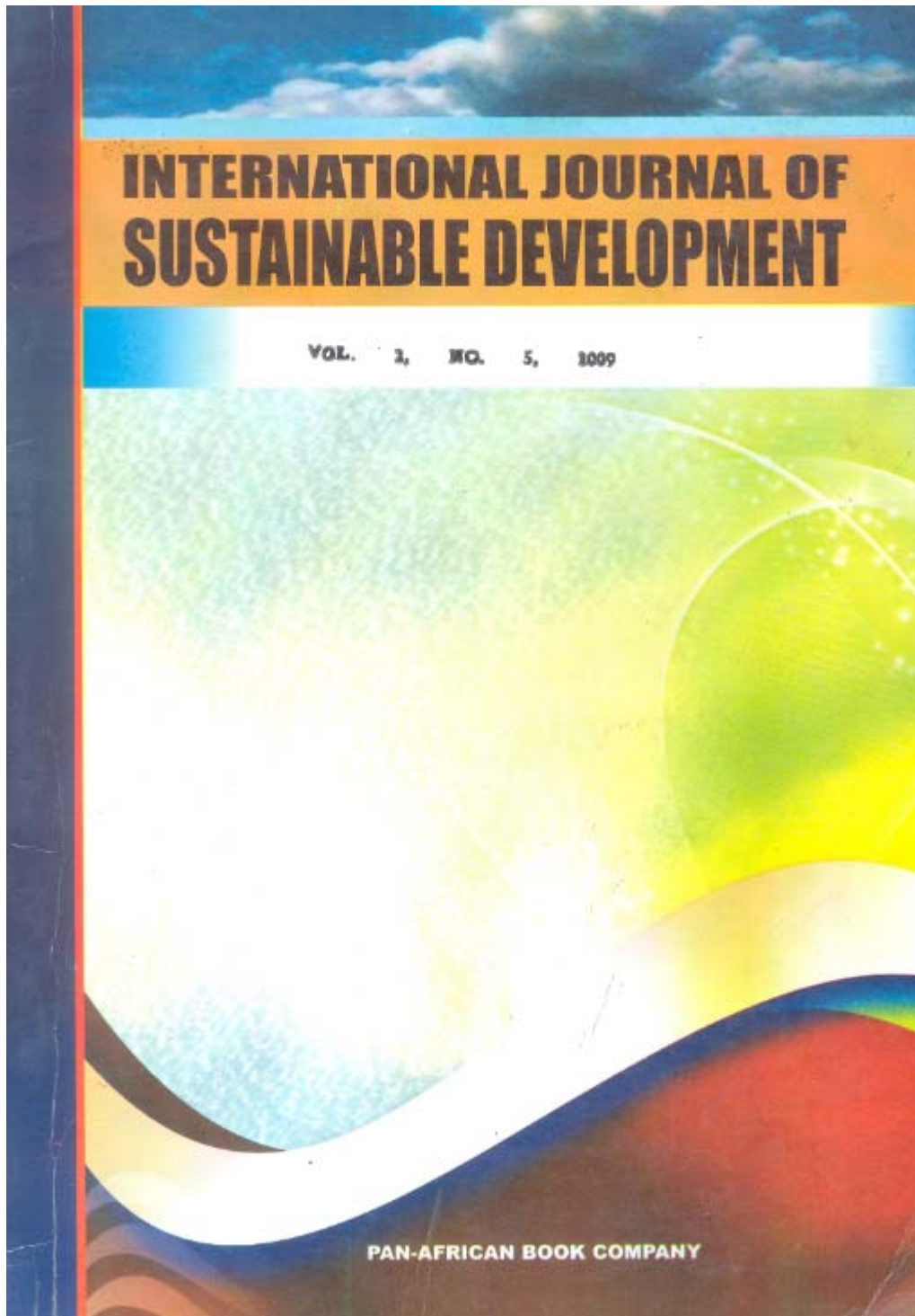


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MAKING PUBLIC ENTERPRISES IN NIGERIA TRULY ENTREPRENEURIAL BY A REVIEW OF ITS ECOLOGICAL CONTEXT

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ABSTRACT

The paper examines the poor performances of public enterprises in Nigeria from the ecological perspective. It views the creation of public enterprises the world over as germane to the socio - economic development of nations be they developed or developing and discusses the fact that the efficiency and effectiveness of these enterprises cannot be isolated from their ecology or environments. The paper concludes that these environments — political, economic, social, cultural, technological, legal and physical have hindered the operations of the public enterprises in Nigeria and suggests that the Nigerian Government should display some level of honesty and sincerity of purpose devoid of political and selfish interests or sentiments in the handling of public enterprises in Nigeria and recommends a Memorandum of Understanding (MOU) backed up by legislation which will among other things clearly spell out such issues as the relationship between the board of directors and the Governments that appoint them and the chief Executives or Managing Directors who will run the enterprises, goals and set targets etc while at the same time making the enterprises to be transparent and accountable to the people through their representatives rather than to the Executive.

Keywords — Public, Enterprise, Entrepreneurial, Ecology, Efficiency and Effectiveness

INTRODUCTION

The ongoing privatization and commercialization of public enterprises in Nigeria have generated a lot of furore among stakeholders locally and internationally. One of the reasons for the privatization and commercialization is that the public enterprises have become grossly inefficient and ineffective. The government in doing this, failed to examine the ecological context of these enterprises with a view to making them truly entrepreneurial. No organization, be it private or public can isolate itself from its environment if it must survive and be result — oriented. The environment of public enterprises in Nigeria therefore is significant if the reasons for its failures are to be well comprehended. This paper therefore seeks to look at those environmental factors or ecology by examining all its elements and the various ways they have affected the smooth operations of public enterprises in Nigeria and make suggestions on how the Government can ensure the survival and success of the remaining public enterprises that are yet to be privatized or commercialized and future ones it may wish to establish. Accordingly, it discusses the paper under the following sub-headings: (i) The concept of public enterprises (ii) The rationale or reasons for setting up public enterprises (iii) An overview of Public Enterprises in Nigeria and worldwide (iv) The concepts of ecology and the ecology of public enterprises (v) The ecology of Public Enterprises in Nigeria and the critical issues (vi) Concluding remarks and suggestions.

THE CONCEPT OF PUBLIC ENTERPRISES

Public enterprises (PEs) also known as Government controlled enterprises (GCEs) or better still, State owned enterprises (SOEs) have no common or generally accepted definition. However in simple terms, they can be defined. as public institutions established by Government for the purpose of implementing its policies that are economic or commercial in nature. This definition simply implies that any organization of Government, which takes the form of an economic outfit or is business-like in nature, is a public enterprise. It is the direct opposite of the civil service which though is also a

public institution created by Government to also implement its policies that are not of economic or commercial nature. The implication of this is that while public enterprises differs significantly from the civil service in terms of its nature of activities; it is in tandem with private or business enterprises. The word "public" there connotes what pertains to the Generality of the people. It is linked to government because it is government that is largely associated with what concerns the people as a whole. The implication of this is that public enterprises are simply Government enterprises or put in another way, Government commercial ventures. Having made this conceptual clarification, it is necessary to take a glimpse of how some scholars have defined Public enterprises. According to Acharya (1996:195), "public enterprises are those enterprises whose products can be sold and which are established and controlled by the state". As Laleye (2002) puts it, "a public enterprise is an organization that is set up as a corporate body and as part of the governmental apparatus for an entrepreneurial or entrepreneurial – like objective". According, to Adamolekun (1983:43), "public enterprises are public organizations that have emerged as a result of government, acting in the capacity of an entrepreneur". In the same vein, Mukandala (2000:293) see public enterprises as "organizations through which the states get involved in economic activities". These definitions are by no means exhaustive. However, there is a common denominator and this is that Public enterprises are not free service providers as the end-users of the services provided by them are expected to pay for them either in full or in part.

