singapore	26,730	20.1	0
USA	26,980	22.9	-2.3
Denmark	29,890	43.5	-2.0
Switzerland	40,630	27.1	0.1

Source: World Bank 1997 in Olowu (1999)

2.5 Analytical Framework

Grindle developed her Policy Content and Context model as a challenge to the dominant perception that viewed the frequent disparity between goals and outcomes in the implementation of public policy in the Third World as stemming from the administrative apparatus and procedures of implementing bureaucracies or on the characteristics of bureaucratic officials. She termed this narrow and suggested that in order to understand such an important phenomenon, more attention should be given to linking characteristics of policies and programmes to their subsequent implementation, and relating implementation problems to characteristics of the political regimes in which they are pursued (Grindle 1980).

Theoretically, "the general process of implementation then begins only when the general goals and objectives have been specified, when action programs have been designed, and when funds have been allocated for pursuit of the goals" (Ibid. 7). But because the process is iterative, it is difficult to maintain the difference between policy formulation and implementation. Feedback from implementation procedures may lead to modification in goals and directions, or result in need to interpret or reinterpret rules and guidelines and these may lead to considerable amount of policymaking at the site of implementation. Nevertheless, decisions made at the formulation stage about the type of policy to be pursued and the shape of programmes to be executed are integral factors in determining how successfully the programmes themselves will be implemented.

The Content of Policy

Policies are public actions made to introduce changes in social, political, and economic relationships and as such stimulate considerable opposition from those whose interests are threatened by them. The kind and extend of interest affected will determine the kind of politics and reaction that will take place before a decision is made or implemented. If the goals and objectives are supported during policy formulation, then securing support during implementation may be easily forthcoming. This issue calls for participation of the stakeholders of a particular policy so that differences are dealt with early and consensus and ownership built. The type of benefit a programme or policy promises to provide, however, can also affect implementation. When it provides collective benefit that is indivisible, demand for it becomes unified and compliance of the groups of people or localities affected will tend to be forthcoming with minimal amount of conflict or dissent. But when the programme provides divisible benefits, competition and conflict become heightened among those seeking to benefit from the programme and may become difficult to implement it as planned.

The degree of behaviour changes that the programme envisions for its intended beneficiaries also affect implementation. Programmes that require considerable behavioural change in a short time are bound to encounter resistance.

The content of various policies also dictates the site of implementation especially the key decision units. With many decisional units dispersed spatially and organizationally, coordination becomes a big challenge. Inability or lack of clear rules and guidelines specifying roles and responsibilities will aggravate matters more. Similarly decisions made during policy formulation may also indicate how much resources will be committed, the much to be contributed by the actors involved, and who is to be charged with executing various programmes. This can affect the way the policy is executed because there may be differences in the capacities of various agencies (access to resources, expertise, political support, and commitment of staff) which can affect their implementation capabilities. Hand in hand with resources, goals to be achieved may be specified or just implied and these can have a decisive impact on implementation.

The Context of Policy

The context of policy refers to the social, political and economic setting or environment in which administrative action is pursued. Implementation practically is an ongoing process of decision making involving a variety of actors attempting to tap any positive potentials in a policy content and deflects the negative ones. On this basis, many actors are called upon or of necessity made to decide on choices about specific allocations of public resources and many others may attempt to influence the outcomes. More often, the goals of the various actors will be in direct conflict with each other and the outcome will normally be determined by the strategies, resources, and power positions of each of the power actors involved. What is implemented, consequently, may be the result of a 'political calculus of interests and groups competing for scarce resources, the response of implementing officials, and the actions of political elites, all interacting within an institutional context'.

Achieving or ensuring compliance with the ends stated in the policy is also another important issue. Officials have to acquire the support of political elites and the compliance of implementing agencies, of bureaucrats charged executing the programmes, of lower level politicians, and of intended beneficiaries. This will require much bargaining and accommodation in order to avert opposition from those who would be affected negatively by the policies or programmes. Trade-off of resources to acquire compliance however must not affect the focus and impact of specific programmes. "Golden Handshake" and promise of higher salaries for those who remain may be a good example in retrenchment exercise. Responsiveness to the needs of beneficiaries of a policy by implementing public institution is also important. If the objectives of a policy are not viewed as meeting or responding to the needs of the group or individuals affected, they may intervene to acquire specific types of goods or services in greater amounts or obstruct implementation of particular elements of a policy deemed unfavourable. Hence the problem of a policy administrator becomes political; one of ensuring adequate flexibility, support, and feedback and at the same time maintaining enough control over distribution of resources to achieve the stated goals.

Another issue that affects policy environment is the political regimes' and administrative organizations' commitment to implement the policy. A good plan or policy may not amount to much if those responsible for them are unable to control their pursuit. This brings to the fore the question of centralized or decentralized planning and implementation and its attendant problem of control of resources and decision-making responsibilities. Lack of clear view of the proper mix of the two may mean failure of a policy. Other environmental factors that affect implementation are ideological issues, cultural, political alliances, and international factors.

2.6 Other Country's Experiences

Since reforms in most parts of the world are on experimental basis (Nunberg & Nellis 1995), learning from experiences of other countries cannot be overemphasized. This is particularly true of countries which have implemented WB led CSRs and are at various levels of implementation. In this regard three African countries are chosen, Tanzania, Uganda and Ghana.

Tanzania

CSRP was launched in 1991 by UNDP as a response to a request made by Tanzania to the donor community in 1989. Implementation started in 1993 and by then the WB also provided assistance, through the Public and Parastatal Sector Reform Project. In May 1994, Tanzania government formulated an Action Plan which stipulated the objective of the CSR as to achieve a smaller affordable, well compensated, efficient and effectively performing civil service working to implement redefined policies and strategies for national economic development and delivery of public service (Onditi 2001). The problems identified as bedeviling the civil service were; overstaffing because the service had grown at an average annual growth rate of about 8.6% from 1960 to 1990; decline in real wages because by 1990 civil servants were earning only 25% of the level of 1970; wage compression had fallen to around 4:1 in the 1980s, and; sub-optimal organization of the government functions resulting from duplication of roles and functions.

The strategies employed to redress the mentioned problems are; Re-organization of ministries to fit a redefined role of government; Staff pay reform based; New personnel management system; Training programme to enhance skills levels and work capacity; Staff retrenchment to lay off 50,000 civil servants including redeployment support for the laid off; Local government reform. (Onditi 2001) The CSRP lasted from 1993-1998 and retrenchment took prominence over other components as a cost cutting device. By 1998, the public service was reduced by 24% from 354,612 in 1993 down to 267,303 and through better record management and nationwide personnel data collection 21,000 ghost

workers were identified and removed from the pay roll. By 1998, the civil service employment as a percentage of the population was 0.87%.

Despite the impressive achievement of slashing the civil service by 24%, the wage bill did not fall rather it grew by 43% during the same period (Boon et al. 1999). Clarke and Wood (2001:72, 73) opine, "impact of pay and employment reform are less marked in Tanzania... These initial successes were not, however, translated into service delivery improvements". Therkildsen (2000: 64) notes " recent data even suggest that service levels (quantity and Quality) may have deteriorated during the 1990s".

Uganda

In Uganda the momentum for reform was generated as far back as 1989 by the push for reconstruction following a long period of civil war. A Public Service Review and Reorganization Commission was appointed "to interview 25,000 civil servants from 1989-1990 to determine key government issues, to form a vision for the civil service and to develop an action plan for the countries future course." (Langseth 1995: 371). The commission came up with 255 recommendations that were approved by the Cabinet in 1990. The ultimate goal of the CSR was "to improve the responsiveness, efficiency and effectiveness of the civil service in achieving Uganda's development objectives and, while doing so, gain public respect and confidence" (Kisubi 1996: 125). The key problems that contributed to make the civil service inefficient, demoralized and unresponsive workforce included inadequate pay and benefits, poor management, dysfunctional civil service organization, and inadequate personnel management and training affecting the public service. It is worthwhile to note that the initiative was homegrown and it received support from both Parliament and the Cabinet. Also donor support was well coordinated and limited to provision of support and creation of enabling environment but not leading and controlling the reform (Ibid. 1996)

The CSRP had two major objectives, thus; payment of a minimum living wage, and introduction of result-oriented management. The former concept entailed monetization of all allowances and non-cash benefits in order to raise the wages. The latter was intended to provide guidelines for defining objectives with measurable performance standards for ministries, districts and individual civil servant. To make it operational, baseline data was necessary and this was done through a service delivery survey jointly developed by the government and the Economic Development Institute.

The reform had six components: Rationalization of Ministries and districts; Strengthening Ministry of Public Service capacity to manage and champion the reform; Monetization of benefits; Job Grading; Code of Conduct and Discipline; and, Information Programme and Communication Strategy for Reform.

Retrenchment was carried out under rationalization of ministries and districts. Ministries were reduced from 38 to 21 by 1992. The initial projection was to achieve 50% reduction but eventually it reached 55% that is a reduction from 352,000 civil servants in 1990 to 157,746 by 1997. Of this number, about 42,000 were found to be 'ghost workers and were struck from the payroll. Retrenchment was done after studies of the needs of the ministries, departments and districts. Further, interviews for all civil servants were done to determine who goes and who remains.

Ghana

In early days of independence, Ghana prided itself of having one of the best-organized and most efficient civil services in Africa. However by early 1980s, this reputation had become a distant memory because of being a victim of years of political and economic mismanagement. Since the government had become an employer of the last resort, the civil service grew to become overextended and underpaid, underskilled and overstaffed by early 1980s. A job inspection undertaken from 1987-1990 revealed that the lower levels were overstaffed by

between 25% to 50%. Salaries had fallen by 10% between 1975 and 1983, the best and the brightest left the service while those who remained engaged in moonlighting and other vices. Further, it had become a drain on public resources and a major impediment to economic reforms aimed at reviving the economy (Merode and Thomas 1994). By 1983 the civil service had grown to reach 300,000 staff against a total population of 12 million. To address these problems and others, CSRP was started in 1987 and it had three main components; retrenchment programme, pay and grading reform programme, and institutional development programme (Das 1998).