These public enterprises takes different forms or kinds as can be seen anywhere in the world. For the purpose of this paper, the major ones are highlighted below.

GOVERNMENT OR PUBLIC COMPANIES

These are also known as State-owned companies. They are enterprises created by Government under the provisions of the ordinary company laws. By this we mean that

they are those public organizations established by Government in similar manner or process as that of private companies. Put in another way, they are public organizations registered in the registry of companies in compliance with the companies act and though owned by the Government; operate, like the private companies. An important factor in this form is that Government could be the sole owner and appoints a board of directors and a General manager or chief executive to operate it on its behalf or controls majority of the shares of not less than 51%, with a dominant representation on the board of directors.

GOVERNMENT OR PUBLIC CORPORATIONS

These are public enterprises created by Government under statutes or acts of Parliament, Congress or National Assembly (the law - making arm of a Democratic Government) as the case may be. They are special entities that have their own legal personality but still keep some of the special prerogatives or privileges associated with governmental organizations. A significant aspect of these enterprises is that Government has monopoly of majority of them more so that they require huge amount of money or capital to be set up, the reason for which most private organizations find it difficult to go into them.

PUBLIC-PRIVATE PARTNERSHIPS (PPP) OR MIXED ECONOMY ENTERPRISES

Public-Private Partnerships or Mixed economy or better still, dual enterprises are the enterprises in which Government combines with others, for example, an Individual, a group of persons, business firms or companies to set up under the company's act or registrar of companies in like manner as in the case of Government/private companies. A major distinguishing factor in this form of enterprise is that it is a joint venture between Government and the private outfits or concern. Another significant aspect of this public enterprise is that Government could hold more or less shares depending on the area their intervention is required, their interest or the agreement reached. The point

being made here is that Government may not necessarily own majority of the shares in the partnership unlike in the case of Government companies where it has the controlling shares of not less than 51% of the total shares with a dominant representation on the board of directors. To properly comprehend the essence or importance of public enterprises, the rationale for setting them up must be noted.

THE RATIONALE OR REASONS FOR SETTING UP PUBLIC ENTERPRISES

There are many reasons adduced for setting up Publicenterprises the world over. They include:

- 1 The need to facilitate and implement economic and industrial development plans for the benefit of the citizens.
- 2 The need to use them to generate revenues that will augment the available revenues/finances of the Government for the implementation of programmes and projects or the provision of social welfare for the citizens.
- 3 The need to use them to reduce the monopoly of the private sector that may become inimical to public/general interests.
- 4 The need to regulate the activities of the private sector and compete favourably with them in the provision of essential goods and services for the people in furtherance of the responsibilities of Government.
- 5 The need to provide for employment opportunities for the citizens and legal migrants.
- 6 The need to separate some activities of the Government from the traditional civil service so as to allow them more autonomy in their operations.
- 7 The need to use them to promote an equitable distribution of wealth in the society so as to prevent the concentration of wealth or the means of production in a few hands or group.

- 8 The desire to use the Public enterprises as an instrument of effective planning in a context where it appears futile to devise a development plan for the private sector (Laleye, 2002)
- 9 The desire to ensure Government control over strategic sectors of the economy for such reasons as security reasons and national interest among others, so as to sustain them for economic growth and development.
- 10 The need to provide a shield behind which the people can take refuge where individuals and private firms are not strong enough to survive competition.
- 11 To enable Government intervene on a one-time basis when there is market failure, arising especially from the absence of perfect competition where the "invisible hand" cannot intervene to restore the system back to normalcy (Laleye-, 2002).
- 12 To enable Government influence macroeconomic indicators; for example, increase revenues and incomes, increase consumption, lower the interest rate, increase public investments, etc with a view to averting crises of over production and unemployment (Laleye, 2002).
- 13 To enable Government socialize risks and costs where the prospects for profits are low and private capitals are unwillingly to invest, because of the high risks and capitals involved. (Laleye, 2002).
- 14 The need to regulate prices and provide the less financially endowed in the society a place for succour to overcome deprivation.
- 15 The need to have enterprises that would be more widespread in scope and capable of reaching out to more geographical locations than would the private sector.

These reasons are by no means exhaustive and it is important to note that they vary from country to country depending especially on their level of development.

AN OVERVIEW OF PUBLIC ENTERPRISES IN NIGERIA AND WORLDWIDE

The participation of the Government in enterprises in Nigeria dates back to the colonial era. The task of providing infrastructural facilities such as railway, road, bridges, water, electricity and port facilities fell on the colonial government due to the absence of indigenous companies with the required capital as well as the inability or unwillingness of foreign trading companies to embark on these capital-intensive projects (Iheme, 1997). This involvement was expended and consolidated by the colonial welfare development plan (1946, 56) that was formulated when the labour party came to power in the United Kingdom. The trend continued after independence such that by 1999, it was estimated that successive Nigerian Governments have invested up to N800 billions into public owned enterprises (Obasanjo, 1999). For a large part of the twentieth century, there were countries in the world (Eastern bloc) that promoted state ownership of the means of production while others (western bloc) promoted private ownership of the means of production and a good number of countries practiced what was termed a mixed economy that is, a combination of public and private ownership of the means of production. However, at the end of the twentieth century with the end of cold war between the eastern and western blocs, private ownership of means of production took ascendancy. Today, the wisdom is that the state should recede and that private ownership of the means of production is the only viable approach to efficient production of goods and services, economic growth and development. Consequently, there is a move all over the world to privatize erstwhile public enterprises (Igbuzor, 2003). Be this as it may, the significance of public enterprises as we can see in most of the rationale adduced for setting them up cannot be ignored. For instance, despite being divested or dismantled, they continue to occupy significant roles in many countries, both developed as well as developing especially as principal suppliers of social services, :some relevant to the attainment of the Millennium Development Goals (MDGs) and they remain the main sources of employment in many countries (Bertucci, 2007). It is for this reason that

this paper stresses an understanding of the ecology of public enterprises as a means of proffering solutions to their efficacy.

THE CONCEPTS OF ECOLOGY AND THE ECOLOGY OF PUBLIC ENTERPRISES

Ecology (though a biological concept) has been found to be very useful in understanding cause - and - effect relationships in the success or otherwise of organizations be they private or public. As Dimock and Dimock (1969:46) put it, ecology is concerned with the interplay of living organisms and their physical and social environment and how organisms and environments are kept in balance for survival and other important objectives. Thus in simple terms, ecology is about the surroundings or environments in which an object is situated or embedded. The ecology of Public Enterprises therefore is the totality of the surroundings or environments in which public enterprises are embedded or situated. The implication of this is that Public enterprises like any other organization are surrounded by a number of factors (environments or elements) within which it operates and from which it cannot isolate or separate itself. These factors or surroundings thus influence or affect its operations and performances and it in turn affects them positively or negatively. The significant thing about these factors is that they are unique to different organizations and locations. For example, the ecology of an enterprise situated in Lagos, Nigeria would be different from one situated in Kano or Sokoto in Nigeria. In the same vein, the environment of an enterprise in one developing country will differ from one in a Developed country all as a result of environmental factors. Our concern in this paper as mentioned earlier is to look at these environmental factors as they have been affecting public enterprises in Nigeria.