The strategies used to achieve retrenchment included three civil service census exercises, selective recruitment freeze, a job inspection and functional review program, annual retrenchment exercises, and an outplacement program to help those retrenched get employment in the private sector. The media was also used to inform potential retrenchees about what was going on.

The achievement of the retrenchment programme include elimination of 10,000 ghost workers from the system, annual job reduction of between 15,000 to 12,000 so that by 1990 the civil service had been reduced by 16%. However, the impact was small because of "uncontrolled recruitment". Nevertheless, due to the policy of selective recruitment freeze desirable outcomes were achieved. Skill mix improved as higher skilled staff increased considerably over the reform period and lower cadre decreased in large numbers. Further, Pay compression ratio rose from 3:1 in 1986 to 5:1 by 1991. Despite these, moonlighting, rent-seeking and absenteeism persisted (Merode & Thomas 1994). Ghana was still bearing down on staffing in 1997 after 15 years of activity (McCourt 1998).

Lessons Learned

One, donor influence is apparent in all reforms but the kind of partnership with recipients can determine outcome and sustainability of reforms. Uganda is a

good example of how homegrown retrenchment policy can be combined with coordinated donor assistance to result to impressive achievements. Two, Ugandan experience teaches that rationalization of ministries/departments should be guide retrenchment rather than the other way round practiced by Ghana and Tanzania and many other African countries. Three, it is possible to re-establish merit values and therefore confidence among the civil servants while doing retrenchment as Uganda has shown. The idea of carrying out interviews to identify those who are no longer fit to be in the service, though slow and taxing, boosts self-esteem of those who remain and builds confidence of the public in the civil service. Lastly changes may be attained but maintaining and sustaining them is another issue. Building of institutional capacity of the civil service to be able to maintain and carry on improvement cannot overemphasized as Ghana's case demonstrates.

CHAPTER 3

3.0 KENYA CIVIL SERVICE BEFORE REFORMS

3.1 Mission of the Civil Service before CSRP

At independence, the challenge that faced the country was that of fostering nationhood and the task of nation building. The civil service, therefore, had the task and mission of transforming itself from a purely maintenance of law and order outfit to an initiator and promoter of socio-economic development. This entailed not only nurturing national unity and maintaining national security but also ensuring political equality, social justice, human dignity, freedom from want, disease and exploitation, equal opportunities and high and growing per capita incomes equally distributed. Further, it had to develop the capacity to perform the dual role of nurturing and controlling the private sector in a manner that public interest was protected (Ndegwa Report 1971). As a result of these, it became necessary to put in place a large and more pervasive civil service machinery to undertake the provision of services at the grass-root level and to supervise and to manage the commercial and industrial activities in which the government was involved.

3.2 Performance of the Civil Service before CSRP

The Kenya civil service came to be regarded highly as an effective change agent because "the challenge of nationhood and the task of nation building was accepted by the civil service and provided the motivation for hard work and dedication" (Ndegwa Commission 1971: 10). Grindle comments that within Africa, until the mid-1980s, Kenya "was regarded as a relative success story economically, often held up as an example of effective state-led development that encouraged the emergence of a thriving private sector." (Grindle 1996: 62). The economy performed well spanning the decade of the 1960s with 5.9% and the 1970s at 5.8% annual GDP growth rate. The government stimulated commercial and industrial development, through extensive investment in the economy and large number of parastatals in basic industries, infrastructure, and

other activities. Joint venture with the state capital and extensive trade barriers also stimulated industrial development.

In the agricultural sector, Kenya performed extremely well compared with other countries in the region by developing a dynamic agricultural export sector. In the social sector, it achieved more than its neighbours did with 69% adult literacy rate in 1990. In health, life expectancy was 59.7 years in 1990 compared to sub-Saharan Africa's 51.8 years.

Grindle offers the reasons for the impressive achievements as a resulting from civilian and authoritarian rule that provided sustained stability and relatively durable institutions compared to other countries in the region, close inter-linkage among government, agricultural, industrial and commercial elites, and development of a well-institutionalized state, a firmly embedded civil service bureaucracy with strong professional identity. Up to mid-80s, the civil service had been insulated from patronage and politics and "the presidency and the civil service gained autonomy to set national agendas. The consequence of this was the bureaucracy that became central to policy making and implementation. In fact, the civil service at the national and provincial level became the principal instrument of the state and the presidents power" (ibid: 65).

In spite of early success, problems began emerging that affected its performance. The government set up successive commissions and committees to try to identify and recommend solutions to problems bedeviling public administration. These are the Ndegwa Commission of 1971, Warihiu Committee of 1979, Ndegwa Working Party of 1982, Ramtu Committee of 1985, and Mbithi Committee of 1991. These commission and committees often observed similar problems that affected the capacity of the civil service to engage meaningfully in development progress. These problems can be grouped into following four broad problems (World Bank 1992, Cohen 1993; Ndegwa Report 1991; Munene Report 1997).

3.2.1 *Over Centralization*

Like in most African countries, soon after independence, Kenyan political leadership centralized power and responsibilities as part of the process of nation building. During Kenyatta's regime, movement toward greater centralization of power in the central government was clear and consistent. A strong centre was thought to be necessary to provide leadership and direction in order to ensure uniform social and economic development. However, this led to coordination problems, delays, corruption, misplaced and unsustainable projects and noninvolvement of beneficiaries. Scholars on African politics have argued that over-centralized government is a major cause of inefficient administration, failing development efforts, rising corruption, and growing political instability (Wunsch and Olowu 1990).

In an attempt to deal with the ills of over-centralization, decentralization was introduced through the District Focus for Rural Development Strategy in early 1980s. Many scholars have argued that the type of decentralization done was actually administrative decentralization otherwise called deconcentration. Its impact on the performance of public administration is considered unsatisfactory because it transferred the ills of centralization to the districts (Oyugi 1990, 2001, Smoke 1994).

3.2.2 *Large Civil Service*

Kenya civil service grew from 63,000 persons in 1963 to about 272,000 persons in-post in 1991. Its annual growth rate as from 1967 was 6.5% while GDP and population was 5% and 8% respectively. However, the fastest average growth rate was 10% p.a. registered during the 1970s. In the 1980s growth slowed to an average 4.8% p.a. but from a larger base than of 1970s (WB 1992). In terms of population to civil servant ratio, in 1963 with 8 million people, the ratio was 131:1 but by 1991 it had dropped to 85:1.

By early 1980s, the government had begun to voice its concern at the unbalanced growth of its civil service where the lower cadre had become overly large. In 1982, 92.3% of the permanently employed civil servants were in Job Groups "A" to "G" and only 7.7% in Job Groups "H" to "S". This distribution of actual employment was not entirely consistent with the establishment of posts, which called for approximately 90% of employment in the former and 10% in the latter Job Groups (Working Party Report 1982). This unbalanced distribution, however, was a result of government fulfilling a number of tripartite agreements and other reasons, as they will be spelt later. The Working Party and other subsequent committees and other government documents (Ramtu Committee 1985, Sessional paper no. 1, 1986) recommended for the slowing down of the growth of civil service. By 1990 the approved establishment was 315,125 but only 268,780 posts were filled leaving a balance of 46, 345 vacancies as seen in table 1. Percentage wise the lower cadre were 88.4% of the civil service while the middle cadre were 10.8% and at the top level only 1% of the service. Due to unbalanced distribution between management and the lower cadre, coordination and supervision became a challenge not only at the ministerial level but also among the front line field staff. Idleness, redundancy, indiscipline, and inefficiency became rampant.

The fast growth in the size of the civil service strained the budget because of the rising share of the wage bill. By 1979/80, salaries equaled 47% of ministries /departments' recurrent outlays, growing to 60% in 1984/85, and to slightly above 70 % in the 1990s

The rapid growth in the civil service can be attributed to a number of factors. Cohen (1993) elaborates six factors. First, the rapid increases in population generated pressure for provision for more and expanded public services. Second, the government commitment to take major responsibility for Kenya's social and economic developments. Accordingly, Sessional Paper No. 10 of 1965, stipulated that (a) rapid and equitable distribution socio-economic and

regional development activities would not occur if allowed to take their own cause; (b) effective and efficient use of the country's scarce resources required government planning and control; and (c) development objectives would not be reached unless backed by adequate administration and technical capacity. These strategic goals made the government to engage in socio-economic activities such as education, health, communication infrastructure, agriculture, and water.

Table 2. Establishment of the Civil Service and Cost, by Job Group, March, 1990

JOB GROUP	EMPLOYMENT			AMOUNT K£ p.a	BROAD GROUP
	APPROVED	FILLED	BALANCE		
A	79,969	56,223	(23,746)	35,594,874	Analogous/ Technical Cadres
B	7,184	10,052	2,868	1,676,256	
C	17,776	23,793	6,017	19,594,053	
D	43,513	35,902	(7,611)	34,914,420	
E	17,071	15,774	(1,297)	18,665,058	
F	74,593	73,557	(1,036)	105,974,883	
G	31,625	22,272	(9,353)	39,856,482	
Subtotal	271,731	237,573	(34,158)	256,276,026	
H	14,560	12,627	(1,933)	28,257,774	Middle Cadre
J	8,818	5,381	(3,435)	14,981,532	
K	7,960	5,890	(2,070)	19,010	
L	3,804	2,952	(852)	11,467,134	
Subtotal	35,140	26,850	(8,290)	54,725,450	
M	2,004	1,181	(823)	55,468,044	Senior Management Cadre
N	874	542	(332)	2,981	
P	337	229	(108)	1,450,452	Top Management Cadre
Q	149	136	(13)	996,786	
Subtotal	3,364	2,088	(1,276)	57,918,263	
R	79	76	(3)	636,894	Political Appointment
S	15	13	(2)	122,370	
T	3	4	1	45,384	
Subtotal	97	93	(4)	804,648	
U	30	57	27	115,416	
V	13	21	8	26,814	
W	38	18	(20)	26,814	
X	1,795	1,568	(227)	1,672,434	
Y	2,825	193	(2,632)	1,524,622	
Z	1	20	19	11,706	
9	91	299	208	514,257	
Subtotal	4,793	2,176	(2,617)	3,921,787	
OVERALL TOTALS	315,125	268,780	(46,345)	373,646,174	

Source: Directorate of Personnel Management

NB. (U-Z & 9—Ministers, Asst. Ministers, MPs and technical assistant personnel-not conventional civil service Job Groups)

Third, special occurrences, such as the collapse of the East African Community in the mid-1970s which made the government to absorb the Kenyan members who worked in the organization; absorption of ex-Local Authority health workers between 1970-1972 and Works Paid personnel in the then ministries of Agriculture, Natural Resources and Public Works; conversion of enumeration clerks hired for the 1979 census on temporary tasks into permanent employees; and the implementation of the District Focus for Rural Development Strategy.