THE ECOLOGY OF PUBLIC ENTERPRISES IN NIGERIA AND THE CRITICAL ISSUES

The ecology of Public enterprises in Nigeria implies the various environments in which public enterprises are embedded or situated in Nigeria and they include:

- (i) The Political environment;
- (ii) The Economic environment;
- (iii) The Social environment;
- (iv) The cultural environment;
- (v) The Legal environment;
- (vi) The Technological environment and
- (vii) The physical environment.

THE POLITICAL ENVIRONMENT

This includes such factors as political influences or sentiments in the appointments of the members of the boards of directors and administrative headships of the enterprises, political interferences, and political considerations that come to play in the activities of the public enterprises. Added to these has been the nature of the political system, which has largely been undemocratic with the Military dominating the political scene since independence. For example, as a result of the command nature of the Military, most of the appointments they made to the board of these enterprises were inexperienced as they were mostly done to satisfy the interests of the juntas as against general or public interest. Unfortunately, the same was and is still the case with the civilian Government that also saw the enterprises as instruments to compensate political godfathers and supporters. A consequence of this is the collapse of the enterprises culminating in the ongoing privatization and commercialization in the country.

As Laleye (2002), puts it:

In theory, a member of the board should have certain qualities: integrity, good personal records in the community, ability, experience, and specialized knowledge. In practice however, partisan political considerations have determined the appointment of board members and almost invariably the majority of the persons appointed under the various

spoils systems rarely possess any of these qualities. Beyond this also are the ethnic and tribal sentiments attached to such appointments in the name of federal character and geographical spread, the consequence of which is having mediocre running the enterprises to the detriment of effectiveness and efficiency. Apart from this also is lack of commitment by the board members. As a matter of fact, many are only interested in their remunerations and contracts either to themselves or to their cronies.

One other thing that has also affected public enterprises in Nigeria is in the area of recruitments to other levels in the enterprises which to say the least mostly lacks merit. Appointments are guaranteed via "man knows man". In this case, all that is required is to obtain a letter from a top politician or godfathers and mothers and the appointment is reserved even if the person is incompetent for the job. Indeed, there are many cases of people who find themselves working in some of the enterprises without having applied for the job. In many cases, the management of the enterprises are compelled to overstaff so as to satisfy political interests, the consequence again of which is to pay from their meager resources at the detriment of providing services or meeting set goals All these happen in Nigeria. Many applicants have openly expressed regrets going for some interviews for reasons that even before the interview, selections have been made. This has been one of the albatross of public enterprises in Nigeria plaguing its effectiveness and efficiency. In many of the enterprises today, many of the employees came in through political influences. Indeed, to make matters worse, those who came in on merit usually face instability except they are exceptionally good. Such political influences and considerations also extend to contract awards even with the existence of tenders boards.

Of course there is usually a caveat that the lowest bidder is not bound to have the contract either does the most competent. The recent power probe by House of Representatives of the National Assembly in Nigeria opened a lot of cankerworms in this regard. For example, it was revealed that many of the contractors got their contracts by presidential or Ministerial fiat without having to pass through the tenders' board or the so called "due process" to the extent that many did not even know where the projects

they were to embark on are to be situated. To add insult to injury, many were not registered with the register of companies as required by Law and as if these were not enough many admitted they got their payment in full up front without doing anything. Some of the payments were even made in foreign currencies and yet Nigerians slept in their various homes for eight years without electricity and are still sleeping in like manner. This is the extent to which political factors have destroyed Nigerian public enterprises. Can one therefore wonder why NEPA now PHCN has not been effective and efficient? PHCN is not the only one in this regard. Other cases abound, with majority not exposed. In most of these cases, the board members collude, as they have to obey their masters and of course retain their jobs.

THE ECONOMIC ENVIRONMENT

No organization can thrive without a conducive economic environment. For instance, having enough financial resources to operate under reduced or controlled inflation, favourable import duties, and fair interest rates among others. Answers to such Questions as: How much did Government allocate as take-off grants? What is the amount of money at the disposal of the public enterprises? What is the level or rate of inflation in the country? What is the cost of procurement and production? What opportunities are there to generate extra revenues to achieve set targets or goals? etc Answers to these Questions will provide a clue to the economic environment in which public enterprises operate in Nigeria. The implications of inadequate resources are numerous and often of negative consequences. This has been the bane of public enterprises in the country. What is common in Nigeria today is removal of subsidies and this is because the Nigerian Government claims it has been subsidizing most of the services from most of her public enterprises especially, the Nigerian National Petroleum Corporation (NNPC) and Power Holdings of Nigeria (PHCN). Indeed, the whole essence of Government's privatization and commercialization policies is to make Government relieve itself from subsidies. Similarly, such factors as Bank interest rates,

import duties, inflation, exchange rate etc, all hinder the financial resources of the public enterprises in Nigeria. Improving the economy as a whole will help a great deal in solving this problem.

THE SOCIAL ENVIRONMENT

The concern here is with the level of support or cooperation given by the populace to public enterprises in Nigeria. The question here is: What is the relationship between the people and their public enterprises or institutions or put in another way, how do the people view their public institutions and what is the level of support given by them to these public institutions? The fact is simply that the public enterprises in Nigeria have more or less lost their value. Let us mention them. PHCN, NPA, NITEL, NNPC, to mention a few have records of failures. As Nnoli (2002) puts it. It (public enterprise) is in a sense everyone's business, and what is more, some people outside it take the business seriously. They are ever ready to proffer suggestions on how to perform better, to call for more actions, to criticize and identify weaknesses and failures, and to make political capital out of failures. Thus, the public enterprises are under constant public pressure; their attention is divided; and the headship is distracted. Under such conditions efficiency and effectiveness suffers. Public Enterprises therefore are in a serious dilemma by usually not getting support for their smooth operations. This is worst in Nigeria and other developing countries where service provisions are poor. The social environment in Nigeria has thus been a very unfriendly one, lacking motivations or encouragements for improved performances and this has been the case over the years.

THE CULTURAL ENVIRONMENT

There are a lot of cultural issues affecting the efficiency and effectiveness of public enterprises in Nigeria. These issues borders on the behavioral pattern, values, feelings, attitudes etc of the people who work in public institutions as a whole. For example, the tendency is to see public enterprise in the country as an avenue to amass wealth

resulting in various corrupt practices. This has been on over the years and having serious effect on the enterprises. Some of the boards of the public enterprises themselves are also guilty of this malaise. Some few months agog many Nigerians were shocked when a former Chairman of the Nigerian Ports Authority with others (among whom is the Managing Director) were alleged to have illegally awarded contracts worth N100bn without due process by the Economic and Financial Crimes Commission (EFCC) (Ketefe, 2008). Many other public enterprises are also worse in this regard. There is also the issue of some of the employees who see public institutions as a whole as Government business and as such become lackadaisical in their approaches to work, thereby not putting a fair days job for a fair days pay. All these have been the case with Nigerian public enterprises, which make them to be ineffective.

THE LEGAL ENVIRONMENT

The legal environment has to do with the various laws, rules, regulations and procedures, under which public enterprises operate. It is a fact that no organization can function or be expected to achieve its set objectives efficiently and effectively without adherence to procedures, rules and regulations. However, Public enterprises in Nigeria are infested with various procedures and rules not only from the Government but also from their supposedly supervisory Ministries. For example, the Power Holding Company of Nigeria (PHCN) is a public enterprise in Nigeria but it is still affected by rules and regulations from Government and the controlling Ministry – The Ministry of Mines and power. Similarly, the same is the case with the NNPC. These have grave implications for a free public enterprise. The point is that these enterprises are not usually free to render services as deemed fit as they must always adhere to laid down rules and procedures not good enough for initiatives and innovations and since the management may not want to step on the toes of the political leaders or Government that appointed them, they would not hesitate to comply. As Tonwe (2008:217) puts it: Strict adherence to procedures, rules and regulations or their mindless application is

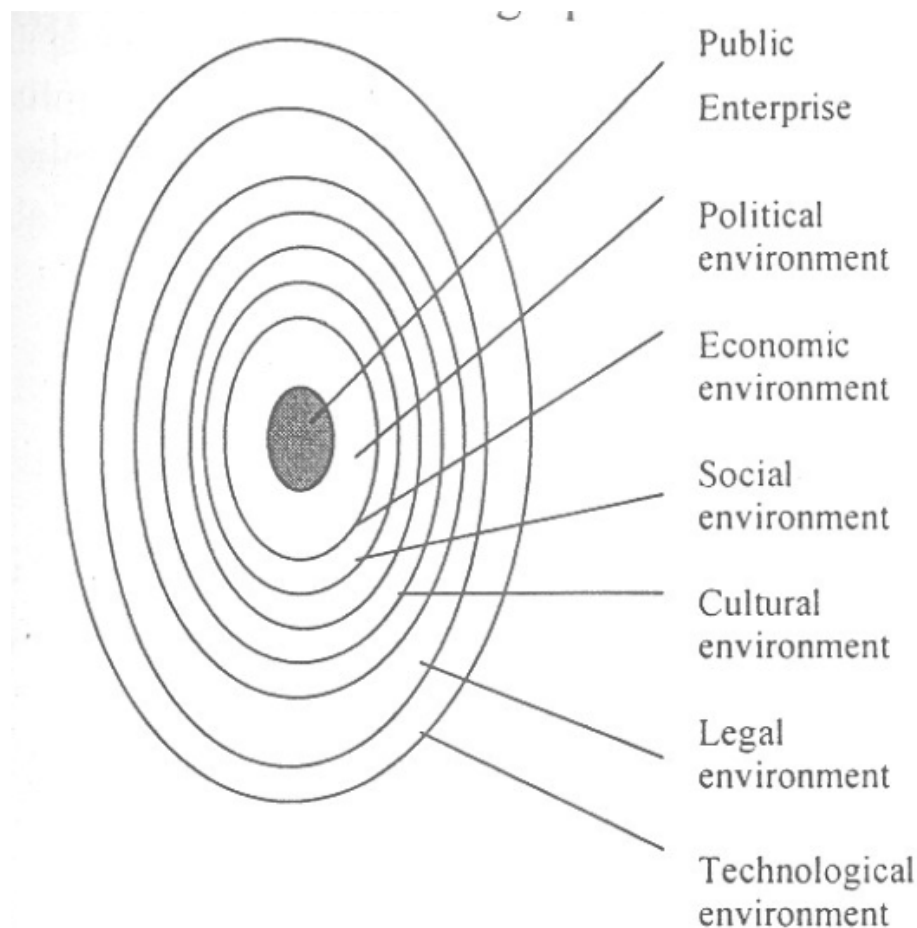
bound to stifle initiative, innovation and discourage the taking of risk, especially in the face of new and trying challenges. Thus the many rules and procedures which public enterprises are made to face in Nigeria are not in the interest of effectiveness and efficiency.

THE TECHNOLOGICAL ENVIRONMENT

In this environment, the concern is with new and modern techniques, ideas, knowledge etc acquired or available for use in public enterprises in carrying out their tasks. Technological needs are a general problem in Developing countries. As Adamolekun (1983:215) puts it, significant progress has been recorded in many industrialized countries...through the use of modern management techniques, including the application of computers and automatic data processing in public administration. The essence of modern techniques cannot be wished away in terms of efficiency and effectiveness. Indeed, as pointed out by Adamolekun (ibid) again, the public sector organizations in the industrialized (developed) countries are more economical and efficient than those in the developing countries mainly because of their technological 'advancement. In most of the developing countries old and obsolete equipment remains the order of the day. Nigeria is still very poor in technological advancement. For example, while there is a desire for computers to dominate administrative duties in most developed countries, the use of typewriters is still dominant in Nigeria. Similarly, there are modern electric equipment, including tractors used for electricity supplies and maintenance in advanced countries but manual and obsolete equipment still largely hinder electricity supply in Nigeria. The point being made, is that for public enterprises in Nigeria to perform their duties efficiently and effectively, especially in the context of an explosion in scientific and technical knowledge, they have to be equipped with adequate and up-to-date knowledge as well as relevant and appropriate skills and techniques (Adamolekun, 1983:176).

THE PHYSICAL ENVIRONMENT

The physical environment is one environment that has been ignored; yet it is a very significant environment. It includes those physical structures or infrastructure facilities available for the use of officials who work in the public enterprises. For example, offices that are conducive (with the wherewithal), amenities such as adequate Water supply, uninterrupted electricity supply, good toilets, effective communication systems, access roads, and recreational centers among others that can aid performances. This environment can hinder efficiency and effectiveness if inadequate or non-existent. In Nigeria these physical structures or facilities are either grossly inadequate or completely absent and this makes performance boring. They are usually riot motivating or encouraging. For example, electricity has been in short supply over the years in Nigeria and where there is an alternative, the cost of procurement and maintenance are too high. Physical environment, no doubt affects efficiency and effectiveness.



NB: The dark circle represents public enterprises and the eccentric circles represents the various environments in which they are embedded as discussed above.

CONCLUDING REMARKS AND SUGGESTIONS

The essence of public enterprises anywhere in the world cannot be over emphasized. Most of this I have earlier enumerated. For instance, public enterprises are created in both developed and developing countries to address market shortfalls, promote economic development and industrialization, reduce mass unemployment and/or ensure national control over the overall direction of the economy. By providing capital and technology to strategic areas where the private sector either shied away from or lacked the capacity to invest, the Governments of these countries have helped to increase capital formation, produce essential goods and services at low costs, create employment opportunities and generally contribute to the economic development of their nation

(Khan, 2005). Nigeria is not an exemption in this regard. However, the major area of concern is the inefficiency and ineffectiveness of these enterprises and the assumption that privatization and commercialization are the only solution to poorly performing public enterprises and that private organizations are always efficient and effective. Obviously this cannot be true in all cases. The fact remains that private organizations or companies also can only thrive under environments that are conducive. As Igbuzor (2003) puts it, "any keen observer of the Nigerian environment knows that these conditions (environments that are conducive) are completely absent". The Nigerian Government should therefore learn to look inwards and create the .enabling environment for public enterprises to thrive and produce positive results. For instance, a critical issue that should be addressed is the relationship between the public enterprises on one hand and the Government on the other (Laleye, 2002). Such relationships should be devoid of political sentiments and selfish interests. It is for this reason that I suggest a Memorandum of Understanding (MOU) and a legislation to back it up in which case there will be greater autonomy for the enterprises and a limit to Government control over them. For example, Government should limit itself to the appointment of the board of directors and allow the board to appoint the Managing Director, Chief executive or General Manager as the case may be and other officers who will work with the board after setting annual targets for them with take - off grants for a smooth take - off. The MOU should reflect Government's sincerity in attaining set goals. Beyond this, many of the employees in these enterprises see them as avenues to pursue personal and selfish interests rather than public or organizational interests. The funny belief here is that Government will always help its parastatals to pay salaries to its workers whether they break even or not. This must also be made clear in the MOU that remunerations can only be made possible from profits made by the enterprises, which will call for all hands to be on deck. One other issue that the public enterprises themselves should address if they want to survive is that of service delivery. The problem with most public enterprises in Nigeria if not all is that of poor service delivery. As a result, the expected support or cooperation from the populace dwindles. For