Fourth, a number of tripartite agreements brought together the government, the trade unions and the private sector in attempt to alleviate unemployment. In 1964 the government committed to raise employment by 15%, in 1970 by 10%. In both occasions the workers were to accept wage freezes in exchange. Lastly, between 1979 and 1981, the parties agreed to increase permanent employment by another 10%. Another reason is the government became "an employer of the last resort" to primary, secondary, colleges and university graduates right from independence time up to 1990 when it was stopped.

Fifth reason is increase in government ministries and departments. In 1971, there were 19 ministries and 10 independent non-ministerial departments. By 1981, there were 23 and 10 and in 1992 it stood at 28 and 9 respectively. Finally, politically motivated actions led to the creation of more posts for civil servants. Appointment and promotion in the service also became deeply politicized as patron-client system became entrenched.

3.2.3 Large Budget Deficits

The economic growth rate in post-independence was impressive up to early 1970s. Revenue collection grew from 16% of GDP in 1963 to 24% in 1974 then began declining due to slow economic growth especially caused by the first oil shock and because of corruption and inefficient collection (Cohen 1993). Cohen comments that inclusive of Kenya, "personnel emoluments (salaries, wages, and benefits) are such a big component of the most sub-Saharan African budgets, it

is the general conclusion of specialists in this field that the growth of deficit-generating public expenditures can best be controlled by reducing government employment, utilising existing capacity, and better manage ongoing development projects" ((Ibid.; 457).

To cope with the demands made on it, the government "increased jobs in the public sector, albeit not adjusting pay to take account of inflation" (Cohen 1993:457). Increasingly, PE put pressure on the government's recurrent expenditure allocation. However, as the percentage of total PE went higher, remuneration in the civil service remained low compared to the private sector. This affected motivation, led to corruption and consequently damaged the administrative and managerial capacity of the civil service.

3.2.4 Declining Administrative Capacity

Capacity refers to "the ability of an instrument or machine to produce the intended results" (Olowu 1998: 1) while administrative capacity is defined as "The capacity of states to carry out routine administrative functions and to provide basic services and investment in human resource development" (Grindle 1996: 37). Grindle argues that this is a very critical capacity that needs to be developed yet it is an often-overlooked aspect of economic and political development. Unfortunately it affects the ability of the private economic agents to achieve their goals and also the satisfaction of basic societal needs. Cohen, Grindle and Olowu argue that the economies of many African states have been in crisis because of institutional capacity problems of their bureaucracies. WB in recognition of this fact instituted CSR because of the civil services' low capacity to implement SAPs. Several reasons account for the decline in administrative capacity in Kenya despite increase in staff. Thus: -

One, the failure of the government to pay adequate attention to capacity- building strategies that could promote better formulation of policies and programmes, improve administrative capacity aimed at capital development and provision of services and the useful evaluation of public investments in relation to national

objectives. Two, inability to recruit and/or retain enough qualified professionals, managers and technicians in the upper levels of the civil service. The best and the brightest left for the private sector and the international organizations or did not join the service at all due low pay and advancement prospects. This is illustrated well by the fact that although the government had guaranteed employment to college and university over the years, at no time has the government had adequate middle and senior level managers and technical staff.

Three, deteriorating morale resulting from the failure to professionalise the civil service contributed to inefficiency and low capacity of the service. This problem was first reported by 1971 Ndegwa commission. The areas of concern are deficient systems of personnel records, job classification, staff appraisal and evaluation, delegation, recruitment and promotions on merit, deployment, and handling of discipline cases. Patronage, ethnicity and regionalism came to take precedence making a farce of creating a professional service based on merit and rules.

Four, lack of specialists required to carry out essential tasks and lack of manpower information system that allows analysis of the level, trend, and distribution of various skills in different sectors of the economy and more specifically the civil service. However, in many instances, it is not lack of required personnel that is the problem but serious under-employment of professional and administrators.

Five, political factors also contributed to decline of administrative capacity of the civil service. According to Grindle, under the Kenyatta's and Moi's regimes, the power and influence of the senior technocrats on policy making and implementation was considerable but depended, individually and severally, on the ability to reach the presidents ear. However, from mid-1980s to the early 1990s, the implementation of government's policies and development goals were increasingly left to the whims of political favoritism, cronyism, and corruption

(Hyden 1984, Mutahaba & Balogun 1992). Grindle continues that the loss of influence on macroeconomic matters corresponded with increasing fiscal indiscipline that reached crisis proportion in early 1990s. Foreign advisors began to play an important role in setting formal government policy as the technocrats were gradually marginalized. Consequently, by early 1990s, the divorce between policy and power was almost complete. To express the extent that the capacity of local technocrat had been undermined she points out;

"The policies are pretty good and some are excellent. They are good prescription for the problems of the country. The problem is that they are not implemented and it is not clear if there is any intention to implement...And the policies are essentially made by a small group of foreign advisors and a couple of high level Kenyan officials. Some senior officials don't even come to the meetings where [microeconomic] decisions are made" (Grindle 1996: 124).

Finally, PE was squeezing O&M allocations and the trend has been worsening over the years as the civil service grew and as debt-servicing obligations increased. Sessional Paper No. 1 of 1986, pointed out that with salaries consuming much of expenditure, provision of complementary equipment such as transport, typewriters, even pencils, that are required to make officers productive had become a problem. A telling example is the Ministry of Environment and Natural Resources that spent 90% of recurrent expenditure on salaries in 1994/95 FY and 10% on O&M. The staff were inadequately supported and capacities underutilized.

The Kenya civil service, therefore, grew fast to take up the expanded roles of the government and to cope up with increased societal complexities. But after sometime its technical and administrative capacities declined due to the many reasons as enumerated.

CHAPTER 4

4.1 ANALYSIS OF DESIGN AND IMPLEMENTATION OF RETRENCHMENT POLICY

Retrenchment policy, which basically fell under staffing component, became a very critical instrument through which the rising costs and size of the civil service could be checked and reversed. This chapter, therefore, will examine the design of retrenchment policy and its context of implementation so as to understand the impact they had on the success and failure of the policy.

4.2 The Design and Content of Retrenchment Policy

4.2.1 *Identification and Definition of the Problem*

Before civil service retrenchment process was launched in Kenya, a consensus had been reached by the government, WB, IMF and other donors that the public service had grown too large, overstaffed, and its wage bill unsustainable with regard to existing government resources and this had resulted to low pay, insignificant allocation for O&M requirements and consequently poor performance. The process leading to this 'consensus' however was not only characterized by differences of definition and magnitude of the problem and also of matching the problem to solution. After reviewing suggested donor approaches in 1992, including WB country study, the Office of the President stated

"It should be realized that the salaries of the Civil Servants in Job Group A-G are so low that the saving realized from retiring a few thousand employees will not meet the costs of their retirement, improve the terms of conditions of service for those who remain and also boost O & M allocations. Funds to facilitate such commitments and changes would have to be derived from elsewhere. Therefore, rather than limiting the scope of improving civil service productivity on reduction of numbers of civil servants, attention should be focused on reforms that are currently taking place within the public sector. These include parastatal reforms, restructuring of strategic parastatals, privatization of loss-making parastatals, the tax modernization programme" (in Cohen 1993: 467).

Earlier in 1991, the government had proposed to reduce substantially fiscal deficit to 2% of GDP (including grants) for 1991/92 FY. Among other methods, it

had planned to achieve this through improving revenue collection, limiting increases in the number of civil service posts above grade G, and by reducing the number of A to G positions by 2.0% below the level of the number in-post at end of 1990 (WB 1992:xx). Having in mind the ongoing economic restructuring under SAPs, the WB deemed this proposal ineffectual and argued for substantial cuts of staff in Job Groups A to G which accounted for 88.4% of the civil service through VERS. Regarding sufficiency of savings, the WB argued that even by basing pensions for the retrenchees on their years of service, there would be correspondingly greater savings for the government. Since the vast majority of those in the civil service were young, their pensions would be less than 70% of their basic salary as opposed to maximum pension entitlement which is 70% of basic salary accruing to person who has worked for 27 years and 9 months. But it added that appropriate safety net for redundant workers needed to be designed.

On the same breath, the Bank stated that "At this stage, however, it is unclear exactly how many persons could be affected or how quickly a less constrained private sector would be able to absorb them. Such details would depend, among other things, on the phasing of reform efforts and would have to be worked out on a ministry-by-ministry, firm-by-firm basis" (WB 1992:xxiii). It also admitted that there was a problem in determining appropriate levels of staffing and suitable ratios of lower to higher level personnel in the civil service in developing countries because of paucity of research and comparative analysis in these areas. But "Nonetheless, answers about Kenya may be found in scattered evidence and in the circumstances under which recruitment took place" (ibid. 48). The circumstantial evidence used as "concrete example" was primary education staffing where research has been done extensively concerning the appropriate overall teacher staffing levels. In Kenya teacher-student ratio stood at 34 in 1986, compared to Malawi with 63, 48 for Ethiopia, and 40 for Sub-Saharan Africa. The Bank also cited the number of previous committees set by the

government to review the civil service that had reported several times that the civil service was getting over-established.

It further argued that by 1990, certain ministries had staff beyond its establishment in certain grade levels that amounted to 26,218 workers. This was an equivalent of 9.7% of the positions filled in the civil service and consumed 8.7% of the gross wage bill and 0.5% of GDP at market prices. This made WB to conclude that the civil service was overstaffed. It, however, did not bring into the calculation the fact that at the same time there was understaffing by 46,345 workers (table 2). The overstaffing that occurred in Job Groups A-G was taken as a reflection of Public Service Commission playing a limited role in hiring of civil servants, inability of DPM to control recruitment, and the ineffectiveness of the Budget Department in monitoring the expenditures of Ministries and Departments. To make the government to act, aid conditionalities were extended to include CSR. This made the governments need for financial support sufficiently desperate (O'Brien & Ryan 1999).

In May 1992, the government made a complete turn and started preparing the Kenya Civil Service Reform Programme and Action Plan. During the official launch of the reform package in 1993 the government emphasized that although all the reform objectives were important, the immediate priority was to improve financial viability by containing wage expenditure (Munene 1997). On 13th October 1994, in a letter to E.Jaycox, Africa's WB Vice President, the government stated "Downsizing of the civil service establishment has already taken a centre stage as a single most important long-term cost-reduction strategy" and that WB's "...close collaboration with government of Kenya has significantly contributed to the envisioning and preparation of the project as it now stands"(WB 1994: 47).

It is in such circumstances that the design of retrenchment policy was made. The government's view as attested by its homegrown reform did not consider the size

of the civil service critical hence the planned slow and limited reduction in its size. The biggest challenge was sources of funds to undertake reform of other serious problems affecting performance. The donors placed the problem squarely on size and wage bill cost and since the reform was under SAPs they wanted a reform that contributed to the ideology of a minimal state. The donors, therefore, defined the policy problem, set objectives and strategies for implementation and ensured its adoption and implementation by imposing aid conditionalities. These effectively deprived the government, the civil service and the politicians any sense of ownership of the reform, issues that came to affect implementation later.

4.2.2 Objectives and Strategies of the Policy

The major objective of retrenchment policy was cost containment through reduction of the civil servants. This was to remove redundant staff and savings realized would be used to first, improve pay and benefits, second, reduce imbalance between the PE and O&M, and finally, to finance high priority activities. This naturally meant that the implementation of the dependent components would be delayed if the first objective were not met. An important objective that was not explicitly stated was that retrenchment was to create space for the private sector and civil societies to take leading roles in the economy as the government retreated.

VERS became the principal strategy put in place to achieve a predetermined total of 80,000 civil servants (A-G job groups) in phase I and II (WB 1994). Phase I was planned to achieve 20% reduction by 1997/98, taking 1992/93 level as a base. The government through Personnel Circular No.5 of 12th October 1993, stated "it has been decided that the Civil Service be reduced at the rate of sixteen (16,000) per year for the next three (3) years. Of this figure, six thousand (6,000) is expected to be realized through normal attrition. The balance of ten thousand (10,000) will be through a voluntary early retirement scheme which will be complemented by a safety net package for early retirees." This was in addition

planned elimination of 26,000 excess positions by 1993/94 (including about 14,000 vacancies). In phase two, VERS was to continue but compulsory retirement was introduced as a better means of ensuring more reductions. In all retirement cases training programme was planned to prepare the retrenchees psychologically and ready them for work outside the civil service.

At design stage, a financial framework regarding compensation and contributions from government and donors was put in place. All retirees under the scheme were to be paid a compensation package as follows: Non-Pensionable Employees: Severance payment of 3 months current basic salary (at the time of retirement) for each year worked in the civil service; Payment in lieu of notice (three months of current basic salary); and, a "Golden Handshake" of KShs.60,000, for Job Groups A-G.

Pensionable Employees: Employees who had worked for ten years or more to receive normal gratuity and pension benefits under the Pensions Act; those who had worked for less than ten years to get severance payment (3 months of the last basic monthly salary for each year worked in the civil service; and' a "Golden Handshake" of KShs 60,000. The total net package payment was to be exempt from taxation. When Compulsory Retirement was instituted, however, the "Golden Handshake" came down to KShs. 40,000.

On the cost and contribution to the reform, the CSRP including retrenchment was estimated to cost about \$156.98 million (excluding taxes and duties from which the project was exempt). The GoK was to finance the bulk of the cost, about 86% while foreign component was 14%. Towards this the government made budgetary commitment of Ksh.1.75 billion annually for VERS. ODA contribution (US\$ 14.14 million) was to provide for long-term advisors at CSR Secretariat. IDA on the other hand was to contribute US\$ 25.35 million).

As a measure of effectiveness, the government was to furnish IDA evidence that all positions already vacated by retirees through the VERS had been eliminated and cancelled from civil service establishment (WB 1994). Computer based Integrated Payroll and Personnel Database System was to be developed to manage payroll and staff establishment.

Along with VERS were measures aimed at streamlining civil service organizational structure: derive and implement staffing norms; improve establishment control; optimize staff deployment; develop job inspection capacities; cleans and comprehensively computerize the payroll system to increase accuracy and effectiveness as a management and budget tool; and to introduce improved financial management systems (Ibid. 1994).

It is the objectives and strategies that show the type of benefits and extent of change that a policy envisions. When strategies for implementation were put in place, targets of numbers were set without any service delivery surveys or development of staffing norms. This may have been because of the problem of size and cost of the civil service described as overwhelming (WB 2001) or donor's device to make a government they considered a reluctant reformer (O'Brien and Ryan 1999, Cohen 1993) manageable and accountable. In this way "Priorities for action within the programmes of civil service reform were strongly influenced by donor preferences, timetables and funding arrangements" (Corkery and Land 1996: 12).

4.2.3 Stakeholders Involved

The key stakeholders of the retrenchment policy are; the President who supported the reforms for several reasons. The aid conditionalities, the need to be in good books with donor community, political reasons and the need to ensure the civil service remains responsive to the government. In the early days of the reform, the president was portrayed as a reluctant reformer.

The civil service bureaucracy was a key player as an implementer of the government reform. The reform brought the credibility of the service into question and the only way to regain it was by getting involved in policy making. The question of ownership of the reform came to affect implementation. They recognized the need for reform and they had the expertise but they also needed incentives. Lack of civil service union affected their ability to influence the design and implementation of retrenchment policy and CSRs as a whole. Even so, the civil service bureaucracy had three levels of committees through which it implemented the reforms- the MCSRC, the PCSRC and the DCSRC.

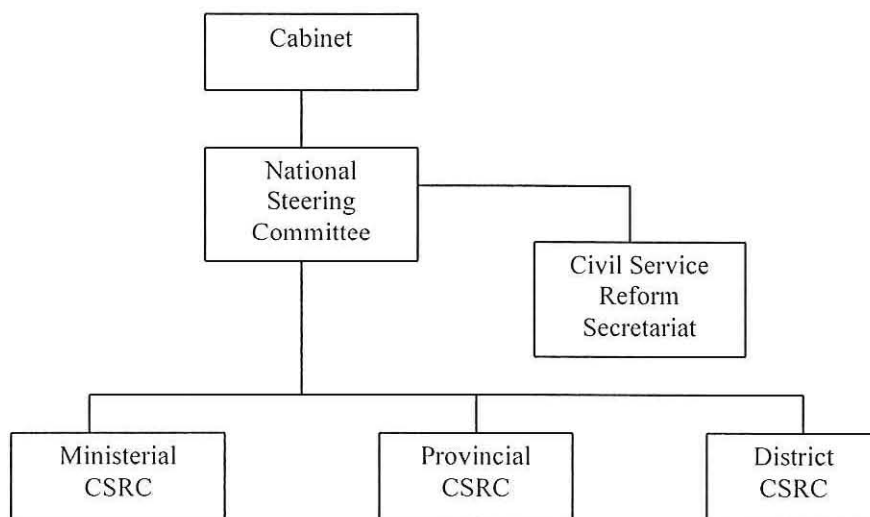
The Cabinet plays an important role of endorsing policies in Kenya. In CSRP, the Cabinet was supposed to be the ultimate authority or institution to which the NSC was accountable. As a matter of procedure, the Cabinet informed the Parliament of on the progress of the reform. Due to political reasons the ministers seldom came out publicly to support the policy. One opposition legislature had to comment in relation to "Dream Team" "...there was not corresponding Dream Team in the Cabinet" (Nyong'o 2001). The WB/IMF were key players in the reforms. The WB assisted the government in designing the CSRP, provided technical and financial assistance. The leverage point of WB/IMF in the reform (including continuation of SAPs and introduction of good governance) was aid conditionalities. The opposition parties have helped to push on reforms mainly for political reasons; to free the PSC of political control, ensure transparency in employment, and reinstate civil service union if elected (Cohen 1993). The retrenchees were also important stakeholders, infringement of their right to a job for life, out placement arrangement and prompt payment of severance pay were their interest.

4.2.4 Institutional Framework

The CSRP was implemented under the following institutional framework. At the top was the National Steering Committee (NSC) whose roles were: to be the top level coordinating body to provide policy guidance on the reform programme; to

set overall direction and take the most important decisions; to review workplans of the DPM and monitor programme implementation; and to keep the cabinet updated on progress. Under NSC was Civil Service Reform Secretariat, its operational arm which was housed in DPM for administrative purposes and the Permanent secretary (PS) in charge of DPM was its chairman as well as the vice-chairman of NSC. At the ministerial and provincial level were, Ministerial and Provincial Civil Service Reform Committees respectively and the lowest level was the District Civil Service Reform Committee. These committees handled various aspects of CSR in their respective areas. They reported to the NSC as shown in Fig.1.