example, the poor services of the Power Holding of Nigeria (PHCN) have resulted in the uncooperative attitudes of many Nigerians towards them in terms of payment of electricity bills and the destruction or outright stealing of their equipment. PHCN is not the only one in this regard but it is a typical case in point. The MOU must also spell out the need for service delivery as part of the set goals of the Government. Similarly, Government should encourage the enterprises to be transparent and accountable to the people through their representatives. To this end, the MOU must entail disciplinary measures and /or sanctions for any board and management that fail to meet set targets. If these are applied in the Nigerian case, there is no doubt that her public enterprises will be formidable and the furore about privatization and commercialization will be reduced.

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**AFRICA'S PUBLIC SERVICE DELIVERY
AND PERFORMANCE REVIEW**



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AGENCIFICATION OF PUBLIC SERVICE DELIVERY IN DEVELOPING SOCIETIES: EXPERIENCES OF PAKISTAN AND TANZANIA AGENCY MODELS

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Abstract

Agencification is not a new phenomenon in the public sector. However, since 1980s in developing societies, not only the number of new agencies has gone up but, the existing agencies have also been revitalized under the rubric of New Public Management capsulated in World Bank/IMF's guided governance and administrative reforms. These agencies have been created in an administrative system which has weak political institutions but well entrenched bureaucracy with strong colonial bureaucratic traditions such as centralization of power exercised by a class of senior bureaucrats occupying top positions in federal ministries. The article examines agencification in developing countries with particular reference to Pakistan and Tanzania agency model. It noted that agencification in developing countries was rarely, if ever, pursued within a systemic conceptual and legal framework, but agencies are often seen as an alternative to already existing state-owned companies which are plagued with corruption. The article therefore draws some observations and remedial actions for improvement in the performance of public sector organisations in developing countries in general and Africa in particular. It concludes that while most government ministries in developing societies cannot trigger public sector transformation due to a lack of performance improvement, agencies are unlikely to do so because of the particular autonomy of the administrative systems in which they are embedded.

Introduction

Since independence, most civil service reforms in Sub-Saharan Africa have failed. Effective regulation and public service delivery hardly exist in many countries in the continent (Michael, 2011:3). During the last couple of decades, public administration has experienced a shift in the balance between bureaucratic autonomy and bureaucratic integration, marked by 'agencification' (Thynne 2003:323). Agencification has signified a transfer of government activities to agency-type organization vertically specialized outside ministerial departments. Related to the New Public Management (NPM) movement, governments across continents have established agencies at arm's length from ministerial departments in order to take care of certain regulatory and administrative tasks (Pollitt, et al, 2004:2; Verhoest, Peter, Bouckaert and Verschuere, 2004:104).

Agencification is not a new phenomenon in the public sector. Agencification is in fashion, but it seems to have increased in recent years (Wettenhall, 2005:64). It is an international trend, but studied mostly through case studies (Sandra, 2009:3). Historically, there have been different reasons for emergence of autonomous public sector organizations in different countries during different time periods, besides government intervention in the market to promote social and welfare services (Rizwan and Jadoon, 2010:6). Agencification process carried out particularly after 1980 lays its origin in public sector reform carried out under the policy guidance of the World Bank. It is based on a quite simple idea. Just like other modern public management reforms — decentralization, contracting-out arrangements, and management by results — it rests on the classical distinction between policy formation and policy implementation (Aisha and Muhammad, 2010:3). The idea according to Aisha and Muhammad (2010:7) is that policy formation should be handled by slimmed and trimmed 'core executives', while policy implementation should be carried out by professional executive agencies with

considerable managerial freedom and an extensive duty to report to the core the results of their performances.

Although the idea of creating semi-autonomous public organizations is not very new in the public administration, the extent of the current agencification programme has attained what has been called a global 'agency fever' (Pollitt, Talbot, Caulfield and Smullen, 2004:74; Talbot, 2000:9). Agencification is a core element of the NPM administrative doctrine. The NPM reform is radically changing the traditional ways of delivering public services. In many countries, the tendency of providing public services through centrally commanded public bureaucracies is being abandoned in favour of semi-autonomous public organizations. There is no doubt that these NPM ideas are the bedrock of the agencification movement internationally. The creation of executive agencies is meant to solve the problems of poor performance of the traditional public bureaucracies. As observed by Maor (1999:9), agencification allows separation of policy making from its implementations and it thus enable the government to concentrate on big issues such as policy formulation and strategic direction while the tasks of implementing these policies are delegated to designated executive agencies. One assumption for creating agencies is that public polices can best be implemented in 'zones' where there is less politics and more managerialism.

The main objective of this article is to understand the agencification of public sector management in developing societies by examining agencification in Pakistan and Tanzania public services. Apart from the introductory aspect, the article is pigeon-hole into six compartments. In the first segment the article gives a detailed definitions and meanings of agencification. The second segment explains the nature and character of agencification in developing societies. In the third and fourth sections, the article review agencification programmes in Pakistan and Tanzania respectively. The fifth section draws observations from agencification programmes in both countries and proffers

some remedial actions for public sector reform in Africa, while the last aspect is the concluding remarks.

Conceptual and Theoretical Explanations

The lack of a uniform definition complicates research into agencification, both within and between countries (Ekelund, 2010:56). Although the omnipresence of agencies is evident, most research emphasizes the differences (divergence) rather than the similarities (convergence) between them. Or, as Pollitt, et al (2004:202) put it, "there is much discursive and decisional convergence, but divergence when it comes to practices and results. Research into agencification is often "based on impressionistic rather than systematic methods of analysis" (Pollitt, et al 2004:489).

To understand what agencification really means an analytical framework is needed. It allows a closer look at what agencification really means. When discussing changes in the status of public sector organisations, the usual vocabulary contains words such as commercialisation, corporatisation and privatisation. While these terms are very useful in distinguishing various types of changes, they are not sufficiently nuanced to capture all intricacies of change in the status of public organisations (Miroslav, 2002:123). Though agencification is a universal phenomenon, its dynamics vary from country to country due to different institutional context. There are a variety of perspectives dealing with public institutions (Rizwan and Jadoon, 2010:4).

Agencification is the process of creating semi-autonomous public organization (thereafter- execute agencies). In many cases this is done by splitting up ministries or major departments into corporate units with specialised tasks and resources. Executive agencies may also be created by merging different units in the department, but they can also be created by establishing a new unit within the ministry. Different instruments such as legislation, executive order, decree or constitutional requirement are some of the means by which agencies are created (Thyne, 2003:319; Wettenhall, 2004:616). Van

Donge (2002:315) sees it as "the conversion of government departments, which previously operated in a hierarchical chain responsible to democratically elected authorities, into semi-autonomous contracting units (agencies)". It has been argued that the establishment of agencies is part of a paradigm shift in public management, often referred to as New Public Management (NPM), which is characterised by ideas of "lessening or removing differences, between the public and the private sector" (Hood, 1995:94), and by "delegation of managerial and institutional autonomy in a variety of decentralized forms" (Minogue, 2002:653).