Fig.1. The Structure of the Civil Service Reform Committee



4.3 Context of Implementation

Retrenchment in Kenya was implemented in an environment characterized by political and economic changes and full of uncertainties. While the government was trying to cope with introduction of multiparty democracy, runaway inflation caused by 1992 national election campaigns, urgent liberalization of the economy, and financial squeeze caused by aid conditionality, it was made to retrench its civil service substantially as a cost saving device. To achieve this goal, several ways were used but chief among them is VERS and CR.

4.3.1 Voluntary Early Retirement Scheme

VERS initially targeted officers between Job Groups A – G (but revised later to include staff in H and above). This was because the cadre was too large accounting for 88.4 percent of the total civil service. From the start of the scheme, ministries/departments were given targets to meet without regard to their staff establishment, analysis of core functions or financial management reviews. To achieve this, staff were encouraged to take advantage of the scheme without regard to their ages or skills. They received ‘golden handshake’ in exchange and pension for life for those who had worked for a minimum of 10 years and were permanent and pensionable. Table 3 shows the achievements of the downsizing exercise by 1997.

It should be borne in mind that the CSRP had been started to reduce pressure on the national budget. However, by February 1998, VERS and natural attrition had realized Ksh.1.7billion and 2.2 billion respectively. At the same time new recruitment staff cost Ksh.1 billion. Net gain, therefore, was Ksh.2.9 but in total retrenchment had cost Ksh.6.8 billion. This meant that neither savings were actually realized nor fiscal pressure checked.

Table 3. Total Reduction in the Size of Civil Service Establishment 1993-1997.

REDUCTION MEASURES	POSITIONS REDUCED
Voluntary Early Retirement Scheme	42,132
Natural Attrition	39,370
Vacant Posts Abolished	26,336
TOTAL	107,836

Source: Ongwae March 2002

Over the same period, a total of 21,320 new staff were hired in the civil service in critical essential areas of health and security. The net reduction in civil service positions was 86,516 by 1997.

VERS had a lot of loopholes and the most serious one are: - workers who were skilled and ambitious left while those who did not see good prospects for

themselves in the private sector remained, it led to further understaffing and overstaffing because the whole exercise was voluntary and no guidelines were given to guide selection of those who could be retained or redeployed for that matter. To solve these problems, a Policy Framework Paper was issued in February 1996 which stipulated the following actions to be undertaken. To continue with staff reduction at the rate of 16,000 positions per year over 1995/96 and 1996/97 Financial Years; limit new recruitment to a maximum of 3,000 workers per year; to ring-fence some of the most critical and well-trained but scarce junior staff; to carry out staff analysis and establish staffing norms for key cadres during 1996; and, by June 1997 develop a coherent programme of civil service rationalization for the period 1997/98 and beyond. All these remedial actions point at a reform policy that had major weakness in its planning and also implementation. The decision to ring-fence certain critical cadres, for example, was made too late after most staff had already left. By 1996, 34,245 workers had left through VERS. Ring-fencing decision, therefore, was too late since at the end of phase one a grand 42,132 staff had left the service (table 3 above).

VERS, however, was very successful that it achieved beyond its target. The WB (2001) had to remark that from an administrative point of view it did rather well but unfortunately it deprived ministries of skills and service. However, the government budget could not handle payment of pension and severance pay. Rather than relieve the pressure on exchequer's financial capacity, the exercise worsened it. In fact in 1999, the government revealed that the retrenched had become more expensive to maintain than when they were in employment. Paradoxically the government announced further retrenchment of staff on compulsory basis.

4.3.2 Compulsory Retirement

As it is clear by now CR was not in the original design of CSRP. It was possible to introduce because retrenchment policy process was iterative and not linear. It was introduced for three reasons. One, VERS had not led to savings or cost

containment as envisioned. Two the weaknesses of VERS, which include losing of best staff, worsening unequal distribution of staff, and slow progress towards a 'lean and mean' civil service, declining efficiency. Three, failure of the first ministerial rationalization on pilot basis of two sets of 6 ministries each, an exercise designed to have started in 1993 but was acted on in 1995. implementation started with two ministries in 1996 and in 1997, the reminder four and the second set of six. In their reports on ministerial rationalization, the 12 ministries recommended the following (table 4) which government termed as full of shortcomings.

Table 4. Recommendations from Rationalization Reviews

	Removal of functions	Divestme nts of functions	Internal transfer of functions	Organization or staffing change	System or procedure change	Further study	Abolition of posts	Increase in posts
NO.	4	26	34	75	85	19	19	34
% of total	2%	10%	13%	29%	33%	13%	7%	13%

Source: DPM, CSR Medium Term Strategy, 1998-2001

The major issues in these recommendations were realignment or re-organization of ministries to avoid overlaps (33%), streamlining procedures (29%), and changing the internal structure of organizations (13%). Interestingly 13% recommended increase in posts. The recommendations reveal an interesting fact too that retrenchment was not a priority but this was considered unacceptable by the government. It stated that "the approach did not provide a useful criteria for rightsizing the affected ministries as it did not provide targets for reduction of the huge wage bill and public expenditure" (CSR Medium Term Strategy 1998-2001). While terming the rationalization uncoordinated and fragmented, the government admitted the possibility of many ministries having perceived the initiative as centrally driven by DPM hence possible lack of ownership of the reform. Nevertheless, it went ahead to institute a more centrally driven and determined compulsory retirement of civil servants and continued rationalization of the remaining 11 ministries. This may be a good example of what Olowu refers to as

problem of wrong diagnosis and therefore wrong prognosis (Olowu 1999) which explains failure of many CSRP in Africa.

It is important to note that two main objectives guided rationalization of ministries. An obvious one is redefinition of the functions and structures of the ministries. The overriding one that guided the whole process was the need to uncover more numbers for downsizing. The WB (2001: 72) reveals "ministerial rationalization was linked to the assumption that the civil service was overstaffed and, therefore, one of the targets of rationalization was retrenchment of staff."

With this background, CR was planned to lay off a predetermined number of 25,000 staff across all grade levels before the end of phase two in 2001 and the ministries had to attain their targets following a criteria developed by the CSR secretariat. This was the most arbitrary, painful, opaque, and highly unpopular part of the reform ever. Civil servants received retrenchment letters without any prior notice as to why they were selected. A number of deaths and hospitalization due to shock were reported in the press. Politicians and ethnic communities reported claims of biases. Further even understaffed ministries had to retrench its workers. A number of stations especially in districts and provinces retired even more than 95% of their staff. This was bound to raise resistance. The government said that the exercise was painful but it had to go ahead. By April 2001, a total of 23,448 civil servants had been retrenched.

In recognition of the fact that CR would be a painful exercise and was likely to have a political backlash, the government with support of the WB hired private sector technocrats ("Dream Team") to spearhead the process. Dr. Leakey, a renowned conservationist, former Kenya Wild Service Director and a prominent opposition politician, was appointed the Head of the Civil Service in July 1999. His reputation as a tough administrator and also as a member of the opposition helped to push ahead the implementation of the hard task. During his tenure, the government instituted two major changes that had influence on retrenchment

exercise. First, reduction of ministries from 27 to 15 in 1999 following WB/IMF demand. Ministries/departments were lumped together and yet practically none was abolished. Cases of two or three ministers with so many assistant ministers in one ministry became common. These changes complicated the work of determining what would be the core functions and therefore the right number of staff of so amorphous ministries. Second, in 2000, the government began implementation of the PSR to address the problem that CSR was not delivering because it was a stand-alone programme.

Although the government said that CR was to match tasks to personnel, on several instances, it was made to re-employ retrenched because of shortages and rapid decline in services. A good example is the public health technicians in the Ministry of Health who were retrenched in September 2000 but re-employed in January 2002 after successful appeals to the PSC against their retirement. The National Chief Public Health Officer admitted "it had been a mistake to have forced the officers into early retirement for it was wrongly believed that the department was overstaffed ... we need [them] in every location and... every division" (Kwena 2002). However, before being accepted, the workers were to refund all the compensation package plus pension earned since being retrenched.

To be noted is that phase two of CSRP overlapped with phase one of PSR. However, it continued being a top-down approach. During phase I (2000-2003) PSR planned to retrench 32,000 civil servants resulting from ministerial rationalization. Phase II was to focus on privatization and phase III on contracting out of government functions and more retrenchment.

4.4 Other Downsizing Measures

In addition to VERS and CR, the other measures employed were:- *Abolition of Posts*: posts that had remained vacant for long time were abolished. Between 1993 to 1997, 26,336 vacant posts in Job Groups A-G were abolished. *Natural*

Attrition: this refers to separation with employment of an individual through either death, retirement under 45, 50, and 55 year rule, resignation, termination, retirement under medical grounds or retirement on public interest. At the inception of retrenchment a reduction of 6,000 posts per year in the civil service was expected. By 1998 a reduction of 39,370 posts had been achieved. For this to be realized ministries/departments had to strictly enforce the retirement rules especially the 55 year mandatory retirement age, handle disciplinary cases promptly and firmly, and abolish posts that had remained vacant for more than six months after being vacated under natural attrition. However, some posts were selectively replaced. *Removal of "Ghost" Workers:* during a head count covering the entire civil service, it revealed a total of 15,672 civil servants that could not be physically identified. After verification and data analysis, 4,500 were found to be 'ghost' workers.

Other measures included withdrawal of guaranteed employment to pre-service trainees and graduates of tertiary education institutions and university; introduction of new centralized personal numbers to control unauthorized recruitment; privatization; and creation of independent agencies. Computer based Integrated Payroll and Personnel DataBase System to manage payroll and staff establishment was implemented in some ministries.

4.5 Termination of Retrenchment of Civil Service

The process or discussion that led to the suspension eventual termination of retrenchment is not documented or rather is not in the public domain. However, the reasons leading to it can be enumerated.

It was during Leakey's time that the downsizing became very visible, generated a lot of interest and began taking a political dimension. The rationale for retrenchment was questioned and some political and ethnic grouping insinuated that the exercise was biased and only aimed at a particular people. In September 2000 opposition National Labour Party in a bid to block the retrenchment

exercise sued the government in the High Court but was unsuccessful. A more damning occurrence was when parliament challenged the whole retrenchment exercise in October 2000 and passed a motion urging the government to suspend it. The opposition brought the motion arguing that the exercise was flawed, unprocedural and called for reinstatement of those retrenched. The reasons given were that; services had fallen badly because of reduced numbers of civil servants; retrenchment was done unprocedurally and without reference to parliament. That there were no clear guidelines guiding selection of those to be retrenched; Head of Civil Service overseeing the reforms was in office illegally because the constitution did not provide for hiring of private sector members ("Dream Team"); retrenchment worsened poverty situation and hence defeating the efforts to tackle it. Kibaki, the leader of official opposition party charged that the exercise was done in a clandestine and haphazard manner and "there are simply no guidelines, a few civil servants meet in the (dark) corners and draw up a list of whom they want kicked out." (Nation Team 2000: 2) In January 2001, just six months before its scheduled conclusion, the government announced in the press the suspension of the retrenchment exercise (Muriuki 2001). In fact, a Cabinet minister jaded his colleagues by saying there was no need to stop the exercise because it was as good as finished.

Despite this announcement civil servants continued to receive retrenchment letters. In the budget speech of the same year 2001/2002 FY, the Minister for Finance announced further retrenchment. It was only while addressing a seminar to launch the Strategy for Performance Improvement in the Public Service on 7th March 2002 did the PS/Director, DPM break the news, thus; "You will recall that in his Budget Speech, the Minister for Finance announced further retrenchment in the current FY. However, the current situation is that there will be no further retrenchment in the civil service" (Ongwae 2002:9). The Economic Secretary in the Ministry of Finance P. Gikundu gave the reason for the move as the failure of the process to realize its envisaged monetary gains and the government's rising expenditure amidst shrinking revenue base (Wachira 2002).

Table 5 gives the state of the civil service and the impact of retrenchment on its numbers and relative salaries per Job Groups as per 1998 and 2001.

Table 5. Establishment and Relative Salary by Job Group-June 1998 and June 2001

Job Groups	Approved Posts		Filled Posts		Difference		Amount K£ p.a.	
	1998	2001	1998	2001	1998	2001	1998	2001
A	10,764	5,751	1,331	604	9,433	5,147	2,311,638	1,073,478
B	31,248	13,640	14,594	6,795	16,654	6,845	27,293,594	13,210,503
C	14,027	9,876	11,311	8,870	2,716	1,006	34,454,407	20,609,790
D	31,046	23,668	15,432	11,492	15,614	12,176	35,729,136	28,474,434
E	40,109	35,555	24,013	14,885	16,096	20,670	63,056,410	41,333,781
F	87,832	104,768	63,776	59,895	24,056	44,909	220,808,421	218,049,186
G	36,059	36,497	34,459	26,746	1,600	9,751	137,763,030	113,650,179
Subtotal	251,085	229,755	164,916	129,287	86,169	100,504	521,416,636	436,401,351
H	23,354	23,587	31,767	29,537	(8,413)	(5,950)	158,770,929	158,127,114
J	15,040	15,606	12,326	14,376	2,714	1,230	74,099,532	88,002,384
K	12,875	9,761	9,573	9,761	3,302	3,306	65,353,729	71,211,651
L	6,995	4,954	4,731	4,954	2,264	2,055	39,074,510	42,816,870
Subtotal	58,264	53,908	58,397	58,628	(133)	641	337,298,700	360,158,019
M	3,443	3,621	2,273	2,277	1,170	1,344	22,588,245	23,693,388
N	1,493	1,560	958	909	535	651	10,913,007	10,801,653
P	599	633	388	368	211	265	4,993,275	4,866,987
Q	149	160	115	116	34	44	1,667,130	1,750,926
Subtotal	5,684	5,974	3,734	3,670	1,950	2,304	40,161,657	21,112,954
R	112	114	80	114	32	0	1,238,979	2,316,366
S	33	29	39	35	(6)	(6)	641,820	914,649
T	7	7	11	7	(4)	0	240,768	214,188
subtotal	157	150	130	156	22	(6)	2,121,567	3,445,203
U	29	67	6	1	23	66	41,898	23,214
V	1,553	1,649	642	970	911	679	4,449,192	4,680,730
W	38	48	5	5	33	43	15,168	16,809
X	1,933	1,865	618	724	1,315	1,141	4,666,467	5,983,038
Y	1,689	1,560	240	14	1,449	1,546	192,318	54,672
Z	1	1	1	0	0	1	0	0
9	71	94	265	433	(194)	(339)	1,176,057	16,684,056
subtotal	5,314	5,284	1,777	2,147	3537	3,137	10,541,100	27,442,519
Overall total	320,499	300,432	228,954	193,852	91,545	106,580	911,539,660	853,560,049

Source: DPM

Table 5 shows staff within Job Groups A-G accounted for 72% by 1998 and 67% of entire filled-up posts in the civil service in 2001 down from 88.4% during the inception of the exercise. Those in H-Q (professionals and higher technical cadres) accounted for 27% in 1998 and 32% in 2001 up from 10.8% while the top civil service managers remained less than 1% throughout the reform period. Apparently retrenchment increased skill mix but unfortunately it increased the problem of understaffing as vacant posts rose from 17% in 1990 to 40% in 1998 and 55% in 2001. Within the 2 years the wage bill decreased by Kshs1.2 billion (7%) possibly because of the sudden layoff of 23,448 staff, however, pensions

cost rose from Kshs5.6 billion in 1999/2000FY to estimated Kshs9.5 billion in 2000/2001 FY (Ongwae 2002) which is about 60% increase. In simplistic math, it means the GoK realized Ksh1.2 billion only to spend Ksh3.9 billion on pensions. Ongwae had to state "the scheme is non-contributory and 'unfunded'... benefits are paid from current revenue rather than from an invested fund. The growing number of retired civil servants is putting increasing pressure on the exchequer's financial capacity to meet retiree entitlements" (Ibid.: 10). Yet the pension value for individual civil servants was not enough to provide them with a "living wage". Currently the highest paid receive Kshs.30, 000 p.m. and the lowest Kshs.500.

4.6 Linkage to other CSRP Components

First, retrenchment falls under Staffing component and in order to understand how it linked up with others aspects of the reform, it is important to understand the cause and effect logic that underlie the objectives of the policy. The argument goes; to achieve financially viable civil service- retrench employees-make a saving-use it to increase PE, O&M allocation then eventually finance high priority areas. Therefore, regarding Civil Service Organization component that entailed rationalization of ministries/departments, retrenchment became independent variable while rationalization dependent variable. Rationalization of functions was done to suit retrenchment exercise-the predetermined number of staff to be axed and not vice versa. In this way attention was diverted from such crucial objective of determining functions and structures that could then help determine the required staff.

On Pay and Benefits, the main objective was to review pay and benefits upward in order to attract and retain quality staff at all levels. Since increase of salaries depended on savings made from retrenchment, it means that its implementation had to be delayed. However, to motivate remaining staff and to ensure continued support for reforms, the government implemented monetization medical (1994) and of housing allowances (1994,), increments in salaries and allowances for senior government officers to decompress salary ratio (2001). The

delay in reviewing salaries across the civil service has to do with failure of retrenchment to realize savings. On Staff Development and Personnel Management whose goal was performance improvement, not much was done since it entailed money for staff training and improved skill needs planning. Others that were financially less demanding like revision of Performance Appraisal System were done.

Retrenchment, therefore, was not linked up well to other CSR components because it failed to realize envisioned savings. Also, its premise and logic militated against implementation of any component whose objectives and assumptions contradicted its own. Furthermore, "urgency" of the problem, setting of tight implementation timetable coupled with the need to make savings diverted attention from building technical and administrative capacities of the civil service. Implementation of tightly sequenced reform became problematic.

4.7 Lessons from Other Countries

In the three countries that were examined, it is clear that donors played a very dominant role. However, as Uganda's case teaches, donor contribution could help immensely if coordinated. This could have been done in Kenya. This lesson is complicated by the different situations for example Uganda started its reforms and donors came in just to support it materially and financially while for Kenya the donors refused to support its homegrown reform and demanded and ensured compliance to a WB/IMF led reform. Further, Kenya was to finance the bulk of the reform in spite of conditionalities. Another lesson, despite having an overwhelming problem of overstaffing, it is better to define first governments core functions, develop staffing norms and carry out service delivery surveys. However, Kenya's case shows that these could have been a hindrance because the overarching target was downsizing instead of rightsizing. Third lesson, reform is a continuous process that may take several years as Ghana's case illustrated. Proper planning and thoughtful modification of reforms to suit changing circumstances is necessary and unavoidable.

CHAPTER 5

5.1 SUMMARY, CONCLUSION AND RECOMMENDATIONS

The civil service is a very important machinery on which the government relies to get quality policy advice and to implement efficiently and effectively policies and programmes it formulates. It becomes extremely important that any policies aimed at improving civil service performance should not end up exacerbating the problems. Many things determine the success or failure of a policy but as Grindle (1980) pointed out, it depends on how it is formulated and the political, social, economical and cultural context of implementation. The following summarizes the content and context experiences of retrenchment policy.