Agencification in transition countries usually means the creation of new autonomous bodies for new functions or a significant increase in the autonomy of existing legally separate bodies either on an individual or a collective basis (Miroslav, 2002:127). Agencification is thus believed to have all the benefits of specialization and de-politicization (Christensen & Laegreid, 2007:32). Therefore, it needs to be repeated that agencification concerns only changes for organisation, which remain within the wider public sector of central and state governments.

Agencification has several aims, which includes: increased efficiency, strengthened and clarified responsibility and accountability lines, a more encouraged and professional administration, and a more service oriented administration placed closer to citizens (OECD 2005:108). Another important aim is to strengthen the politicians' ability to steer the administration. Agencification will, it is argued, allow for politicians to steer both more and less. By hiving off 'smaller', recurrent and technical matters into executive agencies (and thereby steer less) politicians will have more time for 'big' and 'important' matters (and thereby steer more).

Agency theory has influenced many academic disciplines: economics, management, political science and sociology. According to Eisenhardt (1989:5), it focuses upon the

agency relationship in which one actor (the principal) delegates work to another actor (the agent), who performs that work.

Agencification relates to the Agency Theory that centres on three elements. These according to Pollitt, et al, (2004:17) include:

- Structural Separation and/or the creation of task specific' organizations;
- Managerial Autonomy in making decisions concerning personnel and financial management through target setting, monitoring and reporting;
- Managerial Accountability over personnel, finance and other management matters.

The agency theory also focuses upon the agency relationship in which one actor (the principal) delegates work to another actor (the agent), who performs that work (Christensen & Laegreid, 2001:134).

The agency model as noted by Bouckaert and Peters (2001:4), introduces a horizontal and vertical structural separation within or across organizations. Structural separation involves the splitting up of larger bodies into a "parent" body and various subordinate agencies. The vertical changes tend to create more autonomous agencies while horizontal specialization based on the principle of single purpose organization makes less independent organizational unit to deal only with such functions as ownership, regulation, purchasing, and provision.

The article is guided by assumptions derived from agencification theory holding that there is structurally disaggregation of the agency from the government and that the agency operates under more businesslike conditions than the government bureaucracy.

Agencification in Developing Societies: Maintenance or Modernisation?

Agencification in Sub-Saharan African countries is in many respects similar to experiences in Western Europe (Minogue, Polidano and Hume, 1998:42). This can be

attributed to both the colonial heritage of most developing countries and the important role of international (western) donor organizations like the World Bank. Differences in the strategies between Francophone and Anglophone countries can almost directly be related to former colonial powers in these countries. For example, the Tanzanian agency model is largely copied from the Next Steps Agencies model in the United Kingdom (Sulle, 2008:7). That would imply that developing countries could be categorized in the same trajectory as their former ruler; Tanzania would for example be listed in the group of marketizers. However, there are also important differences. Agencies are not a new phenomenon in most developing countries. Not only were many agencies created during colonial occupation, but agencies are often seen as an alternative to already existing state-owned companies which are plagued with corruption. African governments have a hard time balancing the requirements of international donor organizations like the World Bank (that stress the necessity for a well performing, efficient and modern public sector) against the needs of the population (who want basic services like water, healthcare and infrastructure) (Rizwan and Jadoon, 2010:6).

Agencification in developing countries was rarely, if ever, pursued within a systemic conceptual and legal framework. The latter would set out in advancing the goals, the instruments, their relationships and the timetable across the board. Due to the low quality and capacity in public administration and the political classes, agencification usually occurred as a quick sectoral fix. The result is often paradoxical. On one hand, the legal, accountability and financial framework for autonomous agencies are patchy and are often taken over by specific solutions and exceptions. This very often creates unexpected results, perverse incentives and negative consequences. On the other hand, there has rarely been substantial institutional innovation and creation of complex new institutional frameworks. This paradox is due to the sectoral, quick-fix nature of agencification. When institutional innovation is undertaken, it is frequently exercised by use of institutional transplants from other countries, most often in the context of foreign advice or aid. The problem plaguing such solutions is that when institutional

transplant is imported, other elements setting up its legal, accountability and financial framework are often lacking (e.g. activity-based budgeting, financial control and audit mechanisms, general accountability mechanisms for executives within the civil service rules) (Miroslav, 2002:124).

A common misconception is that quasi-autonomous agencies are a recent invention. In fact it would be more accurate to call them a reinvention. What regulatory reforms have done is to change the role of traditional inspectorates and agencies. Agencies are rarely new in any absolute sense but are usually combinations of parts of or entire existing administrative bodies (Franklin, 2000:8). The developing countries in Africa display a slightly mixed picture when it comes to patterns of agencification. There are strong pressures to modernize the public sector and in fact there is often an inherited tradition of agencification (although not as longstanding as in for example the Nordic countries). However, developing governments themselves seem keen on building more state capacity, which is for example reflected in the programmatic approach when it comes to agencification. Both characteristics are shared with other modernizers, but it should be noted that developing countries may prefer the aforementioned second generation of reforms (like whole-of-government) more than the initial NPM reforms that were implemented in the 1980s.

An Overview of Agencification in Pakistan

Pakistan inherited an imbalanced power structure from British India when it became an independent state in 1947. Like many other developing countries, agencification is not a new phenomenon in Pakistan. However, since 1980s, not only the number of new agencies has gone up but, the existing agencies have also been revitalized under the rubric of NPM capsulated in World Bank/IMF's guided governance and administrative reforms. These agencies have been created in an administrative system which has weak political institutions but well entrenched bureaucracy with strong colonial bureaucratic

traditions such as centralization of power exercised by a class of senior bureaucrats occupying top positions in federal ministries. Theoretically, creation of autonomous agencies led by professional managers is an idea antithetical to colonial bureaucratic system of Pakistan (Pollitt, et al, 2004).

Historically, Pakistan has been pragmatic in terms of its policy regarding the role of public sector vis-a-vis private sector except five years (1972-1977) under the premiership of Late Zulfikar Ali Bhutto, when massive nationalization was carried out under the so-called "Islamic Socialism." After Bhutto was overthrown by Late General Zia-ul-Haq in 1977, the process of denationalization was initiated and during his regime Pakistan joined the IMF's Structural Adjustment Program in early 1980s. It also became one of the major recipients of World Bank's loans. The public sector reforms process which was started in 1980s under Structural Adjustment Facility of IMF sustained, despite political upheavals and instability in Islamabad which led to direct military rule under Pervaiz Musharaf, after a decade of fragile but civilian rule of Benazir Bhutto and Nawaz Sharif. Thus, liberalization, deregulation, and privatization are policy components of public sector reform which Musharaf regime inherited from his successors. The same policy continues under current civilian regime as a result of elections in 2008 (Aisha and Muhammed, 2010:7).

Pakistan inherited a colonial bureaucratic structure of administration after its independence. In 1970, the Securities and Exchange Authority, a semi-autonomous body was created by the government with the task of drafting upgraded rules for financial reporting purpose (Ashraf & Ghani, 2005:189). The Pakistan people's party took over the reign in 1971, after Z. A. Bhutto took oath as the Prime Minister of the country. There was a major policy shift, under which the government decided to control the commanding height of economy through market intervention. As a result, in early 1972, Bhutto Government carried out a number of reforms in the industrial sector. He nationalized ten categories of major industries. In mid-1977 military took over and

denationalized many industries. For this purpose a National Disinvestment Authority was established in 1988. The process of denationalization and deregulation was initiated in 1980s, after the state realized how inefficient the SOE's were (Akhtar, 1998:65). Musharaf overthrew Nawaz's government and started off with political decentralization. It was a period of privatization, economic liberalization and re-regulatory policies. The prime objective was to encourage foreign companies to come and invest, as well as to attract the local players in the private sector. In the wake of massive privatization, independent regulatory authorities were created in various sectors to protect the interests of the citizens using the public services (Hussain, 2005:1023). These entities were to be manned with specialists; experts in their respective sectors. Another justification for the regulatory concept was to separate government's roles of policy making and regulation.