During the process of problem definition and matching solution to the problem, considerable political activities were generated as values clashed. While the government acknowledged that reducing the civil service was necessary, made it clear that it preferred more of incremental change but the donors wanted drastic reduction of the civil service costs, numbers and functions. These differences were not settled and they plagued the reform as we saw. Also assumptions that formed the foundation of the policy influenced greatly problem definition and choice of strategies. These assumptions are; the civil service had serious overstaffing and an overwhelming wage bill; retrenchment would lead to considerable savings enough to finance more reforms in the civil service and therefore the government had the ability and capacity to finance the reforms without much external assistance; private sector was vibrant enough to absorb retrenchees; and, smaller and leaner service was better.. Ingraham observes that assumptions are the "Most basic building blocks in policy design... Although they are rarely clearly stated, their impact throughout the process is significant. Failure to be accurate at this point of design can nullify subsequent activities, no matter how rigorous they might be" (Ingraham 1992: 25). The realities of implementation proved most of the retrenchment assumptions impractical. Interestingly, experiences from developing countries like USA (Ingraham 1992) and UK

(McCourt 1998) which tried retrenchment confirm that it is a costly exercise and never leads to decrease in wage bill, government expenditure increased (balloon problem). In fact a well-provided and efficient civil service is costly.

The policy promised types of benefits that galvanized support from stakeholders that helped push ahead implementation. The initial promise that retrenchment would lead to greater savings, a smaller well paid and efficient workforce was attractive to the government (despite its initial misgivings), opposition political parties, parliament, private sector, citizens and even to civil servants. The benefit were collective hence the absence of much conflict during implementation. Unfortunately, during the design, no strategies were put in place to counter any possible negative externalities that could affect achievement of objectives for instance political opposition resulting from unmet promises or shortage of financial resources due to donor conditionalities.

The policy envisioned a change that could be achieved within a specified timeframe. This was one of the weaknesses of this donor driven reform. The need too achieve results within a short time created a spiral effect between the need to retrench staff and to reduce wage bill in a bid to make savings. Preparatory matters such as building the capacities of implementing agencies, developing staffing norms and carrying service delivery surveys were relegated to insignificance. Concentration on economic rather than institutional criteria as a measure of success obscured the issues of capacity and effectiveness (Corkery and Land 1996). As the civil service shrunk the link between it and the society became weaker yet the undeveloped private sector could not cope with the gap.

Key decision units were specified or created during policy design, the Cabinet, the NSC, CSRS and the various CSR committees to manage implementation of the policy. Interestingly, Parliament was not identified as one of the key decision unit but later influenced suspension of retrenchment. The organizational and geographical dispersal of these decision units created coordination and

supervision problems that caused delays worsened by unclear roles, guidelines and poor information feedback. Consequently the government moved to and fro centralized and decentralized approaches of implementation.

Resources for implementation and contributions from parties involved were specified during formulation stage. The government as the beneficiary contributed the bulk of finance and the donors the remainder. The assumption that the exercise would definitely generate savings may have influenced the donors' decision to extent aid conditionalities to CSR. Their refusal to fund recurrent expenditure and particularly recurrent staffing costs became one of the causes for delay in improvement of remuneration of the leaner civil service. This militated against the objective of motivating the remaining staff to improve their performance.

From the foregoing it is apparent that content of the policy had a decisive impact on implementation. However, the context of retrenchment policy had impact also but not as decisive. As expected, the interests, values and ideologies of the stakeholders clashed also during implementation. The donors were driven by the ideology of small and facilitative civil service and the government by the need to have a strong service that continued to carry the functions of the state of penetration, regulation, extraction and utilization. The little change in civil service establishment throughout the reform process despite rapid decrease in filled positions reflects this conflict. The civil service bureaucracy's recommendations on rationalization of ministries, challenging of dismissals in the court and the PSC by retrenchees and action by Parliament (political parties) illustrates clearly how actors' power and resources tried to alter or stop implementation process and outcome.

The fact that retrenchment strategies met the targets despite resistance within the implementation environment indicates the political regime and administrative organization power, resolve and commitment to implement the policy. However, the compliance that donors and officials acquired from politicians, civil servants

and citizens through promises of improved salaries and delivery of service waned after long years of failed promises. Retrenchees had to state in a memorandum to WB (Kenya) "The youth of this country, who are most affected, have every reason to believe that Kenya has lost its sovereignty to the donor community" (The Nation 15/12/2002).

Conclusion

From the study it became apparent that retrenchment policy in Kenya contained its seeds of destruction from its inception. The diagnosis of the problem was wrong and therefore methods of treatment were wrong also. The assumption that drastic reduction of the size of the civil service would lead to cost containment and consequent savings invested to improve the civil service was never realized. Salaries and allocation for O&M could not, therefore, be improved. The reality of the Kenya civil service was that, like in other countries in Africa, it lacked numbers and quality and this could be the reasons why as size reduced so did service delivery. It can be said therefore that deliberate rightsizing rather than downsizing would have been appropriate for Kenya.

The design of retrenchment made it a bit problematic to link up positively with the other aspects of CSR. The 'minimalist' ideology together with the logic that ran through assumptions behind the policy coupled with tight timetable and targets made it difficult to implement aspect the reform that had objectives that differed. Unfortunately, quantitative indicators became the most important measure of success. Centralized as opposed to decentralized multipolar implementation approach stopped any modification of objective. This isn't negative accept it denied the existence of diversity of situations. Most of these problems would have been ironed out during the design stage had the donors involved all the stakeholders. Homegrown reform perspectives could have moderated the assumptions and objectives, built sense of ownership and support for the policy that affected implementation later.

Recommendations

The ultimate goal of the Kenya CSRP is to acquire an improved policy formulation and implementation capacity by primarily creating an environment supportive of objective analysis and professionalism within the civil service (WB 1994). Retrenchment policy was supposed to contribute to this overall goal, however, looking at it from its design to implementation little is seen towards this end. Further by involving themselves in diagnosing problems and prescribing strategies donors' and government-centralized policymaking undermined the achievement of the goal. Therefore, my recommendation is that policy making be made more participatory. This is particularly important for policies that have bigger ramifications. This may lead to delay but it is better than having policy failures resulting from badly designed policies that conflicted and lacked sense of ownership and commitment. Dialogues may improve the content of reforms that are proposed.

My other recommendation is transformation of the existing CSRC into institutionalized policymaking think tanks in the civil service or public service at large. These committees will help review all government policies and those within their jurisdictions so that they do not conflict. They will carry out research and consultations about policy problem, evaluate performances and give expert policy advice to enable the policymakers make informed policies. Together with this and in competition, private or independent think tanks should be encouraged and supported by government. These multipolars will make the policymakers not only able to make informed decisions but also create coherence in policies and also contribute to improved policymaking capacity and implementation within the country. This may be particularly relevant especially when Kenya is going through rapid political, social, economic changes as it gears towards achieving its goal of getting industrialized by 2020.

BIBLIOGRAPHY

Abizadeh, S and Basilevsky, A. (1990) " Measuring the Size of Government" in Public Finance No.3/1990 Vol. XXXXV pp. 353-377.

Berman, P. (1980) 'Thinking About Programmed and Adaptive Implementation: matching strategies to situations' in H.M Ingram and O.E Mann (eds.) *Why Policies Succeed or Fail*. Sage Publications, London, pp. 205-227.

Bjorkman, J.W. (1991) "Implementation and Development Policy; Major problems, small steps" in *Public Enterprise*, 1994, Vol.14, nos. 3-4, pp. 368-378

Boon, S.M., F. de Jong and J.J. Teering. (1999), 'Revising the Guiding Principles on Civil Service Reforms. The Case Studies of Burkina Faso, Kenya and Tanzania' in Reader Workshop Civil service Reform 8 & 9 April 1999, The Hague, Ministry of foreign Affairs pp.1-25

Brautigam, D. (1996) "Agenda for Africa's Economic Renewal". OECD pp.81- 104

Clarke, J and Wood, D. (2001) "New Public Management and Development: the case of public service reforms in Tanzania and Uganda" in W. McCourt and M. Minogue (Eds.) *The Internalization of Public Management, Reinventing the Third World State*, Edward Elgar, Cheltenham, UK, Northampton MA, USA, pp. 70-89.

Cohen, J.M. (1993) "Importance of Public Service Reform: the Case of Kenya" in *The Journal of Modern African Studies*, 31,3 (1993), pp. 449-476.

Corkery, J and Land, A (1996) 'Civil Service Refrom in the Context of Structural Adjustment' , Maastricht: ECDPM. In WWW.ecdpm.org/pubs/csrsap.htm

Das, S. K. (1998) *Civil Service Reform and Structural Adjustment*, Oxford University Press, Dehli

Dunn, W. N. (1994) *Public Policy Analysis: An Introduction* 2nd Edition, Prentice Hall, Upper Saddle River, New Jersey

Dror, Y. (1971) Ventures in Political Science, predictions of Political Feasibility, American Elsevier, New York

FitzGerald, P, et al (1995) Managing Sustainable Development in South Africa. Cape town, Oxford University Press.

GoK (2001) A Strategy for Performance Improvement in the Public Sector, Nairobi

GoK (1999) Ministerial Rationalization Guidelines, May 1999.Nairobi

GoK (1998) Civil Service Reform Medium Term Strategy 1998-2001, Nairobi

GoK (1993) Personnel Circular No. 5 of 12th October 1993, "Civil Service Reform Programme". nairobi

GoK (1986) Sessional Paper No.1 of 1986, Economic Management for Renewed Growth, Government Printer, Nairobi.

Grindle, S.M (1996) Challenging The State; Crisis and Innovation in Latin America and Africa, Cambridge University Press.

Grindle, S.M (1980) "Policy Content and Context in Implementation" in Grindle, S.M (Ed.) Politics and Policy Implementation in the Third World. Princeton University Press, Princeton, New Jersey, pp.3-33.

Gwartney,J. lawson,R. Holcombe, R.(1998) "The Size and Functions of the Government and Economic Growth", prepared for Joint Economic Committee April 1998, Washington DC, pp1-33

Harris, P (1990) Foundations of Public Administration: A Comparative Approach, Hong Kong University Press, Hong Kong

Hyden, G (1984) "Administration and Public Policy" in Joel D.Barkan (Ed.) Politics and Public Policy in Kenya and Tanzania, Praeger, New York, West Connecticut, London, pp.103-124.