In the face of the prevailing scenario, the Asian Development Bank (ADB), under the capital market regulation reforms, formed the Securities and Exchange Commission of Pakistan (SECP) in 1999, to monitor the activities of corporate and capital markets and all associated players. SECP replaced the Corporate Law authority (CLA), a department attached with the Ministry of Finance since 1981. CLA was not an autonomous body, and was not capable to regulate the financial sector. It had a typical bureaucratic structure, lacking in transparency and authenticity. The rapid expansion of the market during the early 1990s further highlighted the need for the establishment of an independent regulatory body with full operational and administrative autonomy.

One of the major reasons to create an autonomous body outside the ministerial control in Pakistan was to overcome issues of corruption and complaints existing in the previous set up of Corporate Law Authority. From Pakistan Electric Power Supply (PEPCO) representative's point of view, the purpose was to prepare the distribution companies for ultimate privatization and to build in, best business practices. The restructuring agenda of (Water and Power Development Authority, WAPDA).

WAPDA's Power Wing was based on the new strategic policies of the Government of Pakistan approved and supported by the lending institutions. The objective behind this transition was to inculcate a corporate and industry culture by adopting good business practices, increasing productive efficiency, including customer orientation and service culture, improving quality of services, setting performance targets, curtailing costs, theft and wastage (<http://www.pepco.gov.pk/>). PEPCO was assigned the power to revamp and instil a commercially oriented corporate culture based on efficiency, economy, responsibility and accountability within the power distribution companies created as a result of the process of agencification in the power sector.

Another Industry in Pakistan, where restructuring of organizations was realized years ago is the energy sector. The government apprehended that efficiency in power generation could be achieved through private sector involvement. As a result of the strategic policies of the GoP, approved and supported by the donor organizations, Water and Power Development Authority's (WAPDA) Power Wing was unbundled into generation, transmission and distribution companies. This task was assigned to Pakistan Electric Power Company Private Limited (PEPCO), an autonomous management company within WAPDA (Norma, 1990:32).

Oil and gas regulatory authority (OGRA) and National Electric Power Regulatory authority (NEPRA) are two major autonomous regulatory bodies created to introduce transparent and judicious economic regulation of the power sector and to enhance the oil and gas sector. NEPRA was formed to improve the provision of electric power services to the citizens. It is also aimed at safeguarding the interests of the investors and operators, as well as to create a competitive environment (www.nepa.org.pk).

Agencification process carried out particularly after 1980 lays its origin in public sector reform carried out under the policy guidance of the World Bank. As for Pakistan there

was an international pressure, due to which such public sector agencies were created on similar lines as the rest of the world.

Agencification in Tanzania: An Evaluation

In Tanzania, agencification represents a new approach to public sector management and as 'new phenomenon' questions about the motives for their creation and the consequences of their creation in the Tanzania's public sector are likely to rise. Tanzanian government has embraced the agency idea and a number of agencies have been created. Executive agencies are becoming important government machinery in the delivery of public services. They are detached from their parent ministries and their tasks are as diverse as the policy field in which they operate. At independence in 1961 and the years that followed until the early 1980s, public sector in Tanzania was regarded as an engine of economic growth and development (Sulle, 2008:21). This position was further reiterated by the Arusha Declaration in 1967 when major means of productions was nationalised and put in the hand of the state. Under Socialism public sector acted as both producer and supplier of public goods and services. As a result it expanded in both the size and its scope. For instance the number of civil servants grew from 89, 745 in 1961 to 354,612 in 1998 (Askim, 2007:10).

In an attempt to reverse the trend and to reinvigorate public sector performance, the government launched a Civil Service Reform Programme (CSRP) in 1991. The major aim of this reform was to have a smaller, affordable, efficient and well compensated civil service (Batley, 2004:8). This was an attempt to overhaul civil service management systems, practice and performance culture so as to have a meritocratic and a well performing public service. In 1993, after two years of reform, the government realised that these earlier reform measures were inadequate to address the deep-rooted problems of public sector. With support from the World Bank the government embarked on a more comprehensive reform titled Organisational and Efficiency Review

Programme (Maor, 1999:14). Obviously the idea of creating agencies in Tanzania came out of Organisation and Efficiency review team. One of the tasks of the team was to review and recommend areas where some functions of the government could be hived-off. In fact before completing their review work in 1996 members of the review team went to the United Kingdom for a study tour to visit and learn how public sector was being reformed, particularly the Next Agency Programme (OECD, 2002:8). On their return to Tanzania the idea of agency was hastily conceived and implemented.

In October 1997 the President of the United Republic of Tanzania assented to the Bill and it thus became The Executive Act No. 30 of 1997 The Executive Agency Act is an umbrella Act which allows every ministry to create and execute agencies if conditions for doing so existed in their ministries. According to the Act an executive can only be created if it will improve the efficiency, quality and delivery of public service. The Act also provides framework within which issues relating to responsibilities, accountabilities and governance within the agencies and between agencies and their parent ministries can be handled (Sulle, 2008:5).

In the context of the Tanzanian public administration the design of the agency model is seen as organisational solution to the problems of bureaucratic inefficiency. It is designed to address the chronic problems of inflexibility and re-tape in public sector by allowing more managerial autonomy to CEOs (PO-PSM, 2004:11).

There are at least four types of agencies in Tanzania that can be identified according to their functions. This is, however, a crude classification because functions of public organizations do tend to overlap in Tanzania. These according to Sulle (2008:7) include:

- a) Regulatory agencies: (Tanzania Civil Aviation Authority, Occupational Safety and Health Agency, Weight and Measures Agency, Tanzania Food and Drug Agency).

- b) General Service agencies. These provides services to Business , Government ministries and the general public (Tanzania Airport Authority, Tanzania Meteorology Agency, National Bureau of Statistics, Government Chemist Laboratory, Geological Survey of Tanzania, Business Registration and Licensing Agency, Registration Insolvency and Trustee agency , National Tree Seeds agency and Agricultural Seed Agency, and Tanzania Electrical , Mechanical and Electronics Services agency).
- c) Government programme agencies. These implements specific government programmes (Drilling and Dam Construction Agency, Tanzania National Road Agency, The Government Flight Agency).
- d) Training and Research agencies (Tanzania Public service college , The agency for Development of Education , National Housing and Building research agency, East African Statistical Training Centre, Tanzania Institute for Accountancy and the National college of Tourism. (PSRP report 2006:6)

Since 1999 when the first 7 agencies were launched, their number has increased to 24 executive agencies by 2008; although one agency – the Tanzania Civil Aviation Authority (TCAA) has since 2003, changed its status to that of a regulatory autonomous public body. In Tanzania regulatory authorise are more autonomous than executive agencies and they have their own separate legal personality.

Figure 1: Executive Agencies landscape in Tanzania as of 2008

Figure 1: Executive Agencies landscape in Tanzania as of 2008

S/N	Agency name	Parent ministry	Date launched
1	Business Registration and Licensing Agency (BRELA)	Trade and Industries	1999
2	Drilling and Dam Construction Agency (DDCA)	Water and Irrigation	1999
3	Government Chemistry Laboratory (GCL)	Health and Social welfare	1999
4	National Bureau of statistics(NBS)	Finance and Planning	1999
5	Tanzania Airport Authority	Infrastructure Development	1999
6	Tanzania Civil Aviation Authority (TCAA)	Infrastructure Development	1999
7	Tanzania meteorological agency (TMA)	Infrastructure and Development	1999

8	Tanzania National Roads Agency (TANROADS)	Infrastructure Development	2000
9	Tanzania Public Service College (TPSC)	President Office, Public Service Management	2000
10	Agency for Development of Educational Management (ADEM)	Education and Vocational Training	2001
11	National Housing and Building Research agency (NHBRA)	Land and Human Settlements	2001
12	Occupational Safety and Health agency (OSHA)	Labour, Employment and Youth	2001
13	East Africa Statistical Training Centre (EASTC)	Finance and Panning	2002
14	Tanzania Building Agency (TBA)	Infrastructure Development	2002
15	Tanzania Government Flight (TGF)	Infrastructure Development	2002
16	Weights and Measures agency (WMA)	Trade and Industries	2002
17	Tanzania Tree seeds agency (TTSA)	Natural resources and Tourism	2003
18	Tanzania Institute of Accountancy	Finance AND Planning	2003
19	Tanzania Food and Drugs Authority (TFDA)	Health and Social Welfare	2003
20	National college of Tourism(NCT)	Natural Resources and Tourism	2003
21	Tanzania Electrical, Mechanical and Electronic services Agency (TEMESA)	Infrastructure Development	2006
22	Registration, Insolvency and Trusteeship Agency (RITA)	Justice and Constitutional Affairs	2006
23	Agricultural Seeds Agency (ASA)	Agriculture and Cooperatives	2006
24	Geology Society of Tanzania (GST)	Energy and Mineral	2006

Source: Adapted from Aisha and Muhammad, 2010:7

Source: Adapted from Aisha and Muhammad, 2010:7

The autonomy of agencies in Tanzania is, in some sense, further enhancing by the fact that all agencies have their own Strategic and Business Plans that guides their performance. These plans contain key performance objectives indicators that define agencies performance mandates. The plans are developed by the agencies themselves but they are endorsed by their respective Ministerial Advisory Boards before they are sent to the parent ministry for approval. The need for prior approval by the parent ministries is important here because this may represent an alternative way for the parent ministry to establish performance objectives and targets for agencies. After all, the government may not have that capacity to develop the most relevant performance objectives. Agencies are more trusted to play this role because they have been in the fields in which they operate; they therefore know better what works in the ground (Sulle, 2008:3).

An analysis of the formal tools for controlling agencies in Tanzania indicates that the government still has both ex ante and ex post control mechanisms. As noted above, ministries are responsible for controlling public organisations, including executive agencies. Parent ministries are therefore responsible for providing strategic direction and for monitoring the performance of their agencies. Agencies in turn are responsible for providing an account of their performance to their parent ministries. They are required to provide regular performance reports and these reports usually contain both performance and financial reports.

Observations and Lessons for Africa

Having examined agencification programmes in Pakistan and Tanzania. It is crucial at this junction to draw some observations and lessons for African public sector reform.

This study makes a number of observations. First, the article has observed that externally induced factors, especially the role of donors, proved to be critical factor in the adoption of the agencification programme in both countries. The adoption of

agencification reform was not purely a local innovation in response to public administration crisis, but was a result of external pressures where major donors wanted the governments to implement liberal economic policies, including public sector reforms in line with NPM ideas. It is further noted that both institutional factors and the weak capacity of central ministries have constrained the effective management of executive agencies in Pakistan and Tanzania. The study observed that the Tanzanian public sector for instance has neither the administrative capacity nor the political will to implement sophisticated administrative reforms based on the NPM ideology. While the NPM ideas seem to be very important for the management of public services, the public sector in Africa needs to address both institutional and capacity issues if it is to benefit from the NPM reform doctrines. The article recommend that in order to benefit from the NPM ideas, the public sector in Africa needs to develop sound bureaucratic principles that would become the foundation upon which the NPM principles can be progressively embraced and nurtured. Improving technical, managerial and leadership skills of government employees in various ministries is vital if Africa is to benefit from the administrative technology brought forth by the NPM ideas. This effort must further be supported by a strong ownership of reforms and political will. It should be noted that agencification by itself does not, however, guarantee the government of the parsimony in public service delivery (Christensen and Laegreid, 2002:11). To be sure of improved service delivery and to get value for public monies the government has to engage in monitoring and evaluating the performance of agencies. There is a need for consistency in the creation of an agency.

There is a particular need for a robust system of financing. It is easy for part of the public sector to get lost in the enormous fiscal pressures developing countries have been facing. If an agency is at arm's-length with the government, the likelihood that it will be ignored so that the reconciliation of pressures will be done at its expense is significant. The exception here is if the basis of financing is robust and immune to immediate pressures; n other words, unless certain conditions are met, agencies can be destroyed by their own

autonomy. Autonomy for an agency is meaningful if a clear formal or informal contract can be written between politicians as repository of a public mandate and an agency. In other words, it should not be an agency's mission to decide what its mandate is. To create an agency for a given area without a clear set of goals just to get rid of a thorny political issue is a recipe for problems. However, accountability is the ex post mechanism to guarantee efficiency, effectiveness and quality. The ex ante mechanism is the process of management/board selection. Anecdotal evidence suggests that the quality of the process for making that choice has significant consequences for the functioning of a public organisation, possibly even more significant than in more stabilised environments.

Conclusion

Agencification can be considered as a good move intended to address the inadequacies in service delivery in the public sector organisations. This article has attempted to describe agencification programmes in Pakistan and Tanzania. Key agencies features are examined and related to the current public sector reforms under the tutelage of NPM ideas. It is noted that the formal agency models in both countries exhibit similar characteristics features related to those propagated by the NPM reforms. Agencies are semi-autonomous public organizations that managed at arm's length from their parent ministries. They are task specific units with performance accountability. They are formally controlled on the basis of performance results. The way they are steered and controlled contrasts the traditional ways of managing public sector. One of the issue that warrant further research is to what extent this formal agency model works on the ground (the formal vs actual practice for individual agencies) and whether executive agencies have improved the public service delivery and lessons for Africa.

The findings of this study adds testament to Pollit's assertion, "Agencification was rarely, if ever, pursued within a systemic conceptual and legal framework. It usually

occurred as a quick sectoral fix." The case in which Africa initially became worse off and still remains one of the poorest countries in the world despite undertaking the reforms is a testimony that modernization does not proceed in a single line with those who are ahead teaching those who are behind how to follow by installing standard and reliable gadgets that will fix some set of universal problems. Such an approach resulted in an abundance of specific solutions and exceptions, very often creating unexpected results, perverse incentives and negative consequences, but very little substantial institutional innovation and creation of complex new institutional frameworks. When institutional innovation is undertaken, it is frequently exercised by the use of institutional transplants from other countries, most often in the context of foreign advice or aid. The problem plaguing such solutions is that when institutional transplant is imported, other elements creating its legal, accountability and financial framework are often lacking. Surprisingly enough, transition has been marked by an excessive faith in institutional solutions, where many policy-makers and observers confused institutional reform with a reform of the system.

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