Hogwood, B.W and Gunn, L.A (1984) Policy Analysis for the Real World, Oxford University Press.pp.3-31

Kaul, M (1998) *Introducing New Approaches: Improved Public Service Delivery, Managing the Public Service Strategies for Improvement series: No.5, Commonwealth Secretariat*

Kiggundu, M.N (1998) "Civil Service Reforms: limping into the twenty-first century" in Martin Minogue, Charles Polidano & David Hulme (eds) *Beyond New Public Management, the changing ideas and practices in governance*. Edward Elgar, Cheltenham, UK.

Kisubi, M.A.M (1996) "Working With Donors To Implement Civil Service Reforms: The Uganda Experience" in L. Adamolekun, G. de Lusignan and A. Atomato (Eds.) *Civil Service Reform in Francophone Africa, Proceedings of a workshop, Abidjan, January 23-26, 1996*, World Bank, Washington, D.C pp123-135.

Klittgaard, R (1997) *Cleaning Up and invigorating the Civil service*. *Public Administration and Development*, vol. 17, 487-509 (1997) pp.487- 509

Kwena, E (2002) "Government takes back retrenched health workers" in *Daily Nation* of February 1 2002. WWW.Africaonline.com/site/Articles/1,3,45269.jsp

Langseth, P (1995) *Civil Service Reforms in Uganda: lessons learned*. *Public Administration and Development*, Vol. 15, 365-390.

Lester, J.P and Goggin, M.L (1998) *Back to the Future: The rediscovery of implementation studies in Policy Currents: Newsletter of the public policy section, American Political Science Association* September 1998 pp. 1-9.

MacGregor, J. et al (1998) *Downsizing the Civil service in the Developing Countries: the golden handshake revisited*. *Public Administration and Development*, 18: pp. 61-79

Mandu, D.K (August 2001) "Incentive Structure and Efficiency in the Kenya Civil Service" Discussion Paper No. 2001/52, United Nations University/World Institute for Development Economics Research, WWW.Wider.UNU.edu/publications/dps/dp2001-52.pdf

Merode, L and Thomas, C.S (1994) 'Implementing Civil Service Pay and Reform in Africa: the experiences of Ghana, the Gambia, and Guinea' in B. Nunberg and D.A Lindauer (Eds.) *Rehabilitating Government, Pay and Employment Reform in Africa*, pp 160-194.

Mbugua, C (2000) Civil Service Reforms in Kenya: A comparative Study of Homegrown Reforms and Externally Induced Reforms. M.A Research, Institute of Social Studies, The Hague, unpublished.

McCourt, W and Minogue, M (eds) (2001) The Internalization of Public Management, Reinventing the Third World State, Edward Elgar, Cheltenham, UK, Northampton MA, USA

McCourt, W (1998) "Civil service Reform Equals Retrenchment? The experience of 'right-sizing' and retrenchment in Ghana, Uganda and UK" in Martin Minogue, Charles Polidano & David Hulme (eds) Beyond New Public management, the changing ideas and practices in governance. Cheltenham, UK and Northampton, USA Edward Elgar, pp.172-187.

Minogue, M, (2001) "The Internalization of Public Management" in McCourt, W and Minogue, M (eds) (2001) The Internalization of Public Management, Reinventing the Third World State, Edward Elgar, Cheltenham, UK, Northampton MA, USA, pp.1-19.

Minogue, M et al (1998) Beyond New Public management, the changing ideas and practices in governance. Edward Elgar, Cheltenham, UK.

Moharir,V. (1995) 'Civil Service Reforms in Africa: Problems and Prospects in P. FitzGerald, A. McLennan, and B. Munslow (eds) Managing Sustainable Development in South Africa. Cape town, Oxford University Press, pp158-167.

Munene Report (1997) Report of the Committee to Review the Terms and Conditions of Service for the Civil Service 1997, Government Printer, Nairobi.

Muruiki, M (2001) "Retrenchment is Halted", in Daily Nation January 19, 2001, www.nationaudio.com/news/Daily_Nation/19012001/News/News36.html

Mutahaba, G. and Blogun M.J. eds. (1992) Enhancing Policy Management Capacity in Africa, Kumarian Press.

Ndegwa Report (1991) Development and Employment in Kenya; A strategy for the transformation of the economy. Report of the Presidential Committee on Employment, Nairobi,

Ndegwa Report (1982) Report and Recommendations of the Working Party on Government Expenditures, July 1982, Government Printer, Nairobi.

Ndegwa Commission (1971) Report of the Commission of Inquiry (Public Service Structure and Remuneration Commission), 1970/71, Government Printer, Nairobi.

Nunberg, B and Nellis, J (1995) civil Service Reform and the World Bank, the World Bank, Washington, D.C

Nyongo, A (2001) "The End of Leakey and the Dream Team" in Daily nation on April 1, 2001, www.nationaudio.com/news/Da...on/01042001/Comment/Comment36.html

Nzioka, G. (1998) 'Civil Service Reform in South and Eastern Africa' www.tanzania.go.tz/psrp/Kenya.html

O'Brien, F.S & Ryan, T.C.I (1999) "Aid and Reforms in Africa: Kenya case study" pp.471-532

Onditi, C. J (2001) An Analysis of Tanzanian Civil Service Reform With Special Reference to Retrenchment and pay, MA Thesis, Institute of Social Studies, The Hague. Unpublished

Olowu, B (2001) "Pride and Performance in Africa Public Services: analysis of the Institutional breakdown and rebuilding efforts in Nigeria and Uganda" in International Review of Administrative Science [0020-8523(200103) 67:1, pp.117-134.

Olowu, B (1999) "Redesigning African Civil Service Reforms" in The Journal of Modern Studies, 37, 1(1999), pp1-23.

Olowu, B (1998) "Building Critical Capacities for Sustainable Development in Africa: matters arising" in International Journal of Technical Cooperation, Vol. 4, No. 1, Summer 1998 pp. 1-19.

Ongwea, J.E.O (2002) Overview of Strategy for Performance Improvement in the Public Service, speech delivered on the launch of Strategy for Performance Improvement in the Public Sector at the Kenya School of Monetary Studies on 7th March 2002. Office of the President.

Oyugi, W. (2000) "Decentralization for Good Governance and Development, Concepts and Issues" in Regional Development Dialogue, Vol.No.1, Spring 2000, pp. 3 – 22

Oyugi, W. (1990) "Decentralized Development Planning and Management in Kenya: An Assessment" in L. Adamalekun, R. Roberts and M. Laleye (eds) Decentralization Policies and Socio-economic Development in Sub-Sahara Africa, Economic Development Institute of the World Bank, pp. 157-191

Ozgediz, S. (1983) 'Managing the Public Service in Developing Countries; issues and prospects', World Bank Staff Papers No 583. Washington DC: world Bank.

Palumbo, D.J and Calista D.J (1997) "Symposium: Implementation: What Have We Learned and Still Want to Know" in Policy Studies Review, August1987, 7:1 pp91-101

Polidano, C (2001) 'Why Civil Service Reforms fail', Public Policy and Management Working Paper no.16, Institute for Development Policy and Management, University of Manchester, <http://idpm.man.ac.uk/idpm/ppm16.htm>

"Guiding Principles on Civil Service Reform" in Poverty and Development, analysis and Policy No.12 Civil Service Reform in Sub-Saharan Africa, International Workshop on the Civil Service Reform Sub-Saharan Africa (1996)), pp.59-66.

Schiavo- Campo, S (1998) "Government and Pay: the Global and Regional Evidence" in Public Administration and Development 18, 457 478 (1998) pp. 457-473.

Schiavo- Campo, S (1996) "Reforming the Civil Service" in Finance & Development/September 1996 pp.10-13.

Smoke, P.J. (1994) Local Government Finance in Developing Countries; The case of Kenya, Oxford University Press, Nairobi.

The Nation, Nairobi (2000) "MPs Say No to Job Cuts", The Daily Nation of 19th October, 2000 in www.nation.africa/lyNation/19102000/News/News83.html

The Nation, Nairobi (2000) "World Bank Rejects Retirees Demands" of 15th December 2000 in WWW.hartford-hwp.com/36/169.html

Therkildsen, Ole (2000) "Public Sector Reform in a Poor, Aid-Dependent Country, Tanzania" *The International Journal of Management Research and Practice, Public Administration and Development*, 20, 61-71 (2000).

United Nations (1985) *Reforming Civil Service Systems for Development: Report of an International Seminar Held in Beijing, Peoples Republic of China 14-24 August 1985*.

Wachira, P (2002) "Government halts retrenchment of civil servants" in *The East African Standard* April, 9 2002 WWW.allafrica.com/stories/200204090092.html

Weimer, D.L and Vining, A.R (1991) *Policy Analysis; Concepts and Practice*, Prentice Hall, Englewood Cliffs, New Jersey.

Wescot, C (1999) "Guiding Principles on CSR in Africa: An Empirical Review" in *Reader Workshop Civil Service Reform 8 & 9 April 1999*. Ministry of Foreign Affairs, Netherlands Development Assistance, the Hague pp. 1- 41.

World Bank (2002) "Administrative & Civil Service Reform" in WWW1.worldbank.org/publicsector/civilservice/glossary.htm

World Bank (2001) "Public Sector Management Technical Assistance Project", Project Appraisal Document, Report No. 21397-KE in WWW4.worldbank.org/s/projects/project.asp?pid=P06690

World Bank (1994) "Institutional Development and Civil Service Reform Project", Staff Appraisal Report November 30, 1994, Report No. 13609-KE in WWW-wds.worldbank.org/servlet...1519/Rendered/INDEX/multiOpage.txt

World Bank (1992) *Kenya: Re-investing in Stabilization and Growth through Public Sector Management*, World Bank, Washington, D.C.

Wunsch, J.S. and Olowu, D. (1990) *The failure of the Centralized State: Institutions and Self Governance in Africa*, Oakland, CA.

